

勁方醫藥科技(上海)股份有限公司 GenFleet Therapeutics (Shanghai) Inc.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 2595



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Qiang LU (Chairperson)

Dr. Jiong LAN

Ms. ZHANG Wei (張巍)

Non-executive Director

Mr. ZHU Jingyang (朱競陽)

Ms. TAO Sha (陶莎)

Independent non-executive Directors

Ms. Christine Shaohua LU-WONG (盧韶華)

Dr. ZHOU Demin (周德敏)

Mr. LI Bo (李波)

SUPERVISORS

Mr. XUE Mengjun (薛孟軍)

Mr. LIN Chonglan (林崇懶)

Ms. MA Rui (馬睿)

AUDIT COMMITTEE

Ms. Christine Shaohua LU-WONG (盧韶華)

(Chairperson)

Mr. ZHU Jingyang (朱競陽)

Dr. ZHOU Demin (周德敏)

REMUNERATION COMMITTEE

Mr. LI Bo (李波) (Chairperson)

Dr. Jiong LAN

Dr. ZHOU Demin (周德敏)

NOMINATION COMMITTEE

Dr. Qiang LU (Chairperson)

Ms. Christine Shaohua LU-WONG (盧韶華)

Mr. LI Bo (李波)

JOINT COMPANY SECRETARIES

Ms. ZHANG Wei (張巍)

Mr. NG Tung Ching Raphael (吳東澄)

AUTHORISED REPRESENTATIVES

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Mr. NG Tung Ching Raphael (吳東澄)

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STOCK CODE

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Management Discussion and Analysis

BUSINESS REVIEW

We are a biopharmaceutical company based in China focusing on bringing new and effective treatment options in the fields of oncology, autoimmune and inflammatory diseases to uphold our mission of addressing unmet medical needs around the globe. We adhere to an innovative development strategy, with a vision to propel ourselves with the advancement of science and technology to build a globally competitive biopharmaceutical company. We have established and leveraged a proven, integrated research and development platform spanning target discovery, molecular discovery and evaluation, translational science and clinical development, as well as key CMC aspects including formulation research, process development and quality analysis. Our technological capabilities include discovery of new molecular entities, novel molecular modalities, investigation of molecular process routes and quality standards, as well as exploration of differentiated clinical development strategy and pathway. Combining these internally accumulated capabilities and external resources of our collaborators and service providers, we have rendered our pipeline products among the frontrunners in both China and the global market, resulting in potentially significant market opportunities and commercial value.

Our Products and Product Pipeline

Inspired by scientific advancements and driven by our in-depth research and development capabilities, we had established an evolving product pipeline consisting of eight product candidates, with seven under clinical development, as of the Latest Practicable Date.

A substantial part of our pipeline programs revolves around therapies targeting RAS family members, which are key regulators during cellular signaling transduction to stimulate or silence downstream proteins to effectuate regulation on cell growth, differentiation and survival. In particular, our in-house discovered new drug product and one of our Core Products, GFH925 (fulzerasib, marketed under the brand name Dupert®), has been approved for commercialization in China for the treatment of advanced non-small cell lung cancer ("NSCLC"). Another Core Product of ours, GFH375, is one of the most advanced orally bioavailable inhibitors of KRAS G12D in terms of development status as of the Latest Practicable Date. In addition to RAS, we also explore treatment options for autoimmune and inflammatory diseases, including our product candidate GFH312, and other cancer-related therapies. In total, we possessed 71 issued patents and 112 patent applications (including 8 PCT applications), of which 12 issued patents and 59 patent applications (including 2 PCT applications) are related to our Core Products, as of the Latest Practicable Date, which collectively cover key inventions undergirding our product pipeline.

We view our pipeline programs as competitive, innovative and market oriented, and believe that this diverse range of pipeline products reflects our commitment to innovation and addressing various medical needs through advanced therapeutic approaches.



The following chart summarizes the development status of our drug candidates as of Latest Practicable Date.

Core Products

NSCLC: non-small cell lung cancer

PAD: peripheral artery disease

ADC: antibody drug conjugate

CRC: colorectal cancer

IC: intermittent claudication

PDAC: pancreatic ductal adenocarcinoma

AML: acute myeloid leukemia PBC: primary biliary cholangitis

Notes:

- (1) Cetuximab used in the clinical trials of GFH925/cetuximab combination was provided by Merck without charge, pursuant to the Merck Agreement. For additional information, please refer to the section named "Business Major Collaboration and Licensing Arrangements Merck Agreement" in the Prospectus. The Merck Agreement only provided for supply of cetuximab used in the EU clinical trials. Cetuximab received regulatory approval for the treatment of patients with EGFR-expressing, RAS wild-type metastatic CRC in the U.S. and EU in 2004. Cetuximab received regulatory approval for the treatment of patients with squamous cell cancer of the head and neck in the U.S. in 2006 and EU in 2004.
- (2) Phase Ib and II clinical trials of the GFH925/cetuximab combination were conducted in the EU. We plan to apply for a Phase III clinical trial of the GFH925/cetuximab combination in the United States and had a pre-IND meeting with the FDA in February 2025 regarding our planned IND application. We also plan to submit a clinical trial application for a Phase III clinical trial of the GFH925/cetuximab combination in selected member states within the jurisdiction of the EMA.
- (3) We granted Verastem an option to acquire an exclusive license to develop and commercialize GFH375 in territories outside of Greater China within the specified option exercise period. In January 2025, Verastem exercised the option to acquire an exclusive license to develop and commercialize GFH375 in territories outside of Greater China.
- (4) We granted SELLAS an exclusive (even to ourselves), sublicensable and royalty-bearing right and license to develop, manufacture and commercialize GFH009 across all therapeutic and diagnostic uses worldwide outside of Greater China.
- (5) The clinical trial of GFH018 was a single trial with a single protocol conducted at different locations.
- (6) We have completed a Phase I clinical trial for GFH312 in healthy participants in Australia, and we have no plans for subsequent clinical trials in Australia. In July 2022, we submitted an IND application including results of the Phase I clinical trial in Australia to the FDA for a Phase II clinical trial of GFH312 in patients with PAD with IC. The FDA granted our IND application in August 2022, based on the results of the Phase I clinical trial in Australia.

Our RAS-targeting Core Products

(1) GFH925 – a small molecule, selective inhibitor of KRAS G12C in for the treatment of NSCLC and CRC

GFH925, also known as **fulzerasib** and marketed in China under the brand name **Dupert**®, is an in-house discovered, small molecule selective inhibitor of the KRAS G12C protein. It demonstrates substantial activity against KRAS G12C mutant tumors. KRAS is one of the most frequently mutated oncogenes in human cancers, and G12C is a very common mutation in the KRAS gene, accounting for 40% of all KRAS mutations in NSCLC according to Frost & Sullivan. GFH925 is China's first and globally the third KRAS G12C selective inhibitor approved for marketing, having recently obtained (i) the NDA approval from the NMPA as a Class 1 new drug in August 2024 for second or later-line treatment of advanced NSCLC in China, and (ii) approval from ISAF of Macau in July 2025 for the treatment of patients with advanced NSCLC harboring KRAS G12C mutation who have received at least one systemic therapy.

Clinical results of GFH925 as a monotherapy have demonstrated its promising safety and efficacy profile. In China, we oversaw preclinical studies of GFH925 and obtained IND approval from the NMPA in July 2021. The GFH925 monotherapy received two BTDs for treating advanced KRAS G12C-mutant NSCLC and CRC patients from the NMPA in January 2023 and May 2023, respectively. In August 2024, the NMPA approved the NDA for GFH925 for the treatment of NSCLC, making it the first KRAS inhibitor approved in Mainland China and the third globally. In China, during the single arm registrational Phase II clinical trial that supported the NDA approval, GFH925 was generally well tolerated and demonstrated encouraging antitumor activity in NSCLC patients harboring the KRAS G12C mutation.

Further, we are advancing overseas clinical development of GFH925 to unleash its therapeutic potential, including a Phase Ib/II clinical trial for the first-line treatment of advanced NSCLC as a combination therapy with cetuximab, an antibody drug targeting EGFR, in countries within the EMA jurisdiction. Interim results from the Phase Ib/II clinical trial in Europe provide preliminary evidence of the synergetic effect of GFH925 and cetuximab on their combined antitumor efficacy. As of the 2024 ASCO Cut-off Date, in a cohort of 33 patients who received the combination therapy and received at least one post-treatment tumor assessment, the ORR was 81.8% and the DCR was 100%. In addition, the GFH925/cetuximab combination therapy also demonstrated its promising potential in addressing brain metastasis, a common and lethal complication in NSCLC, as the combination therapy led to partial response in seven out of ten patients (70.0%) with brain metastasis.

Updated Phase II data of GFH925's Phase Ib/II clinical trial in Europe was presented at the 2025 European Lung Cancer Conference ("**ELCC**") annual meeting. The combination therapy demonstrated significant efficacy. The post-treatment evaluation revealed that among the 45 patients that were enrolled and received at least one post-treatment tumor assessment, 3 patients achieved complete response; 33 others reached partial response, including one with 100% tumor shrinkage; 57.8% of patients exhibited >50% tumor shrinkage. The ORR reached 80% and the DCR reached 100%. Further, the combination therapy presented a favorable safety/tolerability profile. 34% of enrolled patients had baseline brain metastasis, and the ORR was 71.4% per RECIST 1.1 among brain-metastatic patients who received at least one post-treatment tumor assessment; all non-target lesions of brain-metastatic patients disappeared or remained stable in the course, and brain target lesions of 5 patients exhibited shrinkage.

We anticipate completing the Phase II trial in the fourth quarter of 2025, and plan to leverage the clinical results in Europe to apply for a Phase III clinical trial in the United States and Europe to evaluate the safety and efficacy of the GFH925/cetuximab combination therapy.

Beyond NSCLC, we view GFH925 as potentially a valuable therapeutic option in other challenging cancers, such as advanced CRC. We plan to investigate the safety and efficacy of GFH925 monotherapy as a later-line treatment for refractory metastatic CRC harboring the KRAS G12C mutation in the United States. The FDA approved our IND application for a Phase III clinical trial of GFH925 for a later-line treatment of refractory metastatic CRC as a monotherapy in April 2024.

Both NSCLC and CRC present large addressable markets, and we view GFH925 as well-positioned to capture the considerable market opportunities. Given the current global scarcity of selective inhibitor for KRAS G12C and the prevalence of such mutation in NSCLC and CRC incidences, we anticipate GFH925 to establish a solid footing in the market soon after its commercial launch.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that GFH925 (fulzerasib/Dupert®) will ultimately be successfully developed and marketed by the Company beyond Mainland China and the Macau Special Administrative Region of China. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

(2) GFH375 - an Orally Bioavailable Small Molecule Inhibitor of KRAS G12D

GFH375 is an in-house discovered orally bioavailable, potent and selective small molecule inhibitor targeting both the "on" GTP-bound and "off" GDP-bound states of KRAS protein with G12D mutation. According to Frost & Sullivan, GFH375 was among the most advanced orally bioavailable KRAS G12D inhibitors in the world in terms of development status.

KRAS G12D is the most prevalent oncogenic KRAS variant that lacks approved treatment options. It is found in various cancer types, including approximately 35% of pancreatic cancers, 12% of CRC and 4% of NSCLC. There is significant market opportunity and a substantial addressable patient population for drugs targeting KRAS G12D. However, due to the further impaired GTPase activity of KRAS G12D as compared with KRAS G12C protein keeping KRAS G12D predominantly in the "on" state in tumor cells, the development of selective KRAS G12D inhibitors has faced significant challenges.

We have overcome the technical challenges to discover GFH375, a small molecule inhibitor that targets KRAS G12D in both "on" and "off" states with a low nanomolar-level binding affinity, as demonstrated in our preclinical studies. GFH375 has also demonstrated preclinical antitumor activity in controlling tumor growth in different animal models. As of the Latest Practicable Date, the preliminary clinical data of GFH375 demonstrated good oral bioavailability and anti-tumor activities, with potentially encouraging efficacy in treating multiple tumor types including PDAC and NSCLC. Furthermore, GFH375 differentiates itself from many other product candidates currently under development for KRAS G12D in terms of route of administration. Formulated as a once-daily, orally available treatment instead of requiring infusions, we believe GFH375 can potentially ease repeated drug administration, improve patient compliance, and therefore potentially increase the overall efficacy of the treatment regimen.

We are conducting a Phase I/II clinical trial of GFH375 in China to evaluate its safety and efficacy in treating advanced solid tumors with the KRAS G12D mutation. We received IND approval from the NMPA in June 2024. We have initiated Phase II part in February 2025. We have initiated a separate Phase II clinical of GFH375 as a second-line treatment of PDAC. In addition, we have received approval from the NMPA for the clinical trial for GFH375 combined with cetuximab or chemotherapy (albumin-bound paclitaxel and gemcitabine, AG) in an open-label, multi-center Phase Ib/II study in September 2025.

We estimate that over the next three years, GFH375, as our Core Product, will enter into commercialization stage and require the use of our in-house manufacturing facility. We expect to initiate trial operation of the facility by the end of 2026, and expect to commence our commercial-scale production of GFH375 utilizing the in-house manufacturing facility by the end of 2028.

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Our Diverse Set of Innovative RAS-targeting Product Candidates to Harness the Therapeutic Potential of the RAS Pathway

Leveraging our deep understanding of RAS family members and the experience gained from developing GFH925 and GFH375 in drug design, molecular mechanism and CMC, we have gradually broadened our horizon to build a diverse product candidate matrix that not only covers commonly seen mutant RAS proteins, such as KRAS G12D that similarly features a potentially significant market potential, but also seeks to dampen excessive activities of RAS proteins using pan-RAS approaches, which inhibit most oncogenic RAS mutant and wild-type RAS isoforms, and have theoretical advantages over their mutant-specific counterparts. This matrix includes product candidates like GFH276 and GFS784 that are designed to dampen excessive activities of RAS proteins in a pan-RAS manner. We have also deployed modalities that reflect the breadth and diversity of our RAS matrix, ranging from small molecule chemical drug to molecular glue and conjugation of large and small molecules.

(1) GFH276 – a pan-RAS (on) molecular glue

GFH276 is our flagship product candidate exploring pan-RAS approaches. It acts as a molecular glue by forming a binary complex with the chaperone protein cyclophilin A ("**CypA**"), which in turn interacts with RAS in the "on" state, regardless of the particular RAS variants. Formation of the tricomplex of GFH276, CypA and RAS leads to steric occlusion and prevents the binding of downstream effector proteins to RAS, therefore disrupting signaling pathways that drive tumor cell growth.

GFH276 demonstrated potential anti-proliferative activity in tumor cell lines that harbor various mutations in the RAS family members or in KRAS G12C mutated cell lines with acquired resistance to sotorasib and adagrasib due to various mechanisms. In addition, the activity of GFH276 was not affected by the upstream receptor tyrosine kinase ("RTK") activation that results in adaptive resistance to covalent inhibitors of KRAS G12C. Further, based on our preclinical studies on par with that of RMC-6236 (globally the only Phase III clinical-stage pan-RAS product candidate with a similar mechanism of action), we believe that GFH276 may exhibit a potentially lower efficacious dose and better tolerability in human, which underscore the competitiveness of GFH276 as a pan-RAS inhibitor and its potential to benefit the patient population in need.

In June 2025, we submitted to the NMPA an IND application to conduct a Phase I/II clinical of GFH276 and obtained IND approval in September 2025.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that GFH276 will ultimately be successfully developed and marketed by the Company. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

(2) GFS784 – a new molecular modality leveraging synergistic effect of large and small molecules

GFS784 is our leading FAScon (a combination of antibody and small molecule drug targeting separate components of the same signaling pathway, with a highly hydrophilic linker incorporated into the design) candidate, consisting of an antibody that blocks EGFR, an upstream cell surface receptor of RAS signal pathway, and a small molecule pan-RAS inhibitor. We believe that GFS748 has the potential to deliver promising clinical benefits and may even outperform the GFH925/cetuximab combination, as it addresses RAS not in a mutant-specific manner but with a broader coverage that is less vulnerable to drug resistance. In our preclinical studies, GFS784 demonstrated durable antitumor activity measured by tumor volume in mice models regardless of their sensitivity to Dxd, a commonly deployed cytotoxic payload in ADCs.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that GFS784 will ultimately be successfully developed and marketed by the Company. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

Differentiated Clinical Programs and Market Potential beyond Our RAS Matrix

Our research and development efforts extend beyond the RAS family to build a diversified pipeline portfolio. This is exemplified by GFH312, an in-house developed inhibitor of the kinase RIPK1, designed to address certain autoimmune and inflammatory diseases; and GFS202A, an in-house developed bispecific antibody targeting GDF15 and IL-6 and a potential treatment for cachexia.

(1) GFH312 - a small molecule inhibitor of RIPK1

GFH312 is the first RIPK1 inhibitor drug candidate developed by a Chinese company that has entered the clinical stage with a therapeutic potential to alleviate the root cause of PAD with IC and PBC. In both diseases, inflammation plays a critical role in disease progression and/or manifestation, and GFH312 is demonstrated in our preclinical studies to exhibit not only potent and selective inhibition of RIPK1 but also an anti-inflammatory effect. In addition, GFH312 has also demonstrated an ability to penetrate blood-brain barrier, making it suitable for addressing both central nervous system diseases and peripheral diseases.

According to Frost & Sullivan, we are globally the first company that not only has advanced an RIPK1 inhibitor to the Phase II clinical trial-ready stage for the treatment of PAD with IC but also seeks to explore PBC as a potential indication. We believe our clinical program design potentially paves the way for us to capture opportunities in those and other blue ocean markets where approved RIPK1 inhibitor drugs are scarce.

We completed a Phase I clinical trial for GFH312 in healthy participants in Australia and China, respectively, achieving the predefined safety and pharmacokinetic objectives. After reviewing results from the Australian Phase I clinical trial, the FDA has granted us approval to commence a Phase II clinical trial of GFH312 for PAD with IC. We expect to initiate the Phase II clinical trial to evaluate safety and efficacy of GFH312 monotherapy in patients with PAD with IC. In addition, we are also planning to investigate GFH312 for the treatment of PBC in China and have obtained NMPA's approval to conduct a Phase II clinical of GFH312 targeting PBC in May 2025. We plan to initiate the clinical trial in the the first half of 2026.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that GFH312 will ultimately be successfully developed and marketed by the Company. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

(2) GFS202A - a novel bispecific antibody for cachexia

GFS202A is a novel bispecific antibody targeting both GDF15 and IL-6, two important cytokines that play crucial roles in inflammatory processes, metabolic regulation, cancer progression and cachexia.

Cachexia is a common, life-threatening wasting condition that can significantly impact quality of life in affected patients with cancer or other types of chronic diseases. More than 50% of patients with malignant tumors experience cancer cachexia. As of the Latest Practicable Date, there had been no FDA – or NMPA approved drug specifically for the treatment of cachexia, according to Frost & Sullivan. By targeting both GDF15 and IL-6, we believe such dual neutralization of the two cytokines may potentially achieve a better activity compared to targeting GDF15 alone. In multiple preclinical pharmacologic models, once-weekly administration of GFS202A at doses as low as 1.5-4 mg/kg has shown significant improvement in cachexia with weight loss. GFS202A has also demonstrated good tolerability profile in preclinical studies.

We have filed IND application with the NMPA in December 2024 and received the IND approval in March 2025. We initiated Phase I clinical trials for GFS202A monotherapy for the treatment of cachexia in April 2025.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that GFS202A will ultimately be successfully developed and marketed by the Company. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

Integrated Research and Development Platforms, Expertise and Business Development Capabilities

(1) Strong R&D capabilities driven by a suite of integrated technology platforms

Our diversified pipeline portfolio is a natural outcome of our integrated research and development platforms, spanning target discovery, molecular discovery and evaluation, translational science and clinical development, augmented by our expertise in key CMC aspects including formulation research and quality analysis. These research and development capabilities organically constitute our drug development framework, which enables us to efficiently advance pipeline programs through different developmental stages.

- Target Discovery Platform is rooted in our endeavor to develop differentiated therapeutic options based on clinical needs. We focus on addressing clinical needs by analyzing disease-related factors such as geographical variations, underlying biological mechanisms, primary or secondary drug resistance, and the specifics of medical treatment modalities. We also consider the mechanisms of drug action and the global clinical strategy landscape. We deploy computational biology, bioinformatics, and artificial intelligence to systematically track, discover and evaluate new drug targets based on clinical needs. By analyzing literature and ongoing research in the field, we are able to identify and prioritize novel and potentially druggable targets. After integrating insights from the developments and future projections of the industry as a whole, our target discovery platform crafts differentiated clinical development strategies tailored to specific disease contexts and therapeutic areas.
- Molecular Discovery and Evaluation Platform is a critical component in our new drug development process, which is designed to enhance the efficiency and success rate of our drug discovery efforts. The platform includes integrated molecular design, synthesis and optimization technology, high-quality molecular discovery, efficient drug metabolism and pharmacokinetics research technology, comprehensive biological and drug mechanisms evaluation technology, which together not only accelerate the molecular investigation phase but also significantly increase the likelihood of successful drug development.
- Translational Science and Clinical Development Platform encompasses our biomarker clinical translation technology, precision medicine technology for the entire project lifecycle, clinical development technology based on data science and quantitative analysis.

Our accumulated research and development capabilities, as exemplified by the establishment, continuous refinement, and application of these technology platforms, have empowered us to pursue innovative and diversified drug development opportunities. In addition to the pipeline products described above, our pipeline products include GFH018, an oral small molecule inhibitor targeting the receptor TGF – β R1, and GFH009, a highly selective CDK9 inhibitor, both of which have been advanced to the clinical stage.

(2) Differentiated CMC expertise to accelerate drug development and facilitate cost control

Since inception, we have strived to build reliable internal CMC capabilities, so that we are able to continuously optimize the CMC aspects to establish the best practice during product development. Over the years, we have established integrated CMC capabilities covering key aspects from the design of synthetic routes for preclinical candidates to process development and quality control in clinical development and commercial supply of drugs. We have accumulated in-depth expertise in areas including small molecule process development, dosage form selection, formulation determination, formulation process development, drug quality control strategies, development and validation of quality control methodologies, non-GMP kilogram-scale pilot production, and NDA-stage process validation. Such internal and differentiated CMC expertise allows us to accelerate the drug development cycle and better control costs at every stage of drug development.

- Accelerate drug development. Our CMC functions facilitate a smooth drug development to potentially reduce the overall development timeline. In particular, we develop suitable process and ensure quality control according to applicable drug registration regulations at early stages of product development. This strategy enables us to avoid detours in subsequent development stage resulted from CMC issues that could have been addressed earlier in the process, therefore may improve the overall efficiency of our research and development efforts. We believe our meticulous CMC development for GFH925 since the start of the program facilitated GFH925 to receive marketing approval in China in merely approximately three years after it obtained IND approval. Our CMC functions also undergirds our swift development of the comprehensive RAS matrix in merely seven years since our inception.
- Facilitate cost control. Our CMC process development capabilities allow us to device efficient synthetic routes and establish measures to ensure consistent and reliable production, thereby contribute to cost control and efficient use of resources. We are able to significantly lower the manufacturing cost of GFH925 by approximately 30-fold primarily through optimizing the process route and production scaling up. Evidencing our reliable capabilities, we will work with Innovent to secure commercial supply of GFH925 in China. We intend to further optimize the CMC aspects of GFH925 and view the ability to substantially reduce the cost of goods, in particular for commercial drug supply, not only as a critical factor for achieving commercial success, but also as our social responsibility to lower the burden for patients in need.

(3) Diversified collaboration to maximize value of our pipeline programs

To maximize the commercial potential and improve the development efficiency of our pipeline products, we actively pursue diversified global business development opportunities. We strategically choose our collaborators to not only allow our strengths to supplement and reinforce each other to create value, but also ensure that development programs of our pipeline products will be among the top priorities in our collaborations. In the past, we have entered into collaborations with Innovent that enabled GFH925 to be smoothly developed and approved for commercialization in China, as we recognized the advantages of Innovent to advance clinical trials, their established commercialization team as well as extensive marketing channel. We also forged collaborations with SELLAS, which has significant expertise in hematological malignancies and solid tumors, on GFH009, a small molecule selective inhibitor of CDK9 designed for the treatment of AML and certain lymphomas, as well as with Verastem, a company focused on RAS pathway-driven cancers, on certain of our RAS-targeting pipeline products. As a testament of its confidence in our clinical development program, we have also secured supplies of cetuximab from Merck for our clinical trials of GFH925 in combination with cetuximab for the first-line treatment of advanced NSCLC. These collaborations are strategically designed to leverage the strengths of each party, combining our own research and development capabilities with the extensive commercial and development expertise of such collaborators. We view our track record of forming beneficial collaborations as a critical driver of our pipeline development.

Strategies

(1) Advance our Core Products and leading product candidates through global clinical development

Leveraging our strong in-house clinical and development capabilities, we aim to continue to efficiently advance our Core Products through various clinical development programs. We also plan to maximize the therapeutic value of our assets by expanding the number of indications and combinations for our product candidates. We anticipate achieving significant development milestones for our Core Products, including GFH925 and GFH375, as well as other leading product candidates, such as GFH312.

(2) Advancing and replenishing our other innovative product pipeline with a focus on the comprehensive RAS pathway product matrix

We strive to achieve and deliver major development milestones for our RAS matrix pipeline products in the coming years. We believe the anticipated milestones will help us solidify our position and competitive advantage in the field of RAS-targeting therapies.

As our other RAS matrix product candidates were currently in the preclinical stage as of the Latest Practicable Date, we intend to advance them to the clinical stage and submit IND applications once ready.

We will closely monitor the development of market landscape and technology advancements to formulate or adjust future clinical development plans for other pipeline products, including GFH009 and GFH018. We will also explore additional drug development opportunities that bear significant market potential, particularly in the fields of oncology, autoimmune disorders and inflammatory diseases, to replenish our product pipeline. Once our pipeline products approach commercialization in markets where we retain exclusive commercialization rights, we will determine the commercialization arrangement and, if warranted, enter into strategic alliances to conduct adequate promotion and achieve smooth market penetration.

(3) Execute global strategy through broad and diverse collaborations in commercialization arrangements, business development and pipeline development

To maximize the unique value of our product candidates and fully realize their clinical potential, we will continue to actively collaborate with both existing and prospective partners to explore potential opportunities for indication expansion and combination therapies among our pipeline product candidates and with other potential treatments.

Going forward, we plan to continue and further establish strategic partnerships with leading international and domestic pharmaceutical companies to expand our geographic coverage, actively explore the global business layout, and accelerate the global development of our product candidates, with the ultimate objective to maximize the value of our product pipeline. We may also explore future collaboration opportunities for the research and development of some of our product candidates to improve the chance of successful product development and the efficient usage of our resources.

We plan to adopt multi-level development strategies keyed to the development status of product candidates. We may seek and establish strategic partnerships with leading international and domestic pharmaceutical companies to leverage their experience in early-stage drug discovery, clinical development and manufacturing to expediently advance product development. As our product candidates move towards later-stage of clinical trial and/or near commercialization, we may pursue out-licensing arrangements with large multinational companies or prestigious local pharmaceutical companies to realize the commercial value of our product candidates at a potentially earlier stage.

We anticipate our overall business development efforts to revolve around and eventually lead to gaining favorable brand image and name recognition for our Company, realizing the global market potential of our products, and maximizing the commercial value of our product portfolio.

(4) Establish a GMP-compliant formulation manufacturing facility

We have a diverse pipeline of products, including small molecules, functional antibody synergetic conjugates, as well as molecular glues. As a biopharmaceutical company, we focus on a comprehensive and balanced development across the value chain of the entire biopharmaceutical industry. The clinical development and commercialization of our pipeline products require significant formulation production. To leverage our established CMC capabilities, including drug product and formulation production, reduce our operational costs and cover the full cycle of the clinical development process, besides continuing to cooperate with existing CMOs or CDMOs, we plan to commence the construction of a GMP-compliant formulation manufacturing facility that meets international standards and would enhance our manufacturing capabilities especially in preparing the formulations for our pipeline products.

We believe constructing such a facility and strengthening our in-house manufacturing capabilities would ensure that our products meet the clinical and marketing approval requirements of regulatory authorities and could further establish our advantages in the development of challenging products. As of the Latest Practicable Date, we were in the process of detailing the plan for the facility construction.

(5) Attract, retain and motivate high-caliber talents across our business functions

We are a biopharmaceutical company dedicated to development and commercialization of drug products. Our employees are key to our growth strategy and ability to develop and commercialize innovative drugs, and hence we will continue to recruit, train, promote and retain talents with relevant background and experience in the pharmaceutical and biotech industries. To fully support our continued growth, we will continue to invest in attracting and retaining top talents in various aspects of our operations around the world, including discovery, research and development, manufacture and commercialization. This initiative is a key part of our strategy to enrich our talent pool. In addition, we will continue to cultivate our culture of collaboration and efficiency and refine our organizational structure to empower our leaders and team members to take ownership of their work and reward their contributions. Accordingly, by investing in the advanced education of our staff, we not only enhance their expertise and skills but also foster a culture of continuous learning and innovation within our organization. This approach ensures that our team remains at the forefront of industry knowledge and expertise, significantly benefiting our research, development, and overall business performance.

Industry Overview

Cancer is the leading cause of death worldwide. Over the past century, cancer treatments have experienced significant evolution, and with the advanced cancer treatments today, there continue to be growing medical needs for differentiated therapeutics to improve duration of response and overall survival in oncology patients. KRAS mutations, particularly G12C and G12D, are key oncogenic drivers in these cancers, and the demand for effective therapies targeting these mutations is rapidly rising globally. The global oncology drug market has expanded significantly in the past and is currently witnessing rapid growth, driven by advancements in KRAS-targeted therapies, which are becoming central to the treatment of certain types of cancer, including NSCLC and CRC.

As a leader in biopharmaceutical innovation, we are committed to developing novel therapies for cancer patients. Our Core Products, including GFH925, a KRAS G12C inhibitor, and GFH375, a KRAS G12D inhibitor, represent significant advancements in the treatment of KRAS-mutant cancers, including NSCLC and CRC. GFH925, which received NMPA approval in August 2024 for NSCLC, is progressing through Phase II trials for a combined therapy of GFH925/cetuximab for the treatment of NSCLC and CRC. GFH375 received IND approval from the NMPA in June 2024 and is in currently in Phase I/II clinical trials for NSCLC/PDAC. In addition to our Core Products, we are developing a diverse set of innovative RAS-targeting product candidates pan-RAS approaches, with product candidates like GFH276 and GFS784 that are designed to dampen excessive activities of RAS proteins in a pan-RAS manner. Moreover, our research and development efforts extend beyond the RAS family to build a diversified pipeline portfolio, with products including GFH312, designed to address certain autoimmune and inflammatory diseases, and GFS202A, addressing cachexia. With our diverse range of pipeline products, we are committed to developing the innovative therapies to fulfil these globally unmet medical needs.

Future and Outlook

We aim to advance our innovative development strategy, reinforcing our vision to propel ourselves with the advancement of science and technology to build a globally competitive biopharmaceutical company and uphold our mission of addressing unmet medical needs around the globe.

Building on our established research and development capabilities and the extensive progress we have made to date, we aim to accelerate the clinical development of our Core Products, rapidly advance our innovative product pipeline to later stages of development, and expand our portfolio in other oncology, autoimmune and inflammatory diseases. We also aim to continue our global strategy through broad and diverse collaborations to maximize the commercial value of pipelines, internalize certain aspects of drug manufacturing by establishing GMP-compliant facilities, and expand our professional team to continuously propel ourselves ahead as a globally competitive biopharmaceutical company.

FINANCIAL REVIEW

Revenue

For the six months ended June 30, 2025, the Group recorded revenue of RMB88.74 million from licenses of intellectual property, sales of goods, and provision of research and development service, while the Group did not recognize revenue for the six months ended June 30, 2024.

Cost of Sales

For the six months ended June 30, 2025, the Group recorded cost of sales of RMB16.92 million, which was primarily attributable to fulfillment of drug supply arrangement. The Group did not recognize cost of sales for the six months ended June 30, 2024.

Other Income and Gains

For the six months ended June 30, 2025, other income and gains of the Group were RMB8.18 million, representing a decrease of approximately 27.41% from RMB11.27 million for the six months ended June 30, 2024. The decrease was primarily attributable to decrease in foreign exchange, fair value gains on financial assets at FVTPL and lease reassessment.

Research and Development Costs

The Group's research and development costs decreased from RMB186.00 million for the six months ended June 30, 2024 to RMB122.44 million for the six months ended June 30, 2025, primarily due to incurred expenses on termination of Ex-China option and under the patent licensing agreements, each in the six months ended June 30, 2024. No such costs incurred in the six months ended June 30, 2025.

The following table sets forth a breakdown of the Group's research and development expenses of our research and development costs by nature for the periods indicated.

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	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
CMC, materials costs and preclinical development costs	41,114	28,110
Clinical development costs	34,579	34,220
Staff costs	28,123	33,762
Share-based payment	9,982	14,519
Depreciation and amortization	4,538	6,351
IP management expenses	1,666	2,793
Termination fee	_	45,403
Patent licensing agreements	_	18,868
Others	2,433	1,975
Total	122,435	186,001

Administrative Expenses

The Group's administrative expenses were RMB36.95 million for the six months ended June 30, 2025, representing an increase of approximately 99.64% from RMB18.51 million for the six months ended June 30, 2024. The increase was mainly driven by an increase of listing related expenses incurred in the Reporting Period.

Other Expenses

The Group's other expenses increased from RMB3 thousand for the six months ended June 30, 2024, to RMB292 thousand for the six months ended June 30, 2025, primarily attributable to the foreign exchange differences.

Finance Costs

The Group's finance costs decreased from RMB14.60 million for the six months ended June 30, 2024, to RMB3.03 million for the six months ended 30 June 2025. The decrease was primarily due to the decrease of transaction costs on issuance of redemption liabilities on equity shares, which represent the consulting service fees in connection with equity financing.

Change in Fair Value of Redemption Liabilities on Equity Shares

The Group's change in fair value of redemption liabilities on equity shares was negative RMB615.87 million for the six months ended June 30, 2025, compared with negative RMB241.46 million for the six months ended June 30, 2024. The change in fair value of redemption liabilities on equity shares was primarily attributable to changes in the valuation of the Company.

Loss for the Period

For the reasons described above, the loss for the period was RMB698.60 million for the six months ended June 30, 2025, compared with a loss of RMB449.30 million for the six months ended June 30, 2024.

Liquidity and Capital Resource

The Group monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. In addition, the Group monitor the utilization of borrowings and, from time to time, evaluate the options to renew the borrowings upon expiry based on our actual business requirement. The Group relied on equity financing as the major sources of liquidity during the Reporting Period.

For the six months ended June 30, 2025, the Group incurred negative cash flows from operations and the operating cash outflows mainly resulted from research and development costs. The Group's operating activities used RMB50.49 million and RMB162.96 million for the six months ended June 30, 2025 and 2024, respectively. We expect to generate more cash flow from operating activities, through income from launching and commercializing GFH925, forging productive collaboration agreements with third parties, advancing the development and eventually commercializing GFH925 overseas and other pipeline products, and enhancing cost containment capacity and operating efficiency. In order to bring to fruition research and development objectives, we will ultimately need additional funding sources and there can be no assurances that they will be made available.

The Group has cash and cash equivalent of RMB346.53 million as of June 30, 2025, compared with RMB362.13 million as of December 31, 2024. Most of the cash and cash equivalents of the Group were denominated in the U.S. dollar.

Foreign Exchange Risk

The Group mainly operated in China and a majority of its transactions were settled in RMB, which is the functional currency. The Group's subsidiaries in the United States and Australia have functional currencies of USD and AUD, respectively. As a result, the Group is exposed to foreign currency risk arising primarily from monetary assets, liabilities and transactions denominated in currencies other than the entities' respective functional currencies.

Currently, the Group does not enter into any foreign exchange risk hedge contract. The Group will continue to closely monitor its foreign currency exposures (in particular, USD and AUD) and may consider appropriate treasury actions to eliminate the foreign exchange risk exposures if such needs arise.

Bank Borrowings

As of June 30, 2025, the Group's total outstanding borrowings amounted to RMB79.00 million, all of which are unsecured borrowings. As of June 30, 2025, the Group's bank borrowings will mature within one year, bearing interest at rates ranging from 2.30% to 2.75% per annum.

As of June 30, 2025, the Group's gearing ratio (i.e. total liabilities divided by total assets) was 578.62% (as of December 31, 2024: 422.38%), which was mainly due to the increase of redemption liabilities on equity shares.

Charges on Assets

As of June 30, 2025, the Group did not pledge or charge any assets.

Contingent Liabilities

As of June 30, 2025, the Group did not have any material contingent liabilities or guarantees.

Material Acquisitions and/or Disposals of Subsidiaries, Associates and Joint Ventures

During the six months ended June 30, 2025, the Group did not have any material acquisitions and/or disposals of subsidiaries, associates and joint ventures.

Significant Investments

As of the Latest Practicable Date, the Group did not hold any significant investments (including any investment in an investee company) with a value of 5% or more of the Group's total assets.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this report, the Group did not have other plans for significant investments or capital assets as at the Latest Practicable Date.

Employees and Remuneration Policies

As of the Latest Practicable Date, the Group had a total of 94 employees (excluding two co-founders). The following table sets forth the number of employees categorized by functions as of the Latest Practicable Date.

Functions	Number of Employees by Function	Percentage
Research and Development	73	78%
Business Strategy and Corporate Development	3	3%
General and Administrative	18	19%
Total	94	100%

The Group enter into individual employment contracts with employees covering salaries, bonuses, employee benefits, workplace safety, confidentiality and non-competition, work product assignment clause and grounds for termination.

Our employees' remuneration comprises salaries, bonuses, provident funds, social, security contributions, and other welfare payments. We have made contributions to our employees' social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds pursuant to applicable laws and regulations, except for we did not make full social security insurance contributions for certain employees who are not PRC citizens as disclosed under the section headed "EMPLOYEES" of the Prospectus. We plan to make such full contributions in 2026. The total remuneration cost incurred by the Group for the six months ended June 30, 2025 was RMB49.76 million, compared with RMB59.78 million for the six months ended June 30, 2024.

To maintain our workforce's quality, knowledge, and skill levels, we provide continuing education and training programs, including internal training, to improve their technical, professional or management skills. We also provide training programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects. Furthermore, we provide various incentives and benefits to our employees, including competitive salaries, bonuses and share-based payment, particularly our key employees.

Corporate Governance and Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company and our Directors are committed to upholding and implementing the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders. As the H Shares were not yet listed on the Stock Exchange as of June 30, 2025, the code provisions as set out in Part 2 of the Corporate Governance Code were not applicable to the Company during the Reporting Period.

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as the code of conduct regarding the Directors' and Supervisors' dealings in the securities of the Company. The provisions under the Listing Rules in relation to compliance with the Model Code by the Directors and Supervisors regarding securities transactions have been applicable to the Company since the Listing Date. As the H Shares were not yet listed on the Stock Exchange as of June 30, 2025, the Model Code was not applicable to the Company during the Reporting Period.

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

As the Shares were not listed on the Stock Exchange as of June 30, 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the Reporting Period. As at June 30, 2025, the Company did not hold any treasury Shares (as defined under the Listing Rules).

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the Corporate Governance Code.

The Audit Committee consists of three Directors, namely Ms. Christine Shaohuan LU-WONG (盧韶華), Mr. ZHU Jingyang (朱競陽) and Dr. ZHOU Demin (周德敏). Ms. Christine Shaohua LU-WONG (盧韶華), who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, serves as the chairperson of the Audit Committee.

The Audit Committee has reviewed this report and the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2025 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members.

AUDITOR

The Company's external auditor, Ernst & Young, has performed an independent review of the Group's interim financial information for the Reporting Period in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

USE OF PROCEEDS FROM GLOBAL OFFERING

The H Shares of the Company were listed on the Stock Exchange on September 19, 2025. The Company obtained net proceeds from the Global Offering (assuming the over-allotment option is not exercised) amounting to approximately HK\$1,669.92 million, after deducting underwriting fees and expenses in connection with the Global Offering payable by the Company. As of the Latest Practicable Date, the Company has not utilized any of the net proceeds from the Global Offering. The table below sets forth a detailed breakdown and description of the allocation and intended use of net proceeds from the Global Offering.

		Percentage	Intended Timetable for
	Allocation of	of total	Use of the Unutilized
Intended Use of Net Proceeds	Net Proceeds	Net Proceeds	Net Proceeds
(1) to fund further development of our	HK\$1,185.64 million	71.0%	
Core Products GFH925 and GFH375			
(i) to fund the clinical development	HK\$551.07 million	33.0%	December 31, 2029
of GFH925			
(ii) to fund the clinical development	HK\$634.57 million	38.0%	December 31, 2028
of GFH375 in China			
(2) to fund the development of our other	HK\$317.28 million	19.0%	December 31, 2030
product candidates such as GFH312,			
GFS202A, GFH276, GFS784 and other			
preclinical candidates			
(3) for working capital and other general	HK\$166.99 million	10.0%	December 31, 2028
corporate purposes			
Total	HK\$1,669.92 million	100.0%	

The Group will utilize the net proceeds from the Global Offering in accordance with the intended purposes as set out in the Prospectus.

DIVIDENDS

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2025.

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

As the Company was not listed on the Stock Exchange as of June 30, 2025, Divisions 7 and 8 of Part XV of the SFO and section 352 of the SFO were not applicable to the Directors, Supervisors and the chief executive of the Company as of June 30, 2025. The Company will disclose the interests or short positions in Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) in the forthcoming annual report of the Company.

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

As the Company was not listed on the Stock Exchange as of June 30, 2025, Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO were not applicable to the Company as of June 30, 2025. The Company will disclose the interests or short positions of persons (other than the Directors, Supervisors or chief executives of the Company) in Shares and underlying Shares in the forthcoming annual report of the Company.

PRE-IPO EQUITY INCENTIVE SCHEME

The Pre-IPO Equity Incentive Scheme was adopted by the Company in 2020, and amended and restated in July 2023. All awards granted under the Pre-IPO Equity Incentive Scheme had been vested and exercised and no further awards will be granted under the Pre-IPO Equity Incentive Scheme upon Listing. The terms of the Pre-IPO Equity Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-IPO Equity Incentive Scheme does not involve the grant of new awards by our Company to subscribe for H Shares after the Listing. The Pre-IPO Equity Incentive Scheme will not cause any dilution of the shareholding of the Shareholders after the Listing given all underlying Shares of the awards granted under the Pre-IPO Equity Incentive Scheme have been issued to the ESOP Platforms.

For more details of principal terms of the Pre-IPO Equity Incentive Scheme, please refer to Appendix IV of the Prospectus.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The H Shares of the Company were listed on the main board of the Stock Exchange on September 19, 2025. Pursuant to the Global Offering, the Company issued 89,240,000 H Shares on September 19, 2025, with a nominal value of RMB0.10 each at a price of HK\$20.39 per H Share and received net proceeds of approximately HK\$1,669.92 million, after deducting underwriting fees and expenses in connection with the Global Offering payable by the Company.

Save as disclosed in this report, the Company is not aware of any significant events that might affect the Group since June 30, 2025 up to the Latest Practicable Date.

Independent Review Report



Ernst & Young 27/F, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong 安永會計師事務所 香港鰂魚涌英皇道979號 太古坊一座27樓 Tel 電話: +852 2846 9888 Fax 傳真: +852 2868 4432

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To the board of directors of GENFLEET THERAPEUTICS (SHANGHAI) INC.

INTRODUCTION

We have reviewed the interim financial information set out on pages 26 to 49, which comprises the condensed consolidated statement of financial position of GENFLEET THERAPEUTICS (SHANGHAI) INC. (the "Company") and its subsidiaries (the "Group") as at 30 June 2025 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board. 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* issued by the Hong Kong Institute of Certified Public Accountants. 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 IAS 34.

Certified Public Accountants Hong Kong 17 September 2025

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income For the six months ended 30 June 2025

		Six months ended 30 June			
	Notes	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)		
REVENUE	4	88,744	-		
Cost of sales		(16,924)	-		
Other income and gains	5	8,180	11,268		
Research and development costs		(122,435)	(186,001)		
Administrative expenses		(36,952)	(18,509)		
Other expense	8	(292)	(3)		
Finance costs	7	(3,026)	(14,597)		
Loss before change in fair value of redemption liabilities on					
equity shares		(82,705)	(207,842)		
Change in fair value of redemption liabilities on equity shares		(615,873)	(241,461)		
LOSS BEFORE TAX	6	(698,578)	(449,303)		
Income tax expense	9	(22)	_		
LOSS FOR THE PERIOD		(698,600)	(449,303)		
Attributable to:					
Owners of the Company		(698,600)	(449,303)		
OTHER COMPREHENSIVE INCOME/(EXPENSE) Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods: Exchange differences on translation of foreign operations		582	(260)		
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR					
THE PERIOD		582	(260)		
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(698,018)	(449,563)		
Attributable to:					
Owners of the Company		(698,018)	(449,563)		
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (expressed in RMB)					
Basic and diluted	11	(27.02)	(18.02)		

Interim Condensed Consolidated Statement of Financial Position

30 June 2025

		As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		9,365	12,328
Right-of-use assets		13,525	15,412
Intangible assets		1,168	1,257
Prepayments, other receivables and other assets	12	9,768	9,576
Total non-current assets		33,826	38,573
CURRENT ASSETS			
Inventories		924	5,586
Trade receivables	13	96,895	109,153
Prepayments, other receivables and other assets	12	53,754	58,594
Financial assets at fair value through profit and loss ("FVTPL")		20,000	_
Time deposits	14	_	32,790
Cash and cash equivalents	14	346,525	362,125
Total current assets		518,098	568,248
CURRENT LIABILITIES			
Trade and other payables	15	194,052	181,733
Interest-bearing bank borrowings	16	79,000	51,128
Contract liabilities		17,781	42,204
Redemption liabilities on equity shares	17	2,829,994	2,214,121
Lease liabilities		4,618	4,243
Total current liabilities		3,125,445	2,493,429
NET CURRENT LIABILITIES		(2,607,347)	(1,925,181)
TOTAL ASSETS LESS CURRENT LIABILITIES		(2,573,521)	(1,886,608)

		As at	As at
		30 June	31 December
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	
NON-CURRENT LIABILITIES			
Lease liabilities		11,633	13,977
Trade and other payables	15	56,426	55,676
Total non-current liabilities		68,059	69,653
		,	, , , , , , , , , , , , , , , , , , , ,
Net liabilities		(2,641,580)	(1,956,261)
DEFICIENCY IN EQUITY			
Equity attributable to owners of the Company			
Share capital	18	26,774	26,774
Reserves		(2,668,354)	(1,983,035)
Total deficits		(2,641,580)	(1,956,261)
וטנמו עכוונונ		(2,041,300)	(1,330,201)

Interim Condensed Consolidated Statement of Changes In EquityFor the six months ended 30 June 2025

	Share capital <i>RMB'000</i> (Unaudited)	Share premium <i>RMB'000</i> (Unaudited)	Share-based payment reserve <i>RMB'000</i> (Unaudited)	Other reserves <i>RMB'000</i> (Unaudited)	Foreign currency translation reserve RMB'000 (Unaudited)	Accumulated losses <i>RMB'000</i> (Unaudited)	Total deficits <i>RMB'000</i> (Unaudited)
At 1 January 2025 Exchange translation differences Loss for the period	26,774 - -	714,853 - -	65,465 - -	(1,459,093) - -	(1,475) 582 -	(1,302,785) - (698,600)	(1,956,261) 582 (698,600)
Total comprehensive loss for the period Share-based payment compensation	-	-	- 12,699	-	582	(698,600)	(698,018) 12,699
At 30 June 2025	26,774	714,853	78,164	(1,459,093)	(893)	(2,001,385)	(2,641,580)
	Paid-in capital/ Share capital <i>RMB'000</i> (Unaudited)	Share premium <i>RMB'000</i> (Unaudited)	Share-based payment reserve <i>RMB'000</i> (Unaudited)	Other reserves <i>RMB'000</i> (Unaudited)	Foreign currency translation reserve <i>RMB'000</i> (Unaudited)	Accumulated losses <i>RMB'000</i> (Unaudited)	Total deficits <i>RMB'000</i> (Unaudited)
At 1 January 2024 Exchange translation differences Loss for the period	22,027 - -	1,246,080 - -	38,523 - -	(1,264,082) - -	(364) (260)	(1,359,495) - (449,303)	(1,317,311) (260) (449,303)
Total comprehensive loss for the period lssue of new shares Recognition of redemption	- 2,648	- 193,338	- -	- - (105 011)	(260)	(449,303)	(449,563) 195,986
liabilities on equity shares Capital contributions from employee incentive platform Share-based payment compensation	2,099	9,786	- 17,701	(195,011)	-	-	(195,011) 11,885 17,701
At 30 June 2024	26,774	1,449,204	56,224	(1,459,093)	(624)	(1,808,798)	(1,736,313)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

Six	months	ended	30 June

	Notes	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(698,578)	(449,303)
Adjustments for:		(000,010)	(1.5)555)
Bank interest income	5	(7,289)	(8,172)
Finance costs	7	3,026	14,597
Depreciation of property, plant and equipment	6	2,979	4,442
Depreciation of right-of-use assets	6	2,060	2,716
Amortisation of intangible assets	6	89	88
Loss on disposal of items of property, plant and equipment	8	3	3
Fair value loss on redemption liabilities on equity shares	17	615,873	241,461
Share-based payment compensation		12,699	17,701
Gain on lease reassessment	5	_	(488)
Fair value gains on financial assets at FVTPL	5	_	(288)
Net exchange difference	8/5	286	(1,520)
Decrease in trade receivables		12,258	574
Decrease in inventories		4,662	780
Decrease/(increase) in prepayments, other receivables and		·	
other assets		7,352	(176)
Decrease in contract liabilities		(24,423)	(87,554)
Decrease in deferred income		_	(472)
Increase in trade and other payables		11,605	96,188
Cash used in operating activities		(57,398)	(169,423)
Income tax paid		(22)	(105,425)
Interest received		6,928	6,460
Net cash flows used in operating activities		(50,492)	(162,963)

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	_	Six months ended 30 June		
	Notes	2025	2024	
		RMB'000	RMB'000	
		(Unaudited)	(Unaudited)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment		(19)	(8)	
Purchases of financial assets at FVTPL		(20,000)	(110,000)	
Withdrawal of financial products at FVTPL		-	110,288	
Proceeds from disposal of property, plant and equipment		-	4	
Proceeds from withdrawal of time deposits with original				
maturity of more than three months		33,151	21,031	
Purchases of time deposits with original maturity of				
more than three months		-	(123,968)	
Net cash flows from/(used in) investing activities		13,132	(102,653)	
, J	_		(1 , 1 1 1)	
CASH FLOWS FROM FINANCING ACTIVITIES				
New bank borrowings		59,900	16,700	
Repayment of bank borrowings		(32,028)	(3,112)	
Interest paid on bank borrowings		(933)	(129)	
Principal portion of lease payments		(2,142)	(2,663)	
Interest paid for lease liabilities		(405)	(582)	
Proceeds on issue of shares		_	207,871	
Issued costs paid		_	(6,698)	
Payment of listing expenses		(2,928)	_	
Net cash flows from financing activities		21,464	211,387	
Net cash flows from financing activities		21,404	211,507	
NET DECREASE IN CASH AND CASH EQUIVALENTS		(15,896)	(54,229)	
Effect of foreign exchange rate changes		296	1,062	
Cash and cash equivalents at beginning of period		362,125	332,197	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14	346,525	279,030	
CASIL MID CASIL EQUIVALENTS AT LITE OF LEWIOD	17	540,525	275,050	

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

1. CORPORATE INFORMATION

GENFLEET THERAPEUTICS (SHANGHAI) INC. (the "Company") was established in Mainland China on 23 August 2017. The registered office address of the Company is 2, 3, 4 and 5 floor, Building 8, 1206 Zhangjiang Road, China (Shanghai) Pilot Free Trade Zone, PRC.

The Company is a clinical-stage biotechnology company. The Company and its subsidiaries (the "Group") are principally engaged in the research, development and commercialisation of pharmaceutical products.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"), and should be read in conjunction with the Group's consolidated financial statements as set out in the accountants' report (the "Accountants' Report") included in Appendix I to the Company's prospectus in connection with the initial public offering of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Accountants' Report.

This interim condensed consolidated financial information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION (continued)

The Group incurred losses for the six months ended 30 June 2025 due to the pre-revenue stage of its new drug research and development businesses. The Group recorded net current liabilities of RMB2,607,347,000 as at 30 June 2025, primarily due to the significant amount of the redemption liabilities on equity shares of RMB2,829,994,000 arising from the financing with redemption feature from pre-IPO investors. Pursuant to a supplemental agreement entered into by the Company with, among others, the then shareholders of the Company dated 26 December 2024, the redemption feature has ceased to be effective from the date before the submission of application for an initial public offering on the Main Board of the Stock Exchange (the "Listing") and shall be reinstated in the event where (i) the application of the Listing not being accepted (including being rejected or returned); (ii) the Company withdrawing its application of the Listing; (iii) the Company failing to complete the Listing within two years after date of the Listing Application; or (iv) the listing committee of the Stock Exchange not approving the application of the Listing. In this regard, the directors of the Company are of the opinion that the Company is not obligated to settle the redemption liabilities in next twelve months from 30 June 2025.

The directors of the Company further assessed whether the Group have sufficient working capital to meet its present obligations, taking into account the financial resources available to the Group. The Company has prudently prepared a full-speed budget based for clinical trials of its core products and other pipelines for 2025 assuming the Company is able to raise proceeds from the listing as well as a backbone budget plan to advance all necessary R&D activities for its core products assuming the Company is unable to raise proceeds from the Listing. Based on the rigorous review of the budget under either full-speed or backbone scenario, the directors of the Company are satisfied that the Group would have sufficient working capital to meet its present obligations, taking into account the financial resources available to the Group for next twelve months from 30 June 2025.

Accordingly, the directors of the Company concluded that it is appropriate to prepare the financial statements on a going concern basis.

3. OPERATING SEGMENT INFORMATION

Operating segment information

The Group is engaged in biopharmaceutical research and development, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's directors for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

3. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

No further geographical segment information is presented as majority of the Group's revenue is derived from the customers in the United States.

(b) Non-current assets

Since nearly all of the Group's non-current assets were located in Mainland China, no geographical segment information in accordance with IFRS 8 *Operating Segments* is presented.

4. REVENUE

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information

	Six months ended 30 June		
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)	
Type of services			
Licenses of intellectual property Others	82,876 5,868	_ _	
Total	88,744	_	
Timing of revenue recognition			
Transferred at a point in time Transferred overtime	87,464 1,280	-	
Total	88,744	_	

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

License-out of GFH925

On 1 September 2021, the Group entered into a license and option agreement (the "GFH925 License Agreement") with Innovent Biologics, Inc. ("Innovent"). According to the GFH925 License Agreement, the Group grant to Innovent (i) an exclusive, royalty-bearing and sublicensable license to develop and commercialize GFH925 for the treatment, prevention or diagnosis of any disease in humans in Mainland China, Hong Kong, Macau and Taiwan (the "Greater China"); and (ii) an exclusive option (the "Ex-China Option") to develop and commercialize GFH925 in the all countries and regions in the world other than Greater China (the "Ex-China Territory").

4. REVENUE (continued)

(b) Performance obligations (continued)

License-out of GFH925 (continued)

In January 2024, the Group entered into a supplementary agreement with Innovent to terminate the Ex-China Option under the GFH925 License Agreement. Subject to the terms and conditions of the agreement, the Group is required to pay non-refundable termination fees of USD20,000,000 in instalments and certain revenue sharing payments to Innovent based on the annual net sales of GFH925 outside Great China. Following the termination, the Group took back Ex-China option and has the exclusive rights to develop and commercialize the licensed product and the licensed compounds for any indication in the Ex-China Territory. As of 30 June 2025, the Group had paid USD2,000,000 (equivalent to RMB14,165,000) to Innovent. The remaining USD18,000,000 will be paid by the Group to Innovent in instalments by 1 December 2026.

License-out of GFH375

In August 2023, the Group entered into a collaboration and option agreement (the "Verastem Agreement") with Verastem, Inc. ("Verastem"), a pharmaceutical company headquartered in Massachusetts and listed on Nasdaq (stock code: VSTM). Verastem specializes in developing treatment for cancers and is a member of Nasdaq Biotechnology Index.

Under the Verastem Agreement, the Group granted Verastem options to obtain an exclusive, royalty-bearing and sublicensable licenses to develop, manufacture, commercialize and otherwise exploit the certain compounds and products in territories other than Greater China. As the Verastem Agreement implicates three programs, Verastem obtained three options from the Group and the exercise of option is on a program-by-program basis. In January 2025, Verastem exercised one of the three options.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at period ends are as follow:

Six	months	ended	30 June

	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Assessment and the least and the second and the sec		
Amounts expected to be recognised as revenue:		
Within one year	5,837	-
After one year	11,944	14,360
Total	17,781	14,360

5. OTHER INCOME AND GAINS

Six months ended 30 June

	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Other income		
Government grants	891	800
Bank interest income	7,289	8,172
Gains		
Foreign exchange differences, net	-	1,520
Fair value gains on financial assets at FVTPL	_	288
Gain on lease reassessment	_	488
Total	8,180	11,268

6. LOSS BEFORE TAX

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

Six months ended 30 June

	2025	2024
	RMB'000	RMB′000
	(Unaudited)	(Unaudited)
Cost of inventories sold	16,035	_
Depreciation of property, plant and equipment	2,979	4,442
Depreciation of right-of-use assets	2,060	2,716
Amortisation of intangible assets	89	88
Gain on lease reassessment	-	(488)
Expenses relating to short-term and low-value leases	568	475
Listing expense	17,030	_
Staff costs (including directors' emoluments):		
Salaries, discretionary bonuses, allowances and benefits in kind	34,476	39,227
Pension scheme contributions	2,586	2,851
Share-based payment expenses	12,699	17,701
Total	49,761	59,779

30 June 2025

7. FINANCE COSTS

Six months ended 30 June

	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Interest on lease liabilities	405	582
Imputed interest expenses on other payable	1,688	2,046
Transaction cost on issue of redemption liabilities on equity shares	-	11,840
Interest on bank borrowings	933	129
Total	3,026	14,597

8. OTHER EXPENSES

Six months ended 30 June

	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Foreign exchange differences, net Loss on disposals of property, plant and equipment Others	286 3 3	- 3 -
Total	292	3

9. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Mainland China

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the Enterprise Income Tax ("EIT") rate of the PRC subsidiaries was 25% during the six months ended 30 June 2025 and 2024 except for certain members of the Group which was subject to tax concession set out below.

The Company was accredited as a "High and New Technology Enterprise" ("HNTE") in 2022. Therefore, the Company was entitled to a preferential EIT rate of 15% during the six months ended 30 June 2025 and 2024. The qualification as a HNTE is subject to review by the relevant tax authority in the PRC every three years.

In 2022, the Ministry of Finance and the State Administration of Taxation issued the Notice on the Further Implementation of Preferential Income Tax for Small and Micro Enterprises (Cai Shui [2022] No. 13), which provides that the portion of annual taxable income of small and micro enterprises exceeding RMB1,000,000 but not exceeding RMB3,000,000 shall be deducted to 25% of the taxable income and subject to income tax at a rate of 20% for the period from 1 January 2022 to 31 December 2027. Zhejiang GenFleet Therapeutics Co., Ltd., GenFleet Therapeutics (Beijing) Co., Ltd. and GenFleet Biopharmaceutical (Shanghai) Co., Ltd. were recognised as Small and Micro Enterprises and were entitled to a preferential tax rate of 20% during the six months ended 30 June 2025 and 2024.

Pursuant to Cai Shui [2018] circular No.76, the Company and Zhejiang GenFleet Therapeutics Co., Ltd. which was accredited as "Technology-based Small and Medium-sized Enterprises" can carry forward their unutilised tax losses for up to ten years. This extension of the expiration period applies to all the unutilised tax losses that were carried forward by the entities at the effective date of the tax circular.

Australia

The subsidiary incorporated and operated in Australia with turnover of less than AUD50,000,000 was subject to income tax at the rate of 25% on the estimated assessable profits during the six months ended 30 June 2025 and 2024. No provision for Australia income tax was made for the six months ended 30 June 2025 (30 June 2024: Nil) as the Group did not generate any assessable profits arising in Australia during the six months ended 30 June 2025 and 2024.

USA

The subsidiary incorporated and operated in United States of America is subject to the federal corporate income tax rate at 21% during the six months ended 30 June 2025 and 2024. No provision for the federal corporate income tax was made for the six months ended 30 June 2025 (30 June 2024: Nil) as the Group did not generate any assessable profits arising in United States of America during the six months ended 30 June 2025 and 2024.

9. INCOME TAX (continued)

Deferred tax assets have not been recognised in respect of tax losses and deductible temporary differences as they have arisen in the subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses and deductible temporary differences can be utilised.

10. DIVIDENDS

No dividend was paid or declared by the Company during the six months ended 30 June 2025 (30 June 2024: Nil).

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

The calculation of basic and loss per share is based on:

	Six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Loss Loss attributable to ordinary equity holders of the parent	(698,600)	(449,303)
Shares Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	25,859,402	24,934,691
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Express in RMB)		
– Basic and diluted	(27.02)	(18.02)

12. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i>
Non-current:		
Rental and other deposits	1,514	1,514
Value-added tax recoverable	8,076	7,865
Others	178	197
Total Current:	9,768	9,576
Prepayments for research and development services and other		
services	23,847	22,194
Rental and other deposits	3,623	7,139
Value-added tax recoverable	19,257	10,719
Other receivables	1,201	15,420
Deferred listing expense	5,826	3,122
Total	53,754	58,594

The financial assets included in the above balances relate to receivables for which there were no recent history of default and past due amounts. In addition, there is no significant change in the economic factors based on the assessment of the forward-looking information, so the directors of the Company are of the opinion that the ECLs in respect of these balances are minimal. The balances are interest-free and are not secured with collateral.

13. TRADE RECEIVABLE

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i>
Trade receivables Impairment	96,895 –	109,153 –
Total	96,895	109,153

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	
Within 1 year	96,895	109,153
Total	96,895	109,153

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 to 60 days, depending on the contract terms. Each customer has a maximum credit limit. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An impairment analysis is performed at each reporting date. The Group has applied the simplified approach to provide for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The directors of the Company are of the opinion that the ECL in respect of the balance of trade receivables is minimal. No loss allowance for impairment of trade receivables is provided as at 30 June 2025 and 2024.

14. TIME DEPOSITS AND CASH AND CASH EQUIVALENTS

Time deposits over three months but less than one year – current

Time deposits over one year – non-current

Total

RMB

Denominated in:

	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	
Cash at banks	258,872	255,226
Time deposits	87,653	139,689
Subtotal	346,525	394,915
Less:		
Time deposits over three months	_	(32,790)
Cash and cash equivalents	346,525	362,125
Denominated in:		
RMB	28,299	24,714
USD	304,858	319,040
AUD	13,368	18,371
Total	346,525	362,125
Time deposits		
	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	

32,790

32,790

32,790

15. TRADE AND OTHER PAYABLES

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i>
Current:		
Trade payables	28,424	6,292
Payroll payables	9,022	17,711
Accrued expenses for research and development services	74,487	73,704
Accrued listing expense	11,166	12,706
Other taxes payables	689	987
Other payables		
 License-out agreement option termination fee (note a) 	69,110	68,573
– Accrued expenses	687	1,216
– Others	467	544
Total	194,052	181,733
Non-current:		
Other payables		
– License-out agreement option termination fee (note a)	56,426	55,676
Total	56,426	55,676

Note:

An ageing analysis of the trade payables as at the end of the reporting periods, based on the invoice date, is as follows:

	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	
Within 3 months	28,424	6,292
Total	28,424	6,292

The trade payables are non-interest-bearing and payable on demand, which are normally settled on terms of 1 to 3 months.

⁽a) The detail information of License-out option termination fee is described in Note 4.

16. INTEREST-BEARING BANK BORROWINGS

As at 30 June 2025

	73 dt 30 Julie 2023		
	Effective interest rate per annum % (Unaudited)	Maturity (Unaudited)	RMB'000 (Unaudited)
Current:			
Bank loans – unsecured	2.30-2.75	2025-2026	79,000
	As a	at 31 December 2	024
	Effective		
	interest rate		
	per annum	Maturity	RMB'000
	%		
Current:			
Bank loans – unsecured	2.50-2.90	2025	51,128
Balik Ioalis – uliseculeu	2.50-2.90	2025	31,120
		30 June	31 December
			2024
		2025 <i>RMB'000</i>	2024 RMB'000
			KIVIB UUU
		(Unaudited)	
Bank loans repayable:			
Within one year		79,000	51,128

17. REDEMPTION LIABILITIES ON EQUITY SHARES

The Group and the Company have designated the Shares issued to investors as whole as financial liabilities carried at FVTPL and presented as "redemption liabilities on equity shares" in the consolidated statements of financial position. The change in fair value of the redemption liabilities on equity shares is charged to profit or loss except for the portion attributable to credit risk change that shall be charged to other comprehensive income. Management considered that the fair value change in the redemption liabilities on equity shares attributable to changes of own credit risk is not significant.

The redemption liabilities on equity shares were presented in current liabilities as at 31 December 2024 and 30 June 2025 as the Company would be requested to redeem the Shares upon occurrence of the events which cannot be controlled by the Company.

The redemption features and liquidation preferences will be automatically terminated upon Listing.

The movements in our redemption liabilities on equity shares are set out as follows:

	Angel Round Shares <i>RMB'000</i>	Series A Shares <i>RMB'000</i>	Series A+ Shares <i>RMB'000</i>	Series B Shares RMB'000	Series B+ Shares <i>RMB'000</i>	Series C Shares RMB'000	Series C+ Shares <i>RMB'000</i>	Total Shares <i>RMB'000</i>
At 1 January 2024	126,831	230,353	26,379	459,240	244,427	549,278	-	1,636,508
Issue	-	-	-	-	-	-	195,011	195,011
Change in fair value	45,688	54,037	4,550	64,024	23,177	89,672	101,454	382,602
At 31 December 2024	172,519	284,390	30,929	523,264	267,604	638,950	296,465	2,214,121
Change in fair value	79,643	117,644	11,691	179,107	68,410	105,104	54,274	615,873
At 30 June 2025 (unaudited)	252,162	402,034	42,620	702,371	336,014	744,054	350,739	2,829,994

17. REDEMPTION LIABILITIES ON EQUITY SHARES (continued)

The Company used the discounted cash flow and back-solve method to determine the underlying share value of the Company and performed an equity allocation based on the Option Pricing model ("OPM model") to arrive the fair value of the redemption liabilities on equity shares as at the end of each reporting period with reference to valuation report carried out by an independent valuer.

In addition to the underlying share value of the Company determined by the back-solve method, other key valuation assumptions used in the OPM model to determine the fair value are as follows:

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i>
Risk-free interest rate	1.35%	1.14%
DLOM	11.88%	14.70%
Volatility	59.00%	56.00%
Possibilities under liquidation scenario	22.50%	27.50%
Possibilities under redemption scenario	22.50%	27.50%
Possibilities under conversion scenario	55.00%	45.00%

The Group estimated the risk-free interest rate based on the yield of China government bond with maturity close to the expected exit timing as of the valuation date. The DLOM was estimated based on the option-pricing method. Under the option-pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine DLOM. Volatility was estimated based on annualized standard deviation of daily shares price return of comparable companies for a period from the valuation date and with a similar span as time to expiration.

18. SHARE CAPITAL

Pursuant to the shareholders' resolutions dated 25 July 2024, the then existing shareholders of the Company approved the conversion of the Company into a joint stock company with limited liabilities with 26,774,063 shares in a nominal value of RMB1.0 each. Upon the completion of registration with the Administration for Market Regulation of the Shanghai (上海市市場監督管理局) on 29 September 2024, the Company was converted into a joint stock company with limited liability.

Paid-in capital/Share capital

	Paid-in capital/
	Share capital
	RMB'000
As at 1 January 2024	22,027
Issue of new shares (note a)	2,648
Capital contribution from employee incentive platforms (note b)	2,099
As at 31 December 2024 and 30 June 2025	26,774
As at 31 December 2024 and 30 June 2023	20,774

Notes:

- (a) On 24 July 2023, the Company passed shareholders' resolutions and approved the increase of the registered capital of the Company from RMB24,852,000 to RMB25,100,000 for employee incentive platforms. On 28 December 2023, the Company passed shareholders' resolutions and approved, among other things, the increase of the registered capital of the Company from RMB25,100,000 to RMB26,774,000.
- (b) In March 2024, the consideration of RMB12,860,000 for registered capital of RMB3,073,000 was settled by employee incentive platforms. As at 31 December 2024, the share capital of the Company was RMB26,774,000 and fully paid.

19. COMMITMENTS

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

	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	
Property, plant and equipment	-	1

20. RELATED PARTY TRANSACTIONS

(a) Names and relationships

Name of related parties

Relationship with the Group

Hongyong Binde (Hong Kong) Limited (鴻永秉德(香港)有限公司) ("Hongyong")

shareholder of the Company*

(b) Significant related party transactions

Six months ended 30 June

	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Rendering of services		
Hongyong	-	1,191

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

Six months ended 30 June

	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Salaries, allowances and benefits in kind Performance related bonuses	1,491 924	504 1,521
Total compensation paid to key management personnel	2,415	2,025

21. EVENTS AFTER THE REPORTING PERIOD

No significant events of the Group occurred after 30 June 2025.

22. APPROVAL OF THE FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorized for issue by the Board of Directors of the Company on 17 September 2025.

Hongyong has significant influence over the Group as Hongyong had a representation on the board of directors of the Company.

Definitions

"Audit Committee"	the audit committee of the Company
"Auditor"	Ernst & Young, the external auditor of the Company
"Auspicious Delight"	Auspicious Delight Limited, a limited liability company incorporated in the BVI on May 25, 2018, a member of our Single Largest Group of Shareholders and an ESOP Platform of the Group
"Board" or "our Board"	the board of Directors
"China", "Mainland China" or "PRC"	the People's Republic of China which, for the purpose of this Prospectus and for geographical reference only, excluding Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC, and Taiwan Region
"Company", "our Company", or " the Company"	GenFleet Therapeutics (Shanghai) Inc. (勁方醫藥科技(上海)股份有限公司), a company incorporated in the PRC as a limited liability company on August 23, 2017 and converted into a joint stock company with limited liability on September 29, 2024
"Core Products"	has the meaning ascribed thereto under Chapter 18A of the Listing Rules and are the products for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Dr. Lan"	Dr. Jiong LAN, the co-founder, executive Director, chief executive officer and general manager of the Company, and a member of our Single Largest Group of Shareholders
"Dr. Lu"	Dr. Qiang LU, the co-founder, chairman of the Board and executive Director of the Company, and a member of our Single Largest Group of Shareholders
"EMA"	the European Medicines Agency
"ESOP Platforms"	Shanghai Kunjin, Shanghai Kunjue, Shanghai Kunqian and Auspicious Delight
"FDA"	U.S. Food and Drug Administration
"GenFleet HK"	GenFleet Therapeutics (H.K.) Limited (健發藥業(香港)有限公司), a limited liability company incorporated in Hong Kong on March 15, 2017 and a member of the Single Largest Group of Shareholders

45111065	
"Global Offering"	Shall have the same meanings as defined in the Prospectus
"Group", "our Group", "our", "we" or "us"	our Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) in the share capital of our Company with a nominal value of RMB0.10 each, which is/are to be subscribed for and traded in HK dollars and to be listed on the Stock Exchange
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"ISAF"	Pharmaceutical Administration Bureau of China's Macau Special Administrative Region
"Latest Practicable Date"	September 25, 2025, being the latest practicable date prior to the printing of this report for the purpose of ascertaining certain information contained in this report
"Listing Date"	September 19, 2025, the date on which the H Shares are listed and on which dealings in the Shares are first permitted to take place on the Hong Kong Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"NMPA"	the National Medical Products Administration of China (國家藥品 監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
"Pre-IPO Employee Incentive Scheme"	the pre-IPO equity incentive plan of the Company approved and adopted in 2020 as amended and restated in July 2023
"Prospectus"	the prospectus issued by the Company on September 11, 2025
"Reporting Period"	the six months ended June 30, 2025
"Shanghai Kunjin"	Shanghai Kunjin Consulting Partnership (Limited Partnership) (上海坤勁企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on April 2, 2021, a member of our Single Largest Group of Shareholders and an ESOP Platform of the Group of which Dr. Lu is the sole general partner

"Shanghai Kunjue"	Shanghai Kunjue Consulting Partnership (Limited Partnership) (上海坤覺企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on October 13, 2017, a member of our Single Largest Group of Shareholders, a limited partner of Shanghai Kunjin, and an ESOP Platform of the Group
"Shanghai Kunqian"	Shanghai Kunqian Consulting Partnership (Limited Partnership) (上海坤前企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on March 26, 2021, a member of our Single Largest Group of Shareholders, a limited partner of Shanghai Kunjin, and an ESOP Platform of the Group
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB0.10 each, comprising Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Single Largest Group of Shareholders"	refers to Dr. Lu, Dr. Lan, GenFleet HK, and our ESOP Platforms
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the supervisors of the Company
"TGA"	Therapeutic Goods Administration of Australia
"Unlisted Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB0.10 each, which is/are not listed on any stock exchange
"%"	per cent

Glossary of Technical Terms

This glossary contains explanations of certain technical terms used in this report in connection with our Group and its business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

"AML"	acute myeloid leukemia, a cancer that affects bone marrow and blood
"antibody"	also known as an immunoglobulin, a protein used by the immune system to recognize and bind an antigen
"BTD"	Breakthrough Therapy Designation, a process designed to expedite the development and review of drugs that are intended to treat a serious condition
"CDK"	cyclin-dependent kinases, a family of protein kinases regulating the cell cycle, also involved in regulating transcription, mRNA processing, and the differentiation of nerve cells
"CDMO"	contract development and manufacturing organization, a pharmaceutical company that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
"clinical trial/study"	a research study carried out in human for validating or finding the therapeutic effects and side effects of test drugs in order to determine the therapeutic value and safety of such drugs
"CMC"	chemistry, manufacturing and controls
"CMO"	contract manufacturing organization, a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing
"cohort"	a group of patients as part of a clinical study who share a common characteristic or experience within a defined period and who are monitored over time
"combination therapy"	treatment in which a patient is given two or more drugs (or other therapeutic agents) for a single disease
"CRC"	colorectal cancer, the development of cancer from the colon or rectum
"CypA"	cyclophilin A, a ubiquitously distributed protein belonging to the immunophilin family
"DCR"	disease control rate, the proportion of patients who have achieved either a complete response, partial response, or stable disease after treatment

Glossary of Technical Terms

"EGFR"	epidermal growth factor receptor, a cell surface protein that plays a key role in cellular signaling and growth
"FAScon"	functional antibody synergetic conjugate, a type of bioconjugate consisting of an antibody attached with another functionally synergistic molecule through a linker, such as a drug or a toxin, to enhance its efficacy in targeting cellular signaling pathways
"GMP"	good manufacturing practice, the practices required in order to conform to the guidelines recommended by agencies that control the authorization and licensing of the manufacture and sale of products
"GDP"	guanosine diphosphate, a nucleotide that plays a significant role in cellular metabolism and signaling; it is composed of a guanine base, a ribose sugar, and two phosphate groups
"GTP"	guanosine triphosphate, a nucleotide that serves as an essential energy source and signaling molecule in various biological processes; it is composed of a guanine base, a ribose sugar, and three phosphate groups
"GTPase"	guanosine triphosphatase, an enzyme that catalyzes the hydrolysis of GTP to GDP and inorganic phosphate
"indication"	a specific condition, disease, or medical purpose for which a drug, treatment, or medical device is intended or approved for use
"IND"	investigational new drug, the application for which is the first step in the drug review process by regulatory authorities to decide whether to permit clinical trials
"KRAS"	Kirsten RAS, a member of the RAS family proteins
"metastatic"	in reference to any disease, including cancer, disease producing organisms or of malignant or cancerous cells transferred to other parts of the body by way of the blood or lymphatic vessels or membranous surfaces
"mechanism of action"	the specific biochemical interaction through which a drug substance produces its pharmacological effect
"monotherapy"	therapy that uses a single drug to treat a disease or condition
"NDA"	new drug application, a process required by an regulatory authority to approve a new drug for sale and marketing

"NSCLC"	non-small-cell lung carcinoma, any carcinoma (as an adenocarcinoma or squamous cell carcinoma) of the lungs that is not a small-cell lung carcinoma
"ORR"	overall response rate, the proportion of patients who have a partial or complete response to therapy
"PAD"	peripheral artery disease, a circulatory condition characterized by narrowed arteries
"PBC"	primary biliary cholangitis, an autoimmune liver disease resulting from a slow, progressive destruction of the intra-hepatic small bile ducts
"PCT"	Patent Cooperation Treaty, an international patent law treaty that provides a unified procedure for filing patent applications in its contracting states
"Phase I clinical trial(s)"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness. Phase I clinical trials can be divided into Phase Ia and Phase Ib clinical trials. Phase Ia typically involves dose-escalation studies, while Phase Ib generally focuses on combination therapy or dose-expansion studies
"Phase II clinical trial(s)"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"Phase III clinical trial(s)"	study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"preclinical studies"	studies testing a drug on non-human subjects, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials
"R&D"	research and development
"RAS"	rat sarcoma, a family of proteins that are critical regulators of cellular signaling pathways; it primarily includes HRAS, KRAS, and NRAS

Glossary of Technical Terms

"RDE"	recommended dose for expansion, the dosage of a drug that is suggested for use in clinical trials, particularly during the phase of expanding a treatment
"refractory"	disease or condition that does not respond to treatment
"RIPK"	receptor-interacting serine/threonine-protein kinase, a family of serine/threonine kinases that play a significant role in apoptosis, necroptosis and inflammation
"RTK"	receptor tyrosine kinase, a subclass of cell surface receptors that play a crucial role in cellular communication and signaling
"TGF-β"	transforming growth factor- β , a multifunctional cytokine that signals through the binding with its receptors and plays a critical role in various cellular processes
"TGF-βR"	transforming growth factor-β receptor