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

2025 年度報告 Annual Report

Contents

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)

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)
Ms. WONG Mei Fung Carrie (黃美鳳) *(appointed on 24 March 2026)*
Mr. NG Tung Ching Raphael (吳東澄) *(resigned on 24 March 2026)*

AUTHORISED REPRESENTATIVES

Ms. ZHANG Wei (張巍)
Ms. WONG Mei Fung Carrie (黃美鳳) *(appointed on 24 March 2026)*
Mr. NG Tung Ching Raphael (吳東澄) *(resigned on 24 March 2026)*

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STOCK CODE

2595

COMPANY'S WEBSITE

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Chairman's Statement

OUR INAUGURAL VOYAGE BENEATH THE STARRY HORIZON

As humanity reaches for new celestial frontiers with the launch of Artemis II this April, we are presenting our first annual report since IPO. The 2025 fiscal year marked the start of our inaugural voyage as a listed company.

Over the past year, we have been persistently developing globally innovative therapies with solid determination. During our inaugural voyage, our RAS-targeted matrix continued to deliver crucial breakthroughs. Fulzerasib has been included in the National Reimbursement Drug List, allowing China's first approved KRAS G12C inhibitor to reach a broader patient population starting 2026. GFH375, the world's first phase-III oral KRAS G12D inhibitor, has been granted with two first-in-China Breakthrough Therapy Designations as a KRAS G12Di monotherapy. GFH276 has emerged as the world's third Pan RAS inhibitor entering clinical development, with robust patient enrollment and swift advancement. Meanwhile, GFS202A – the world's first bispecific antibody targeting cancer cachexia – has entered the clinic; and KROCUS, the world's first KRAS+EGFR dual-target regimen for front-line lung cancer, has disclosed encouraging updated clinical results.

Grounded in firm execution, where shall we steer towards the starry ocean beyond the horizon? Where is our next tipping point? From a macroscopic perspective, which path lies ahead for the evolution of China's biotech sector?

We are confident the distinctive clinical and market positioning of each pipeline asset defines our strategic advantage. The compelling efficacy underlying GFH375's two Breakthrough Therapy Designations reflected our preclinical scientists' insight into the "ON-and-OFF" dual inhibition mechanism and its highly innovative molecular structure. GFS202A derived its strategic edge from our foresight of Pfizer's GDF15 antibody for cachexia treatment at our project inception, complemented with our rigorous understanding of the IL-6 pathway's role in cachexia pathogenesis. The fulzerasib combination regimen was built on the synergistic mechanism between EGFR and RAS pathway, and the positive outcome of KROCUS' European phase II trial underscored our clinical division's pioneering therapeutic paradigm for first-line lung cancer treatment.

Accordingly, our differentiated portfolio has been built on our industry insights, coupled with innovation and disciplined execution throughout our pipeline development. Moving forward, we will deliver pivotal breakthroughs in therapies for RAS-mutant cancers, along with a series of near- and long-term indications in cachexia-related areas. We have before us a vast, multi-billion-dollar global market as our frontier of opportunity.

Meanwhile, our rationale for building a globally innovative pipeline has become increasingly clear: we do not blindly pursue so-called "first-in-class" targets or mechanisms, nor do we fixate on novel or single technological platforms. Instead, we stay firmly rooted in unmet medical needs and leverage our team's creativity and execution. By deploying multiple technological platforms, we translate innovation into solid clinical outcomes and enhance the commercial value of our assets.

These accomplishments set sail on our inaugural voyage toward new frontiers!

BUSINESS HIGHLIGHTS

As a biopharmaceutical company dedicated to the development of globally innovative therapies, the Company had its first product in its pipeline (fulzerasib as the first approved KRAS G12C inhibitor in China) launched in the Chinese Mainland in 2024, within seven years of Company's inception. Fulzerasib was included into China's National Reimbursement Drug List (NRDL) and was launched in Macau Special Administrative Region of China in 2025. As of the date of this announcement, our globally innovative large- and small-molecule pipeline has included a RAS-targeted matrix covering diversified targets, mechanisms and modalities in the global forefront of RAS-inhibiting therapies. Our pipeline has also encompassed diverse innovative therapies aiming to address major indications such as pancreatic cancer, non-small cell lung cancer and cancer cachexia.

In 2025, the Company achieved key clinical and regulatory milestones in development of multiple first-tier or first-in-class projects: GFH375 entered the world's first phase III registrational trial for oral KRAS G12D inhibitor treating pancreatic cancer; Mono trial data of GFH375 for both pancreatic cancer and non-small cell lung cancer (NSCLC) treatment were selected for Late-Breaking Abstract (LBA) or in oral presentations at international academic conferences, demonstrating best-in-class efficacy globally; The world's first KRAS+EGFR combination therapy (fulzerasib combined with cetuximab) for frontline NSCLC treatment released phase II data at an international academic conference, also selected as LBA with oral presentation; GFS202A, the world's first GDF15/IL-6 bispecific antibody for cancer cachexia, and GFH276, the world's third clinically approved Pan RAS inhibitor, advanced into clinical trial with favorable preclinical efficacy and safety data disclosed at an international academic conference.

The Company maintained steady revenue growth over years owing to multiple domestic and global out-licensing partnerships. In 2025, the annual revenue exceeded RMB130 million, representing a year-on-year increase of nearly 25%. In addition, the Company maintained strong cash reserve, with cash and bank balances topping RMB2 billion by the end of 2025. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in 2025, successfully raising the highest gross proceeds (USD268 million after the exercise of the Over-allotment Option) and securing the largest cornerstone investor subscription (USD100 million) in initial public offering fundraising among bio-technology companies listed under Chapter 18A of the Listing Rules since 2022. The Company was also the only company listed under Chapter 18A of the Listing Rules with a commercialized Class 1 launched innovative therapy and out-licensing revenue at the time of listing. Within six months after the listing, the Company was included in the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect programs, and was also included in the Hang Seng Index Series, including the Hang Seng Composite Index.

Our flagship asset GFH375, a KRAS G12D inhibitor, leads globally in monotherapy clinical development

The flagship asset of the Company's pipeline GFH375 (oral KRAS G12D inhibitor) entered the world's first phase III registrational trial of an oral KRAS G12D inhibitor in November 2025 (treating metastatic pancreatic cancer), which is also the world's first registrational monotherapy trial of a KRAS G12D inhibitor. In addition, GFH375 obtained China's first Breakthrough Therapy Designation for a KRAS G12D inhibitor treating NSCLC in February 2026. Phase I/II data of GFH375 monotherapy in pancreatic ductal adenocarcinoma (PDAC), NSCLC and solid tumors were continuously selected for Late-Breaking Abstract (LBAs) and in oral presentations at the American Society of Clinical Oncology (ASCO), World Conference on Lung Cancer (WCLC) and European Society for Medical Oncology (ESMO) in 2025, demonstrating best-in-class monotherapy efficacy in PDAC and NSCLC and gaining recognition from investigators and academic conference judges.

Currently, GFH375 has entered a phase Ib/II clinical trial of two combination regimens, among which GFH375 in combination with chemotherapy (nab-paclitaxel and gemcitabine) enrolled first-line advanced PDAC patients, and GFH375 in combination with cetuximab (EGFR antibody) enrolled patients with advanced PDAC and colorectal cancer (CRC). Further updates of clinical data for GFH375 will be presented at international academic conferences and published in academic journals in the future.

Based on the favorable clinical efficacy of GFH375 and its efficient clinical progress in China, the Company's overseas partner Verastem exercised its option for GFH375 (also called VS-7375 outside of China) ahead of schedule in January 2025, obtaining the development and commercialization rights of GFH375 outside of Greater China. The Company and Verastem reached a licensing and co-development agreement in 2023, with GFH375/VS-7375 as the lead project under the collaboration framework. Building on China's study data of GFH375, Verastem has initiated multiple monotherapy and combination trials of VS-7375 across various indications. In July 2025, VS-7375 was granted US FDA's Fast Track Designation for treatment of KRAS G12D-mutant metastatic PDAC across all lines. Based on FDA guidance, Verastem will develop phase II registration-directed protocols to evaluate VS-7375 monotherapy in 2L PDAC and 2L/3L NSCLC, and the combinational regimen with cetuximab in 2L+ CRC.

Multiple clinical datasets selected for LBA and in oral presentations at international academic conferences

In 2025, encouraging clinical data for the Company's innovative therapies were selected for LBA and in oral presentations at prestigious international academic conferences, including WCLC, ESMO, the European Lung Cancer Conference (ELCC), and ASCO. Preclinical research data for multiple product candidates were also presented at the American Association for Cancer Research (AACR).

- **WCLC:** phase I/II data for GFH375 in patients with solid tumors and NSCLC were selected for mini oral presentation and LBA at WCLC in September 2025. As of July 15, 2025, among 26 evaluable NSCLC patients, the objective response rate (ORR) was 57.7% and the disease control rate (DCR) was 88.5%; in the 600 mg QD (RP2D) cohort, ORR was 68.8% and DCR was 93.8%.

- **ESMO:** phase I/II data for GFH375 in patients with PDAC were selected for oral presentation and LBA at ESMO in October 2025. As of September 27, 2025, among 59 evaluable patients in the 600 mg QD (RP2D) cohort, ORR was 40.7% and DCR was 96.7%.

- **ELCC:** phase II data from the KROCUS study, fulzerasib (KRAS G12C inhibitor) combined with cetuximab (EGFR antibody), were selected for mini oral presentation and LBA at ELCC in March 2025. As of January 14, 2025, among 45 evaluable patients, ORR was 80%, DCR was 100%, and median progression-free survival (mPFS) was 12.5 months.

- **ASCO:** Preliminary phase I data for GFH375 monotherapy in patients with KRAS G12D-mutant solid tumors were selected for rapid oral presentation at ASCO in June 2025.

- **AACR:** Preclinical data for GFH276 (Pan RAS inhibitor) and GFS202A (GDF15/IL-6 bispecific antibody) were selected for poster presentation at AACR in April 2025.

One of the world's most comprehensive RAS-targeted portfolios including industry-leading products of diverse modalities

According to Frost & Sullivan, the Company has one of the most comprehensive RAS-targeted portfolios. With rich diversity, the Company's RAS-targeted therapies include selective and Pan RAS inhibitors with different mechanisms of action and molecular types including switch II pocket small-molecules, molecular glue, and antibody-drug conjugate linking functionally antibody with synergistic targeted payloads. Based on clinical practice and the efficacy & safety profile of each product, the Company selects the most suitable monotherapy or combination therapy for each indication, aiming to cover most RAS-mutated tumors in first-line and all lines of settings, and to develop products expected to overcome multiple resistances.

Currently, the Company's RAS-targeted portfolio includes fulzerasib as the first marketed KRAS G12C inhibitor in China, GFH375 as the world's first phase-III oral KRAS G12D inhibitor, GFH276 as the world's third clinical-stage Pan RAS inhibitor and GFS784 as the world's first Pan RAS ADC candidate with IND application accepted. Among them, GFH375 has entered multiple monotherapy and combination trials, including the first-line regimen of GFH375 combined with chemotherapy for PDAC. The Company's RAS-targeted portfolio also includes the KROCUS study regimen of fulzerasib combined with cetuximab, the world's first KRAS+EGFR combination regimen for front-line NSCLC treatment.

Diversified targeted therapies for markets of major indications

The Company's globally innovative pipeline is oriented toward the markets of major indications with its RAS-targeted matrix and other diverse innovative targeted therapies, covering major tumor types such as RAS-mutant pancreatic cancer and NSCLC, as well as autoimmune diseases including cachexia and Type 2 inflammation.

- **Diversified RAS-inhibiting therapies combined with a targeted therapy for cachexia to establish a comprehensive matrix of targeted therapies for pancreatic cancer:** pancreatic cancer is one of the most malignant tumors with a 5-year survival rate below 10% due to its rapid progression, high heterogeneity, and complex tumor microenvironment. Patients with KRAS G12D mutations have significantly shorter overall survival and recurrence-free survival compared with KRAS wild-type patients or those with other KRAS mutation subtypes. In addition, cachexia is highly prevalent (over 60%) in gastrointestinal cancers including pancreatic cancer, severely impairing patients' treatment tolerance and overall survival. Targeted therapies for cachexia are expected to become important supportive treatment for pancreatic cancer and other malignancies. Multiple selective and Pan RAS inhibitors in our pipeline, along with the bispecific antibody therapy for cachexia, are set to deliver a novel matrix of targeted therapies for pancreatic cancer.

- **World's first KRAS + EGFR first-Line regimen for NSCLC:** NSCLC accounts for more than 80% of lung cancer cases, with an approximately 30% incidence of RAS mutations (KRAS being the most prevalent subtype). Immunotherapy is currently the standard of care (SOC) for non-oncogen-driven NSCLC, while dual-targeted regimens have emerged as a new frontier for oncogene-driven NSCLC. Fulzerasib is the first KRAS G12C inhibitor approved in China and has been included in the National Reimbursement Drug List. The KROCUS regimen, as the world's first KRAS + EGFR first-line therapy for NSCLC, has demonstrated outstanding efficacy, marked tumor regression in patients with brain metastases, better safety profile compared with furzerasib monotherapy for second-line and above treatment, and superior therapeutic potential for KRAS-mutant patients over SOC including immunotherapy.

- **World's first bispecific antibody therapy for cachexia, targeting supportive care for cancer treatment and other chronic diseases:** cachexia is a metabolic syndrome with complex mechanism that severely compromises treatment tolerance and overall survival. To date, no targeted cachexia therapy has been approved by the FDA or NMPA. GFS202A, the world's first GDF15/IL-6 bispecific antibody and China's first targeted cachexia therapy, has entered phase I clinical trial for cancer cachexia. Cancer is a major cause of cachexia, with an incidence exceeding 50% across multiple tumor types and up to 30% mortality rate. Furthermore, multiple chronic diseases may bring about cachexia, including chronic heart failure, AIDS, chronic nephritis, chronic obstructive pulmonary disease, rheumatoid arthritis, and chronic hepatitis, and targeted therapies for cachexia are expected to increase the addressable patient population for immune checkpoint inhibitors.

- **Oral STAT6 PROTAC degrader targeting high unmet need in Type 2 inflammation:** Type 2 inflammatory diseases encompass a wide spectrum of inflammatory diseases including atopic dermatitis, asthma, chronic rhinosinusitis, and eosinophilic esophagitis. Conventional steroids and JAK inhibitors in standard of care regimens carry substantial safety risks and adverse reactions, while mainstream targeted therapies are dominated by large-molecule injectables such as IL-4R and IL-13 antibodies. GFH946, an oral PROTAC product developed by the Company, is expected to significantly improve patient compliance compared with large-molecule therapies. Preclinical research showed that the product exhibited superior in vitro activity over peer agents targeting the same pathway with a lower risk of cardiotoxicity, representing distinct clinical potential and broad market prospects.

MANAGEMENT DISCUSSION AND ANALYSIS

Company overview and product pipeline

We are a biopharmaceutical company focusing on bringing in 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. The Company has been dedicated to developing globally innovative therapies, focusing on novel targets and indications with no prior clinical validation, and holds global intellectual property rights. Founded in 2017, the Company has built a portfolio of globally innovative large- and small-molecule products, with multiple of them entering global multi-center clinical trials in China, Europe and the United States, including late-stage or pivotal clinical studies.

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

Compound	Target	Indication	Preclinical	IND	Ph I	Ph II	Ph III	NDA or Approved	Location of Study	Company's Rights	Partner
Oncology: RAS-Focused											
★ **GFH375**	KRAS G12D	Pancreatic cancer (2L+, mono)							China	Greater China[2]	VERASTEM ONCOLOGY
		NSCLC (2L+, mono)							China		
		BTC (2L+, mono)							China		
		Solid tumors (All lines, combo)							China		
★ **GFH925 (fulzerasib)**	KRAS G12C	NSCLC (1L, combo)[1]							Europe	Global (Ex-China)	InnoVent 信达生物制药
GFH276	Pan RAS	Solid tumors							China	Global	
GFS784	ADC (Novel payload)	Solid tumors							/	Global	
Oncology: Others											
GFS202A	GDF15/ IL-6	Cachexia							China	Global	
GFH009 (Tambiciclib)	CDK9	AML							China, US	Greater China[3]	SELLAS LIFE SCIENCES GROUP
Immunology											
GFH312	RIPK1	PAD with IC, PBC[4]							China, US, Australia	Global	
GFH946	STAT6	Type 2 inflammation							/	Global	

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) 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.

(3) 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.

(4) 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.

Disclosure of clinical data and R&D progress in the Reporting Period

1. GFH375: an orally bioavailable small-molecule (ON/OFF) 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. GFH375 received approval for application of a phase I/II trial in China in June 2024, and entered the world's first phase III registrational trial of an oral KRAS G12D inhibitor in November 2025 (treating metastatic pancreatic cancer), which is also the world's first registrational monotherapy trial of a KRAS G12D inhibitor. In addition, GFH375 obtained China's first Breakthrough Therapy Designation for a KRAS G12D inhibitor treating NSCLC in February 2026. In July 2025, GFH375/VS-7375 was granted US FDA's Fast Track Designation for treatment of KRAS G12D-mutant metastatic PDAC across all lines.

KRAS G12D is the most prevalent oncogenic KRAS variant that lacks approved treatment options. It is found in various cancer types, including approximately 35-40% of pancreatic cancers, 12% of CRC and 4% of NSCLC. There is significant market space 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 anti-tumor activity in controlling tumor growth in different animal models. The clinical data of GFH375 demonstrated good oral bioavailability and anti-tumor activities, with 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.

GFH375 for second-line and beyond treatment of KRAS G12D-mutant PDAC: phase II trial data for PDAC patients in the 600 mg QD (RP2D) dose cohort were disclosed in a late-breaking abstract (LBA) and oral presentation at the 2025 Esmo congress. As of September 27, 2025, a total of 66 patients were enrolled with advanced KRAS G12D mutant PDAC and all received first dose of GFH375 for at least 4 months prior to September 27, 2025: most enrolled patients (95.5%) were diagnosed with stage IV disease at baseline, with metastases most frequently occurring in the liver (78.8%), lung (28.8%) and peritoneum (28.8%); 68.2% of patients had received at least two prior lines of therapy, primarily chemotherapies, and 1/3 of patients had been treated with immunotherapy.A total of 59 patients had at least one post-treatment tumor assessment: the objective response rate (ORR) was 40.7%; the disease control rate (DCR) was 96.7%; the majority (91.5%) had reduction in target lesions. With a median follow-up time of 5.65 months, the median progression-free survival (mPFS) was 5.52 months with the 4-month PFS rate being 78.2%. As of September 27, 2025, the median overall survival (OS) was not reached with the 4-month OS rate being 92.2%.

As of August 27, 2025, GFH375 presented a manageable safety profile in this cohort: most frequent treatment-related adverse events (TRAEs) were diarrhea, decreased neutrophil count, and vomiting; most TRAEs were grade 1 or 2 and manageable with supportive treatment; grade≥3 TRAEs occurred in 31.8% of patients, including only one case of grade 4 (the patient experienced treatment-related neutropenia and recovered with treatment of G-CSF). No grade 5 TRAE was reported.

GFH375 for second-line and above treatment of KRAS G12D-mutant NSCLC: phase I/II trial data in NSCLC patients were presented in a LBA for oral presentation at the 2025 World Conference on Lung Cancer (WCLC). As of July 15, 2025, all 28 enrolled NSCLC patients had metastatic diseases at baseline, including bone (42.9%), brain (17.9%), and liver metastases (10.7%); the median age was 61 years; the median number of prior lines of therapy was 2, all patients had received platinum-based chemotherapy, and 96.4% had been treated with immune checkpoint inhibitors; among 22 patients with known PD-L1 expression levels, all were below 49% with 59.1% having expression levels below 1%. The median treatment duration across all NSCLC patients was 15.1 weeks, and the median time to response was 6.3 weeks. Among 26 evaluable NSCLC patients, the ORR was 57.7% and the DCR was 88.5%, with 15 patients achieving a partial response; in the 600 mg QD (RP2D) cohort, the ORR was 68.8% and the DCR was 93.8%.

GFH375 has a manageable safety profile with no new safety signals observed. As of June 17, 2025, the most common treatment-related adverse events (TRAEs) in NSCLC patients were mainly Grade 1 to 2. The most frequent TRAEs included gastrointestinal events such as diarrhea, nausea and vomiting, as well as hematologic adverse events such as anemia and decreased neutrophil count. The most common Grade 3/4 TRAEs were decreased neutrophil count (6.3%) and anemia (4.2%), with no treatment-related deaths reported.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that GFH375 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. GFH276: a Pan RAS (ON) molecular glue inhibitor

GFH276 acts as a molecular glue inhibitor 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 has original macrocyclic core structure and side chain design, bringing favorable physicochemical properties and robust IP position. It 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, wider treatment window 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.

Clinical and preclinical data of GFH276: GFH276 is the third clinical-stage molecular glue Pan RAS (ON) inhibitor worldwide. The clinical trial application was approved in September 2025, and the first patient was dosed in the same month. GFH276 adopts a tri-complex (CypA-GFH276-RAS) mechanism, possesses a novel macrocyclic core scaffold and left-side chain structure with a robust patent position, and can inhibit most common wild-type and mutant RAS subtypes in their active state. GFH276 entered a phase I/II clinical trial for RAS-mutant solid tumors in September 2025. At present, the dose-escalation has completed multiple dose levels, and no Grade 3 or higher TRAEs (including rash) have been observed on top of observable efficacy; the preliminarily result showed superior pharmacokinetics and tissue distribution on the basis of its differentiated molecular structure, which is consistent with the preclinical research result.

According to poster presentation at AACR 2025, in animal models of non-small cell lung cancer, pancreatic cancer and colorectal cancer harboring various KRAS mutations including G12C, G12D, G12V and G13D, continuous oral administration of GFH276 at 0.3-3 mg/kg QD for 2-3 weeks showed dose-dependent antitumor activity. Compared with animals administered at 10 mg/kg QD of RMC-6236 over the same period, animals administered at 1 or 3 mg/kg QD of GFH276 achieved equivalent or greater tumor regression. In addition, GFH276 demonstrated favorable safety and target specificity in kinase selectivity and safety-related target assays.

Compared to the first-generation marketed KRAS G12C inhibitors (SIIP-binding KRAS inhibitors), GFH276 is not susceptible to RTK reactivation by EGF stimulation and its suppression of p-ERK1/2 phosphorylation was barely affected in cellular assays, showcasing the mechanistic advantage of GFH276 in addressing the adaptive resistance.

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

3. GFH925: a small molecule, selective inhibitor of KRAS G12C

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 subtype of the KRAS mutations, accounting for 40% of all KRAS mutations in NSCLC according to Frost & Sullivan. GFH925 is China's first KRAS G12C selective inhibitor approved for marketing and the third globally, having 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, (ii) approval from ISAF of Macau in June 2025 for the treatment of patients with advanced NSCLC harboring KRAS G12C mutation who have received at least one systemic therapy, and (iii) inclusion into National Reimbursement Drug List (NRDL) in December 2025 with the list taking effect in 2026.

Further, we are advancing overseas clinical development of GFH925 to unleash its therapeutic potential, including a phase Ib/II clinical trial (KROCUS study) for the first-line treatment of advanced NSCLC as a combination therapy with cetuximab, an antibody targeting EGFR, in countries within the EMA jurisdiction. This is the world's first KRAS+EGFR combinational regimen frontline NSCLC treatment. 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. KROCUS study also indicated superior therapeutic potential over current standard-of-care (SOC) including immunotherapy in first-line KRAS-mutant NSCLC treatment, holding the potential to establish the next-generation SOC for first-line NSCLC therapy.

Fulzerasib in combination with cetuximab for first-line NSCLC patients: Phase II trial data were presented in an LBA and mini oral presentation at ELCC 2025. A total of 47 previously untreated advanced KRAS G12C-mutant NSCLC patients were treated with fulzerasib in combination with cetuximab (fulzerasib 600 mg BID + cetuximab 500 mg/m2 Q2W) as of Jan 14, 2025. As of January 14, 2025, among the 45 patients who received at least one post-treatment tumor assessment, the ORR was 80% and DCR was 100%; 57.8% had ≥50% tumor shrinkage. 16 patients (34%) had brain metastasis; among the 14 brain-metastatic patients that received at least one post-treatment tumor assessment, the ORR per RECIST 1.1 was 71.4%. The median duration of response (DoR) was not reached yet, and 24 patients were still on treatment with a median follow-up of 10.1 months. The mPFS was 12.5 months and the mOS was not reached.

As of January 14, 2025, the combination therapy presented a favorable safety/tolerability profile. TRAEs occurred in 87.2% of patients and the majority of the TRAEs were graded 1-2; 14.9% of patients experienced at least one grade 3 TRAEs; no grade 4-5 TRAEs. 2 patients had treatment-related serious adverse events (TRSAE) and the TRSAEs were assessed to be merely related with cetuximab; 3 patients experienced TRAEs, unrelated to fulzerasib, leading to dose discontinuation. KROCUS demonstrated a relatively low occurrence of dose discontinuation or reduction among different first-line G12C-mutant NSLCL combo studies. No new safety signals were identified compared with fulzerasib or cetuximab as single agent.

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.

4. 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 life-threatening wasting condition that can significantly impact quality of life, tolerance to treatment and overall survival in affected patients with cancer or other types of chronic diseases. More than 50% of patients with malignant tumors experience cancer cachexia. Over 30% of cancer deaths are associated with cachexia, and end-stage cancer cachexia patients will progress to refractory or intractable cachexia. Cachexia is prevalent in various chronic conditions.

The overseas investigational GDF15 antibody ponsegromab has obtained clinical proof of concept, indicating clear regulatory pathway for GDF15-targeted therapies. Additionally, the combination including GDF15 antibodies (ponsegromab or visugromab) or IL-6R antibody (tocilizumab) with standard-of-care treatments also provides reference for potential combination regimens. 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.

Clinical and preclinical data of GFS202A: GFS202A is the world's first bispecific antibody therapy for cancer cachexia. It entered phase I trial for cancer cachexia in March 2025, and the dose-escalation is close to completion. Significant activity was observed in multiple dose cohorts, including improvements in patients' body weight and appetite. The first four dose cohorts demonstrated favorable safety with no dose-limiting toxicities. Levels of GDF15 and C-reactive protein were significantly reduced after injection of GFS202A.

According to the poster presentation at AACR 2025, in vitro experiments demonstrated GFS202A's high binding affinity to human GDF15 and IL-6 proteins and blocked the binding of GDF15 and IL-6 to their respective receptors, thereby exerting potent inhibition on the GDF15/GFRAL/RET and IL-6/IL-6R/gp130 signaling pathways. In vivo experiments showed that low-dose administration of GFS202A effectively reversed weight loss in cancer cachexia models. In animal models of cancer cachexia with single or multiple doses, GFS202A induced dose-dependent increases in body weight, muscle mass and adipose tissue, and significantly reduced C-reactive protein levels. Comparative studies demonstrated that at equimolar doses, GFS202A and ponsegromab (GDF15 antibody) achieved comparable increases in body weight, muscle and fat; whereas GFS202A reduced C-reactive protein levels in mice at lower doses, indicating more effective alleviation of inflammatory responses compared with the GDF15 antibody. Additionally, a 4-week pharmacokinetic & toxicology study of cynomolgus monkeys indicated GFS202A was well tolerated and exhibited favorable PK characteristics: no adverse effects on cardiovascular, respiratory and central nervous system functions were observed in the study.

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

5. GFS784 – a new antibody-drug conjugate leveraging synergistic effect of functional antibody and targeted payload

GFS784 is the world's first Pan RAS ADC candidate that had its clinical application accepted. It is our leading FAScon (leading-edge Functionally Antibody Synergistic Conjugation platform, combining antibody and small molecule targeting separate components of the same signaling pathway, with a highly hydrophilic linker incorporated into the design) candidate, consisting of a functional EGFR antibody (cetuximab) that blocks EGFR, an upstream cell surface receptor of RAS signal pathway, and a molecular glue Pan RAS (ON) inhibitor payload. We believe that GFS784 has the potential to deliver promising clinical benefits and may even outperform the GFH925/cetuximab combination, with a low susceptibility to drug resistance.

GFH784's preclinical data: In vitro and in vivo studies have preliminarily validated the efficacy of its dual-target mechanism. In addition to inhibiting RAS mutations, GFS784 also suppresses EGFR alterations and osimertinib-resistant tumors. In vitro assays demonstrated that GFS784 maintained potent inhibitory activity against cell lines resistant to cytotoxic payloads at picomolar concentrations. In animal tests, GFS784 exhibited broad-spectrum antitumor activity and inhibited tumor growth in animal models both sensitive and insensitive to ADCs with DXd payloads. Compared with combination therapy using cetuximab and RMC-6236 at clinically equivalent doses, GFS784 as a single agent demonstrated comparable efficacy but better tolerability in CDX mice. More detailed preclinical data of GFS784 will be presented in poster presentation at the 2026 AACR annual meeting.

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

6. GFH946: an investigational oral STAT6 PROTAC degrader for Type 2 inflammation

GFH946 is an investigational drug candidate. The Company aimed to develop a highly potent and selective STAT6 PROTAC with oral bioavailability, by targeting the indispensable transcription factor mediating IL-4/IL-13 signaling for degradation. Upon activation by the IL-4 receptor, STAT6 translocates to the nucleus to orchestrate key Type 2 inflammatory drivers, including Th2 cell differentiation, IgE synthesis, eosinophil infiltration, and airway mucus hypersecretion. Dysregulation of this pathway, such as through STAT6 gain-of-function mutations, is implicated in severe early-onset allergic diseases. By inducing the targeted degradation of STAT6, GFH946 project aims to abrogate this signaling cascade at its source, offering a novel oral therapeutic potential for the over 140 million patients worldwide afflicted with Type 2 inflammatory disorders.

GFH946's preclinical data: GFH946 is an oral STAT6 degrader with superior STAT6 degradation activity compared to KT-621 demonstrated in preclinical research. In peripheral blood mononuclear cell (PBMC) assays, the 50% degradation concentration (DC_{50}) of GFH946 is significantly lower than that of KT-621. In PBMC functional assays, GFH946 shows stronger inhibitory activity against IL-4-induced thymus and activation-regulated chemokine (TARC) secretion, and its 50% inhibitory concentration (IC_{50}) against TARC is also superior to that of KT-621. In addition, preclinical safety assessment result indicated that GFH946 presented no significant drug-drug interaction risk or cardiotoxicity signal in cytochrome P450 (CYP enzyme) inhibition and hERG channel inhibition studies, demonstrating a favorable safety profile.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that GFH946 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

Next-generation "globally innovative" drug development platforms

The Company has established and leveraged the advantages of an integrated R&D system covering target discovery, molecular discovery and optimization, pharmaceutical manufacturing and quality control, clinical development and translational research. Its technological capabilities include the development of diverse novel molecular types, the design of process development and the establishment of quality standards, as well as the exploration of differentiated clinical development. Based on the integrated development system backed by validated druggability and proven expertise from commercialized product, the Company continuously upgrades its established platforms and builds next-generation small and large molecule development platforms.

- Consolidation of the RAS-ADC product portfolio and exploration of the FAScon platform with diverse payloads: FAScon is the world's first platform for developing Functional Antibody Synergistic conjugates. We are committed to expanding upstream-downstream mechanistic synergy from the RAS pathway to other pathways, and from RAS-mutant tumors to a broader range of disease areas, while exploring cellular effector synergy beyond the molecular level to enhance therapeutic potential.

- Expansion from traditional small molecules to a novel oral small-molecule platform: the Company has established a compound library encompassing multiple targets and diverse molecular structures, improved the supporting technical system for the development of complex compounds, and always been focusing developing novel candidates with potential to overcome drug resistance.

- Expansion from monoclonal antibodies and bispecific antibodies to a comprehensive antibody development platform, driving extended innovation in other modalities: this upgraded platform enables in-depth basic research into different pathological pathways, exploring first-in-class innovative combination of novel targets, and advancing the development of diversified ADC and large-molecule candidates.

- Expansion from macrocyclic molecular glue to multiple-degrader platform: this upgraded platform enables precise targeting of proteins beyond traditional kinases, expands the "induced proximity effect" mechanism at multiple levels, upgrading from molecular glue to various types of degraders and promoting innovation in oral targeted protein degradation (TPD).

Global patent system and authoritative official qualifications that highlight pipeline depth and growth potential

The Company has established a comprehensive system for search, maintenance and pre-warning of intellectual property. By the end of the Reporting Period, the Company had been granted with 57 Chinese and overseas authorized patents, forming a global patent network covering Asia, Europe and North America. The patent portfolio includes compounds, crystal forms, salt forms, manufacturing processes and treatment methods, extensively covering core products and technical fields, supporting and enabling product uniqueness and technological advancement. Meanwhile, based on its commercial launch of innovative therapy, pipeline depth and growth potential, the Company has obtained official qualifications from central to local authorities for high-tech enterprises, including National Specialized and New"Little Giant" Enterprise (國家級專精特新"小巨人"), National High-Tech Enterprise (國家級高新技術企業), Shanghai Multinational Corporation R&D Center (上海市跨國公司研發中心), Shanghai National Specialized and New Enterprise (上海市專精特新中小企業), and Shanghai Municipal Enterprise Technology Center (上海市企業技術中心).

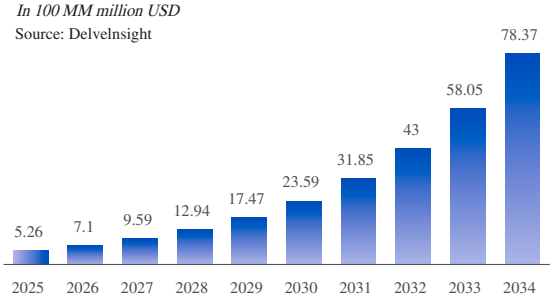
In 2025, the company received a number of important national and regional qualifications and awards. It was recognized in the National Science and Technology Major Project (國家科技重大專項認定) for "Four Major Chronic Diseases" by leading research on the pathogenesis of pancreatic cancer and new paradigms for precision diagnosis and treatment, and successfully passed the re-certification of National High-Tech Enterprise (firstly certified in 2022). It has been awarded the titles of Enterprise with Independent Innovation and R&D Pioneering Spirit (自主創新及研發先鋒系列企業) and Law-Abiding and Integrity Enterprise (守法誠信企業) by the All-China Federation of Industry and Commerce Pharmaceutical Chamber of Commerce for eight consecutive years. In addition, the Company was recognized as a Shanghai Science and Technology Little Giant (Cultivation) Enterprise (上海市科技小巨人(培育)企業), and several R&D experts were awarded the title of Innovation and Elite Talents under the Shanghai Pudong New Area Pearl Plan (明珠計劃創新及菁英人才) in 2025. In the year of its listing, the company also won several major secondary market-related awards, including the "Most Potential Hong Kong Stock ESG Award of the Year" (年度港股 ESG 最具潛力獎) by the Hong Kong Greater Bay Area Financiers Association, and was listed on the "Most Valuable Pharmaceutical Companies Ranking" by Zhitong Finance and the "New Force Healthcare Enterprises List" by CLS (Cailian Agency).

Future outlook: market potential, global development front and commercial prospects

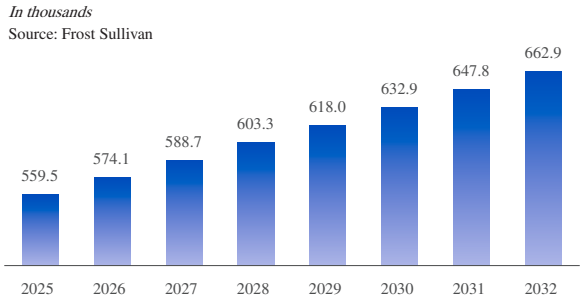
- **One of the world's most comprehensive RAS-targeted portfolios, for the fastest-growing segment in oncology market of targeted therapies over the next decade:** RAS mutations occur in up to 30% of cancer patients worldwide, and RAS proteins were long considered "undruggable" for decades due to smooth surface of the protein's structure. According to Frost & Sullivan, the annual incidence of new RAS-mutant cancer cases will reach 4-5 million between 2025 and 2032. Currently, no Pan RAS inhibitor has been approved globally. Peak sales forecasts for RMC-6236 by overseas research institutions rose from $230 million (GlobalData) at the end of 2024 to $7 billion (RBC Capital Markets) by the end of 2025.

  With multiple KRAS G12C inhibitors launched both in China and globally and the druggability of RAS-targeted agents becoming well-established, the market potential of the RAS sector has been expanding steadily. According to DelveInsight, the market size of KRAS inhibitors – the largest subtype of RAS mutations – is projected to surge more than tenfold to $7.8 billion by 2034, representing a compound annual growth rate (CAGR) of 35% over the next decade. KRAS G12D accounts for nearly 30% of all KRAS mutations. Frost & Sullivan data indicate that the KRAS G12D inhibitor market will grow faster than the average of KRAS inhibitor sector, with the patient population across three major tumor types (pancreatic cancer, colorectal cancer, and NSCLC) harboring KRAS G12D mutations exceeding 660,000 by 2032.

Market forecast of KRAS inhibitors

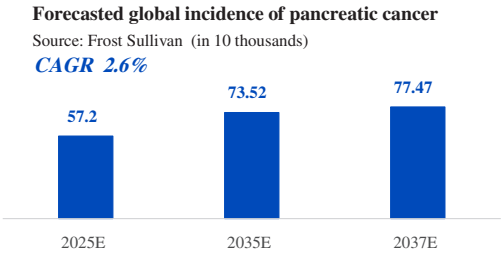


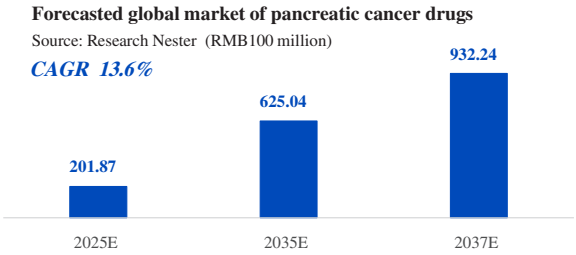
Forecast of G12D-mutant pancreatic cancer, NSCLC and CRC patient population



Currently, there is considerable potential to improve the market penetration and efficacy of RAS inhibitors. Addressing the huge market for all lines of treatment in major RAS-mutant solid tumors, companies developing RAS-targeted therapies both in China and globally have shared opportunities and challenges. The Company's diversified RAS-targeted portfolio includes one marketed product and several candidates with differentiated molecular designs and top-tier development efficiency in China or globally. We aim to improve efficacy and safety through innovative compound structures and novel mechanisms of action while accelerating clinical progress. Leveraging diverse molecular types and mono/combo regimens, we strive to cover all lines of treatments for multiple tumor types, and to develop next-generation innovative therapies overcoming multiple resistances.

- **Diversified RAS-targeted therapies plus oncology supportive care, targeting the hundred-billion-level pancreatic cancer treatment market:** at present, chemotherapy represents the SOC in first- and second-line treatment for pancreatic cancer, without widely applicable targeted therapies yet approved. RAS mutations occur in up to 90% of pancreatic cancer cases (with a KRAS G12D mutation ratio of approximately 40%). RAS pathway mutations, together with common co-mutations such as TP53 and CDKN2A, are key factors driving the development and poor prognosis of pancreatic cancer, and KRAS G12D mutation represents an independent poor prognostic factor for the disease. According to Frost & Sullivan, global new cases of pancreatic cancer will exceed 770,000 by 2037, with a 10-year CAGR of 2.6%. According to Research Nester, the global pancreatic cancer drug market will grow at a 10-year CAGR of 13.6% and exceed RMB93 billion by 2037.





The Company has a RAS-targeted matrix composed of multiple selective and Pan RAS inhibitors, as well as a bispecific therapy for cancer cachexia as a potential supportive care for cancer treatment, given that pancreatic cancer has the highest incidence of cachexia among all tumor types. The Company has initiated a phase III registrational clinical trial of GFH375 monotherapy for metastatic pancreatic cancer, and expects to launch registrational clinical trial of GFH375 for NSCLC in the near future, and to parallelly file New Drug Applications for the two indications in 2027 and achieve commercialization in 2028. The Company plans to roll out its commercialization model and system in 2027, expects to achieve rapid sales growth of GFH375 and its inclusion into NDRL within 2-5 years, building a sustainable and growing business model with positive cash flow within a decade.

On the global development front, the Company initiates projects based on international market trends and global IP strategies, building a globally innovative pipeline comprising both large and small molecules. Since 2020, multiple products have entered global clinical studies, including the multi-center phase II trial of fulzerasib combined with cetuximab in Europe, which represents the world's first clinical study of KRAS+EGFR dual-targeted therapy for first-line treatment of NSCLC. Clinical trial applications for GFH009 (a highly selective CDK9 inhibitor) were approved in both China and the United States in 2020, and clinical trial of GFH312 (a RIPK1 inhibitor) was started in Australia in 2021, etc. Starting from 2022, the Company has successively completed BD out-licensing deals with overseas listed companies, and established China's and overseas clinical collaboration with Merck in trials of combinational regimens including cetuximab. Going forward, leveraging our diversified pipeline including small molecules, antibody-drug conjugates and bispecific antibodies, the Company will actively explore global strategic cooperation to facilitate product development and commercial launch. It will openly establish an international cooperation system covering the full lifecycle from early research and clinical development to commercialization, aligning with the corporate growth and driving substantial enhancement of enterprise value.

FINANCIAL REVIEW

Revenue

For the year ended December 31, 2025, the Group recorded revenue of RMB130.27 million from licenses of intellectual property, sales of goods, and provision of research and development service, while the Group recorded revenue of RMB104.70 million for the year ended December 31, 2024. The increase was primarily derived from the collaboration and out-licensing arrangement regarding GFH375 with Verastem.

Cost of Sales

For the year ended December 31, 2025, the Group recorded cost of sales of RMB46.61 million, representing an increase from RMB20.10 million for the year ended December 31, 2024. The increase was primarily attributable to the increase of revenue.

Other Income and Gains

For the year ended December 31, 2025, other income and gains of the Group were RMB34.81 million, representing an increase of approximately 22% from RMB28.53 million for the year ended December 31, 2024. The increase was primarily attributable to increase in bank interest income by RMB13.95 million, partially offset by the decrease in the net foreign exchange differences by RMB3.54 million, and the decrease in government grants by RMB3.44 million.

Research and Development Costs

The Group's research and development costs decreased from RMB332.12 million for the year ended December 31, 2024 to RMB282.26 million for the year ended December 31, 2025, primarily due to the decrease in termination fee of GFH925 Ex-China Option in 2024 by RMB45.40 million, and the decrease in patent licensing fee of GFH925 in 2024 by RMB28.77 million.

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.

	For the year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
CMC, materials costs and preclinical development costs	**102,676**	83,438
Clinical development costs	**83,641**	57,223
Staff costs	**58,865**	68,992
Share-based payment	**20,302**	21,518
Depreciation and amortization	**8,671**	12,595
IP management expenses	**3,414**	4,921
Termination fee	**–**	45,404
Patent licensing agreements	**–**	28,774
Others	**4,689**	9,259
Total	**282,258**	332,124

Administrative Expenses

The Group's administrative expenses were RMB81.38 million for the year ended December 31, 2025, representing an increase of approximately 40.11% from RMB58.08 million for the year ended December 31, 2024. The increase was mainly driven by increase in professional services fee and listing expense incurred in the Reporting Period.

Other Expenses and Losses

The Group's other expenses and losses increased from RMB10.00 thousand for the year ended December 31, 2024, to RMB23.96 million for the year ended December 31, 2025, primarily attributable to increase in foreign exchange loss by RMB23.84 million due to USD/RMB exchange rate fluctuations.

Finance Costs

The Group's finance costs decreased from RMB17.96 million for the year ended December 31, 2024, to RMB6.39 million for the year ended December 31, 2025. The decrease was primarily due to decrease in transaction costs on issue of redemption liabilities on equity shares by RMB11.84 million.

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 RMB1,518.85 million for the year ended December 31, 2025, compared with negative RMB382.60 million for the year ended December 31, 2024. The change in fair value of redemption liabilities on equity shares was primarily attributable to derecognition of redemption liabilities on equity shares upon listing. All issued Shares had been automatically converted into ordinary shares upon the successful Hong Kong public offering and international offering of the Company on September 19, 2025 (the "**Listing Date**") and the fair value of redemption liabilities of RMB3,732.97 million had been reclassified to equity accordingly.

Loss for the Year

For the reasons described above, the Group incurred a loss of RMB1,794.53 million for the year ended December 31, 2025, compared with a loss of RMB677.64 million for the year ended December 31, 2024.

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with International Financial Reporting Standards (the "**IFRSs**"), the Group also used adjusted net loss as an additional financial measure, which is not required by, or presented in accordance with IFRSs.

The Group believes adjusted net loss provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of adjusted net loss has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRSs.

The Group define adjusted net loss (non-IFRS measure) for the year, as loss for the year adjusted by adding back (i) fair value loss on redemption liabilities on equity shares, (ii) share-based payments, and (iii) Listing expenses. Fair value loss on redemption liabilities on equity shares of RMB1,518.9 million for the year ended December 31, 2025 (2024: RMB382.6 million), is generated from shares with special rights issued in previous equity financings prior to the Global Offering. Such fair value changes were recognized up until September 19, 2025, the date of completion of our Global Offering. From this date onward, these special rights ceased to exist, and there will be no further profit or loss impact of this nature in subsequent financial periods. Share-based payment of RMB26.3 million for the year ended December 31, 2025 (2024: RMB26.9 million), which are non-cash expenses arising from share-based awards granted to participants under our share incentive schemes, are included in the administrative expenses and research and development expenses. Listing expense of RMB22.9 million for the year ended December 31, 2025 (2024: 18.4 million) is related to the Global Offering.

The following table reconciles our adjusted net loss for the years presented to the most directly comparable financial measure calculated and presented in accordance with IFRSs, which is loss for the year ended December 31, 2025 and 2024:

	For the year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
Reconciliation of loss to adjusted net loss:		
Loss for the year	**(1,794,528)**	(677,641)
Add:		
Fair value loss on redemption liabilities on equity shares	**1,518,851**	382,602
Share-based payments	**26,275**	26,942
Listing expenses	**22,895**	18,363
Adjusted net loss for the year (Non-IFRS measure)	**(226,507)**	(249,734)

Liquidity and Capital Resource

The Group monitors and maintains 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 monitors 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 year ended December 31, 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 RMB135.70 million and RMB206.40 million for the year ended December 31, 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 RMB1,197.44 million as of December 31, 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 entered into certain foreign exchange risk hedge contracts to manage foreign exchange risk. The Group will continue to closely monitor its foreign currency exposures (in particular, USD) and may consider appropriate treasury actions to eliminate the foreign exchange risk exposures if such needs arise.

Bank Borrowings

As of December 31, 2025, the Group's total outstanding borrowings amounted to RMB83.90 million, among which RMB40.00 million are secured borrowings with patent pledged. Subsequently, the pledge was released in March 2026. As of December 31, 2025, the Group's bank borrowings will mature within one year, bearing interest at rates ranging from 2.25% to 2.75% per annum.

Charges on Assets

As of December 31, 2025, the Group did not pledge or charge any assets.

Contingent Liabilities

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

Significant Investments

As of December 31, 2025, 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.

The Board confirmed that the Group's transactions in financial assets during the Reporting Period, on a standalone basis and aggregate basis, did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this announcement, the Group did not have other plans for significant investments or capital assets as at December 31, 2025.

EXECUTIVE DIRECTORS

Dr. Qiang LU, aged 60, is our executive Director and Chairman of the Board. Dr. Lu is the co-founder of our Group and is responsible for overall strategic planning, financial management, and business management of our Group. Dr. Lu was appointed as a Director on November 2, 2017 and appointed as chairman of the Nomination Committee on the Listing Date. Dr. Lu is also in charge of the Company's finance related functions with the support of the Company's finance department, which comprises managers and officers with relevant qualification and ample experience in finance and accounting related area since incorporation. Dr. Lu himself has been formally designated as "財務負責人(Head of Finance)" of the Company under the PRC rules and regulations since June 2024.

Dr. Lu has over 21 years of experience in the biotechnology and pharmaceutical industry. Before founding the Group, Dr. Lu served as a senior vice president of CStone Pharmaceuticals (Suzhou) Co., Ltd. (基石藥業(蘇州)有限公司) until August 2017, which later became a wholly-owned subsidiary of CStone Pharmaceuticals (基石藥業), a pharmaceutical company listed on the Hong Kong Stock Exchange (stock code: 2616). Before he joined CStone Pharmaceuticals (Suzhou) Co., Ltd., he successively served as chief scientific officer and a vice president of Harbin Gloria Pharmaceuticals Co., Ltd. (哈爾濱譽衡藥業股份有限公司), a pharmaceutical company listed on the Shenzhen Stock Exchange (stock code: 002437) from February 2015 to May 2016; and chief scientific officer of Yangtze River Pharmaceutical Group Co., Ltd. (揚子江藥業集團有限公司), a pharmaceutical company, from June 2013 to February 2015. From April 2008 to June 2013, he served as a vice president at WuXi AppTec (Shanghai) Co., Ltd. (上海藥明康德新藥開發有限公司), a wholly-owned subsidiary of WuXi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司), a pharmaceutical company listed on the Shanghai Stock Exchange (stock code: 603259) and the Hong Kong Stock Exchange (stock code: 2359). Before he joined WuXi AppTec (Shanghai) Co., Ltd., he served as head of ion channel and cellular toxicology in Novartis Institutes for BioMedical Research, Inc., a pharmaceutical research organization of Novartis AG, a medicines company, until April 2008. From April 2000 to February 2006, he worked at Wyeth, a pharmaceutical company.

Dr. Lu received his bachelor's degree in biochemistry from Peking University (北京大學) in China in July 1987 and Doctor of Philosophy degree in biochemistry from Brandeis University in the United States in May 1996. After receiving his Doctor of Philosophy degree, he continued his research at the Departments of Physiology and Neuroscience at Tufts University School of Medicine in the United States.

Dr. Jiong LAN, aged 54, is our executive Director, Chief Executive Officer and General Manager. Dr. Lan is the co-founder of our Group and is responsible for overall supervision and management of the business operation of our Group. Dr. Lan was appointed as a Director on November 30, 2017 and appointed as a member of the Remuneration Committee on the Listing Date.

Dr. Lan has over 21 years of experience in the biotechnology and pharmaceutical industry. Before founding the Group, he served as general manager of Shanghai Haiyan Pharmaceutical Technology Co., Ltd. (上海海雁醫藥科技有限公司), a wholly-owned subsidiary of Yangtze River Pharmaceutical Group Co., Ltd. (揚子江藥業集團有限公司), a pharmaceutical company, from August 2013 to August 2017. From October 2011 to July 2013, he served as head of the department of medicinal chemistry at Shanghai Hengrui Pharmaceuticals Co., Ltd. (上海恆瑞醫藥有限公司), a wholly-owned subsidiary of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (江蘇恆瑞醫藥股份有限公司), a pharmaceutical company listed on the Shanghai Stock Exchange (stock code: 600276). From March 2005 to October 2011, he served as an investigator at Novartis Institutes of Biomedical Research, a pharmaceutical research organization of Novartis AG, a medicines company.

Dr. Lan received his bachelor's degree in organic chemistry from Lanzhou University (蘭州大學) in China in 1994 and Doctor of Science degree in organic chemistry from Lanzhou University (蘭州大學) in China in June 1999. After receiving his Doctor of Science degree, he continued his research in organic synthetic chemistry at University of Rochester in the United States.

Ms. ZHANG Wei (張巍), aged 47, is our executive Director, secretary to the Board and a joint company secretary. Ms. Zhang is responsible for supervising financing and investment related matters of our Group. Ms. Zhang joined the Group in August 2017 when the Company was established and was then appointed as a Director on November 25, 2024. Prior to joining our Group, Ms. Zhang has worked in different companies in the biotechnology and pharmaceutical related field, where she had gained knowledge and experience in project management in the industry. She had also gained insight in business development related matters from potential investors in the industry through her prior working experience. Such experience and knowledge allow her to provide valuable insights and support to the pre-IPO financing and investment related matters of the Group. She was responsible in leading each round of the pre-IPO financings conducted by the Company.

From October 2009 to December 2016, she worked at PerkinElmer Enterprise Management (Shanghai) Co., Ltd. (珀金埃爾默企業管理(上海)有限公司), a company primarily engaged in the provision of analytical and enterprise solutions in various aspects, including but not limited to medical device testing solutions, laboratory services solutions and forensics and toxicology solutions. She was responsible for new products launch and solutions and technology application. Before she joined PerkinElmer Enterprise Management (Shanghai) Co., Ltd. and since August 2009, she worked at WuXi AppTec (Shanghai) Co., Ltd. (上海藥明康德新藥開發有限公司), a wholly-owned subsidiary of Wuxi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司), a pharmaceutical company listed on the Shanghai Stock Exchange (stock code: 603259) and the Hong Kong Stock Exchange (stock code: 2359). From December 2006 to August 2009, she served as a research assistant at Shanghai Genomics Inc. (上海睿星基因技術有限公司), a biopharmaceutical company.

Ms. Zhang received her bachelor's degree in chemical engineering in July 2000 and a bachelor's degree in English language in July 2001 from Dalian University of Technology (大連理工大學) in China. She received a master's degree in biology and biotechnology from Lille 1 University in France in September 2006. She obtained a master's degree in science, health and applications, with a focus on structure, proteomics, and functional genomics from Université Paris VII in France in March 2007.

NON-EXECUTIVE DIRECTORS

Mr. ZHU Jingyang (朱競陽) (formerly named ZHU Daqiang (朱大強)), aged 37, is our non-executive Director. Mr. Zhu is responsible for providing strategic advice and making recommendation on the operation and management of our Group. Mr. Zhu was appointed as a Director on August 1, 2022 and was appointed as a member of the Audit Committee on the Listing Date.

Mr. Zhu has ample experiences in investment management. He is currently an investment director at HuaGai Healthcare Fund (華蓋醫療健康基金) of HuaGai Capital (華蓋資本).

Mr. Zhu obtained a master's degree in medicine in microbiology and biochemical pharmacy from Peking Union Medical College (北京協和醫學院), Tsinghua University School of Medicine (清華大學醫學部) in China in January 2014.

Ms. TAO Sha (陶莎), aged 32, is our non-executive Director. Ms. Tao is responsible for providing strategic advice and making recommendation on the operation and management of our Group. Ms. Tao was appointed as a Director on November 25, 2024. Ms. Tao is currently a vice president at Shanghai CDH Futai Venture Capital Management Co., Ltd. (上海鼎暉賦泰創業投資管理有限公司), a fund manager under CDH Investments (鼎暉投資), an asset management group focusing on investment in China.

Ms. Tao received her dual bachelor's degrees in business and biochemistry from Brandeis University in the United States in February 2017. She received her master's degree in strategic management from HEC Paris in France in March 2019.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Christine Shaohua LU-WONG (盧韶華), aged 57, is appointed as our independent non-executive Director, the chairman of the Audit Committee and a member of the Nomination Committee with effect from the Listing Date. Ms. Lu-Wong is responsible for advising our Group on issues relating to corporate governance, audit and providing independent opinion to the Board.

Ms. Lu-Wong brings invaluable senior executive leadership and experiences in corporate financial strategy and governance. She is also qualified as a certified public accountant in the United States. She held various senior management positions at various listed companies, including vice president of finance at WuXi PharmaTech (Cayman) Inc. (NYSE ticker before delisting: WX) from August 2007 to August 2009, executive vice president and chief financial officer at Pactera Technology International Ltd. (NASDAQ ticker before delisting: PACT) from January 2010 to November 2012, chief financial officer at Xueda Education Group (NYSE ticker before delisting: XUE) from November 2012 to December 2015, and chief financial officer at WuXi Biologics (Cayman) Inc., a company listed on the Hong Kong Stock Exchange (stock code: 02269.HK) from January 2016 to November 2021.

She has been serving the independent non-executive director and chairwoman of the audit committee at WuXi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603259.SH) and Hong Kong Stock Exchange (stock code: 02359.HK) since May 2023 and June 2023, respectively.

Ms. Lu-Wong obtained a bachelor's degree in foreign trade and economics from Guangdong University of Foreign Studies (廣東外語外貿大學) in China in July 1990 and an MBA degree in accounting from Golden Gate University in the United States in April 1994.

Dr. ZHOU Demin (周德敏), aged 60, is appointed as our independent non-executive Director, a member of the Audit Committee and the Nomination Committee with effect from the Listing Date. Dr. Zhou is responsible for advising our Group on issues relating to corporate governance, audit and providing independent opinion to the Board.

Dr. Zhou has served as a professor of Peking University School of Pharmaceutical Sciences (北京大學藥學院) since September 2008, where he consecutively served as the deputy dean from December 2009 to January 2016 and the dean from January 2016 to July 2023. He is currently the director of State Key Laboratory of Natural and Biomimetic Drugs (天然藥物及仿生藥物國家重點實驗室).

Dr. Zhou has been serving as an independent non-executive director of Hangzhou Jiuyuan Gene Engineering Co., Ltd. (杭州九源基因工程股份有限公司) (a company listed on the Hong Kong Stock Exchange (stock code: 2566)) since November 2023; an independent director of Chengdu Kanghong Pharmaceutical Group Co., Ltd. (成都康弘藥業集團股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002773)) since August 2023; an independent non-executive director of Lepu Biopharma Co., Ltd. (樂普生物科技股份有限公司)(a company listed on the Hong Kong Stock Exchange (stock code: 2157)) since December 2020. He was an independent director of North China Pharmaceutical Co, Ltd. (華北製藥股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600812)) from May 2019 to May 2025.

Dr. Zhou obtained bachelor's degree in chemistry from the pharmaceutical college of Beijing Medical University (北京醫科大學) (currently known as Peking University Health Science Center (北京大學醫學部)) in China in July 1990 and a Doctor of Science from the same university in June 1996. Dr. Zhou has been certified by Peking University (北京大學) as a professor since September 2008. Dr. Zhou was also recognized as "973 Chief Scientist" (973 首席科學家) by Ministry of Science and Technology of the PRC (中華人民共和國科學技術部) in 2010, and "Changjiang Scholar Distinguished Professor" (長江學者特聘教授) by Ministry of Education of the PRC (中華人民共和國教育部) in 2013. He is also a vice chairman of the council of Beijing Pharmaceutical Society (北京藥學會) and a member of the professional committee on pharmaceutical chemistry of Chinese Pharmaceutical Association (中國藥學會).

Mr. LI Bo (李波), aged 55, is appointed as our independent non-executive Director, the chairman of the Remuneration Committee and a member of the Nomination Committee with effect from the Listing Date. Mr. Li is responsible for advising our Group on issues relating to corporate governance, audit and providing independent opinion to the Board.

Mr. Li has ample experiences in asset management. Mr. Li has been serving as the partner of Shanghai Real Estate Asset Management Co., Ltd. (上置資產管理(上海)有限公司) since April 2023.

Mr. Li served as Managing Director of the Investment Banking Division, Sponsor Representative, and General Manager of the M&A Department at Guosen Securities Co., Ltd. (國信證券股份有限公司) from September 2007 to March 2019. From July 2021 to May 2023, he served as an Independent Director of Shanghai Prosolar Resources Development Co., Ltd. (上海創興資源開發股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600193).

Mr. Li received his bachelor's degree in hoisting, transporting, and engineering machinery from Hebei Coal Construction Engineering College (河北煤炭建築工程學院) (currently known as Hebei University of Engineering (河北工程大學)) in China in July 1994. He received his master's degree in engineering science from Shanghai Jiao Tong University (上海交通大學) in China in February 1997.

SENIOR MANAGEMENT

For biographical details of Dr. Lu, Dr. Lan and Ms. Zhang, see "Executive Directors" in this section. The details of the other senior management member are set out below:

Dr. WANG Yu (汪裕), aged 54, is our Chief Medical Officer. Dr. Wang is responsible for the supervision of our clinical development strategy and execution, and our whole R&D strategy and project planning. Dr. Wang joined the Group as the Chief Medical Officer in November 2020. Dr. Wang was appointed as a Director in December 2020 and has resigned from directorship with effect before Listing to streamline and adjust the Board and management structure upon Listing.

Dr. Wang has over 21 years of experience in the antitumor drug development and the pharmaceutical industry. Prior to joining the Group, he served as consulting partner of ZenRhyme Consulting Services Co., Ltd. (詳妍(上海)商務資訊諮詢有限公司) from January 2018 to October 2020, and chief medical officer of Abbisko Therapeutics (上海和譽生物醫藥科技有限公司), a wholly-owned subsidiary of Abbisko Cayman Limited, a company listed on the Hong Kong Stock Exchange (stock code: 2256) from March 2020. From November 2016 to December 2017, he served as chief scientist of Beijing Panacro Pharmaceutical Technology Co., Ltd. (北京博納西亞醫藥科技有限公司), a contract research organization specializing in pharmaceutical R&D and clinical research. From September 2013 to November 2016, he served as clinical program leader, oncology translational medicine of China Novartis Institutes for Biomedical Research Co., Ltd. (諾華(中國)生物醫學研究中心). From April 2012 to September 2013, he served as clinical research director of Sanofi (China) Investment Co., Ltd. Shanghai Branch (賽諾菲(中國)投資有限公司上海分公司). From February 2010 to March 2012, he served as a medical director at GlaxoSmithKline (China) Investment Co., Ltd. (葛蘭素史克(中國)投資有限公司), a subsidiary of GSK PLC, a company listed on the London Stock Exchange (stock code: GSK) and New York Stock Exchange (stock code: GSK). From April 2007 to February 2010, he served as an associate medical director at Eli Lilly Asia, Inc. Shanghai Rep. Office (美國禮來亞洲公司上海代表處). From April 2005 to April 2007, he served as a senior research fellow at Shanghai Sunway Biotech Co., Ltd. (上海三維生物技術有限公司). From July 2000 to January 2001, he worked at the Shanghai Huadong Hospital (上海華東醫院).

Dr. Wang received his medical degree in clinical medicine from Tongji Medical University (同濟醫科大學), which is now known as Tongji Medical College of Huazhong University of Science and Technology (華中科技大學同濟醫學院) in China in June 1995. He received a doctorate degree in surgery from Shanghai Medical University (上海醫科大學), which is now known as Shanghai Medical College of Fudan University (復旦大學上海醫學院) in China in June 2000 and was a post-doctorate fellow in oncology at the Barbara Ann Karmanos Cancer Institute of the Wayne State University in the United States from July 2001 to August 2004.

PRINCIPAL BUSINESS

We are a biopharmaceutical company based in China, featuring a global vision, international collaborations and operations. 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.

There have been no significant changes in the nature of the Group's principal business from the Listing Date to the date of this report. For details of the principal business of the Company's principal subsidiaries, please refer to Note 1 to the consolidated financial statements of this annual report.

RESULTS

The results of the Group for the year ended December 31, 2025 are set out in the Group's consolidated financial statements.

DIVIDEND

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

The Board is not aware of any Shareholders who have waived or agreed to waive any dividend.

SHARE CAPITAL

Details of the issued shares during the year ended December 31, 2025 are set out in Note 25 to the consolidated financial statements of this annual report.

RESERVES

Details of movements in the reserves of the Group during the year ended December 31, 2025 are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As of December 31, 2025, the Company did not retain any profits under IFRSs as reserves available for distribution to our equity shareholders.

FINANCIAL HIGHLIGHTS

The H Shares were listed on the Stock Exchange on September 19, 2025. A summary of the results, assets, liabilities and equity of the Group for the last three financial years, as extracted from the audited financial information and financial statements, is set out on page 211 of this report.

INTEREST-BEARING BANK AND OTHER BORROWINGS

As of December 31, 2025, the Group's total outstanding borrowings amounted to RMB83.90 million, among which RMB40.00 million are secured borrowings with patent pledged. Subsequently, the pledge was released in March 2026. As of December 31, 2025, the Group's bank borrowings will mature within one year, bearing interest at rates ranging from 2.25% to 2.75% per annum.

As of December 31, 2025, the Group's gearing ratio (i.e. total liabilities divided by total assets) was 17.4% (as of December 31, 2024: 422.4%), which was mainly due to IPO net proceeds received from the Global Offering.

PROPERTY, PLANT AND EQUIPMENT

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

SUFFICIENCY OF PUBLIC FLOAT

Rule 19A.13C of the Listing Rules further requires that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000. The minimum percentage of public float prescribed at the time of listing is 19.86%.

Based on the information that is publicly available to the Company and to the knowledge of the Directors as of the Latest Practicable Date prior to the issue of this report, the Company has maintained the aforementioned minimum public float required by the Stock Exchange since the Listing Date and up to the Latest Practicable Date.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the PRC requiring the Company to offer new shares on a pro-rata basis to its existing Shareholders.

BUSINESS REVIEW

Annual Overview and Performance

Pursuant to the requirements of the Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), we are required to carry out an impartial review of the Group's business, including an analysis of the Group's financial performance and an indication of likely future developments in the Group's business, which are set out in the section headed "Management Discussion and Analysis" of this report. These discussions form part of this report. Events that have occurred since the end of the year ended December 31, 2025 that have had an impact on the Company are set out in the paragraph headed "Events after the Reporting Period" in this section.

Key Relationships with Stakeholders

The Group recognizes that its various stakeholders, including employees, customers, suppliers and other business partners, are key to its success. The Group strives to maintain employment, cooperation and solid relationships with them in order to achieve sustainable development.

The Group believes that attracting, recruiting and retaining quality employees is of paramount importance. In order to maintain the quality, knowledge and skill level of its employees, the Group provides regular training to its employees, including induction training for new hires, technical training, professional and management training, as well as health and safety training. The Group believes that it maintains good relationships with its employees and has not experienced any significant labor disputes or material difficulties in recruiting employees for its business operations during the year ended December 31, 2025.

The Group understands that it is essential to maintain a good relationship with its customers and partners (including collaborators in novel drug development, licensing partners in China and overseas, and collaborators in clinical development etc.). The Group has established procedures to handle complaints from customers or partners to ensure that complaints are handled in a prompt and timely manner. The Group is also committed to developing good relationships with the suppliers (including organizations as service platforms specializing in R&D, clinical development and manufacturing) to ensure a stable supply of materials. The Group strengthens its business cooperation relationship with suppliers through continuous active and effective communication with them to ensure quality and delivery.

Details of the Company's key relationships with employees, customers, partners and suppliers and other persons who have significant influence on the Company are set out in the Environmental, Social and Governance Report on pages 70 to 135 of this annual report.

Social Responsibility, Environmental Policy and Performance

In 2025, the Group was committed to fulfilling its social responsibilities, improving employee welfare, promoting development, protecting the environment, giving back to the community and achieving sustainable growth. For further details, please refer to the Environmental, Social and Governance Report on pages 70 to 135 of this annual report.

Compliance with Relevant Laws and Regulations

We may be involved in legal proceedings from time to time in the ordinary course of business. During the Reporting Period and up to the date of this report, the Group has complied with relevant laws and regulations that have a significant impact on the Group, and did not have any material non-compliance with such laws and regulations. During the Reporting Period and up to the date of this report, neither the Group nor any of the Directors, Supervisors and senior management of the Company has been subject to investigation or administrative penalty by the China Securities and Regulatory Commission, banned from entering the market, recognized as an unsuitable person, publicly reprimanded by the stock exchange, subject to compulsory measures, referred to the judicial authorities or held criminally liable, nor has it been involved in any other litigation, arbitration or administrative proceeding that would have a material adverse impact on our business, financial condition or results of operations. During the year ended December 31, 2025, the Directors were not aware of any material litigation or claim that was pending or threatened against the Group.

Key Risks and Uncertainties

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

- its financial position;
- its ability to obtain additional financing to fund its operations;
- its ability to develop its drug candidates, which are in pre-clinical or clinical development;
- its ability to commercialize late-stage drug candidates;
- its ability to identify additional drug candidates;
- its success in demonstrating safety and efficacy of its drug candidates to the satisfaction of regulatory authorities or produce positive results in its clinical trials;
- material aspects of the research, development and commercialization of pharmaceutical products being heavily regulated;
- lengthy, time-consuming and inherently unpredictable regulatory approval processes of the regulatory authorities for its drug candidates;
- competition in the pharmaceutical industry where the Group serves; and
- its ability to obtain and maintain patent protection for its drug candidate.

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

PROSPECTS

The section headed "Management Discussion and Analysis" in this report provide an overview of the future development of the Company's business.

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The H Shares of the Company were listed on the Stock Exchange on September 19, 2025. The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering (including the full exercise of the Over-allotment Option) of approximately HK$1,930.56 million. As of December 31, 2025, the Group has utilized approximately HK$25.05 million of the net proceeds for the intended purposes set out in the Prospectus, accounting for approximately 1.3% of net proceeds, and the remaining unutilized net proceeds are approximately HK$1,905.51 million.

The details of use of net proceeds from the Global Offering are set out as follows:

Intended Use of Net Proceeds	Allocation of Net Proceeds	Percentage of Total Net Proceeds	Net Proceeds Utilized from the Listing Date to December 31, 2025	Net Proceeds Unutilized as at December 31, 2025	Intended Timetable for Use of the Unutilized Net Proceeds
(1) to fund further development of our Core Products GFH925 and GFH375	HK$1,370.69 million	71.0%			
(i) to fund the clinical development of GFH925	HK$637.08 million	33.0%	1.48	635.60	December 31, 2029
(ii) to fund the clinical development of GFH375 in China	HK$733.61 million	38.0%	11.23	722.38	December 31, 2028
(2) to fund the development of our other product candidates such as GFH312, GFS202A, GFH276, GFS784 and other preclinical candidates	HK$366.81 million	19.0%	6.69	360.12	December 31, 2030
(3) for working capital and other general corporate purposes[Note]	HK$193.06 million	10.0%	5.65	187.41	December 31, 2028
Total	**HK$1,930.56 million**	**100.0%**	**25.05**	**1,905.51**	

Note: The proceeds used for working capital and general corporate purposes during the Relevant Period specifically include: (1) HKD1.7 million used to pay for agency fees, such as lawyer fees and audit fees; (2) HKD1.4 million used to pay for staff salaries; and (3) HKD2.6 million used for other purposes, such as renovation costs, office expenses and travel expenses.

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

EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcement of the Company dated February 9, 2026. A special resolution was passed by the Shareholders at the EGM to approve the abolishment of the Supervisory Committee effective from February 9, 2026, and the Company will no longer have the Supervisory Committee, and the members of the supervisory committee at that time has ceased to hold office as supervisors. For more details, please refer to the announcement of the Company dated January 20, 2026, February 9, 2026 and March 24, 2026, respectively, and the circular of the Company dated January 23, 2026.

Save as disclosed above and elsewhere in this report, the Company is not aware of any material subsequent events from December 31, 2025 to the Latest Practicable Date.

DIRECTORS

The Directors during the Relevant Period and up to the date of this report were as follows:

Executive Directors

Dr. Qiang LU *(Chairman)*
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

The Supervisors during the Relevant Period and up to February 9, 2026 were as follows:

Mr. XUE Mengjun (薛孟軍)
Mr. LIN Chonglan (林崇懶)
Ms. MA Rui (馬睿)

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management of the Company as at the date of this report are set out in the section headed "Directors and Senior Management" of this report.

CHANGES TO DIRECTORS' INFORMATION

As a special resolution was passed by the Shareholders at the EGM to approve the abolishment of the Supervisory Committee, the Company would no longer have the Supervisory Committee, and Mr. XUE Mengjun (薛孟軍), Mr. LIN Chonglan (林崇懶), and Ms. MA Rui (馬睿) ceased to hold office as Supervisors, with effect from February 9, 2026. For more details, please refer to the announcement of the Company dated January 20, 2026, February 9, 2026 and March 24, 2026, respectively, and the circular of the Company dated January 23, 2026.

Save as otherwise disclosed in this report, there are no other changes in the Directors, Supervisors and Chief Executive Officer that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

For details of the Directors' and Supervisors' service contracts, please refer to the paragraph headed "Appointment and Re-election of Directors" under the Corporate Governance Report contained in this report.

The Company has not entered into, and does not propose to enter into, any service contract with any of the Directors or Supervisors in their respective capacities which cannot be terminated by the employer within one year without payment of any compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE BY INDEPENDENT NON-EXECUTIVE DIRECTORS

We have received from each of the independent non-executive Directors a confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company has duly reviewed the confirmation of independence of each of the Directors. In our opinion, all the independent non-executive Directors are independent.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As far as the Company is aware, as of December 31, 2025, the interests and/or short positions (if applicable) of our Directors, Supervisors and the chief executive of our Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations of our Company (within the meaning of Part XV of the SFO), which were required (a) to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to our Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in our Company

Name of Director or chief executive	Nature of interest[1]	Number and class of Shares	Approximate percentage of shareholding in each class of Shares[4]	Approximate percentage of shareholding in the total number of Shares
Dr. Lu	Interest in controlled corporation (L)	67,560,720[3][4] H Shares	19.99%	18.24%
Dr. Lan	Interest in controlled corporation (L)	53,724,650[4] H Shares	15.89%	14.51%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) As at December 31, 2025, the Company had 370,366,630 issued Shares in total, comprising 338,029,020 H Shares and 32,337,610 Unlisted Shares (including treasury shares (as defined under the Listing Rules), if any). The above calculation is based on the total number of relevant class of Shares or the total number of Shares in issue as of December 31, 2025.

(3) Shanghai Kunjin is our ESOP Platform, which held 13,836,070 H Shares. Shanghai Kunjin is deemed to be controlled by Dr. Lu as its sole general partner, and none of the limited partner of Shanghai Kunjin held more than one-third of the partnership interest in Shanghai Kunjin. Therefore, by virtue of the SFO, Dr. Lu is deemed to be interested in the Shares held by Shanghai Kunjin.

(4) GenFleet HK held 43,724,650 H Shares. Auspicious Delight is our ESOP Platform, which held 10,000,000 H Shares. GenFleet HK was held as to 53.69% by Dr. Lu and 46.31% by Dr. Lan. GenFleet HK held 64.5% of the issued share capital of Auspicious Delight. Therefore, by virtue of the SFO, each of Dr. Lu and Dr. Lan is deemed to be interested in the Shares held by GenFleet HK and Auspicious Delight.

Save as disclosed above, and to the best knowledge of our Directors, as of December 31, 2025, we were not aware of any Director, Supervisor or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (b) were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of December 31, 2025, to the best knowledge of the Directors, the following persons (other than the Directors and chief executives whose interests have been disclosed in this annual report) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Substantial Shareholder	Capacity/Nature of interest[1]	Number and class of Shares held	Approximate percentage of interest in each class of Shares	Approximate percentage of shareholding in the total number of Shares
Class H Shares				
GenFleet HK	Beneficial Owner (L)	10,000,000	2.96%	2.70%
	Interest in controlled corporation (L)	43,724,650[3]	12.94%	11.81%
HL GP II Company Limited[4]	Interest in controlled corporation (L)	22,418,890	6.63%	6.05%
HL Partners II L.P.[4]	Interest in controlled corporation (L)	22,418,890	6.63%	6.05%
Ourea Biotech HK Limited[4]	Beneficial owner (L)	22,418,890	6.63%	6.05%
Unlisted Shares				
Liu Erh Fei (劉二飛)	Interest in controlled corporation (L)	13,171,820	40.73%	3.56%
AIC Holdings Limited (亞投資本控股有限公司)[5]	Interest in controlled corporation (L)	13,171,820	40.73%	3.56%
Asia Investment Capital Limited (亞投資本有限公司)[5]	Interest in controlled corporation (L)	13,171,820	40.73%	3.56%
Asia Investment Limited Partnership Fund (亞洲投資有限合夥基金)[5]	Interest in controlled corporation (L)	13,171,820	40.73%	3.56%
Asia Ascent Holding (Cayman) Ltd.	Interest in controlled corporation (L)	13,171,820	40.73%	3.56%
Hongyong Bingde Capital (Cayman) Limited[5]	Interest in controlled corporation (L)	13,171,820	40.73%	3.56%
Hongyong Bingde[5]	Beneficial owner (L)	13,171,820	40.73%	3.56%
Sinopharm[6]	Beneficial owner (L)	4,738,075	14.65%	1.28%

Name of Substantial Shareholder	Capacity/Nature of interest[1]	Number and class of Shares held	Approximate percentage of interest in each class of Shares	Approximate percentage of shareholding in the total number of Shares
Shanghai Jianyi Private Fund Management Co., Ltd. (上海健壹私募基金管理有限公司) [6]	Interest in controlled corporation (L)	4,738,075	14.65%	1.28%
CSPC Pharmaceutical Group Limited[7]	Interest in controlled corporation (L)	4,411,760	13.64%	1.19%
Robust Sun Holdings Limited[7]	Interest in controlled corporation (L)	4,411,760	13.64%	1.19%
Dragon Merit Holdings Limited[7]	Interest in controlled corporation (L)	4,411,760	13.64%	1.19%
CSPC NBP[7]	Beneficial owner (L)	4,411,760	13.64%	1.19%
Pu'en Guoxin	Beneficial owner (L)	3,956,070	12.23%	1.07%
Huajin Capital[8]	Interest in controlled corporation (L)	2,351,350	7.27%	0.63%
Zhuhai Huaying Investment Co., Ltd. [8]	Interest in controlled corporation (L)	2,351,350	7.27%	0.63%
Zhuhai Huajin Alpha No. 6 Equity Investment Fund Partnership (Limited Partnership) [8]	Interest in controlled corporation (L)	2,351,350	7.27%	0.63%
Zhuhai Huajin Lingchuang Fund Management Co., Ltd. [8]	Interest in controlled corporation (L)	2,351,350	7.27%	0.63%
Huajin Lingjian[8]	Beneficial owner (L)	2,351,350	7.27%	0.63%
BOCOM International Holdings Company Limited[9]	Interest in controlled corporation (L)	1,890,480	5.85%	0.51%
Shanghai Boli Investment Co., Ltd. [9]	Interest in controlled corporation (L)	1,890,480	5.85%	0.51%
BOCOM Sci-Tech[9]	Beneficial owner (L)	1,890,480	5.85%	0.51%

Notes:

(1) The letter "L" denotes the person's Long Position in such Shares.

(2) As at December 31, 2025, the Company had 370,366,630 issued Shares in total, comprising 338,029,020 H Shares and 32,337,610 Unlisted Shares (including treasury shares (as defined under the Listing Rules), if any). The above calculation is based on the total number of relevant class of Shares or the total number of Shares in issue as of December 31, 2025.

(3) Auspicious Delight is our ESOP Platform, which held 10,000,000 H Shares. GenFleet HK held 64.5% of the issued share capital of Auspicious Delight.

(4) Ourea Biotech is controlled by HL Partners II L.P., a limited partnership established under the laws of the Cayman Islands, which is ultimately managed by its general partner, HL GP II Company Limited. Therefore, by virtue of the SFO, each of HL Partners II L.P. and HL GP II Company Limited is deemed to be interested in the Shares held by Ourea Biotech.

(5) Hongyong Bingde is wholly-owned by Hongyong Bingde Capital (Cayman) Limited. Hongyong Bingde Capital (Cayman) Limited is owned as to approximately 99% by Asia Ascent Holding (Cayman) Ltd., which is in turn wholly owned by Asia Investment Limited Partnership Fund (亞洲投資有限合夥基金). The general partner of Asia Investment Limited Partnership Fund is Asia Investment Capital Limited (亞投資本有限公司), and none of the limited partners of Asia Investment Limited Partnership Fund owns more than one-third of its partnership interests. Asia Investment Capital Limited is a wholly-owned subsidiary of AIC Holdings Limited (亞投資本控股有限公司). AIC Holdings Limited is held as to 43.13% by Liu Erh Fei. Therefore, by virtue of the SFO, Liu Erh Fei, AIC Holdings Limited (亞投資本控股有限公司), Asia Investment Capital Limited (亞投資本有限公司), Asia Investment Limited Partnership Fund (亞洲投資有限合夥基金), Asia Ascent Holding (Cayman) Ltd. and Hongyong Bingde Capital (Cayman) Limited are deemed to be interested in the Share held by Hongyong Bingde.

(6) Shanghai Jianyi Private Fund Management Co., Ltd. is the executive partner of Sinopharm. Therefore, by virtue of the SFO, Shanghai Jianyi Private Fund Management Co., Ltd. is deemed to be interested in the Shares held by Sinopharm.

(7) CSPC NBP is a wholly-owned subsidiary of CSPC Pharmaceutical Group Limited, with 45.94% interest indirectly held through Dragon Merit Holdings Limited and Robust Sun Holdings Limited. Therefore, by virtue of the SFO, CSPC Pharmaceutical Group Limited, Dragon Merit Holdings Limited and Robust Sun Holdings Limited is deemed to be interested in the Shares held by CSPC NBP.

(8) Huajin Lingjian is a limited partnership incorporated under the laws of the PRC, with its executive partner being Zhuhai Huajin Lingchuang Fund Management Co., Ltd., which is a wholly-owned subsidiary of Huajin Capital. The single largest limited partner of Huajin Lingjian is Zhuhai Huajin Alpha No. 6 Equity Investment Fund Partnership (Limited Partnership), which holds approximately 99.80% of the partnership interests in Huajin Lingjian. The executive partner of Zhuhai Huajin Alpha No. 6 Equity Investment Fund Partnership (Limited Partnership) is Zhuhai Huaying Investment Co., Ltd. Therefore, by virtue of the SFO, each of Zhuhai Huajin Lingchuang Fund Management Co., Ltd., Huajin Capital, Zhuhai Huajin Alpha No. 6 Equity Investment Fund Partnership (Limited Partnership) and Zhuhai Huaying Investment Co., Ltd. is deemed to be interested in the Shares held by Huajin Lingjian.

(9) Shanghai Boli Investment Co., Ltd. is the executive partner of BOCOM Sci-Tech. Shanghai Boli Investment Co., Ltd. is controlled by BOCOM International Holdings Company Limited. Therefore, by virtue of the SFO, each of Shanghai Boli Investment Co., Ltd. and BOCOM International Holdings Company Limited is deemed to be interested in the Shares held by BOCOM Sci-Tech.

Save as disclosed above and to the best knowledge of the Directors, as at December 31, 2025, the Company is not aware of any other person (other than the Directors, Supervisors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE SCHEMES

1. 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.

2. H SHARE OPTION SCHEME

The H Share Option Scheme was approved and adopted by Shareholders at the EGM dated February 9, 2026. The H Share Option Scheme commenced on February 9, 2026 and will expire on the tenth anniversary of the commencement date. The following is a summary of certain principal terms of the H Share Option Scheme.

Purpose

The purpose of the H Share Option Scheme is to provide eligible persons with the opportunity to acquire proprietary interests in the Company and to encourage eligible persons to work towards enhancing the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole. The H Share Option Scheme is further intended to provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to eligible persons.

Eligible Participants

The eligible persons who may be selected to become a participant of the H Share Option Scheme are any individuals, or corporate entities (as the case may be), being any of (i) an Employee Participant; (ii) a Related Entity Participant; and (iii) a Service Provider.

Scheme Limit and Service Provider Sublimit

The Company shall not make any further grant of Options which will result in the aggregate number of H Shares to be issued by the Company in respect of all grants of options and awards made after February 9, 2026 (being the date of the obtaining of the Shareholders' approval of the Scheme Limit) pursuant to the H Share Option Scheme and any other share schemes adopted by the Company (excluding options and/or awards lapsed in accordance with relevant scheme rules) to exceed 37,036,663 (representing approximately 10% of the total number of issued Shares as at the date of the Shareholders' approval of the Scheme Limit) unless Shareholders approve a further refreshment of the Scheme Limit or Shareholders' approval is obtained in compliance with the Listing Rules.

The Company shall not make any further grant of Options to Service Providers which will result in the aggregate number of Shares to be issued by the Company in respect of all grants of options and awards made after February 9, 2026 (being the date of the obtaining of the Shareholders' approval of the Service Provider Sublimit) pursuant to the H Share Option Scheme and other share schemes adopted by the Company (excluding options and/or awards lapsed in accordance with relevant scheme rules) to exceed 3,703,666 unless the Shareholders approve a further refreshment of the Service Provider Sublimit or Shareholders' approval is obtained in compliance with the Listing Rules.

As no grants have been made as of the date of this annual report, a total of 37,036,663 and 3,703,666 of options will be available for grant under the Scheme Limit and Service Provider Sublimit, respectively.

1% Individual Limit

Should any proposed grant to participants result in the total number of Shares issued and to be issued in respect of all options and awards already granted and proposed to be granted to each participant during any 12-month period up to and including the relevant proposed grant date (including both exercised and unexercised options as well as vested and unvested awards, but excluding any options or awards that have lapsed pursuant to the terms of the share schemes of the Company) exceeding the 1% Individual Limit, then any further grant of Options shall be subject to and only take effect upon such grant being separately approved by Shareholders at a general meeting of the Company pursuant to the requirements of the Listing Rules.

0.1% Limit

Where any grant of Options to an independent non-executive Director, a substantial Shareholder or any of their respective associates result in the total number of Shares issued and to be issued in respect of all Options granted under the H Share Option Scheme and all options and awards granted under other share schemes of the Company to such person(s) during any 12-month period up to and including the relevant grant date (excluding options or awards lapsed in accordance with relevant scheme rules) exceeding 0.1% of the total issued Shares (excluding Treasury Shares, if any) at the relevant time, such further grant of Options shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting. The Company shall send a circular to the Shareholders. The grantee, their associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

Basis of Determination of the Subscription Price of Options

Grantees to whom Options shall be granted are entitled to subscribe for the number of Shares at the subscription price as calculated and determined on the date of the grant of the Options. The basis for determining the subscription price (being the Exercise Price) shall be determined by the Board and notified to the participants, and shall not be less than the highest of the following:

(i) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant (being a business day);

(ii) the average of the closing prices of the Shares as shown in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and

(iii) the nominal value of the Shares.

No consideration is payable on application or acceptance of the Option granted under the H Share Option Scheme.

Vesting Period

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

(a) the grant of "compensatory" Options to new Employee Participants as replacement for awards or options forfeited when leaving their former employer;

(b) the grant of Options to Employee Participants whose employment is terminated by reason of death, disability or any force majeure event;

(c) the grant of Options subject to performance-based vesting conditions as determined by the Board, in lieu of the standard time-based vesting schedule;

(d) the grant of Options in multiple tranches within a year for administrative and compliance-related reasons. In such case, the vesting periods may be shorter to reflect the time from which an Option would have been granted;

(e) the grant of Options with hybrid or accelerated vesting schedules, including equal monthly vesting over a 12-month period; and

(f) the grant of Options where the aggregate of the vesting period and holding period exceeds 12 months.

Exercise Period

An Option granted may only be exercised during the Option Period, as determined and notified by the Board and/or authorised person(s) to each grantee at the time of making an offer of grant, and shall not expire later than ten years from the date of grant of such Options. The right for the exercise of Options (if unexercised) shall terminate immediately upon the occurrence of such events (whichever occurs earlier): (i) the expiry of the Option Period (subject to compliance with applicable laws, rules and regulations including the Listing Rules and the relevant guidelines), subject to any alteration pursuant to the provisions of the rules of the H Share Option Scheme; (ii) the expiry or grantee's violation of any of the period requirement in relation to the exercise or the vesting of the Options, as set out in the H Share Option Scheme Rules and/or determined by the Board in its discretion from time to time; (iii) failure to satisfy any of the performance targets or conditions as set out by the Board (if any); (iv) failure to accept the grant offer before the expiration of such period as set out in the grant offer letter or as otherwise determined by the Board; or (v) by the determination of the Board or the authorized person(s), the triggering of any of the clawback events.

Duration and Termination

The H Share Option Scheme shall be valid and effective for the scheme period (being a term of ten (10) years commencing on February 9, 2026 unless sooner terminated. The H Share Option Scheme may be terminated at any time by the Board at its absolute discretion without Shareholders' approval, provided that the Board will only exercise such discretion under specific circumstances where the Board determines appropriate, such as, but not limited to where the Board is of the view that the H Share Option Scheme can no longer serve its designated purposes or when a new share scheme is proposed to be adopted to replace the H Share Option Scheme.

As at the date of this report, the remaining life of the H Share Option Scheme was approximately nine years and ten months.

Outstanding Options Granted under the H Share Option Scheme

As no grants have been made during the Reporting Period under the H Share Option Scheme, the Rule 17.07(3) of the Listing Rules is not applicable. As of December 31, 2025 and the Latest Practicable Date, no options were granted by the Company, nor any options were exercised, canceled or lapsed under the H Share Option Scheme, and there were no outstanding options under the H Share Option Scheme as at the above date.

3. H SHARE INCENTIVE SCHEME

The H Share Incentive Scheme was approved and adopted by the Shareholders at the EGM dated February 9, 2026. The H Share Incentive Scheme commenced on February 9, 2026 and will expire on the tenth anniversary of the commencement date. The following is a summary of certain principal terms of the H Share Incentive Scheme.

Purpose

The purpose of the H Share Incentive Scheme is to provide Eligible Participants with the opportunity to acquire equity interests in the Company and to incentivize them to enhance the value of the Company and its Shares for the benefit of the Company and the Shareholders. The H Share Incentive Scheme is further intended to provide the Company with flexible means to retain, motivate, reward, compensate and/or provide benefits to Eligible Participants.

Eligible Participants

The eligible persons who may be selected to become a participant of the H Share Incentive Scheme are any individuals, or corporate entities (as the case may be), being any of (i) an Employee Participant; (ii) a Related Entity Participant; and (iii) a Service Provider.

Scheme Limit and Service Provider Sublimit

The Company shall not make any further grant of Awards which will result in the aggregate number of H Shares to be issued by the Company in respect of all grants of options and awards made after February 9, 2026 (being the date of the obtaining of the Shareholders' approval of the Scheme Limit) pursuant to the H Share Incentive Scheme and any other share schemes adopted by the Company (excluding options and/or awards lapsed in accordance with relevant scheme rules) to exceed 37,036,663 (representing approximately 10% of the total number of issued Shares as at the date of the Shareholders' approval of the Scheme Limit), unless Shareholders approve a further refreshment of the Scheme Limit or Shareholders' approval is obtained in compliance with the Listing Rules.

The Company shall not make any further grant of Awards to Service Providers which will result in the aggregate number of Shares to be issued by the Company in respect of all grants of options and awards made after February 9, 2026 (being the date of the obtaining of the Shareholders' approval of the Service Provider Sublimit) pursuant to the H Share Incentive Scheme and other share schemes adopted by the Company (excluding options and/or awards lapsed in accordance with relevant scheme rules) to exceed 3,703,666 (representing approximately 1% of the total number of issued Shares as at the date of the Shareholders' approval of the Scheme Limit) unless the Shareholders approve a further refreshment of the Service Provider Sublimit or Shareholders' approval is obtained in compliance with the Listing Rules.

As no grants have been made as of the date of this annual report, a total of 37,036,663 and 3,703,666 of awards will be available for grant under the Scheme Limit and Service Provider Sublimit.

1% Individual Limit

Should any proposed grant to participants result in the total number of Shares issued and to be issued in respect of all options and awards already granted and proposed to be granted to each participant during any 12-month period up to and including the relevant proposed grant date (including both exercised and unexercised options as well as vested and unvested awards, but excluding any options or awards that have lapsed pursuant to the terms of the share schemes of the Company) exceeding the 1% Individual Limit, then any further grant of Awards shall be subject to and only take effect upon such grant being separately approved by Shareholders at a general meeting of the Company pursuant to the requirements of the Listing Rules.

0.1% Limit

Where any grant of Awards to a Director (other than an independent non-executive Director) or chief executive (as defined in the Listing Rules), or any of their associates would result in the Shares issued and to be issued in respect of all Awards granted under the H Share Incentive Scheme and all awards granted under other share schemes of the Company to such person(s) during any 12-month period up to and including the relevant grant date (excluding awards lapsed in accordance with relevant scheme rules), exceeding 0.1% (or such other higher percentage as may be prescribed by the Stock Exchange from time to time) of the total issued Shares (excluding Treasury Shares, if any) at the relevant time, such further grant of Awards shall be subject to the prior approval of Shareholders at a Shareholders' meeting and the requirements as set out in the Listing Rules.

Where any grant of any Awards to an independent non-executive Director or a substantial Shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted to such person during any 12-month period up to and including the relevant grant date (excluding options or awards lapsed in accordance with relevant scheme rules), exceeding 0.1% (or such other higher percentage as may be prescribed by the Stock Exchange from time to time) of the total issued Shares (excluding Treasury Shares, if any) at the relevant time, such further grant of Awards shall be subject to the prior approval of Shareholders at a Shareholders' meeting and the requirements as set out in the Listing Rules.

Purchase Price

The Board may, at its full discretion and in line with the purpose of the H Share Incentive Scheme, determine the Purchase Price payable for the Award Shares (for the avoidance of doubt, such Purchase Price payable may be nil). Such determination shall be based on and take into account (including but not limited to) (i) regular practices of comparable companies; (ii) other terms and conditions in relation to any grants or vesting of any Award; and (iii) the efficacy of the Company's share schemes in attracting talents and incentivizing the Eligible Participants to contribute to the long-term development of the Group.

No consideration is payable on acceptance of each grant of Award Share(s).

Vesting of Award Shares

Award Shares granted to Employee Participants may be subject to a shorter vesting period as determined by: (i) the Remuneration Committee if such grantee is a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, or (ii) the Board if such grantee of the H Share Incentive Scheme is not a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, under any of the following circumstances:

(a) grants of Awards to a new Eligible Participant to replace the awards or options that such Eligible Participant of the H Share Incentive Scheme forfeited when leaving his or her previous employer;

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

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

(d) grants of Awards that are made in batches during a year for administrative and compliance reasons. In such case, the vesting periods may be shorter to reflect the time from which an Award would have been granted;

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

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

Duration and Termination

Subject to any early termination as may be determined by the Board according to the H Share Incentive Scheme Rules, the H Share Incentive Scheme shall be valid and effective for the scheme period (being a term of ten (10) years commencing on February 9, 2026), after which no additional Award Shares shall be granted. If there are any Award Shares that are granted but unvested by the end of the H Share Incentive Scheme term, the H Share Incentive Scheme will be extended until such Award Shares have vested.

As at the date of this report, the remaining life of the H Share Incentive Scheme was approximately nine years and ten months.

Outstanding Awards Granted under the H Share Incentive Scheme

As no grants have been made during the Reporting Period under the H Share Incentive Scheme, the Rule 17.07(3) of the Listing Rules is not applicable. As of December 31, 2025 and the Latest Practicable Date, no awards were granted by the Company, nor any awards were vested, canceled or lapsed under the H Share Incentive Scheme, and there were no outstanding awards under the H Share Incentive Scheme as at the above date.

The total number of H Shares available for issue under the H Share Option Scheme and the H Share Incentive Scheme are 37,036,663, representing approximately 10% of the total number of issued Shares (i.e. 370,366,630 Shares) as at the date of this Annual Report.

EQUITY-LINKED AGREEMENTS

Save as disclosed under the section headed "SHARE SCHEMES" in this annual report, the Company did not enter into any equity-linked agreements during the period from the Listing Date to the Latest Practicable Date.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the Relevant Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors or Supervisors to acquire interests by means of acquisition of Shares in or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 had any right to subscribe for interests or debentures of the Company or any other body corporate or had exercised any such right.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Relevant Period, none of the Directors or their respective close associates (as defined in the Listing Rules) is interested in any business (other than being a Director of the Company and/or its subsidiaries) which competes or is likely to compete, directly or indirectly, with the businesses of the Group.

RELATED-PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of the Group's related-party transactions during the Reporting Period are set out in Note 31 to the consolidated financial statements contained in this report. For the year ended December 31, 2025, there was no related party transaction or continuing related party transaction set out in Note 31 to the consolidated financial statements which constitutes disclosable connected transaction or disclosable continuing connected transaction under the Listing Rules. In respect of the connected transactions and the continuing connected transactions, the Company has complied with the disclosure requirements under the Listing Rules in force from time to time.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as otherwise disclosed in this report, during the Relevant Period, none of the Directors or former Supervisors or entities connected with the Directors or former Supervisors had an interest, directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

CONTROLLING SHAREHOLDER

During the Relevant Period and up to the date of this report, there is no controlling shareholder of the Company.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Relevant Period and up to the date of this report with persons other than the Directors or persons employed by the Company on a full-time basis.

PERMITTED INDEMNITY PROVISIONS

During the Relevant Period and up to the date of this report, the Company had appropriate liability insurance in place for its Directors.

INFORMATION ON TAX RELIEF FOR H SHAREHOLDERS

The Company is not aware of any tax relief available to Shareholders for holding its securities. Shareholders should seek expert advice if they are unsure of the tax implications of purchasing, holding, selling, dealing in the Shares, or exercising any of the rights attached to them.

REMUNERATION POLICY AND REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As of December 31, 2025, we had a total of 102 employees (as of December 31, 2024: 112 employees). For the year ended December 31, 2025, the total staff costs of the Group amounted to approximately RMB99.7 million, including wages, salaries, bonuses, pension costs, other social security costs and other employee benefits and share-based payment compensation. The Group has optimized its incentive system and implemented a competitive remuneration policy to cater to the business development needs.

During the year ended December 31, 2025, our Directors, Supervisors and senior management received their remuneration in the form of salaries, allowances, benefits in kind, discretionary bonuses, social security and other employee benefits, contributions to pension schemes, and other share-based compensation. The compensation of Directors, Supervisors and the Company's senior management is determined based on each Director, Supervisor and senior management's responsibilities, qualification, position and seniority. Details of the emoluments of the Directors, the Supervisors and the Company's senior management and emoluments of the five highest paid employees in the Group are set out in Notes 10 and 11 to the consolidated financial statements of this annual report.

During the Reporting Period, no emoluments were paid by the Group to any of the Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. During the year ended December 31, 2025, no Director or Supervisor waived or agreed to waive any emoluments. Save as disclosed in this report, there were no loans, quasi-loans and other transactions in favor of the Directors, controlled corporations of the Directors and connected entities at the end of or at any time during the Reporting Period. There were no significant transactions, arrangements and contracts concerning the Group's business to which the Company was a party and in which a Director or a Supervisor had a material interest, whether directly or indirectly, at the end of or at any time during Reporting Period.

Details of the remuneration of the Directors and Supervisors during the Reporting Period are set out in Note 10 to the consolidated financial statements of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2025, the revenue of the five largest customers and the largest customer accounted for 99.93% and 82.79%, respectively, of the total revenue of the Group.

For the year ended December 31, 2025, the purchase of the five largest suppliers and the largest supplier accounted for 49.47% and 21.41%, respectively, of the total purchases of the Group.

To the reasonable knowledge of the Directors, none of the Directors or any of their close associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the issued share capital (excluding treasury shares (as defined in the Listing Rules)) of the Company) has any interest in any of the five largest suppliers or customers.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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 period from the Listing Date and up to the date of this report.

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

CHARITABLE DONATIONS

During the Reporting Period, the Group donated money and supplies totalling RMB 0.01 million to external parties.

CONTINUING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

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

CORPORATE GOVERNANCE

The Company is committed to the high standards of corporate governance and has adopted the code provisions set out in the CG Code. After the Listing and as of the date of this report, the Company complied with all applicable code provisions set out in the CG Code.

In order to maintain the high standards of corporate governance, the Board will review and monitor the Company's compliance with the CG Code on an ongoing basis.

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 52 to 69 of this report.

AUDITOR

The consolidated financial statements of the Group for the year ended December 31, 2025 have been audited by Ernst & Young.

There has been no change in the auditor of the Company since the Listing Date.

On behalf of the Board
Dr. Qiang LU
Chairman and Executive Director
Hong Kong, March 24, 2026

Corporate Governance Report

The Board of Directors is pleased to present the Corporate Governance Report in the Group's annual report for the year ended December 31, 2025.

CORPORATE GOVERNANCE CULTURE AND VALUE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Our mission is to be **anchored in cutting-edge science to develop globally new therapeutics**.

Our vision is to be **a world-leading biotech company**.

Our values include:

- **Courage for innovation**: there is no well-defined path for developing globally innovative therapeutics. This is why we need extraordinary courage and creativity to drive progress and constantly challenging ourselves.

- **Integrity**: it is the most fundamental trait that we demand every GenFleet team member to adhere to integrity, not only being responsible to oneself, but to the company and to the community as well.

- **Thrive through teamwork**: we seek to create an environment that is conducive to cross-functional teamwork among different departments, not only empowering personal growth but also GenFleet as a whole.

- **Quality first through excellence in dedication and execution**: we look to achieve efficiency on both personal and team level without sacrificing the quality of our work.

- **Results driven through an open and inclusive culture**: we are a results-driven company that encourages each team member to achieve personal excellence through self-motivation by providing an inclusive, learning environment.

The Board leads the cultivation and practice of the Group's corporate culture, while advocating all employees to deeply embrace and integrate into this cultural framework. All new employees are required to complete systematic onboarding training and gain a comprehensive understanding of the Group's culture, organizational structure and governance policies, while mastering compliance requirements and strengthening their quality awareness. The Group has also built a tiered training system for all employees and management, and regularly invites external experts to empower managers by continuously elevating their professional expertise and leadership.

The Group has established an incentive mechanism aligned with working performance and core values to award outstanding employees and teams. This drives management and staff to deeply align their personal growth with the Group's mission and vision, empowering the Group to achieve sustained performance growth and high-quality development.

The Board conducts an annual comprehensive review of the Group's business model, strategic planning and development objectives, and assesses operational performance to ensure the Group's long-term sustainable growth. The Board ensures that the Group's corporate culture is fully aligned with the Group's mission, core values and strategic direction.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and improve its transparency and accountability. The Company has adopted the principles and code provisions of the CG Code contained in Appendix C1 to the Listing Rules as the basis for the corporate governance practices of the Company.

In the opinion of the Board, the Company has complied with all applicable code provisions under the CG Code during the period from the Listing Date to December 31, 2025. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding the Directors' dealings in the securities of the Company. The provisions under the Listing Rules in relation to compliance with the Model Code by the Directors regarding securities transactions have been applicable to the Company since the Listing Date.

Specific enquiries have been made of all the Directors and former supervisors of the Company and they have confirmed that they have complied with the Model Code throughout the Relevant Period.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board Composition

The Board currently comprises the following Directors:

Executive Directors
Dr. Qiang LU *(Chairman)*
Dr. Jiong LAN
Ms. ZHANG Wei

Non-executive Director
Mr. ZHU Jingyang
Ms. TAO Sha

Independent non-executive Directors
Ms. Christine Shaohua LU-WONG
Dr. ZHOU Demin
Mr. LI Bo

Each of our Directors has confirmed that he/she obtained the legal advice referred to in Rule 3.09D of the Listing Rules as regards the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange in December 2024, and he/she has confirmed he/she understood his/her obligations as a director of a listed issuer.

The biographical details of the Directors are set out in the section headed "Directors and Senior Management" in this report. There were no relationships (including financial, business, family or other material or relevant relationships) among the Directors or members of the senior management of the Company.

Board Meetings and Directors' Attendance Records

Board meetings should be held at least four times a year, involving active participation, either in person or through electronic means of communication, of a majority of Directors. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for regular Board meetings.

For other Board meetings, reasonable notice has to be given generally. For other committee meetings, a notice shall be given as prescribed in the terms of reference prior to the meeting. Minutes of meetings are kept by the company secretary of the Company with copies circulated to all Directors for information and records.

As the Company's shares were listed on the Stock Exchange since September 19, 2025, the Board met 4 times only during the Relevant Period. The attendance records of each Director at the Board meetings of the Company, whether in person or by means of electronic communication, for the Relevant Period are set out below:

Name of Directors	Attendance/ Number of Board Meeting
Executive Directors	
Dr. Qiang LU	4/4
Dr. Jiong LAN	4/4
Ms. ZHANG Wei	4/4
Non-executive Director	
Mr. ZHU Jingyang	4/4
Ms. TAO Sha	4/4
Independent non-executive Directors	
Ms. Christine Shaohua LU-WONG	4/4
Dr. ZHOU Demin	4/4
Mr. LI Bo	4/4

At the Board meetings held during the Relevant Period, the Board discussed a wide range of matters, including interim results announcement, amendments to the Articles of Association, adoption of the H Share Incentive Scheme and H Share Option Scheme and remuneration of senior management, etc.

During the period from the Listing Date to the Latest Practicable Date, the Chairman of the Board held one meeting with independent non-executive Directors without the presence of other Directors.

As the Company's shares were listed on the Stock Exchange on September 19, 2025, the Company did not hold a general meeting during the Relevant Period.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them. As regards the code provision under the CG Code requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

The Board is responsible for and in possession of the general powers for our business management and operation, including determining our business strategies and investment plans, implementing resolution(s) passed at the general meeting, and exercising other powers, functions and duties granted by the Articles of Association. The Board is also responsible for exercising other powers, functions and duties pursuant to the Articles of Association and all applicable laws and regulations, including the Listing Rules. The Board had granted the powers and duties in respect of the Group's daily management and operation to the senior management of the Group, and the management assume responsibilities for the operation of the Group to the Board.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Chairman and Chief Executive Officer

The positions of Chairman and Chief Executive Officer are held by Dr. Qiang LU and Dr. Jiong LAN respectively. The Chairman in charge of overall strategic planning, financial management, and business management of the Group. The Chief Executive Officer in charge of overall supervision and management of the business operation of our Group.

Independent Non-executive Directors

From the Listing Date to the date of this report, the Board at all time met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing no less than one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

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

Board Independence Evaluation

The Board has implemented mechanism to ensure independent views and input are available to the Board. The implementation and effectiveness of such mechanism was reviewed on an annual basis. The Board considers that such mechanism has been implemented properly and effectively from the Listing Date to the date of this report. The mechanism is summarized as below:

Composition

The Board ensures the appointment of at least three independent non-executive Directors and at least one-third of its members being independent non-executive Directors (or such higher threshold as may be required by the Listing Rules from time to time), with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, independent non-executive Directors will be appointed to the Board committees as required under the Listing Rules and as far as practicable to ensure independent views are available.

Independent Assessment in Nomination Practices

The Company has nomination policy for election of Directors. Such policy, devising the criteria and procedures of selection and performance evaluation, provides guidance to the Board on nomination and appointment of Directors (including the independent non-executive Directors) of the Company. The Nomination Committee strictly adheres to the nomination policy with regard to the nomination and appointment of independent non-executive Directors, and is mandated to assess annually the independence of independent non-executive Directors to ensure they can continually exercise independent judgment. The Board believes that the defined selection process is good for corporate governance in serving the Board continuity and appropriate leadership at Board level, enhancing Board effectiveness and diversity, and ensuring independent views and input are available to the Board.

Board Decision Making

The Directors (including independent non-executive Directors), upon reasonable request, may seek independent professional advice at the Company's expense, to assist the performance of their duties. If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would be dealt with by a physical Board meeting rather than a written resolution. A Director who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

Appointment and Re-election of Directors

Under the Articles of Association of the Company, the Directors shall be elected at Shareholders' general meetings with a term of office of three years from the date on which they assume their office. Upon the expiration of the term of office, Directors shall be eligible to offer themselves for re-election.

Each of the Directors and former Supervisors has entered into a service contract or a letter of appointment with the Company.

The Company did not sign any relevant unexpired service contract which is not determinable within a year without payment of any compensation, other than statutory compensation.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. During the year ended December 31, 2025 and prior to the Listing, all Directors have participated in continuous professional development by attending training course or external seminars to develop and refresh their knowledge and skills in relation to their contribution to the Board.

The training received by the Directors for the year ended December 31, 2025 and up to date of this report is summarized below:

Name of Director	Category[(Notes)]
Executive Directors	
Dr. Qiang LU	A, B
Dr. Jiong LAN	A, B
Ms. ZHANG Wei	A, B
Non-executive Director	
Mr. ZHU Jingyang	A, B
Ms. TAO Sha	A, B
Independent Non-Executive Directors	
Ms. Christine Shaohua LU-WONG	A, B
Dr. ZHOU Demin	A, B
Mr. LI Bo	A, B

Notes:

A. Participation in seminars, conferences, forums and/or training courses arranged by the Company or external organisations.

B. Perusing materials provided by the Company or external parties, such as materials relating to the Company's business updates, directors' duties and responsibilities, corporate governance and regulatory updates, and other applicable regulatory requirements.

BOARD COMMITTEES

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

Audit Committee

The Audit Committee consists of three Directors, namely Ms. Christine Shaohua LU-WONG, Mr. ZHU Jingyang and Dr. ZHOU Demin. Ms. Christine Shaohua LU-WONG holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the Relevant Period, the Audit Committee held two meetings to review the Company's interim report for the six months ended June 30, 2025 and to discuss the financial planning and budget for the year ending December 31, 2025, respectively. The Committee also met with the Auditor during the Relevant Period regarding the interim review and the annual audit plan.

The attendance of members of the Audit Committee is set out below:

Name of members of the Audit Committee	Number of attendance/ meeting(s) held
Ms. Christine Shaohua LU-WONG	2/2
Mr. ZHU Jingyang	2/2
Dr. ZHOU Demin	2/2

The Audit Committee has reviewed the consolidated financial statements for the year ended December 31, 2025 with the management of the Company. The Audit Committee considers this report to be in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

Remuneration Committee

The Remuneration Committee consists of three members, namely Mr. LI Bo, Dr. Jiong LAN and Dr. ZHOU Demin. Mr. LI Bo serves as the chairperson of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include, among others, reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors, Supervisors and senior management; reviewing the performance of Directors; considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group; reviewing and approving compensation arrangements relating to dismissal or removal of directors for misconduct and for any loss or termination of office or appointment to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; reviewing and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

During the Relevant Period, the Remuneration and Evaluation Committee held 1 meeting, during which matters such as policy and structure for the remuneration of executive Directors and senior management, and proposed adoption of H Share Incentive Scheme and H Share Option Scheme were discussed. For more details of the Remuneration Committee's opinion on the terms of the H Share Incentive Scheme and H Share Option Scheme, please refer to the circular of the Company dated January 23, 2026.

The attendance records of the Remuneration and Evaluation Committee Meetings are set out below:

Name of Remuneration and Evaluation Committee Member	Attendance/ Number of Meetings
Mr. LI Bo	1/1
Dr. Jiong LAN	1/1
Dr. ZHOU Demin	1/1

Details of the emoluments of the Directors, Supervisors and five highest paid individuals of the Group are set out in Notes 10 and 11 to the Consolidated Financial Statements of this report. The remuneration payable to members of senior management by band for the year ended December 31, 2025 is set out below:

Remuneration (HK$)	Number of Individuals
HK$2,500,000 to HK$3,000,000	3
HK$8,500,000 to HK$9,000,000	1

Further details of the remuneration payable to the Directors and the five highest paid individuals for the year ended December 31, 2025 are set out in Notes 10 and 11 to the consolidated financial statements in this annual report.

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of Executive Directors are also determined with reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each executive Director. The remuneration for the executive Directors comprises basic salary, pensions and discretionary bonus. The remuneration policy for the independent non-executive Directors is to ensure that the independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the independent non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board.

Nomination Committee

The Nomination Committee consists of three members, namely Dr. Qiang LU, Ms. Christine Shaohua LU-WONG and Mr. LI Bo. Dr. Qiang LU serves as the chairperson of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, reviewing the Board Diversity Policy and the Director Nomination Policy and assessing the independence of independent non-executive Directors. The Nomination Committee also reviews the structure, size and composition of the Board and concludes that members of the Board possess the expertise and independence to carry out the Board's functions and responsibilities.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

As the Company's shares were listed on the Stock Exchange on September 19, 2025, no meeting of the Nomination Committee was held during the Relevant Period.

Where vacancies on the Board arise, the Nomination Committee will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations.

Board Diversity Policy

The Company has adopted the Board Diversity Policy and stipulated the means to achieve Board diversity. The Company recognises and embraces the benefits of having a diverse Board and sees enhanced diversity at the Board level as an essential element in maintaining the Company's sustainable development and achieving its strategic goals.

Pursuant to the Board Diversity Policy, all appointments to the Board are based on the principle of meritocracy, and the benefits of diversity of Board members are fully taken into consideration with appropriate conditions when considering candidates. The Company will consider a number of aspects when selecting the candidates to the Board, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to the Board.

The Nomination Committee is responsible for reviewing the Board Diversity Policy, setting and reviewing measurable objectives to implement the policy and ascertain the progress made towards achieving those objectives.

The current Board composition is analysed as follows based on the measurable objectives:

Gender	
Male:	5 Directors
Female:	3 Directors

Age group	
31-40:	2 Directors
41-50:	1 Directors
51-60:	5 Directors

Position	
Executive Directors:	3 Directors
Non-executive Director:	2 Directors
Independent non-executive Directors:	3 Directors

Business experience	
Accounting and finance:	1 Director
Experience relevant to the Company's business:	5 Directors

As of the Latest Practicable Date, the Board consists of three female and five male Directors. The Board is satisfied with its gender diversity and will continue to maintain a diverse Board. In the future, gender will continue to be fully considered in the selection and development of nominees on the basis of maintaining at least one female Board member. The Nomination Committee will review at least on an annual basis the Board Diversity Policy and measurable objectives to ensure the sustained function and effectiveness of the Board.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as of December 31, 2025.

	Female	Male
Board	37.50% (3)	62.50% (5)
Senior Management (excluding Executive Directors)	0.00% (0)	100.00% (1)
Overall workforce[1]	59.80% (61)	40.20% (41)

Note:

(1) Due to the protection of employee privacy (including gender) in some overseas countries and regions, the number disclosed here represents the full-time employees employed by the Group's legal entities in China (including Hong Kong, Macao and Taiwan).

As of December 31, 2025, the gender ratio of males to females in the workforce (including senior management) was approximately 4:6. The Board considers that the current gender ratio reflects a gender balance in our employee structure. Going forward, the Company will continue to monitor and evaluate the diversity policy and adopt measurable objectives from time to time to ensure continued effectiveness and the Company's diversity policy and the gender balance in our employee structure.

Director Nomination Policy

The Nomination Committee of the Company is primarily responsible for selection of candidates for directors, general manager and other senior management of the Company, and setting up criteria and procedures for selection and making recommendation.

The Company has adopted a director nomination policy which sets out the selection criteria and nomination process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The nomination process set out in the director nomination policy is as follows:

(i) the Nomination Committee shall communicate actively with relevant departments of the Company to understand the demand of the Company for new Directors and senior management and shall produce written materials;

(ii) the Nomination Committee may seek extensively for candidates of Directors and senior management in the Company, its holding companies and job market;

(iii) the Nomination Committee shall collect information on, among others, occupation, educational background, job titles, detailed working experience of and all part-time jobs undertaken by the candidates and produce written materials;

(iv) the Nomination Committee shall seek advice from nominees and understand their expectation on their nomination, and no nominee shall be deemed as candidates for Directors and senior management without their consent;

(v) the Nomination Committee shall convene meetings to review the qualification of shortlisted candidates based on the requirements of Directors and senior management;

(vi) the Nomination Committee shall make recommendations and submit relevant materials to the Board of Directors regarding candidates for Directors and newly-appointed senior management one to two months prior to election of new Directors and appointment of new senior management; and

(vii) the Nomination Committee shall conduct other follow-up work pursuant to the decision of and feedback from the Board of Directors.

Where appropriate, the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

Corporate Governance Function

The Board is responsible for determining the corporate governance policy of the Company performing the functions set out in code provision A.2.1 of Part 2 of the CG Code.

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

RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control mechanisms. The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems. Both the Board and the Audit Committee review the systems of risk management and internal control on an annual basis.

The Company has established a scientific and complete risk assessment and monitoring management system. In accordance with established risk assessment procedures, it conducts regular risk identification, risk analysis, risk evaluation and risk management. It thoroughly analyses the core causes of material risks, defines risk early warning indicators, establishes an early warning response mechanism, and formulates risk response plans and optimization measures to ensure their full implementation.

The Company dynamically tracks and monitors material risks and optimizes and adjusts control measures with a view to actual operational conditions. The Company annually defines the focus of risk identification by comprehensively considering the external macroeconomic situation, the feedback from internal and external stakeholders, the Company's strategic development goals and operational situation, to ensure the continuous improvement of its risk management and internal control system.

The Company has developed an Information Disclosure Management System to ensure that all material undisclosed information is disclosed to the market through designated channels in a timely manner through standardized procedures. Under the system, the Company is required to disclose to the public any inside information as soon as reasonably practicable after it becomes aware of it or is likely to create a false market. From the Listing Date and up to the Latest Practicable Date, the Company has disclosed information in strict compliance with the requirements of the laws and regulations including the Listing Rules without any false statements, misleading statements or material omissions, to ensure investors will be able to receive the disclosed information fairly, timely and effectively.

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects, including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management has reported to the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended December 31, 2025.

There is currently no internal audit function within the Group. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. Nevertheless, the Board will continue to review at least annually the need for an internal audit function.

The Board, as supported by the Audit Committee as well as the management report and the internal control review report issued by the external independent professionals, conducted an annual review of the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended December 31, 2025, and considered that such systems are effective and adequate. The annual review covered the financial reporting, business operation and compliance control, and staff qualifications, experiences and relevant resources.

The Company has in place the Whistleblowing Policy and system for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

The Company has also put in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports to the internal anti-corruption department, which is responsible for investigating the reported incidents and taking appropriate measures. During the year ended December 31, 2025, the Company held anti-corruption training and briefings to all employees and carried out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

During the year ended December 31, 2025, the Board has conducted a review of the effectiveness of the internal control system of the Group and considered the internal control system to be effective and adequate.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements with the support of the accounting and finance team.

The Directors have prepared the financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern/The financial statements of the Company are prepared on a going concern basis, the Directors are of the view that they give a true and fair view of the financial position, performance and cash flow of the Group for the year ended December 31, 2025, and the disclosure of other financial information and report therein complies with relevant legal requirements.

A statement from the external auditors of the Company about their reporting responsibilities for the financial statements is set forth in the Independent Auditor's Report in this report.

AUDITOR'S REMUNERATION

The remuneration paid and payable to the Auditor in respect of audit services and non-audit services for the year ended December 31, 2025 is set out below:

Type of services	**Remuneration paid/payable** ***RMB'000***
Audit services relating to annual audit	1,800
Assurance services relating to listing	1,560
Non-audit services	540
Total	3,900

Note: The non-audit services conducted by the Auditor mainly include professional services on internal control and environmental, social and governance consultation.

JOINT COMPANY SECRETARIES

Ms. ZHANG Wei and Ms. WONG Mei Fung Carrie ("**Ms. Wong**") have been appointed as our joint company secretaries. Please refer to Directors and Senior Management section for Ms. ZHANG Wei's biography.

Mr. NG Tung Ching Raphael ("**Mr. Ng**") has tendered his resignation from the joint company secretaries of the Company following a re-prioritisation of his professional commitments and greater personal involvement in the client's business and strategic management, with effective from March 24, 2026.

Following the resignation of Mr. Ng, Ms. Wong has been appointed as the Joint Company Secretary, the Authorised Representative and the Process Agent with effective from March 24, 2026. Ms. Zhang Wei will continue to act as the other Joint Company Secretary of the Company. For further details, please refer to the announcement of the Company dated 24 March 2026.

Ms. Wong serves as a Manager of Entity Solutions of Computershare Hong Kong Investor Services Limited. Ms. Wong has over 20 years of work experience in the field of corporate secretarial and regulatory compliance services. Ms. Wong is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

The joint company secretaries are responsible for facilitating the procedures of the Board of Directors and communication among Directors, and between Directors and Shareholders and management. Ms. ZHANG Wei is the primary contact person of Ms. Wong at the Company. Ms. ZHANG Wei and Ms. Wong have participated in the relevant professional training in accordance with the requirements of Rule 3.29 of the Hong Kong Listing Rules during the Reporting Period.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

In accordance with article 49 of the Articles of Association of the Company, Shareholder(s) individually or jointly holding 10% or more the voting shares of the Company shall have the right to request the board of directors in writing to convene an extraordinary general meeting. The written proposal shall state the subject of the meeting and present a complete proposal. The board of directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the provisions of the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the written proposal. If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the board of directors is passed. Any change to the original request made in the notice shall be subject to the consent of the relevant Shareholders. The subject of the meeting proposed by the convening requestor shall be included in the agenda of the extraordinary general meeting. If the board of directors does not agree to convene an extraordinary general meeting or does not reply within 10 days upon receipt of the proposal, the Shareholders individually or jointly holding 10% or more of the voting shares of the Company shall have the right to propose to the audit committee in writing to convene an extraordinary general meeting. If the audit committee agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon receipt of the request. Any changes to the original request in the notice shall be approved by the relevant Shareholders. The subject of the meeting proposed by the convening requestor shall be included in the agenda of the extraordinary

general meeting. If the audit committee fails to issue the notice of the general meeting within the prescribed period, it shall be deemed that the audit committee will not convene and preside over the general meeting, and Shareholders individually or jointly holding 10% or more of the voting shares of the Company for 90 days or more consecutively may summon and preside over the meeting by themselves.

Putting Forward Proposals at General Meetings

Pursuant to article 54 of the Articles of Association of the Company, Shareholders individually or jointly holding 1% or more of the Company's voting shares may submit ad hoc proposals in writing to the convener 10 days before a general meeting is convened. The ad hoc proposal shall contain a clear topic for discussion and specific matters for resolution. The convener shall, within 2 days upon receipt of the proposal, issue a supplementary notice of the general meeting by way of announcement which shall contain the contents of the provisional proposal, and submit the ad hoc proposal to the general meeting for deliberation, unless the ad hoc proposal is in violation of any law, administrative regulation or the provisions of the Articles of Association or fails to fall into the scope of functions of the general meeting.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Floors 2, 3, 4, and 5, Building 8
1206 Zhangjiang Road, Shanghai
(For the attention of the Board of Directors)
Email: ir@genfleet.com

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Shareholders' Communication Policy

The Company adopts a shareholders' communication policy to guarantee continuous and effective communication with the Shareholders.

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company is endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access on the website of the Company at www.genfleet.com.

The Company reviewed the implementation and effectiveness of the shareholders communication policy, including the multiple communication channels for Shareholders in place and the steps taken to handle Shareholders' enquiries, and considered that the shareholders communication policy has been properly implemented and effective during the period from the Listing Date to the Latest Practicable Date.

Amendments to Constitutional Documents

Reference is made to the announcement of the Company dated October 21, 2025, in relation to the amendments to Articles of Association reflecting changes in the registered share capital and shareholding structure of the Company. Details of the amendments are set out in the announcement dated October 21, 2025.

Reference is further made to the announcement of the Company dated February 9, 2026, in relation to the abolishment of the supervisory committee of the Company and amendments to the Articles of Association.. Details of the amendments are set out in the circular dated January 23, 2026.

Save as disclosed above, no significant changes have been made to the Articles of Association during the period from the Listing Date to the Latest Practicable Date. An up-to-date version of the Articles of Association is also available on the Company's website and the Stock Exchange's website.

Dividend Policy

Pursuant to the Articles of Association, the Board may declare dividends in the future after taking into account the results of operations, financial conditions, cash requirements and availability of the Company, and other factors as it may deem relevant at such time. The Company has adopted a dividend policy on payment of dividends. The Company do not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the conditions and factors as set out in the dividend policy of the Company, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year. Any declaration and payment as well as the amount of dividends will be subject to the constitutional documents, applicable PRC laws and approval by the Shareholders.

Environmental, Social and Governance Report

ABOUT THIS REPORT

This is the first Environmental, Social and Governance Report ("**ESG Report**" or "**this Report**") issued by GenFleet Technology (Shanghai) Co., Ltd. (Stock Code: 2595.HK) (hereinafter referred to as "**GenFleet**", "**we**", "**the Company**"), intended to introduce to stakeholders GenFleet's management and performance in environmental protection, social responsibility, and corporate governance.

SCOPE OF THE REPORT

Unless otherwise specified, the scope of this report is consistent with the consolidated financial statement scope of GenFleet's 2025 Annual Report, covering GenFleet and its wholly-owned and controlled subsidiaries (the "**Company**" or "**we**"). The Reporting Period covers January 1, 2025 to December 31, 2025 ("**Reporting Period**"), with part of the contents tracing back to prior years or extending into future periods.

REPORTING STANDARDS

This report is prepared in accordance with the Environmental, Social and Governance Reporting Code ("**ESG Code**") set out in Appendix C2 of the Listing Rules of *The Stock Exchange of Hong Kong Limited* ("**Stock Exchange**").

REPORTING PERIOD

The time span of this report is from January 1, 2025 to December 31, 2025. To enhance the comparability and completeness of the report, certain information has been retrospectively adjusted and prospectively extended as appropriate.

SCOPE OF THE REPORT

The scope of disclosure in this report is consistent with the scope of disclosure of financial information in the Company's 2025 Annual Report.

REPORTING PRINCIPLES

- "Materiality" Principle: This ESG report has incorporated stakeholder engagement and materiality assessment processes during its preparation as the basis for evaluating ESG material issues.
- "Quantification" Principle: The Company reports key performance indicators ("**KPI**") using quantitative measurement units wherever feasible.
- "Balance" Principle: This report adheres to the balance principle, presenting our ESG performance impartially and without bias.
- "Consistency" Principle: This report employs a consistent disclosure statistical methodology to ensure that ESG data can be meaningfully compared in the future.

DATA SOURCES AND RELIABILITY ASSURANCE

The data and cases in this report are primarily derived from the Company's statistical data and relevant documents. The Company guarantees that there are no false records, misleading statements or material omissions in the content of this report.

CONFIRMATION AND APPROVAL

This report was approved by the Board of Directors on 24 March, 2026.

OBTAINING AND RESPONDING TO THIS REPORT

This report is provided in electronic format. This report's PDF electronic file is available on the Hong Kong Exchanges website (https://www.hkex.com.hk) and GenFleet's official website (http://www.GenFleet.com).

If you have any comments or suggestions regarding this report, please contact us through the following channels:

Tel: 021-68821388
Fax: 021-68821388-805
Email: ir@genfleet.com
Address: Building 8, Floors 2, 3, 4, and 5, No. 1206 Zhangjiang Road, China (Shanghai) Pilot Free Trade Zone

2025 HONORS

Name of Honor
• Shanghai Technology Little Giant Cultivation Enterprise (designated by the Shanghai Municipal Commission of Science and Technology and other relevant authorities)
• Shanghai High-Level Enterprises (Industrial Investment Division, Shanghai Municipal Commission of Economy and Information Technology)
• 2024-2025 Law-abiding and Honest Enterprise in the Pharmaceutical Industry, and 2024-2025 Annual Top 50 Independent Innovation Enterprises in the Pharmaceutical Industry (Chamber of Pharmaceutical Industry, All-China Federation of Industry and Commerce)
• 2025 Zhangjiang Pharma Valley Newcomer of the Year (Shanghai Zhangjiang InnoPark Development Company)
• 2025 Zhangjiang Innovative Pharmaceutical Companies Global Competitiveness TOP15 List
• 2025 Annual Hong Kong Stock ESG Most Potential Award (Greaterbay Financier Association, GFA)
• GEI China Potential Unicorn Enterprises List 2025 (Great-wall Enterprise Institute, GEI)
• Most Valuable Pharmaceutical Companies Award (Zhitong Financial)
• 2024-2025 China Hidden Champion Enterprises Top 50 (Thecapital)
• Annual New Force Healthcare Enterprise (CIs)
• China Future Healthcare Rankings 2025 TOP 100 Biomedicine Companies (VBEF)

1 COMPLIANCE AND INTEGRITY FOR SUSTAINABLE GROWTH

GenFleet has established a systematic Environmental, Social and Governance (ESG) management framework to actively communicate with stakeholders and conduct assessments of material issues, thereby building a scientific and forward-looking responsibility management system. In daily operations, we are committed to comprehensively integrating integrity principles of honesty and transparency into organizational culture and business processes, thereby solidifying the foundational responsibility for sustainable enterprise development.

1.1 ESG Governance Structure

The GenFleet Board of Directors attaches great importance to the critical role of ESG management in promoting the Company's green development, compliance, and sustainable growth, and has fully integrated ESG principles into its corporate governance framework. The Board of Directors is responsible for approving the ESG report and ESG policies, overseeing ESG work, and assuming ultimate responsibility for the formulation, implementation, and reporting of the ESG strategy to ensure that ESG matters are closely integrated with the Company's overall development goals.

To effectively implement ESG management, the Board of Directors authorized the Chief Executive Officer to establish an ESG Management Committee, which serves as the core decision-making and supervisory body for the Company's ESG governance. The Committee shall be chaired by the Chief Executive Officer and may appoint a senior executive to serve as the Executive Chairperson, responsible for coordinating and approving major ESG matters. The committee members are composed of heads of major departments, directors, and other personnel with relevant professional backgrounds to ensure the integrity of cross-functional collaboration and governance coverage. The Chairperson and the Executive Chairperson jointly lead the Committee's work, oversee the identification and management of ESG risks and opportunities, review ESG performance, and promote relevant information disclosure.

An ESG Working Group is established under the ESG Management Committee to specifically execute the Committee's resolutions, promote the implementation of various ESG initiatives, monitor progress and effectiveness, and regularly collect, organize, and report the ESG progress, key performance indicators, and practice cases of each responsible department. For each ESG matter, a cross-functional department head is explicitly designated to strengthen accountability implementation and execution efficiency.

Organizational Structure	Member	Responsibilities
Board of Directors		The highest governing body responsible for the management and public disclosure of ESG matters within the Company. • Approval of ESG-Related Policies • Oversight of ESG Implementation and Target Progress • Approval of the ESG Report

Organizational Structure	Member	Responsibilities
ESG Management Committee	The Chief Executive Officer serves as the Chairman of the Committee and may appoint a senior executive to serve as the Executive Chairman of the Committee. The members shall be composed of heads of major departments, directors, and other individuals possessing relevant professional backgrounds.	• Coordination and Approval of Major ESG Considerations • Oversight of the identification and management of ESG risks and opportunities • Review of ESG performance • Promote the disclosure of relevant information
ESG Office & Working Group	Cross-departmental Head Departmental Coordination Personnel	• Specific resolutions of the Executive Committee • Promote the implementation of various ESG issues. • Monitoring of Progress and Effectiveness • Regularly collect, organize, and report the ESG progress, key performance indicators, and practice cases of each responsible department.

We continue to promote the learning and practice of ESG concepts among the Board of Directors and all employees. We plan to introduce external professional resources to provide advanced ESG training for the Board of Directors and management to enhance governance capabilities and decision-making levels. In the future, the Company will continue to optimize its ESG governance framework and further enhance the effectiveness of sustainable development governance.

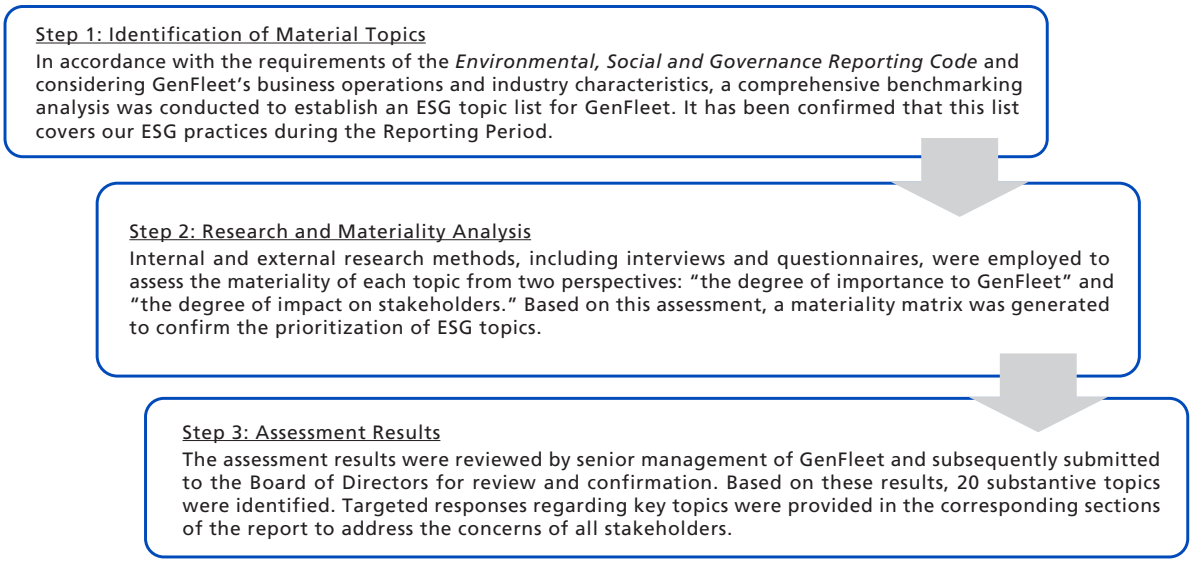
1.2 Stakeholder Communication

Identifying and understanding the expectations and concerns of stakeholders constitutes a critical foundation for formulating ESG strategies, optimizing management practices, and enhancing reporting quality. GenFleet consistently upholds the principles of openness, transparency, and dialogue, actively maintaining communication and collaboration with all stakeholders. The Company has established multi-channel and multi-form interactive mechanisms to proactively listen to the voices of major stakeholders and continuously incorporate relevant feedback into its decision-making system.

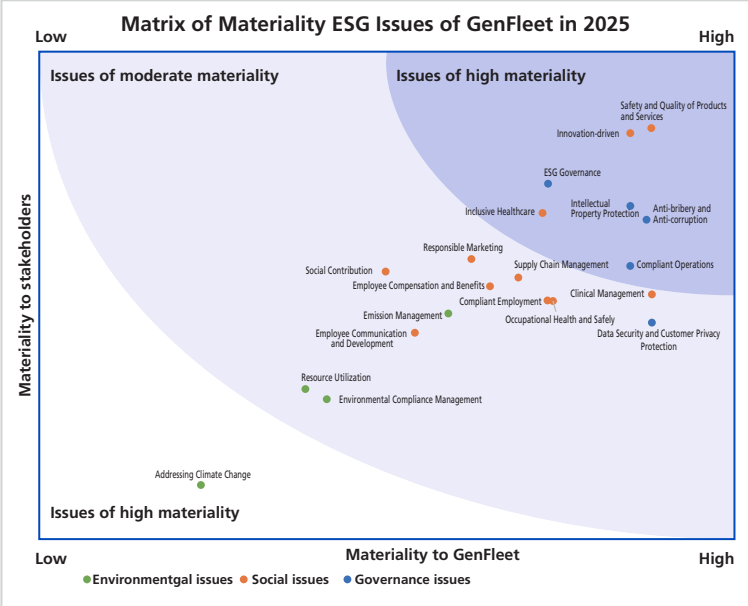
Stakeholders	Expectations and Requests	Communication and Feedback Channels
Investors	Return on Investment Risk Control Information Disclosure	Annual Report, Financial Statements, and Announcements Company Website Meetings and Roadshows Investor Research
Government and Regulatory Authorities	Compliant Operations Pay Taxes in accordance with the Law Product Quality and Safety	On-site Inspection Special Meeting of the Government Department Written Report
Consumers	Product Quality and Safety Product Development and Innovation Privacy Protection	Customer Feedback Exchange and Seminar
Employees	Compliant Employment Training and Development Compensation and Benefits Equal Opportunity and Diversity Occupational Health and Safety	Internal Email Internal Regular Meeting Employee Suggestion Box Training Courses Team Building Activities
Supplier	Supplier Management Anti-Corruption and Business Ethics	Business Communication Regular Meetings On-site Visits, Audits, Assessments, and Evaluations
Community	Community Investment Participation in Public Welfare Environmental Protection Social Public Welfare and Volunteer Services	Daily Communication Public Welfare Services Social Media
Media	Industry Collaboration and Development Product Quality and Safety Product Research and Development and Innovation Anti-Corruption and Business Ethics	Media/Industry conference Media Interview Company Website Social Media

1.3 Assessment of Key ESG Issues

To ensure that the environmental, social and governance (ESG) information disclosed in this report is relevant, comparable and decision-useful, GenFleet has systematically conducted a materiality assessment in accordance with the requirements of Appendix 27 *Environmental, Social and Governance Reporting Code* of the *Listing Rules of The Stock Exchange of Hong Kong Limited*. To precisely identify ESG issues that have a significant impact on long-term value creation, the Company advances its assessment work through the following three core steps:



During the Reporting Period, our materiality assessment results were as follows:



Results of Materiality Assessment

Environmental Issues	
1	Addressing Climate Change
2	Resource Utilization
3	Environmental Compliance Management
4	Emission Management
Social Issues	
5	Employee Communication and Development
6	Social Contribution
7	Employee Compensation and Benefits
8	Compliant Employment
9	Responsible Marketing
10	Supply Chain Management
11	Occupational Health and Safety
12	Inclusive Healthcare
13	Clinical Management
14	Innovation-driven
15	Safety and Quality of Products and Services
Corporate Governance Issues	
16	ESG Governance
17	Intellectual Property Protection
18	Anti-bribery and Anti-corruption
19	Compliant Operations
20	Data Security and Customer Privacy Protection

1.4 Business Ethics

GenFleet adheres to the principles of integrity and compliance in its operations and is committed to fostering a fair, transparent, and responsible business culture throughout the organization. We strictly comply with the laws and regulations of the countries and regions in which we operate, adhere to professional ethical standards, and firmly oppose any form of corruption, fraud, and unfair competition. In business practice, we uphold a responsible marketing philosophy to ensure that information is truthful, accurate, and verifiable, while respecting consumer rights and public trust. At the same time, the Company attaches great importance to data security and privacy protection, has established a sound information security management mechanism, and effectively safeguards the personal information security of customers, employees, and partners.

1.4.1 Anti-Corruption and Anti-Fraud

GenFleet deeply integrates anti-corruption and anti-fraud measures into the daily practices of corporate governance to ensure sustainable business development and organizational credibility. The Company has promulgated the *Anti-Bribery, Anti-Corruption, Anti-Fraud, and Anti-Money Laundering Management Policy* and concurrently formulated the *Whistleblowing Policy*. These policies systematically define prohibited behaviors and clarify compliance boundaries. Furthermore, the Company has established the *Policy on Preventing Insider Trading and Conflict of Interest Transactions*, which clarifies requirements such as interest declaration, thereby further strengthening the identification and prevention of potential risks in business dealings. Currently, the policy has been fully implemented and formally incorporated as a mandatory component of new employee onboarding training to ensure that all compliance requirements take immediate effect from the source.

GenFleet is committed to continuously deepening the commercial ethics and anti-corruption awareness of all employees through a systematic training mechanism. The Company has incorporated anti-corruption and business ethics topics into the Board of Directors' ESG special training agenda to effectively strengthen management's awareness of related risks and oversight responsibilities. For all employees, we regularly conduct anti-corruption special training through an online learning platform and explicitly require new hires to complete relevant learning and assessments during their probation period. Currently, training on corporate ethics and anti-corruption has achieved 100% coverage among all employees.

To continuously improve the internal supervision system, the Company has formulated and implemented the *Whistleblowing Policy*. We have established diversified reporting channels, including a dedicated email (compliance@genfleet.com), a dedicated telephone hotline, and in-person reception services, to comprehensively support and accept reports submitted with real names, pseudonyms, or anonymously. All reporting leads are uniformly submitted to the Operations Center for strict evaluation and initiation of investigations in accordance with internal procedures. Verified violations will be submitted to management for special deliberation and implementation of closed-loop rectification. Simultaneously, the Company has established and strictly enforces a whistleblower protection mechanism. Whistleblower information and reported content are kept strictly confidential. Any form of retaliation or other unfair treatment is firmly prohibited to effectively safeguard the legitimate rights and interests of whistleblowers from both institutional and execution perspectives.

During the Reporting Period, the number of concluded corruption litigation cases brought against the issuer and its employees was zero, and no whistleblowing matters related to business ethics were received.

Performance Highlight of Anti-corruption and Anti-fraud		
Indicator Name	Unit	2025
The Number of Concluded Corruption Litigation Cases Filed Against the Company or Its Employees	cases	0
Time Spent on Anti-Corruption Training Provided to the Company's Directors	hours/person	0.50
Number of Directors Who Participated in the Training	person	8
Total Hours of Anti-Corruption Training Provided to Company Employees	hours	50.50
The Number of Employees from Each Department Who Participated in the Training	person	101

1.4.2 Responsible Marketing

GenFleet adheres to the principles of integrity and transparency and is committed to fulfilling corporate social responsibility in all communication and marketing activities. To systematically manage relevant risks, the Company has established the *GenFleet Publicity Compliance Policy* and formulated standard operating procedures for internal publicity compliance and crisis response to ensure the accuracy, compliance, and consistency of all external information, thereby safeguarding the Company's reputation and the trust of stakeholders.

The Company has established and perfected a comprehensive internal compliance control system covering the entire process of content generation, review, and external publication. In terms of product promotion, the Company strictly enforces a review procedure led by professionals for drafting, with dual oversight from cross-functional departments and senior management. For matters involving disclosure and other administrative content, the legal team shall centrally coordinate the drafting to ensure full compliance with external regulatory requirements. At the publishing end, all enterprise-generated content is strictly limited to dissemination through dedicated official channels to effectively ensure the accuracy of information dissemination and risk controllability.

Specialized Compliance Training for Executives

Prior to the listing, the Company systematically conducted comprehensive communication compliance training for its executive team. The core issues encompass market communication pacing, media communication and copyright compliance, crisis response, and internal and external communication management. These areas comprehensively empower the management tier's ability to fulfill their compliance responsibilities.

Ongoing Business Ethics Training for All Employees and Management

1.4.3 Data Security and Privacy Protection

GenFleet places a high priority on the security of data assets and personal privacy. The Company has established an information security governance structure with clearly defined authorities and responsibilities, led by a dedicated IT executive who reports directly to the Operations Director. This system comprehensively leads the construction of digital systems and network and data security strategies, ensuring the compliance, confidentiality, and integrity of information processing in all business activities including research and development, operations, and management.

The Company has formulated and strictly implemented the *Network Data Security Policy*, comprehensively coordinated core areas including network access control, data lifecycle management, disaster backup and recovery, and underlying server operations. Based on this policy, the Company has systematically established a multi-dimensional deep defense system covering "physical protection + technical assurance + institutional constraints". In terms of technical implementation, the Company established a local independent data center and configured professional security facilities such as firewalls and bastion hosts. Coupled with strict network logical isolation and data localization deployment strategies, a solid and controllable underlying defense line has been constructed to ensure the secure operation of core business data.

In terms of R&D data protection, the Company has implemented multiple protective measures. By implementing granular "minimum necessary" access controls over data folders and adopting a tiered account management system, it is ensured that data is accessed solely by authorized personnel. Simultaneously, a compliance backup mechanism covering both local and remote environments has been established, employing a combined approach of incremental and full backups to ensure the reliability and recoverability of core R&D data. Currently, the Company's work on the graded protection assessment for network and information security is being steadily advanced to continuously strengthen our security protection capabilities.

The Company continuously enhances the information security awareness of all employees through a systematic training system. At the employee onboarding stage, comprehensive information security specialized training shall be fully implemented; meanwhile, IT policy dissemination shall be conducted regularly for all employees on an annual basis. Furthermore, in conjunction with daily operational scenarios, the Company conducts regular specialized thematic education and publicity on anti-phishing and anti-fraud through diversified forms such as email notifications and internal communications, effectively integrating information security culture deeply into the enterprise's daily work and organizational DNA.

During the Reporting Period, no significant information security incidents or data breaches occurred.

2 INNOVATING FOR HEALTH, SAFEGUARDING WELL-BEING

GenFleet has always adhered to the mission of "Anchored in cutting-edge science to develop globally new therapeutics", focusing on the significant unmet clinical needs existing in the fields of oncology, autoimmune and inflammatory diseases. Centering on the biological mechanisms of diseases and translational clinical medicine, we leverage an autonomous and integrated R&D system. Guided by patient needs and adhering to a "Globally Innovative" strategy, we are committed to driving industry advancement through source innovation and superior quality.

2.1 Innovation-driven

GenFleet adheres to a research and innovation strategy oriented toward "Globally Innovative", dedicated to source-level innovation. The Company focuses on highly unmet clinical needs in the fields of oncology, autoimmune and inflammatory diseases. Through the layout of novel targets, empowerment by technology platforms, and international R&D collaboration, GenFleet continuously promotes the high-quality development and translation of innovative drugs.

2.1.1 Innovation and R&D

The Company centers its strategy on innovative R&D and global collaboration by strengthening clinical development of core products, establishing a matrix of cutting-edge targeted therapies, building a diversified commercial partnership network, implementing talent incentive programs, and planning to establish autonomous production capabilities to systematically advance its globalization strategy.

Innovation and R&D Strategies

We have established an integrated R&D system covering target discovery, molecular discovery and optimization, pharmaceutical manufacturing and quality control, clinical development and translational research. With proven expertise in key areas including the development of diverse novel molecular types, the design of process development, the establishment of quality standards, and the exploration of differentiated clinical development, we continuously upgrade our established platforms and actively build next-generation, original "Globally Innovative" drug development platforms.

FAScon Platform	Novel Oral Small-Molecule Platform
As the world's first platform for developing Functional Antibody Synergistic conjugates (FAScon), it is committed to expanding upstream-downstream mechanistic synergy from the RAS pathway to other pathways, extending its application from RAS-mutant tumors to a broader range of disease areas, while exploring cellular effector synergy beyond the molecular level to enhance therapeutic potential.	Based on the established compound library encompassing multiple targets and diverse molecular structures, along with the improved supporting technical system for the development of complex compounds, the platform focuses on developing novel candidates with potential to overcome drug resistance.
Integrated Antibody Platform	**Diverse Degraders Platform**
This platform drives extended innovation by enabling in-depth basic research into different pathological pathways and exploring first-in-class innovative combinations of novel targets, thereby advancing the development of diversified ADC and large-molecule candidates.	This upgraded platform enables precise targeting of proteins beyond traditional kinases, expands the "induced proximity effect" mechanism at multiple levels, upgrades from molecular glue to various types of degraders, and promotes innovation in oral targeted protein degradation (TPD).

GenFleet Integrated Technology Open Platform

2.1.2 Product R&D Progress

We have established a RAS-targeted matrix for tumors with RAS mutations, composed of multiple selective and Pan RAS inhibitors, and have positioned a bispecific antibody therapy for cancer cachexia as a potential supportive care for cancer treatment. As of the end of the Reporting Period, we have built a continuously upgraded product pipeline, with several candidates holding leading positions in the global and domestic development of their respective targets. During the Reporting Period, the Company advanced the R&D and clinical development of multiple drug candidates, making positive progress in areas including the commercialization of core product, the advancement of key candidates into registrational clinical studies, and the strategic expansion of initiation therapies.

We have efficiently advanced the development of our product pipeline and achieved multiple key milestones:

- GFH925 (fulzerasib, brand name: Dupert®) is a small molecule selective inhibitor of the KRAS G12C protein. It has been approved for marketing in Mainland China and Macau for the treatment of advanced Non-Small Cell Lung Cancer (NSCLC) and was included into *National Medical Insurance Drug List* in 2025 (taking effect on January 1, 2026). This inclusion will significantly improve the accessibility and affordability of this targeted therapy, enabling more lung cancer patients to benefit from precision treatment. It is the first marketed product in GenFleet's pipeline, the first approved KRAS G12C inhibitor in China and the third globally. Its overseas combination therapy with cetuximab, an antibody targeting EGFR, is the world's first KRAS+EGFR combinational regimen for frontline NSCLC treatment. The disclosed Phase II results have demonstrated positive clinical development potential.

Fulzerasib (Dupert®)

- GFH375, as the world's first oral KRAS G12D inhibitor entering phase III trial, was granted the US FDA's Fast Track Designation for treatment of KRAS G12D-mutant metastatic Pancreatic Ductal Adenocarcinoma (PDAC) across all lines during the Reporting Period, and obtained China's first Breakthrough Therapy Designation for a KRAS G12D inhibitor treating NSCLC in February 2026.

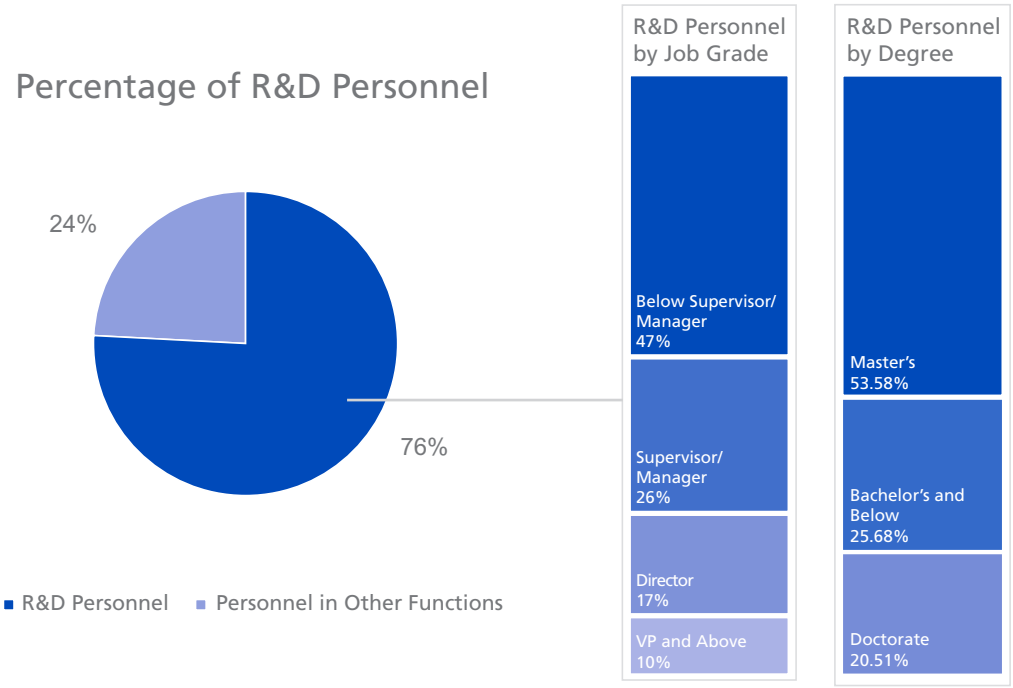
- GFS202A is a novel bispecific antibody targeting both GDF15 and IL-6. It is the world's first clinical-stage bispecific antibody for cachexia, a chronic condition for which there are currently no FDA – or NMPA-approved targeted drugs available. By targeting both GDF15 and IL-6, it may potentially achieve better efficacy compared to single-target therapies. It not only addresses the substantial treatment needs in broad patient populations such as patients with chronic heart failure and chronic obstructive pulmonary disease, but also holds the potential to improve the tumor immune microenvironment, expand the therapeutic window, and extend the applicability of immunotherapies through mechanistic synergy.

In addition to the key products mentioned above, the Company is also advancing multiple programs of drug candidates, including the a Pan RAS (ON) inhibitor GFH276, a Pan RAS ADC candidate GFS784, and the immune-inflammatory candidate GFH946, along with other innovative pipelines such as GFH312. This effort is gradually building a tiered pipeline composed of marketed products, late-stage clinical assets, and early-stage innovative projects, thereby providing a foundation for sustainable innovation and future growth. For detailed information on each product pipeline, please refer to the Management Discussion and Analysis section of this report.

Capability Building for R&D

GenFleet is committed to building a well-structured, highly professional, and dynamic R&D talent pipeline to serve as the core engine for corporate innovation and sustainable development, providing solid support for the advancement of the Company's long-term strategy and the continuous enhancement of industrial competitiveness.

The following is the structure of our R&D team:



To systematically enhance the professional capabilities and innovation efficiency of the R&D team, the Company has established a customized training system. The training system allocates training plans based on the responsibilities of personnel in each position. It provides video courses and case studies covering industry frontiers and regulatory compliance for all professional positions, and establishes post-course assessments to consolidate learning outcomes. Furthermore, we regularly invite heads of departments and key technical personnel to conduct thematic sharing and experience exchange sessions centered on actual R&D projects to break down departmental information silos and facilitate internal knowledge sharing.

R&D Training Case

To systematically build core R&D competitiveness, the Drug R&D Department has established a customized training system covering all professional positions. The curriculum includes key specialized courses such as in vitro pharmacology Investigational New Drug (IND) report writing Standard Operating Procedures (SOP), Compound Management System (CMS), in vivo experiments, and microwave synthesis instrument management regulations. Through video explanations, case sharing, and online assessments on the online platform, it ensures that team members continuously update their knowledge of industry frontiers and deepen their compliance awareness. This initiative effectively empowers the team to collaboratively enhance its R&D capabilities and innovation efficiency, thereby solidifying the talent foundation for sustained output.

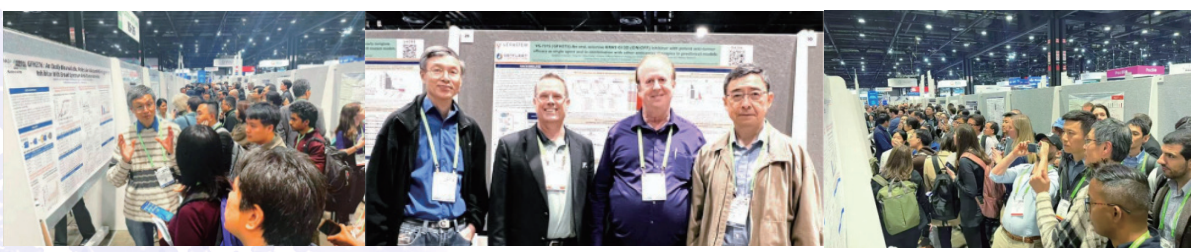
Comprehensive and Tailored R&D Training System to Strengthen Talent Foundation and Innovation Efficiency

2.1.3 Fostering Our Industry Ecosystem

As an enterprise dedicated to the development of innovative drugs, we consistently regard industry exchange as a critical pathway for acquiring cutting-edge technology and driving advancements in research and development. Through active participation in domestic and international professional forums and industry-academia-research cooperation with top academic institutions such as Fudan University, we actively absorb cutting-edge knowledge from external sources and strengthen R&D visibility internally to maintain dynamic alignment of our R&D strategy with industry trends. The industry forums and events we participate in, both domestic and international, center on multiple areas including preclinical research, clinical development, and manufacturing, covering the entire integrated new drug development process.

Data from GenFleet's Multiple Preclinical Studies Were Presented at AACR

At the 2025 American Association for Cancer Research (AACR) Annual Meeting, preclinical data for three candidates in GenFleet's pipeline – the small molecule GFH276 and the large molecules GFS202A and GFH375/VS-7375 – were presented in poster sessions. This diverse portfolio, targeting major indications, showcased the Company's commitment to "Globally Innovative" innovation, the robustness of its pipeline, and its sustainable innovative capabilities in pioneering RAS-targeted therapies while exploring diverse disease areas.



AACR Annual Meeting

Clinical Data of GenFleet's Core Product Selected for Oral Presentations at Multiple International Academic Conferences

Clinical data of GenFleet's GFH375 for the treatment of KRAS-mutant solid tumors, PDAC, and NSCLC were selected for presentation at the 2025 American Society of Clinical Oncology (ASCO) Annual Meeting, the World Conference on Lung Cancer (WCLC), and the European Society for Medical Oncology (ESMO) Congress. The data were released in the form of Late-breaking Abstracts (LBA) and on-site oral presentations, demonstrating best-in-class efficacy of the KRAS G12D inhibitor as a monotherapy in PDAC and NSCLC.

- ESMO: Phase I/II study data of GFH375 in PDAC patients were selected for an oral presentation and LBA in October 2025.
- WCLC: Phase I/II study data of GFH375 in solid tumor and NSCLC patients were selected for a mini-oral presentation and LBA in September 2025.
- ASCO: Preliminary Phase I data of GFH375 monotherapy in patients with KRAS G12D-mutant solid tumors were selected for a rapid oral presentation in June 2025.

On-site Oral Presentation at Global Authoritative Academic Conference Annual Meetings

GenFleet was invited to attend the Green Chemistry Symposium to discuss sustainable pharmaceutical innovation pathways

In 2025, GenFleet was invited to attend the "PharmaBlock's 2nd Green Chemistry Symposium" held in Nanjing. This forum focuses on cutting-edge research in green chemistry, industrial applications, and low-carbon pharmaceutical practices. The topics cover areas such as photocatalysis, enzymatic catalysis, intelligent process development, and carbon footprint management. Through in-depth exchanges with multinational pharmaceutical companies, innovative biotechnology firms, and academic experts, GenFleet engaged in open discussions with industry peers regarding low-carbon transformation and the enhancement of industry competitiveness, jointly exploring green and sustainable innovation pathways for the pharmaceutical sector.

2.2 Clinical Management

GenFleet has always placed the rights, safety, and well-being of subjects at the core of clinical research. We strictly comply with applicable laws, regulations, and standards, including the *Personal Information Protection Law of the People's Republic of China*, *Good Clinical Practice*, and the *Declaration of Helsinki*, to ensure that all research activities have been reviewed and approved by the Ethics Committee. To ensure the scientific rigor, compliance, and safety of trial subjects, all researchers commit to adhering to the highest professional ethics and effectively safeguarding the integrity of the study and the dignity of the subjects.

2.2.1 Protection of Subject Privacy

Subject information management constitutes the foundation of medical ethics in the clinical research process. Adherence to relevant laws, regulations, and research protocols ensures rigorous subject protection. This includes the strict implementation of the informed consent procedure, guaranteeing that subjects participate voluntarily based on comprehensive understanding, and are clearly informed of their right to withdraw unconditionally at any time.

We fully respect and safeguard subjects' autonomy and privacy rights. The *Safety Management Plan* explicitly requires all parties involved in safety reporting to comply with applicable privacy protection and data security laws, regulations, industry standards, and contractual terms. It mandates strict confidentiality measures for all personal information and promotes data anonymization throughout the research process, thereby comprehensively safeguarding data security.

We attach great importance to risk management of the research process. Systematic training and risk assessments are implemented prior to project initiation, and a risk control plan is formulated and executed. The safety and compliance of the research are continuously monitored to effectively safeguard the rights and well-being of every subject.

2.2.2 Clinical Medication Safety

GenFleet regards clinical medication safety as the lifeline of clinical research. We strictly adhere to the requirements of the Center for Drug Evaluation (CDE). A risk control plan was formulated prior to the commencement of the study. Continuous safety risk assessment and adverse reaction monitoring were implemented throughout the trial. Furthermore, the trial management system was continuously improved to comprehensively ensure the precision, safety, and reliability of investigational medicinal products used in clinical trials.

2.3 Pharmacovigilance

The Company has established a pharmacovigilance system of drug development in compliance with international standards and national regulations. Through continuous monitoring, scientific assessment, and proactive prevention and control, the safety of medication use, and public health are effectively safeguarded.

2.3.1 Pharmacovigilance Management

The Company strictly complies with national regulatory requirements such as the *Good Pharmacovigilance Practice* and the *Good Clinical Practice* promulgated. A pharmacovigilance system covering the entire process has been established to standardize core activities including the processing of Individual Case Safety Reports (ICSR), management of reports in blinded studies, signal detection and evaluation, risk management and periodic reporting, and safety data exchange. Relevant processes are implemented through internal Standard Operating Procedures (SOPs) and the *Safety Management Plans* for each respective project.

GenFleet has established a Drug Safety Committee responsible for the analysis of safety signals, the determination of significant safety risks, the handling of major or emergency drug incidents, risk control decision-making, and the supervision and evaluation of other major matters. The Drug Safety Committee is led overall by the Chief Marketing Officer (CMO) and comprises multi-functional members from pharmacovigilance, medical monitor, clinical pharmacology, preclinical development, and regulatory affairs to ensure the smooth implementation of pharmacovigilance activities.

GenFleet has established a systematic mechanism for drug safety data and reporting management to ensure the timely fulfillment of all compliance obligations during the research and development phase. We regularly formulate and maintain the annual Development Safety Update Report (DSUR) plan for all products under development. Specific milestones for drafting, review, and submission are planned in advance for each product, and progress is advanced in an orderly manner according to the plan to ensure that the DSUR is drafted and submitted with high quality within the prescribed time limits. Simultaneously, we require all pharmacovigilance suppliers to strictly adhere to the reporting timelines stipulated in the *Safety Management Plan* within clinical projects. Through joint tracking of the progress of the handling by both parties, it is ensured that all reports are submitted within the statutory deadlines. Furthermore, the Company has incorporated the timeliness of reports submitted by suppliers into its quality assessment metrics.

In the collaboration on security data with partners, we strictly adhere to the data exchange agreements signed by both parties, systematically complete the periodic exchange of security data, facilitate the cross-submission of acceleration reports, and collaboratively update DSUR and other relevant documents. This ensures the systematic nature and reliability of information synchronization and compliant submissions within the cooperation framework.

2.3.2 Pharmacovigilance Training

To comprehensively enhance employees' pharmacovigilance awareness and compliance capabilities, the Company has established a systematic tiered training process. All newly hired employees are required to complete foundational pharmacovigilance training. Prior to the initiation of each clinical project, relevant participating personnel must also undergo targeted project-specific training covering definitions of adverse events, assessment of severity and causality, reporting templates, timelines, procedures, and precautions. Personnel in core positions such as clinical departments, we further conducted specialized regulatory briefings to provide an in-depth interpretation of pharmacovigilance-related regulations and requirements.

2.3.3 Handling of Adverse Events

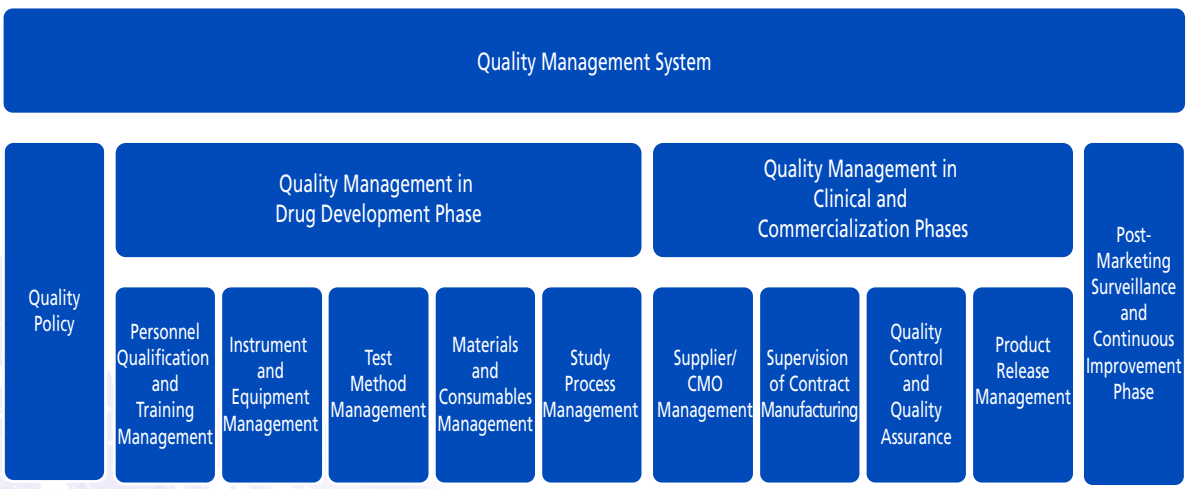
We strictly comply with relevant laws and regulations, including the *Standards and Procedures for Expedited Reporting of Safety Data During Drugs Clinical Trials*, ensuring through rigorous processing procedures that all adverse events are monitored and addressed in a timely and effective manner.

The protocol shall specify the recording, assessment, follow-up, reporting timelines, and pathways for various safety events	Adverse events are collected via a dedicated page of the electronic data capture system and integrated into the electronic case report form	In accordance with the *Safety Management Plan*, initial and follow-up reports of serious adverse events are collected, evaluated, queried, reviewed, and submitted	For serious adverse events, individual case reports must be generated, entered into the safety database, and submitted to regulatory authorities and research centers within the prescribed timeframes following internal evaluation

Adverse Event Handling Process

2.4 Product Quality

GenFleet strictly complies with the *Drug Administration Law of the People's Republic of China*, the *Provisions for Drug Registration*, and other relevant laws and regulations. Based on the principles of Good Manufacturing Practice for Drugs (GMP), the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH), and the World Health Organization (WHO), GenFleet has established a full lifecycle quality management system covering drug development to product discontinuation. We have established core management documents, including the *Data Integrity Strategy*, *Procedure for Management of Outsourced Testing During Development Phase*, *Procedure for Supervision of Contracted Development and Manufacturing*, *Quality Risk Management Procedure* and *Product Recall Management Procedure*, along with various standard operating procedures. Through standardized process controls, continuous risk assessments, and systematic quality assurance mechanisms, we ensure that drug quality is controllable, data is reliable, and compliance responsibilities are fulfilled throughout the entire product lifecycle.



GenFleet Quality Management System

In 2025, we obtained ISO 9001 quality management system certification, laying a solid foundation for continuously improving product and service quality and enhancing customer trust.

TUVHD

Certificate of Registration

This is to certify that the Quality Management System of

GenFleet Therapeutics (Shanghai)

Unified Social Credit Code: 91310115MA1K3ULD5U

Registered Address: 2, 3, 4, 5 floors , Building 8,1206 Zhangjiang Road, Shanghai, China

Office Address: 2, 3, 4, 5 floors , Building 8,1206 Zhangjiang Road, Shanghai, China

Has been independently assessed and is Compliant with the requirements of

GB/T 19001—2016/ISO 9001:2015

For the following scope of activities

Research & development of innovative therapies and medicare products

(excluding development of human stem cells and genetic testing)

Certificate No.: TUVHD-2024-Q-142-R0-M

Issue Date: 18th May,2024

Expiry Date: 17th May,2027

The certificate will remain valid only if the certified organization accepts surveillance audit within the validity period of the certificate and is audited to be qualified.

March,2025	January,2026	November,2026
Audit	Audit	Audit

TUVHD Certification Testing Co.,Ltd

WWW.TUVHD.COM

Signature

Information on this certificate can be obtained from the official website of TUVHD Certification Testing CO.,LTD or 4000899588/13310062606,or from the website of CNCA(WWW.CNCA.GOV.CN).

Issuing address: Issuing address : 24th Floor, No. 42, Donghuazheng Street, Jinjiang District, Chengdu, China

ISO 9001 Quality Management System Certification

2.4.1 Quality Control

We consistently adhere to the fundamental principle of "Quality by Design", emphasizing rigor and compliance throughout the entire process from method establishment and standard formulation to routine verification. We are committed to building a quality system based on science, guaranteed by processes, and driven by continuous improvement.

Research and Process Development	✓	Based on advanced analytical technology platforms and pharmaceutical analysis instruments, we systematically conduct research on drug substance characterization, compatibility of excipients and packaging materials, as well as formulation and process development.
	✓	Research data are utilized to determine critical quality attributes and process parameters, providing a scientific basis for the formulation of subsequent quality standards.
Establish Testing Methods and Quality Standards	✓	Based on a deep understanding of the development phase and strictly adhering to international guidelines such as ICH Q2(R1), systematic method validation was performed to establish release and in-process testing methods.
	✓	Through the closed-loop process of "R&D-Validation-Application", the precision, stability, and reliability of methods are ensured at the source, laying a scientific foundation for subsequent compliance operations.

Material Control, Production Process Control, and Product Release Testing	✓	Based on in-depth research on materials during the R&D phase, high-standard incoming quality specifications and inspection protocols for raw and auxiliary materials have been established by referencing GMP and pharmacopoeias of various countries to strictly control material quality at the source.
	✓	Quality control points are established at critical process nodes to ensure compliance with the production process and stability of quality.
	✓	Finished product release testing is conducted in a compliant laboratory adhering to data integrity principles (ALCOA+). Key systems are equipped with audit trails and electronic signatures. Dual verification and investigation of anomalous data are performed to ensure that release decisions are based on complete, authentic, and traceable data.
Continuously Optimize Verification Management	✓	In accordance with internal regulations such as the *Annual Product Quality Review Management Procedure*, trend analysis and evaluation were conducted on stability and routine verification data.
	✓	Through retrospective analysis of accumulated data, the applicability and rationality of current verification methods and quality standards are evaluated, optimization opportunities are identified, and continuous improvement of verification strategies and quality control levels is promoted.

Full-process Product Quality Testing

2.4.3 Quality Culture Building

To strengthen quality awareness among all employees, we have implemented a systematic and routine GMP quality training program for personnel in specific roles, including R&D, production, quality, and supply chain management. Focusing on three core modules – the interpretation of quality system documentation, tracking of the latest domestic and international regulations and industry guidelines, and expansion of cutting-edge professional knowledge – this initiative has effectively enhanced the team's ability to fulfill compliance obligations and manage risks throughout the entire lifecycle of pharmaceutical products, thereby providing a solid foundation for compliance control over the full product lifecycle. In 2025, a total of 49 training sessions related to quality and regulations were conducted, with a stable frequency of 4 sessions per month, ensuring the continuity and depth of coverage of the training.

Furthermore, we actively participate in multiple industry exchange activities, proactively learn about the latest regulations, deeply explore industrial innovation pathways, and are committed to promoting high-quality and sustainable development of the pharmaceutical industry.

Participate in the specialized training on the MAH system to systematically study the latest policies and regulatory requirements.

In August 2025, GenFleet participated in the "MAH B Certificate Enterprises Summit" held during the 2025 CMC-CHINA China Pharmaceutical Industry Expo. This forum focused on policy interpretation of drug production supervision under the Marketing Authorization Holder (MAH) system, key points for on-site inspections, case studies of drug registration verification, national insurance negotiation policies, and CMO cooperation strategies. By participating in this forum, the Company systematically studied current regulatory policies and industry trends, further consolidated its compliance foundation in drug lifecycle management, and provided important reference for enhancing its quality management and supply chain coordination capabilities as a marketing authorization holder.

2.4.4 Supplier Quality Management

The Company has established a dedicated outsourced production quality management system covering the entire process from research and development to commercialization. We have established the *Procedure for Supervision of Contracted Development and Manufacturing*, to set forth specific requirements for the entrusted production party regarding the production process, batch number management, clinical drug supply, and validation of key facilities, processes, and systems. These measures ensure that all entrusted production activities remain fully compliant and quality-controlled throughout the entire process. Furthermore, the *Procedure for Quality Agreement Management in Contract Manufacturing* are utilized to clearly define the quality responsibilities of both parties.

Supplier Quality Audit

GenFleet conducts systematic quality audits of key material suppliers and Contract Manufacturing Organisations (CMOs) on a regular basis, aligned with its business model, to continuously ensure the effectiveness and compliance of the supply chain quality system. The Company has formulated and implemented a differentiated audit plan based on risk stratification strategies in accordance with GMP and relevant regulatory requirements, covering core supplier links including key active pharmaceutical ingredients, preparations, key excipients, and inner packaging materials. Audits are primarily conducted through on-site quality assessments, focusing on key elements such as the operation of the quality management system, production process control, and data integrity. Effective supervision over foreign suppliers is achieved flexibly by adopting methods including third-party audit reports. All audits result in formal reports. Suppliers are required to rectify identified issues within a specified timeframe and provide root cause analysis and corrective/preventive action (CAPA) plans. These plans must undergo strict review and tracking confirmation by the Company before being closed, thereby achieving closed-loop audit management.

In 2025, the Company completed a total of 13 quality audits. Additionally, 6 quality audits were conducted in the form of third-party audit reports. All audit results passed or complied with regulations. Through the aforementioned systematic work, GenFleet has further strengthened its supply chain control capabilities while fulfilling its primary quality responsibilities as a MAH for pharmaceutical products, and jointly with suppliers has solidified the foundation of quality.

2.4.5 Customer Complaints and Product Recalls

To effectively fulfill the MAH's primary quality responsibility for the entire lifecycle of pharmaceutical products, GenFleet has systematically established an integrated quality management system covering the stage from clinical research to future commercialization, adopting a forward-looking perspective. The Company has established a differentiated complaint management system covering both the clinical research phase and the future commercialization phase to ensure timely handling of feedback, effective control of risks, and continuous driving of quality improvement.

Complaint Management in the Clinical Stage	Complaint Management in the Commercialization Stage
The Company strictly controls feedback regarding the quality, packaging, labeling, or suspected adverse reactions of Investigational Medicinal Products (IMP) in accordance with the *Procedure for Investigational Product Supply and Management*. The process covers the receipt, assessment, investigation, CAPA, and reporting closure to ensure traceability and safeguard the integrity of clinical research and subject safety.	To address future management requirements after product launch, the Company has established the *Customer Complaint Management Procedure*, which clearly defines responsibilities and time limits for the entire process of complaint receipt, classification, investigation initiation, quality assessment, final response, and archiving. We implement a tiered complaint handling and risk escalation reporting mechanism, incorporating investigation conclusions into annual quality reviews and risk management to provide systemic support for post-market safety monitoring and continuous improvement.

Complaint Management Process

During the Reporting Period, GenFleet received one clinical complaint regarding investigational medicinal products. The complaint concerned the accuracy of the tablet count within the drug packaging. Following a comprehensive investigation and systematic assessment, it was confirmed that the incident constituted an occasional counting deviation during the packaging operation, without involving the pharmaceutical product's manufacturing process, quality attributes, or safety. The test results for the relevant batches of drugs all comply with quality standards. No abnormalities were observed in the stability data, and no impact was identified on drug quality or subject safety.

Additionally, to fulfill the primary responsibility for quality throughout the full lifecycle of pharmaceutical products, the Company has established a systematic recall management system covering both the clinical research phase and the future commercialization phase. This ensures that in the event of potential quality or safety risks, recalls can be executed swiftly and in an orderly manner, thereby maximizing the protection of trial subjects and patients.

Recall Management in the Clinical Stage	Recall Management in the Commercialization Stage
The Company has established a recall mechanism centered on rapid response in accordance with the *Procedure for Investigational Product Supply and Management*. The process encompasses triggering the assessment, cross-departmental investigation and decision-making, execution of the recall plan, communication reporting, and CAPA closure. It relies on Interactive Response Technology (IRT) to achieve precise traceability, real-time tracking of distribution status, study center location, and subject medication status for each batch and package, ensuring that the impact on clinical research is minimized.	To address post-market management requirements for future products, the Company has established the *Product Recall Management Procedure*, constructed a tiered recall mechanism, and defined comprehensive requirements covering the entire process from recall initiation, tiered decision-making, reporting and plan formulation, progress tracking to effectiveness evaluation and CAPA closure. Furthermore, an information-based traceability system has been planned and deployed to achieve full-chain traceability of marketed products.

Performance Highlight of Product Quality		
Indicators	Unit	2025
The quantity of products sold or shipped that must be recalled for safety and health reasons	case	0
The percentage of total products sold or shipped that are subject to recall for safety and health reasons	%	0
Number of complaints regarding products and services	case	1

2.5 Intellectual Property Protection

GenFleet strictly complies with the requirements of laws and regulations such as the *Patent Law of the People's Republic of China* and has established internal management policies including the *Patent Management Policy* and the *Confidentiality Management Policy* to standardize the full-process management of intellectual property rights, thereby ensuring the effective development, protection, and compliant utilization of technological achievements. In addition, the Company has also implemented the *Agreement on Service Inventions by Employees*, which clearly stipulates the ownership of intellectual property rights for service inventions and the corresponding inventor reward mechanism at the time of hiring R&D personnel. This is aimed at clarifying intellectual property rights ownership and incentivizing continuous innovation. In external collaborations, the Company explicitly stipulates the ownership and protection of intellectual property rights through contractual terms to effectively safeguard the legitimate rights and interests of both the Company and its partners.

To ensure the systematic implementation and effective execution of intellectual property management, the Company has established a three-tier management structure comprising the decision-making level, management level, and execution level. Through a mechanism of regular reporting that ensures vertical integration, the efficient operation of the entire management system is guaranteed.

GenFleet Intellectual Property Management Structure	
Decision-making level	Responsible for approving and controlling the Company's overall intellectual property strategy and major matters.
Management level	Responsible for coordinating cross-departmental resources related to intellectual property affairs and promoting the implementation of strategies in a unified manner.
Executive level	Responsible for the daily affairs of intellectual property and the execution of specific projects.

2.5.1 Intellectual Property Protection Measures

Intellectual property protection serves as the core support for the Company's innovation strategy. GenFleet has established and continuously improved a series of key protective measures to effectively safeguard the Company's intellectual property innovation outcomes. Under this framework, a normalized patent information monitoring process has been established to support R&D decision-making and risk management. In 2025, the Company generated 59 internal patent information research reports, effectively identifying and mitigating potential patent infringement risks.

Pre-initiation Monitoring	Conduct a specialized patent search to track and analyze the public disclosure status of industry-related patents. Assist the R&D department in identifying technology development trends to provide information support for project initiation decisions.
Continuous monitoring during the R&D period	Patent searches and analyses are conducted on a regular basis to promptly identify potential intellectual property infringement risks. Based on the analysis results, technical avoidance or risk response recommendations shall be provided. External intellectual property experts shall be engaged as necessary to ensure that risk assessment and management receive professional guidance.

GenFleet Patent Information Monitoring Process

Furthermore, we are actively accelerating patent protection for ongoing R&D projects and building comprehensive patent portfolios throughout the full lifecycle as well as global patent layouts. As of the end of the Reporting Period, the Company has been granted a total of 57 invention patents, among which 39 invention patents have been granted overseas.

To systematically build confidentiality awareness and intellectual property protection capabilities across all employees, the Company has established a normalized internal training mechanism. All new employees are required to undergo specialized training on the *GenFleet Confidentiality Management Policy* upon joining. The training covers core provisions including the scope of confidential materials, classification levels, transmission standards, and liabilities for data breaches, aiming to establish a robust information protection barrier from the outset of employment. In addition, the Company conducts quarterly specialized training on intellectual property and confidentiality for R&D personnel to continuously strengthen the risk prevention and control capabilities and compliance awareness of the core technical team.

Performance Highlight of Intellectual Property Protection

Indicators	Unit	2025
Total number of applied invention patents	/	173
Number of new invention patents applied for during the current year	/	50
Total number of authorized invention patents	/	57
Number of authorized invention patents added in the current year	/	9

3 GATHERING WISDOM AND STRENGTH FOR SHARED GROWTH

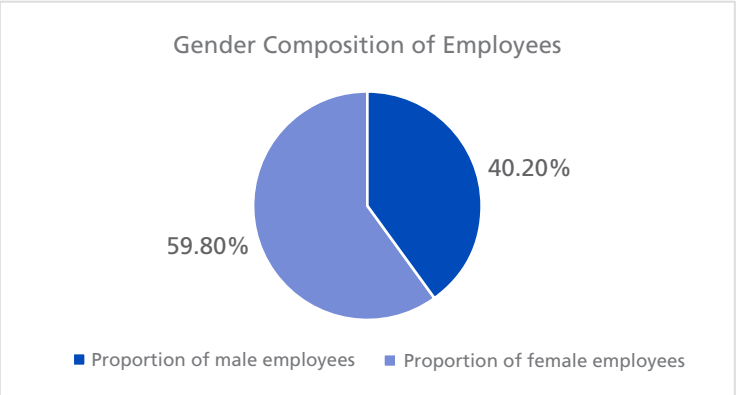
GenFleet adheres to the philosophy of "people-oriented and win-win cooperation," embedding employee growth and well-being deeply into its corporate strategy while pursuing enterprise development.We bring together talent from all walks of life in an open atmosphere, enhance employees' sense of belonging through fair and comprehensive compensation and benefits, integrate the growth of employees with that of the Company, and move hand in hand toward a sustainable future.

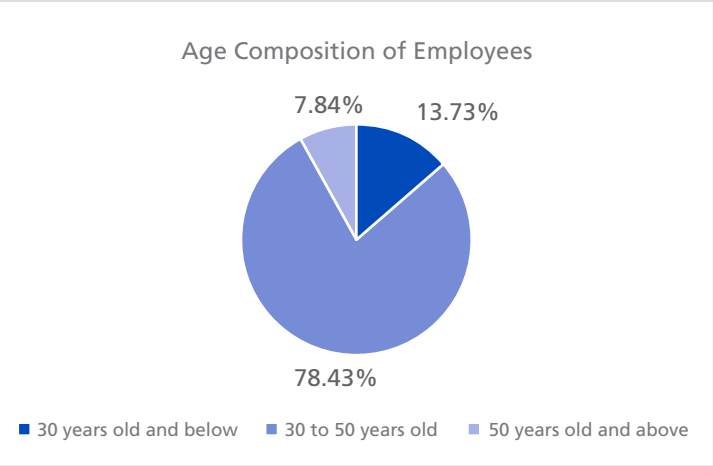
3.1 Compliant Employment

GenFleet strictly complies with national laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, rigorously reviews irregularities in the recruitment process, and has established internal recruitment management systems including the *Regulations on Labor Contract Management* and the *Regulations on Recruitment Management* to standardize all aspects of the recruitment workflow.

In the recruitment process, we have strengthened interviewer training and implemented comprehensive candidate background checks to ensure compliance with labor regulations at the source and eliminate risks associated with child labor and forced labor. During the recruitment phase, we legally execute the signing of labor contracts in accordance with applicable laws to ensure the effective fulfillment of contract terms and safeguard the legitimate rights and interests of employees. During the Reporting Period, GenFleet did not experience any incidents related to child labor or forced labor.

During the recruitment process, we actively expanded diverse channels, including recruitment websites and internal referrals, to attract talent from various fields and backgrounds. In the recruitment process, we adhere to the principle of equal opportunity and do not discriminate against candidates based on factors unrelated to job performance, such as gender, age, ethnicity, or marital status. We ensure fairness in opportunities and treatment by actively recruiting talent through multiple channels, including recruitment websites and internal referrals.





The Company maintains a zero-tolerance policy towards any form of harassment, discrimination, or other violations occurring during the recruitment process and has established a mature and rigorous reporting, investigation, and handling mechanism. Upon identification of any relevant event, the Company shall immediately initiate a corrective action program, impose penalties on the involved employees, and maintain a clean and upright workplace environment. Simultaneously, we analyze the root causes of incidents and management loopholes through system analysis, continuously improve institutional construction, and actively create and maintain an equal, respectful, and safe working environment.

Performance Highlight of Compliant Employment			
Indicators		Unit	2025
Number of Employees			
Total number of employees		person	102
Total number of employees by gender	Male	person	41
	Female	person	61
Total number of employees by age	Employees under 30 years of age	person	14
	Employees aged 30 – 50	person	80
	Employees aged over 50	person	8
Total number of employees by region	Mainland China	person	101
	Overseas	person	1
Employee Turnover Rate			
Employee turnover rate by gender	Male	%	10.99
	Female	%	6.50
Employee turnover rate by age	Employees under 30 years of age	%	20.00
	Employees aged 30 – 50	%	7.91
	Employees aged over 50	%	0.00
Employee Turnover Rate by Region	Mainland China	%	8.41
	Overseas	%	0.00

3.2 Training and Development

GenFleet places high value on enhancing employee capabilities and fostering multi-dimensional comprehensive development. The Company provides clear promotion pathways and diverse training programs to support the strategic need for composite talents, thereby achieving a win-win outcome of improved corporate performance and employee career growth.

3.2.1 Promotion Channels

GenFleet has established a competency-based, equal, and transparent internal promotion mechanism. Upholding the principle of "promotion based on competence", it provides employees who are committed to enhancing their professional capabilities with corresponding compensation returns and promotion opportunities. The Company has established and continuously improved systems such as the *Grade Management Regulations* to create multiple promotion tracks, including management, technical, and clinical sequences. These measures are designed to incentivize employees to enhance their skills and expand their career development pathways.

Through regular performance evaluations, supported by a clear goal-setting framework and a comprehensive evaluation system, talent is identified and selected across multiple dimensions, including work outcomes, professional competence, and growth potential. We conduct two promotion evaluations annually to provide advancement opportunities for employees who have made significant contributions in their work and demonstrate substantial potential for development. During the promotion review process, the Company consistently adheres to the principles of fairness, impartiality, and transparency. Performance, competence, and development potential serve as the core criteria, while any form of discrimination or bias is strictly prohibited to ensure that every employee enjoys equal opportunities for development.

This mechanism not only incentivizes employees to pursue continuous growth but also establishes a stable and robust succession pipeline for the Company. It has achieved sustained expansion of talent reserves, particularly in management positions and core technical roles, thereby laying a solid foundation for the enterprise's sustainable development. During the Reporting Period, the proportion of employees promoted within the Company reached 28%.

3.2.2 Training Mechanism

GenFleet places a high priority on the continuous growth and capability development of its employees and is committed to building a systematic training system that aligns with the Company's strategy. To this end, we have established the *GenFleet Training Management System* to standardize and manage the entire training process, ensuring that employee development aligns with the Company's long-term strategic goals. Within the institutional framework, training plans are scientifically formulated based on the Company's overall strategy, human resource planning, actual needs of business units, and annual budgets. Targeted and effective training programs are designed and implemented to support employee capability enhancement and organizational efficiency optimization.

GenFleet Training System

In 2025, through a combination of online and offline methods, we organized and completed a total of 1,759 training hours. Among these, 677 hours were dedicated to online training, primarily conducted via internal platforms for learning Company policies, standard operating procedures, and relevant compliance content. The remaining 1,082 hours were allocated to offline training, which mainly included participation in external professional forums, academic conferences, policy interpretation sessions, as well as practical activities such as safety production and fire safety drills. These initiatives systematically enhanced employees' professional capabilities, compliance awareness, and practical skills, continuously empowering organizational development and talent growth.

Performance Highlight of Training and Development

Indicators		Unit	2025
Training coverage			
Total Employee Coverage		%	100
Percentage of trained employees by gender	Male employees	%	100
	Female employees	%	100
Percentage of trained employees by rank	Senior Management	%	100
	Middle Management	%	100
	Frontline employees	%	100
Training Duration			
Average employee tenure		hours	16.79
Average training hours per employee by gender	Male employees	hours	16.44
	Female employees	hours	17.04
Average training hours by rank	Senior Management	hours	2.37
	Middle Management	hours	19.83
	Frontline employees	hours	17.66

3.3 Benefits and Care

GenFleet is committed to building a comprehensive employee care system that includes compensation and benefits. Through the continuous optimization of relevant mechanisms, GenFleet aims to genuinely enhance employees' sense of belonging, fulfillment, and well-being, thereby creating a workplace environment that is trusted by employees and characterized by warmth.

3.3.1 Compensation and Performance

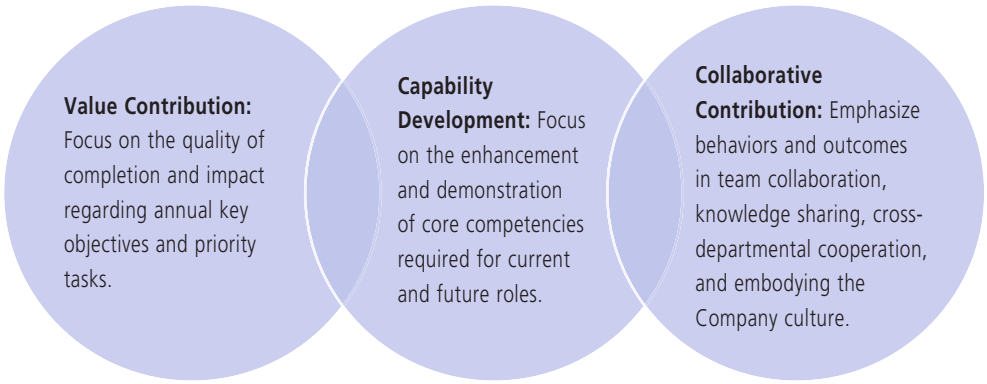
The *Compensation Management System* has been established based on the principles of fairness, competitiveness, incentive, and legality. By integrating the Company's operational status, individual employee performance, and current industry standards, reasonable and competitive compensation rewards are provided to employees. Based on the management system, we have established a compensation management group comprising the Chairman of the Board, the Chief Executive Officer, department heads, and the Human Resources Department, as well as a Compensation and Assessment Committee, responsible for formulating employee compensation adjustment strategies and other incentive measures.

GenFleet Compensation Management Team Structure		
Team Leader	Chairman / Chief Executive Officer	Review and approve the compensation strategy and the compensation plans of various departments.
Member	Human Resources Department	Responsible for daily compensation management and implementation of compensation adjustment strategies and incentive measures.
Member	Heads of Departments	Collaborate with the Human Resources Department to formulate the compensation plan for employees within this department.

During the Reporting Period, the Company has completed a salary increase covering all employees, ensuring that the fruits of enterprise development genuinely benefit every employee and reflecting the Company's philosophy of co-creating value with employees and sharing results.

GenFleet implements a performance appraisal system for all employees, focusing on three dimensions: value contribution, capability development, and collaborative co-creation. An annual comprehensive evaluation is conducted to comprehensively review employees' performance achievements and capability improvements over the past year. Departments may reasonably optimize specific evaluation criteria within the Company's unified assessment framework, taking into account business attributes and team characteristics, to ensure that assessments are grounded in actual conditions and provide clear direction. The assessment process adheres to procedural fairness and transparent communication.

Performance evaluation results are individually communicated to employees through formal feedback interviews, with two-way communication conducted regarding performance and development plans. If employees have objections to the assessment results, they may file an appeal through their respective departments or directly with the Human Resources Department to ensure open feedback channels and maintain the fairness and credibility of the assessment mechanism. The performance appraisal results shall serve as a key basis for critical personnel decisions, including the distribution of year-end bonuses, salary adjustments, promotion to higher job levels, formulation of talent development plans, and annual excellence evaluations.



GenFleet Performance Assessment Dimensions

3.3.2 Employee Benefits

GenFleet provides employees with a diverse range of non-monetary benefits designed to assist in balancing work and life, alleviating work-related stress, enhancing employee belonging, and contributing to talent acquisition and growth motivation. We have established the *Employee Welfare Management Regulations* to standardize the management of employee welfare in accordance with national laws and regulations.

Regarding statutory benefits, the Company strictly adheres to national regulations and fully contributes to pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and the housing provident fund for all employees in accordance with the law, achieving comprehensive coverage of the "five insurances and one fund". On this basis, we have also provided more than ten supplementary benefits for employees, covering multiple categories such as health care, living support, and transportation allowances, to continuously enrich the employee care system and comprehensively enhance employees' sense of belonging and fulfillment.

Basic Statutory Benefits	Healthcare	Special Benefits	Living Support
• Pension Insurance • Medical Insurance • Unemployment Insurance • Work-related Injury Insurance • Maternity Insurance • Housing Provident Fund • Annual Leave • Marriage Leave and Bereavement Leave	• Group Health Insurance • Employer's Liability Insurance • Family Commercial Medical Insurance • International Commercial Medical Insurance for Foreign Employees	• Paid Annual Leave • Paid Sick Leave • Childcare Employee Children's Day Benefits • High-temperature allowance • Birthday Benefits • Holiday Allowance (Spring Festival) • Reimbursement of Departmental Activity Expenses • One-Child Incentive Fee • Benefits for International Women's Day • Annual General Meeting • Team-building trip	• Communication Allowance • Meal allowance • Transportation Allowance

GenFleet Employee Benefits

We recognize that sustainable dedication and creativity depend on a healthy personal life; therefore, GenFleet strives to help employees achieve work-life balance and extends our concern beyond the workplace. We have implemented flexible working hours and eliminated time clocking, enabling employees to freely arrange their work pace. This reflects the Company's full respect for employees' personalized work methods and time planning. Given that the nature of our work is not location-dependent, employees working in cities outside Shanghai are permitted to freely choose remote work arrangements. We believe that granting employees greater flexibility regarding work location and hours not only enhances operational efficiency and creativity but also indirectly reduces traffic congestion and carbon emissions, demonstrating the Company's commitment to environmental protection.

In addition, we have established leave benefits including parental leave, paternity leave, welfare annual leave, and paid sick leave, providing employees with various types of leave entitlements to enable them to fulfill family responsibilities and achieve personal growth.

In addition to the internal welfare system, the Company actively assists employees in accessing various government talent support programs. By providing policy interpretation, material guidance, and declaration support, we assisted eligible employees in successfully obtaining the relevant certifications. This not only provides employees with substantive subsidies and honors but also further demonstrates the Company's continued investment in employee career growth and social recognition.

3.3.3 Employee Communication

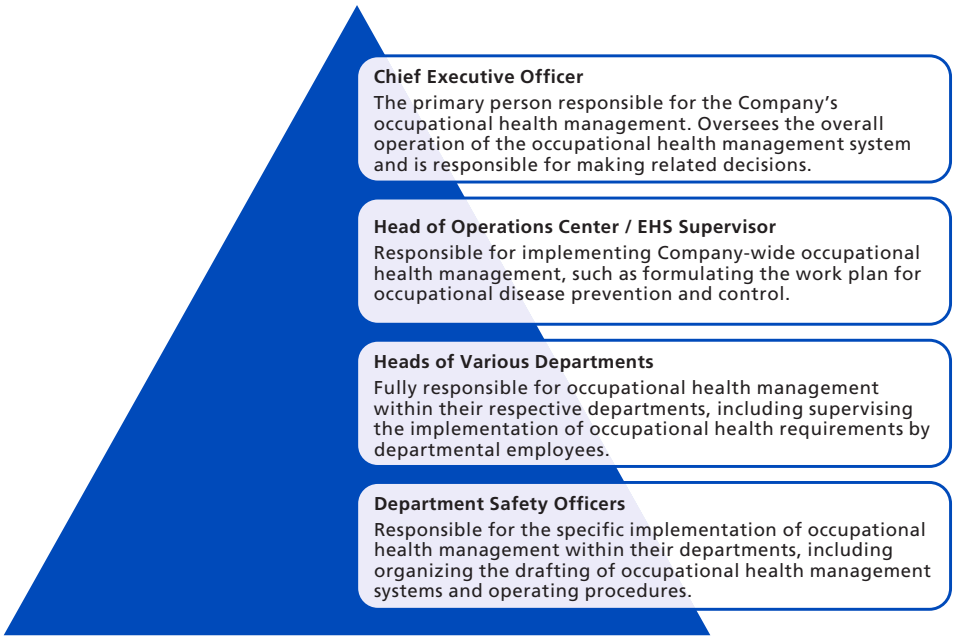
GenFleet consistently regards its employees as vital partners in the Company's development and is committed to building an open, transparent, and trust-based communication culture. We have established diverse employee feedback channels, including online anonymous suggestion boxes and weekly departmental meetings, to comprehensively collect employees' suggestions regarding various aspects of the Company's operations. In significant personnel decisions such as salary adjustments, promotions, and performance evaluations, face-to-face communication is conducted with employees to fully consider their opinions and career development plans. Clear feedback is provided in accordance with Company policies to ensure the transparency and fairness of the process. Concurrently, the Company conducts semi-annual and annual work summaries each year to provide employees with personalized development recommendations. Systematic collection of employee feedback regarding improvements to the Company is performed, serving as a critical basis for continuous organizational optimization and facilitating mutual growth between individuals and the Company.

Employees Gather at the Listing Luncheon: Witnessing the Company's Entry into a New Phase of Secondary Market Development

Commemorating the 8th Anniversary of the Company's Establishment

3.4 Occupational Health and Safety

We comply with national laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and we have clearly stipulated requirements for employee safety and health in internal systems including the *Occupational Health (Including Work-Related Injury) Management System*. In accordance with regulatory requirements, the Company has established a systematic safety management organizational structure. The Chief Executive Officer oversees the Company's safety management activities, clearly defines the responsibilities of each department, and incorporates employee health and safety performance into the management assessment system to comprehensively ensure that all production and business operations are conducted under safe and compliant conditions.



GenFleet Health and Safety Management Structure

Regarding employee labor protection, a systematic occupational health and safety protection system has been established, covering multiple dimensions including employee occupational health, laboratory operation safety, control of hazardous chemicals, and daily risk inspections.

Hazardous Chemical Management

Implement classified and segregated storage. For regulated chemicals, strictly enforce the control requirements of "two-person, two-lock; dual-person requisition; inventory-article consistency; and full-process monitoring".

Routine Safety Inspections

Inspections focus on key areas such as organic solvent storage, electrical safety, and special equipment. Clear requirements mandate that no liquid reagents be stored in laboratory areas after hours (excluding overnight reactions), the total volume of organic solvents in any room is controlled, and regular checks are conducted on the safety status and calibration validity of electrical wiring, plugs & sockets, gas cylinders, pressure vessels, and other equipment.

GenFleet Employee Safety Measures

Employee Physical Examinations

Conduct regular occupational health examinations for employees exposed to occupational disease hazard factors. Provide differentiated physical examination package options for employees of different age groups, supporting them in choosing suitable items based on their individual circumstances to achieve more targeted health screening and early prevention.

Supplementary Insurance

Purchase supplementary commercial insurance and dependent insurance to alleviate the financial burden on employees when seeking medical treatment for illnesses.

Occupational Health Examinations

Conduct occupational health examinations. If significant hazards, such as excessive noise, are identified, personal protective equipment (PPE) will be immediately provided to the employees as interim protection. Simultaneously, the specific location will be incorporated into the regular monitoring program for occupational hazard factors, and reported to the Human Resources department to be listed as an additional item in the occupational health examinations for the following year.

GenFleet Employee Occupational Health Measures

Furthermore, the Company applies unified safety and health management standards to labor dispatch personnel from suppliers and contractors, consistent with those for regular employees. Relevant personnel are required to participate in monthly EHS training and emergency plan drills. Dispatched workers exposed to occupational hazard factors are also included in the occupational health examination system to ensure they enjoy equivalent occupational health protection in the workplace.

We emphasize the cultivation of an internal safety culture and firmly believe that training and drill-related work are particularly critical for enhancing employee safety performance. In 2025, the Company organized a specialized training program on occupational health, focusing on the interpretation of new regulatory requirements, management of occupational disease examinations, and typical issues. In addition, we conducted specialized training on work injury prevention to strengthen risk identification and response capabilities, enabling employees to master key safety protection points and self-rescue skills, thereby consolidating the foundation of safe production. During the Reporting Period, no work-related injuries or fatalities occurred, and no lost workdays were incurred.

In 2025, the Company established a normalized mechanism of timely notification, in-depth analysis, and continuous warning, with accident case studies serving as the core of EHS training. Typical accident investigation conclusions are systematically shared and followed up during monthly training sessions. Simultaneously, accident information is dynamically updated via internal communication platforms to integrate case learning into daily operations, thereby continuously strengthening all employees' awareness of safety risks and the culture of prevention.

Fire Drill and Hazardous Chemical Spill Drill

4 COLLABORATING FOR SHARED VALUE AND A THRIVING ECOSYSTEM

GenFleet actively integrates social responsibility into its operational practices and is committed to building a sustainable supply chain management system. We implement sustainable procurement by integrating environmental protection and compliance into supplier collaborations; meanwhile, we have organized and participated in public welfare activities such as blood donation for consecutive years to actively give back to society. We are committed to driving collaborative evolution across the industrial chain and moving towards a sustainable future through mutual success with our partners.

4.1 Supply Chain Management

To enhance supplier management, GenFleet has established internal policies, including the *Supplier Management Policy* and the *Procurement Management Policy*. Detailed procedures such as the *Supplier Selection and Approval Procedure* and *Supplier Audit Management* were developed under the *Supplier Management Policy*. This establishes a comprehensive management chain covering access approval, on-site audits, and agreement execution. Consequently, the entire procurement process – from demand generation and supplier screening to negotiation, order issuance, receipt acceptance, and payment – is clearly defined. Responsibilities and duties across departments are standardized, while contract review and execution supervision for procurement are strengthened.

We have established a full-lifecycle supplier management process, including mechanisms for supplier onboarding, periodic evaluation, and elimination. Suppliers are assessed across multiple dimensions such as qualifications, quality, service, delivery, and pricing to form a list of qualified suppliers and facilitate the signing of annual agreements. In 2025, a total of 37 suppliers were managed under this supplier management process, achieving full coverage (100%) of the long-term supplier base.

Supplier Onboarding	✓	For suppliers with whom there is no prior cooperation, documents such as business licenses, qualification certificates, and supplier survey forms are collected to confirm that the suppliers comply with regulations and possess the requisite qualifications.
Supplier Evaluation	✓	Long-term cooperative suppliers are required to complete the annual self-assessment form.
	✓	GenFleet evaluates long-term suppliers through questionnaires based on product quality, price, packaging, delivery cycle, and service.
Supplier Elimination	✓	The evaluation and scoring adopt a percentage-based system. Suppliers rated at Level 3 (i.e., below 60 points) are subject to elimination.

Supplier Full Lifecycle Management Process

To strengthen supplier management, we implement a digital end-to-end management process covering "Material Management-Purchasing-Warehousing-Finance" alongside real-time monitoring of supplier data. Furthermore, an OA system is leveraged to digitize the approval workflow, aiming to optimize procurement costs, accelerate settlement efficiency, and enhance overall operational effectiveness.

We actively engage in supplier communication. Regarding order confirmation, contract terms, delivery progress, and quality anomalies during the procurement process, we conduct timely and precise communication through multiple channels, including email, WeChat, telephone calls, and regular face-to-face meetings, to ensure efficient information synergy and guarantee the smooth execution of procurement activities.

Performance Highlight of Supplier Management		
Indicators	Unit	2025
Total number of suppliers	/	459
Number of suppliers by region		
Mainland China	/	418
Hong Kong, Macao and Taiwan regions	/	11
Overseas	/	30

4.2 Sustainable Supply Chain

GenFleet has integrated sustainability concepts into supply chain management to promote the joint fulfillment of environmental and social responsibilities by suppliers and strengthen the foundation for long-term cooperation. The Company advocates jointly practicing compliance and environmental protection principles with suppliers. We prioritize local suppliers and explicitly constrain their conduct through contractual terms, such as strictly prohibiting any acts violating commercial bribery laws and regulations in cooperation agreements. To solidify the trust foundation for long-term cooperation at the institutional level and ensure the stability and reliability of the supply chain, during the Reporting Period, the Company has completed the signing of annual anti-corruption framework agreements with suppliers, achieving a signing rate of 100%.

We actively integrate sustainable concepts into supplier management practices. For example, we select suppliers that utilize packaging certified by the Forest Stewardship Council (FSC) and centrally collect and return intact used packaging boxes to support their reuse. This establishes a solid foundation for systematically building an environmentally compliant supply chain system.

Supply Chain Risk Management

To effectively manage supply chain risks and ensure business continuity and operational stability, the Company has implemented a dynamic management mechanism based on safety stock.

Inventory Baseline Assessment	Based on historical usage data from business units, balance business requirements with inventory costs.
Dynamic Inventory Adjustment	The safety stock level is updated monthly based on material requisition status and procurement cycles.
Regularly replenish inventory	Planned procurement is executed weekly based on inventory status to maintain the safety stock.

Safety Stock Management Mechanism

Through systematic safety stock management, we transform cost pressures and inventory risks into reliable pillars of supply chain resilience that ensure stable supply and enhance operational efficiency.

4.3 Public Welfare and Charity

GenFleet integrates social responsibility into its corporate development and continues to carry out voluntary blood donation activities to give back to society with practical actions.

2025 GenFleet Blood Donation Event

The Company actively mobilized and organized employees to participate in blood donation activities. By implementing measures such as providing paid leave and cash incentives, the Company encouraged employees to enthusiastically join this charitable cause. The initiative has been successfully conducted for five consecutive years. Everyone conveyed warmth through concrete actions; each bag of blood embodies GenFleet employee's respect for and care of life.

GenFleet Blood Donation Event Participants

Performance Highlight of Public Welfare and Charity		
Indicators	Unit	2025
Time of charitable contributions	hours	32

5 ENVIRONMENTAL COMPLIANCE AND GREEN DEVELOPMENT

5.1 Addressing Climate Change

GenFleet regards addressing climate change as a key issue for achieving sustainable development. By establishing a climate governance structure under the oversight of the Board of Directors, we systematically integrate climate-related risks and opportunities into corporate strategic planning and operational decision-making. We are continuously refining our risk management processes and quantitative indicator systems, committed to contributing to global climate goals while promoting business development.

5.1.1 Governance

To ensure the long-term capability to withstand climate risks and seize transition opportunities, the Company has integrated climate-related issues into its highest governance level. The Board shall review climate-related risks and opportunities at least annually to ensure that the Company's progress and performance on climate matters align with strategic expectations and compliance requirements. The ESG Committee established under the Board is responsible for specifically formulating and reviewing climate-related strategies, coordinating internal work, and reporting the latest progress to the Board. To enhance the Board's depth of understanding regarding climate issues, the Company plans to organize specialized training on climate-related matters every two years and introduce insights from external experts as appropriate.

5.1.2 Strategy

GenFleet fully recognizes the potential impact of climate change on corporate strategic planning and financial position. In accordance with the requirements of Part D of the *Environmental, Social and Governance Reporting Code*, the Company has systematically assessed various climate-related risks and opportunities by integrating short-, medium-, and long-term business plans with the macroeconomic policy environment, utilizing a scientific climate scenario analysis approach.

In terms of physical risk, the Company strictly conducts analysis based on the Shared Socioeconomic Pathways SSP1-2.6 and SSP5-8.5 proposed by the Intergovernmental Panel on Climate Change (IPCC). In terms of transition risk, a rigorous assessment is performed in accordance with the Stated Policies Scenario (STEPS) and Announced Pledges Scenario (APS), as developed by the International Energy Agency (IEA), along with the Net Zero Emissions (NZE) scenario for 2050. The scope of this scenario analysis primarily focuses on the Company operations in Shanghai, serving as a benchmark to continuously strengthen the overall business climate resilience.

Scenario Assumption	Climate Scenarios	Scenario Overview
Physical Risk	SSP1-2.6	SSP1-RCP 2.6 is a low-emission scenario designed to limit the increase in global average temperature during the 21st century to within 2°C above pre-industrial levels and to strive towards the 1.5°C warming target. This scenario requires robust climate policies globally, including significant reductions in fossil fuel use, improved energy efficiency, and the promotion of renewable energy.
	SSP5-8.5	SSP5-8.5 is a high-emission scenario, also referred to as the "business-as-usual" scenario, which assumes that no additional mitigation measures will be implemented in the future to limit greenhouse gas emissions. Under this scenario, global greenhouse gas emissions will continue to increase.
Transition Risk	NZE 50	This scenario outlines a technically feasible and cost-effective narrow pathway to achieve net-zero carbon dioxide emissions from global energy and industrial processes by 2050, while stabilizing global temperature rise within 1.5°C.
	STEPS	The Stated Policies Scenario (STEPS) represents future trends in energy and emissions under the assumption that current policy frameworks remain unchanged, and is used to assess the potential impact of existing policies on climate change.

We analyze the likelihood and impact of climate risks across three time horizons: short-term (0-1 year), medium-term (2-3 years), and long-term (more than 3 years).

5.1.3 Risk Management

Based on the results of prior climate scenario analysis and considering its current operational status, strategic planning, and industry characteristics, the Company has comprehensively identified and assessed climate-related risks and opportunities. Furthermore, climate risks have been integrated into the overall risk management framework and prioritized. Based on comprehensive internal and external assessment results, the Company systematically reviewed and established a primary climate response list covering physical risks and transition risks, clarifying the likelihood and potential impact magnitude of each risk and opportunity. On this basis, the Company will continue to optimize relevant response and management strategies, steadily enhancing the enterprise's adaptability to climate change and overall operational resilience.

Climate Risk Categories	Climate Risk Types	Risk Name	Impact on Value Chain Stages	Impact of Climate Risks on GenFleet	Probability	Impact Level
Physical Risk	Acute Risk	Typhoon/ Hurricane	Internal Logistics Drug R&D Outbound Logistics Clinical Trials	Strong winds and heavy rainfall may cause damage to production facilities, laboratory equipment, or warehouse buildings, resulting in supply chain disruptions and logistics delays. This can subsequently impact the continuity of research and development and production, while increasing asset repair and replacement costs.	Medium	Low
	Acute Risk	Extreme Heat	Internal Logistics Drug R&D Outbound Logistics Clinical Trials	Extreme heat may trigger localized power supply shortages or load shedding, increasing the energy burden for cooling and temperature control in factories and laboratories, while potentially adversely affecting employee health and operational efficiency.	Medium	Low
	Acute Risk	Flood	Internal Logistics Drug R&D Outbound Logistics Clinical Trials	Waterlogging or flooding triggered by intense rainfall may inundate low-lying factory areas or warehouses, causing raw materials to become damp and damaged, disrupting transportation networks, and resulting in direct economic losses as well as temporary or prolonged business stoppages.	Low	Low
	Chronic Risk	Rising average temperatures and rising sea levels	Internal Logistics Drug R&D Outbound Logistics Clinical Trials	Sustained increases in long-term temperatures will continue to drive up temperature control energy costs for daily operations; rising sea levels may pose implicit threats to the value of long-term assets and supply chain networks located in coastal or low-elevation areas.	Low	Low

Climate Risk Categories	Climate Risk Types	Risk Name	Impact on Value Chain Stages	Impact of Climate Risks on GenFleet	Probability	Impact Level
	Market	Increase in raw material costs	Internal Logistics Drug R&D Outbound Logistics Clinical Trials	Upstream suppliers may pass on increased production costs resulting from stricter climate policies or frequent extreme weather events to downstream entities, leading to a rise in the Company's procurement expenditures and compressing the overall profit margin of its products.	Low	Low
	Policy	Increase in carbon pricing	Internal Logistics Drug R&D Outbound Logistics	As the carbon trading market matures and carbon taxation becomes widespread, the Company's direct and indirect greenhouse gas emissions will face higher compliance and offsetting costs, thereby increasing the overall financial and tax burden.	Medium	Low
		Strengthening requirements for emission reporting	Internal Logistics Drug R&D Outbound Logistics	External regulatory requirements mandate more detailed and frequent greenhouse gas disclosures, which will increase the Company's time and financial investment in data collection, system construction, third-party verification, and compliance management.	Medium	Low
	Reputation	Negative feedback from stakeholders is increasing	Internal Logistics Drug R&D Outbound Logistics Clinical Trials	If the Company's climate governance actions are perceived as lagging, it may face negative feedback such as divestment by investors, loss of customers, or a downgrade in ESG ratings, which could severely damage the corporate brand image and long-term business competitiveness.	Low	Low

Climate Opportunity Categories	Climate Opportunity Types	Opportunity Name	Impact of Climate Opportunities on GenFleet	Probability	Impact Level
Opportunity	Resource Efficiency	Adopting a more efficient production process	The introduction of innovative processes such as green chemistry and energy conservation with efficiency enhancement can effectively reduce the energy consumption and material consumption per unit of product, optimize resource allocation efficiency, and significantly amortize production and operating costs in the long run.	Medium	Low
	Energy Sources	Use low-carbon energy	Increasing the proportion of renewable energy usage not only hedges against future high carbon pricing risks but also demonstrates corporate environmental responsibility, meets downstream customers' expectations for a green supply chain, and enhances market share.	Medium	Low

Risks and opportunities arising from climate change may have a material impact on the enterprise's operations and business. Therefore, based on this year's climate scenario analysis, we have quantified the assessment of items in the climate risks and opportunities list that may have a financial impact on GenFleet.

Physical Risks	Typhoon / Hurricane risk, flood risk, extreme heat risk
Risk Response Measures	We have systematically integrated our response measures for various physical risks to form a company-level risk management strategy, which primarily includes the following three core initiatives: **1. Enhance monitoring, early warning, and emergency response: Establish mechanisms for extreme weather monitoring and early warning, conduct regular special safety inspections and hazard identification; formulate and routinely drill business continuity plans and emergency response plans to effectively safeguard core assets and personnel safety.** **2. Infrastructure Upgrade and Thermal Control Resilience: Advance the retrofitting and upgrading of thermal control hardware in facilities and laboratories, implement auxiliary cooling measures to enhance equipment operational energy efficiency; proactively assess physical risks posed by climate change during facility site selection and long-term asset planning.** **3. Optimization of Material Reserves and Supply Chain Scheduling: Dynamically optimize the warehousing network and logistics scheduling paths, and establish a scientific safety stock mechanism for key materials to effectively mitigate the risk of supply chain disruption caused by extreme weather or natural disasters.**
Quantitative Methods	Based on the actual geographical locations and climatic characteristics of each operating site, the Company referenced climate change risk assessment databases such as those from the World Resources Institute (WRI) to calculate the annualized ratio of fixed asset losses or the annualized ratio of productivity losses attributable to physical climate risks at the operating sites.
Quantified Results	**The following physical risks do not constitute a financial impact on GenFleet for the current period.** Under the SSP1-2.6 and SSP5-8.5 scenarios, our analysis indicates that the potential financial impacts of various climate transition risks and opportunities on GenFleet are low.

Physical Risk	Financial Quantitative Impact	IPCC AR6 SSP1-2.6 Scenario			IPCC AR6 SSP5-8.5 Scenario		
		Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Typhoon	Fixed Asset Damage Ratio[1]	<1%	<1%	<1%	<1%	<1%	<1%
Flood	Fixed Asset Damage Ratio	<1%	<1%	<1%	<1%	<1%	<1%
Extreme heat	Productivity Loss Ratio[2]	<10%	<10%	<10%	<10%	<10%	<10%

1. Given that the ratio of damage to GenFleet's fixed assets caused by typhoons and floods is less than 1% in the short, medium, and long term, the financial impact is deemed low and does not constitute a material financial impact.
2. As GenFleet is not a labor-intensive enterprise and the ratio of productivity loss attributable to extreme heat risks is less than 10% in the short, medium, and long term, the financial impact is considered low and does not constitute a material financial impact.

Transition Risks and Opportunities	**Transition Risk:** In light of the global macroeconomic trend toward a low-carbon economy, the Company faces multidimensional potential challenges, including stricter regulatory policies, sharply rising operational compliance costs, and continuously increasing green expectations from stakeholders. **Opportunity:** Proactively addressing climate change presents a strategic opportunity for the Company to explore green chemical innovations, optimize resource and energy allocation efficiency, and build a low-carbon sustainable supply chain ecosystem, thereby enhancing long-term market competitiveness.
Measures for Addressing Risks and Opportunities	We have systematically integrated response measures related to climate transition risks and opportunities, established the Company's climate transition management strategy, and formed the following four implementation pathways: 1. **Strengthening Compliance Governance and Emission Accounting: Closely monitor the developments of climate-related laws, regulations, and carbon pricing policies; improve the normalized system for greenhouse gas data collection and accounting; and proactively deploy low-carbon compliant operations.** 2. **Promote Green Technology and Process Innovation: Increase R&D investment and application conversion for low-carbon production technologies such as green chemistry and energy conservation and emission reduction, thereby reducing the energy consumption per unit of product and carbon footprint at the source.** 3. **Deepen sustainable supply chain collaboration: Strengthen environmental impact management across the product lifecycle, proactively seek low-carbon and eco-friendly alternative materials, and effectively mitigate procurement cost volatility risks arising from upstream climate policies.** 4. **Enhance strategic communication and reputation management: Deeply integrate climate issues into the Company's long-term development strategy, establish transparent stakeholder communication and climate information disclosure mechanisms, and proactively address the green concerns of capital markets and customers.**
Quantitative Methods	The Company measures and assesses the financial impacts of climate-related transition risks and opportunities through the indicators "Operating Cost Ratio" and "Ratio of Saved Costs to Revenue". Based on the degree of impact, we categorized risks into low risk (absolute value of impact <5%), medium risk (absolute value of impact ≥5%, ≤10%), and high risk (absolute value of impact >10%).
Quantified Results	**The following transition risks and opportunity risks do not have a financial impact on GenFleet for the current period.** Under both the NZE 50 and STEPS scenarios, our analysis indicates that the potential financial impacts of various climate transition risks on GenFleet are low. In the long term, adopting low-carbon energy represents a moderate opportunity for GenFleet.

Transition Risk	Financial Quantitative Impact	IEA's STEPS Scenario			IEA's NZE 50 Scenario		
		Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Increase in Raw Material Costs	Cost of Goods Sold Ratio	<5%	<5%	<5%	<5%	<5%	<5%
Rising Carbon Pricing	Cost of Goods Sold Ratio	<5%	<5%	<5%	<5%	<5%	<5%

Opportunity	Financial Quantitative Impact	IEA's STEPS Scenario			IEA's NZE 50 Scenario		
		Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Adopting a More Efficient Production Process	Ratio of Cost Savings to Revenue	<5%	<5%	<5%	<5%	<5%	<5%
Use Low-carbon Energy	Ratio of Cost Savings to Revenue	<5%	<5%	<5%	<5%	<5%	<5%

5.1.4 Indicators and Objectives

GenFleet actively responds to the national Dual-Carbon strategic goals. Building upon a robust climate change governance and risk management system, the Company established medium- to long-term greenhouse gas (GHG) management targets based on its 2024 GHG emissions baseline. These targets encompass all operational segments of the Company, ensuring the continuous implementation of climate-related objectives and performance indicators:

Greenhouse Gas Emission Targets and Performance

Target	Progress Towards 2025 Target
GHG emission intensity for 2025-2027 ≤ 5 (tCO_2e/person)	Achieved

The Company will closely monitor the progress of achieving various indicators and regularly disclose relevant results through channels such as ESG reports to systematically measure, manage, and drive our actual actions in addressing climate change, ensuring that green and low-carbon development initiatives are effectively implemented and continuously optimized.

Performance Highlight of Greenhouse Gas Emission		
Indicators	Unit	2025
Direct Greenhouse Gas Emissions (Scope 1)[3]	tCO_2e	15.29
Indirect Greenhouse Gas Emissions (Scope 2)[4]	tCO_2e	322.47
Total Greenhouse Gas Emissions (Scope 1 and Scope 2)	tCO_2e	337.77
Greenhouse Gas Emission Intensity (Scope 1 and Scope 2)	tCO_2e/person	3.31
Greenhouse Gas Emissions (Scope 3)[5]	tCO_2e	2,663.68

5.2 Environmental Compliance Management

GenFleet is committed to establishing and continuously improving a company-wide environmental management system. Through a defined management structure, quantifiable target setting, and regular internal and external audits, the Company systematically manages environmental risks in its operations, fulfilling statutory responsibilities for environmental protection and corporate commitments that exceed compliance.

3. Scope 1 Greenhouse Gas Emissions include gasoline usage. The Scope 1 emission data is calculated based on: Page 20 of the *NDRC's Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions for Other Industrial Enterprises (Trial)*, Page 19, Chapter 2, Volume 2 of the IPCC 2006 Guidelines, and Page 5 of the *General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2020)*.
4. Scope 2 Greenhouse Gas Emissions consist of purchased electricity. The Scope 2 emission data is calculated using the 2023 national grid average emission factor published in the Announcement on the *Release of the 2023 Power Sector CO_2 Emission Factors* by the Ministry of Ecology and Environment of the People's Republic of China.
5. Regarding Scope 3 Greenhouse Gas Emissions, we have accounted for and calculated emissions corresponding to Category 1 (Purchased Goods and Services), Category 2 (Capital Goods), Category 4 (Upstream Transportation), and Category 7 (Employee Commuting). In the future, we will progressively improve the data collection and calculation for other Scope 3 emission categories, enhancing the completeness and transparency of our Scope 3 GHG emissions disclosure.

5.2.1 Environmental Management Organizational Structure

To ensure the effective implementation of environmental management policies and measures, the Company has established a clear three-tier environmental management organizational system. The system clarifies the division of responsibilities from decision-making to execution and supervision, aiming to systematically integrate environmental management requirements into daily operations to ensure continuous improvement in environmental compliance and performance.

CEO	Coordinate the formulation and approval of environmental protection plans and management systems; supervise the implementation of waste management and pollutant discharge monitoring; promote the supervision of the implementation of "three-simultaneous" procedures for construction projects
Operation EHS Manager/ Specialist	Establish environmental protection-related plans and systems; implement waste management and effluent monitoring; advance the "three-simultaneous" procedures for construction projects; coordinate the implementation of EHS work across all departments
Heads of Departments and EHS Liaisons	Execute the specific environmental protection functions of this department and assume responsibility for the environmental protection work of this department

To systematically measure the effectiveness of environmental governance and drive continuous improvement, the Company has established clear environmental management objectives and closely tracks and regularly discloses the achievement status of key indicators, thereby solidly advancing the enterprise's sustainable development process through concrete actions.

Environmental Management Targets and Performance

Target	Progress Towards 2025 Target
Company waste is discharged in 100% compliance with regulations The Company's disposal of hazardous waste is 100% compliant	Achieved

5.2.2 Environmental Compliance Audit

To ensure the effective operation and continuous improvement of the environmental management system, GenFleet has established a comprehensive environmental supervision system that includes both internal and external audit mechanisms.

The Company proactively accepts and actively cooperates with the supervision and inspection by government regulatory authorities. It undergoes professional on-site environmental inspections and audits provided quarterly by third-party "Environmental Butler" engaged by the regulatory authorities to assist in identifying potential compliance risks and offering specialized improvement recommendations for management practices, thereby continuously enhancing its environmental management capabilities. During the Reporting Period, the local environmental inspection detachment conducted one unannounced inspection of the Company.

At the internal supervision level, the Company has established a regular EHS self-assessment mechanism. The EHS Management Department systematically consolidates the annual inspection records, monitoring data, and daily management status at year-end and conducts a comprehensive self-assessment based on the prescribed evaluation forms. This self-assessment aims to review the achievement of objectives, systematically analyze non-conformities and potential risks, and thereby formulate key improvement plans for the next year to establish a management closed loop.

5.3 Emission Management

5.3.1 Policies and Systems for the Management of Three Wastes

GenFleet strictly complies with national and local environmental protection laws and regulations, including the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*. To ensure comprehensive and systematic compliance management of waste gas, wastewater, and solid wastes (including hazardous wastes) in operational activities, the Company has formulated and implemented the *Environmental Protection Management Policy* to comprehensively control environmental risks and ensure that business operations do not adversely affect the surrounding environment.

5.3.2 Waste Gas Emissions

GenFleet's exhaust emissions primarily originate from research and development laboratory activities. To effectively control emissions and reduce environmental impact, systematic treatment measures have been established for different types of waste gas.

- **Dust generated from solid preparations is collected through fume hood dust collection pipes and enclosed equipment systems.**
- **Laboratory waste gas generated by volatile organic reagents and disinfectants is centrally collected through dedicated fume hood ducts and discharged at height via a 23-meter-high main exhaust stack after treatment with an accompanying activated carbon adsorption unit.**
- **Aerosols generated from biological experiments are purified through high-efficiency air filters within the biosafety cabinet.**

To strictly implement the Environmental Impact Assessment (EIA) requirements, we have engaged a qualified third-party agency to conduct regular waste gas monitoring. The monitoring system not only covers non-methane total hydrocarbons, characteristic organic compounds, and odor concentration in the exhaust main pipe but also includes detection of odors and characteristic factors from unorganized emissions at the plant boundary. Specialized high-frequency monitoring is conducted once or twice a year for specific factors based on their characteristics to ensure comprehensive compliance.

Performance Highlight of Waste Gas Emission		
Indicators	Unit	2025
Volatile Organic Compounds (VOC)	tons	0.50

5.3.3 Wastewater Discharge

GenFleet's wastewater primarily originates from experimental effluent generated by drug research and development activities and domestic sewage from daily operations. The Company strictly complies with national and local wastewater discharge regulations, implementing classified collection and management of different types of wastewater to ensure compliant discharge and minimize environmental impact.

For experimental wastewater generated during research and development activities, strict diversion treatment and compliance control procedures are implemented. For wastewater generated by chemical and biological laboratories, the Company explicitly requires that residual experimental liquids, the first two stages of cleaning wastewater, and drainage from high-temperature sterilization in biological experiments must be strictly classified as hazardous waste and collected separately into dedicated hazardous waste containers. Low-concentration cleaning wastewater generated from the third stage onwards, along with concentrate water from the pure water preparation system, ice-making wastewater, and condensate drainage from air conditioning units, is centrally discharged in compliance with regulations into the municipal sewage network via the building and park's sewer pipes. In the final disposal stage of waste liquids, we strictly implement the declaration system for hazardous waste transfer manifests. All hazardous waste and wastewater are entrusted to third-party professional companies with statutory qualifications for on-site collection and standardized disposal, ensuring full-process traceability and closed-loop management.

In terms of source reduction and resource utilization, the Company has actively implemented water conservation measures to reduce wastewater generation. Condensate generated by dehumidifiers is collected for purposes such as sanitary cleaning, and a centralized dishwashing area has been established to improve water efficiency. These daily management practices are designed to cultivate employees' awareness of water conservation and reduce overall water consumption and wastewater discharge at the source.

Performance Highlight of Wastewater Discharge		
Indicators	Unit	2025
Wastewater Discharge Volume	kg	990,900.00
Chemical Oxygen Demand (COD)	kg	30.01
Ammonia Nitrogen	kg	0.23

5.3.4 Waste Management

GenFleet is committed to promoting compliant waste management and source reduction through classified disposal, systematic statistics, and optimized procurement strategies to minimize the impact of operational activities on the environment. Our waste is primarily categorized into hazardous waste and general waste, and its management strictly complies with relevant national environmental protection regulations.

Regarding hazardous waste management, given that the Company is currently focused on drug research and development, the generated hazardous wastes primarily include experimental waste liquids, waste residues, scrapped pharmaceuticals, discarded vessels, used activated carbon, and waste HEPA filters. A storage area equipped with local ventilation was specifically designated within the dedicated hazardous waste temporary storage warehouse. All categories of hazardous waste are immediately registered in the ledger upon generation and classified for storage; among them, conventional hazardous wastes such as spent activated carbon are regularly disposed of through outsourced standardized transportation. For non-routine output of scrapped pharmaceuticals, their inventory list was submitted to the disposal unit for component verification. A special code was assigned in the subsequent year's contract for designated entrusted disposal, ensuring full-process traceability. To reduce hazardous waste generation at the source, we have implemented a procurement strategy of small-quantity and frequent purchases, as well as a system for joint requisition of chemicals by laboratory personnel. This effectively reduces the frequency of individual requisitions and the quantity of reagents stored in personal cabinets, thereby mitigating the risk of reagent expiration. Simultaneously, the Company prioritizes the selection of environmentally friendly reagents with higher safety profiles.

Regarding general waste management, it primarily includes employees' domestic waste and ordinary waste generated from office operations. The Company implements the classification and disposal of dry waste, wet waste, and recyclables in its office areas. All general waste is uniformly collected by the property cleaning unit and subsequently transported and processed by the municipal sanitation department. The Company conducts monthly statistics on the generation of domestic waste to monitor management performance and identify opportunities for reduction.

Waste Disposal Training

Regarding laboratory waste management, the Company organized and conducted specialized compliance training to provide an in-depth interpretation of the latest regulatory requirements, including the *National Directory of Hazardous Wastes (2025 Version)*. The training focused on standardized operations for daily hazardous waste management in the laboratory and an analysis of typical violations. It also unified the standards for the statistical declaration of waste generation quantities, effectively enhancing the legal awareness and operational precision of relevant personnel to ensure full-process compliance and control of hazardous waste from generation to statistics.

Pollutant Reduction Targets: Closely monitor the dynamics of environmental protection regulations and continuously optimize the internal emission management system. Under the premise of ensuring compliant emissions, further reduce the total amount and concentration of pollutant emissions to effectively minimize the impact on the environment.

Performance Highlight of Waste Discharge

Indicators	Unit	2025
Hazardous Waste	tons	14.44
Harmless Waste	tons	49.39
Solid Waste	tons	63.83

5.4 Resource Management

GenFleet is committed to promoting the efficient and sustainable utilization of resources by establishing systematic resource management policies, implementing targeted energy and water conservation measures, and setting quantifiable management objectives to continuously optimize resource usage efficiency and reduce the environmental impact of operations.

GenFleet's resource management strictly complies with the requirements of national laws and regulations such as the *Energy Conservation Law of the People's Republic of* China and the *Circular Economy Promotion Law of the People's Republic of China*. To integrate regulatory requirements and the concept of conservation into daily operations, the Company initiated and implemented the "Civilized Office Initiative". Through clear regulations and specific measures, it systematically guides all employees to conserve resources, energy, and water consumption.

5.4.1 Energy Management

GenFleet's primary energy consumption categories are gasoline and electricity. The Company has prioritized improving energy efficiency and reducing energy consumption as a critical component of its operational management. Furthermore, it has established an energy management policy within the "Sustainable Development" chapter of the *Environmental Protection Management Policy* to systematically guide relevant practices. This policy clarifies the organizational responsibilities for energy management, the framework for process-wide management, and the targets for energy efficiency improvement, thereby establishing a management foundation for the Company ranging from system construction to daily execution.

We have established detailed management systems for major energy-consuming facilities and implemented a series of specific energy-saving measures, including hierarchical control of air conditioning systems, power-off management of equipment during non-working hours, and the promotion of high-efficiency energy-saving lighting, continuously mining energy-saving potential from operational details. Furthermore, the Company will promote routine energy-saving measures during regular monthly EHS training to ensure that environmental protection and energy conservation are fully implemented across all operational stages.

Energy Usage Targets: Improve the construction of the energy management system, actively promote the application of energy-saving equipment and technologies, strictly implement the energy performance assessment mechanism, and gradually reduce the overall energy consumption intensity.

Energy Usage Targets and Performance

Target	Progress Towards 2025 Target
Energy consumption intensity not exceeding 8 MWh/Person from 2025 to 2027	Achieved

Performance Highlight of Energy Consumption		
Indicator Name	Unit	2025
Gasoline Consumption	litres	6,933
Gasoline Intensity	litres/person	67.97
Power Consumption	MWh	607.75
Intensity of Power Consumption	MWh/person	5.96

5.4.2 Water Resource Management

GenFleet places a high priority on water conservation and efficient utilization, implementing practical water-saving measures in daily operations to reduce water consumption and minimize environmental impact.

- **In the R&D laboratory, we advocate a cleaning method that utilizes soaking instead of direct rinsing. Simultaneously, the Company recycles condensate water generated from dehumidifiers for non-production purposes such as sanitary cleaning and landscaping, thereby enhancing the recycling rate of water resources.**

- **In the office area, water-saving signs are posted, and employees are continuously educated on conservation principles to encourage the habit of turning off faucets immediately after use, thereby cultivating water-saving awareness among all staff from small details.**

To systematically evaluate the effectiveness of water resource management, a statistical and monitoring system for water consumption has been established. Through the collection and analysis of data from key water usage processes, trends in water consumption were tracked, and the actual effectiveness of various water conservation measures was evaluated. During the Reporting Period, GenFleet and its subsidiaries consumed a total of 1,101 tons of water. We will continue to optimize management and are committed to improving water resource utilization efficiency.

Water Usage Targets and Performance

Target	Progress Towards 2025 Target
Using 2023 as the baseline, it is committed that water intensity in mainland China will be reduced by 10% by 2030	A reduction of 24.23% compared to 2023 has been achieved, thereby meeting the target ahead of schedule

Performance Highlight of Water Consumption		
Indicator Name	Unit	2025
Water Consumption	tons	1,101.00
Water Consumption Intensity	tons/person	10.79

6 APPENDIX: HKEX ESG INDICATOR INDEX

Environmental, Social and Governance Scope and General Disclosures and Key Performance Indicators (KPIs)			Section
A. Environment			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. *Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.*	5.3 Emission Management
	A1.1	The types of emissions and respective emissions data.	5.3 Emission Management
	A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.3 Emission Management
	A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.3 Emission Management
	A1.5	Description of emission target(s) set and steps taken to achieve them.	5.3 Emission Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5.3 Emission Management
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. *Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.*	5.4 Resource Management
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	5.4 Resource Management
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	5.4 Resource Management
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.4 Resource Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	5.4 Resource Management
	A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	5.4 Resource Management
A3: Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	5.4 Resource Management
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.4 Resource Management

Environmental, Social and Governance Scope and General Disclosures and Key Performance Indicators (KPIs)			Section
B. Society			
Employment and Labor Practices			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.1 Compliant Employment
	B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	3.1 Compliant Employment
	B1.2	Employee turnover rate by gender, age group and geographical region.	3.1 Compliant Employment
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.4 Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.4 Occupational Health and Safety
	B2.2	Lost days due to work injury.	3.4 Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.4 Occupational Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. *Note: Training refers to vocational training. It may include internal and external courses paid by the employer.*	3.2 Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.2 Training and Development
	B3.2	The average training hours completed per employee by gender and employee category.	3.2 Training and Development
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	3.1 Compliant Employment
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	3.1 Compliant Employment
	B4.2	Description of steps taken to eliminate such practices when discovered.	3.1 Compliant Employment

Environmental, Social and Governance Scope and General Disclosures and Key Performance Indicators (KPIs)			Section
Operating Practices			
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.1 Supply Chain Management
	B5.1	Number of suppliers by geographical region.	4.1 Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	4.1 Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.1 Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.1 Supply Chain Management
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	2.4 Product Quality
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.4 Product Quality
	B6.2	Number of products and service related complaints received and how they are dealt with.	2.4 Product Quality
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.5 Intellectual Property Protection
	B6.4	Description of quality assurance process and recall procedures.	2.4 Product Quality
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.2 Clinical Management
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.4 Business Ethics
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	1.4 Business Ethics
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.4 Business Ethics
	B7.3	Description of anti-corruption training provided to directors and staff.	1.4 Business Ethics
Community			
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	4.3 Public Welfare and Charity
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	4.3 Public Welfare and Charity
	B8.2	Resources contributed (e.g. money or time) to the focus area.	4.3 Public Welfare and Charity

Environmental, Social and Governance Scope and General Disclosures and Key Performance Indicators (KPIs)		Section
Part D: Climate-related Disclosures		
(I) Governance	1. An issuer shall disclose information about:	
	(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	5.1 Addressing Climate Change
	(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	5.1 Addressing Climate Change
	(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	5.1 Addressing Climate Change
	(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	5.1 Addressing Climate Change
	(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 19 to 22), including whether and how related performance metrics are included in remuneration policies (see paragraph 17); and	5.1 Addressing Climate Change Given that the impact of climate-related risks and opportunities does not constitute a material misstatement, they have not yet been incorporated into the compensation policy
	(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	5.1 Addressing Climate Change
	(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	5.1 Addressing Climate Change
	(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	5.1 Addressing Climate Change

Environmental, Social and Governance Scope and General Disclosures and Key Performance Indicators (KPIs)		Section
(II) Strategy	**Climate-related risks and opportunities** 2. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
	(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	5.1 Addressing Climate Change
	(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	5.1 Addressing Climate Change
	(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	5.1 Addressing Climate Change
	(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	5.1 Addressing Climate Change
	Business model and value chain 3. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
	(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	5.1 Addressing Climate Change
	(b) a description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	5.1 Addressing Climate Change
	Strategy and decision-making 4. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
	(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	5.1 Addressing Climate Change 5.4 Resource Management
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	5.1 Addressing Climate Change 5.4 Resource Management
	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	The impact of transition risks is not considered material; therefore, no related plans are currently in place.

Environmental, Social and Governance Scope and General Disclosures and Key Performance Indicators (KPIs)		Section
	(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 19 to 22; and	5.1 Addressing Climate Change
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 4(a).	5.1 Addressing Climate Change
	5. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 4(a).	5.1 Addressing Climate Change
	Financial position, financial performance and cash flows Current financial effect 6. An issuer shall disclose qualitative and quantitative information about:	
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	5.1 Addressing Climate Change
	(b) the climate-related risks and opportunities identified in paragraph 6(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	No such circumstances exist
	Financial position, financial performance and cash flows Anticipated financial effect 7. The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
	(i) its investment and disposal plans; and	As climate-related risks and opportunities are not expected to be material, no related plans are currently in place
	(ii) its planned sources of funding to implement its strategy; and	As climate-related risks and opportunities are not expected to be material, no related plans are currently in place
	(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	As climate-related risks and opportunities are not expected to be material, no related plans are currently in place

Environmental, Social and Governance Scope and General Disclosures and Key Performance Indicators (KPIs)		Section
	Climate resilience 8. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
	(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	5.1 Addressing Climate Change
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	5.1 Addressing Climate Change
	(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	5.1 Addressing Climate Change
	(b) how and when the climate-related scenario analysis was carried out, including:	
	(i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	5.1 Addressing Climate Change
	(ii) the key assumptions the issuer made in the analysis; and	5.1 Addressing Climate Change
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	5.1 Addressing Climate Change

Environmental, Social and Governance Scope and General Disclosures and Key Performance Indicators (KPIs)		Section
(III) Risk Management	9. An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, priorities and monitor climate-related risks, including information about:	
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	5.1 Addressing Climate Change
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	5.1 Addressing Climate Change
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	5.1 Addressing Climate Change
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	5.1 Addressing Climate Change
	(v) how the issuer monitors climate-related risks; and	5.1 Addressing Climate Change
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	The process utilized remains unchanged
	(b) the processes the issuer uses to identify, assess, priorities and monitor climate related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	5.1 Addressing Climate Change
	(c) the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	5.1 Addressing Climate Change
(IV) Metrics and Targets	**Greenhouse gas emissions** 10. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as:	
	(a) Scope 1 greenhouse gas emissions;	5.1 Addressing Climate Change
	(b) Scope 2 greenhouse gas emissions; and	5.1 Addressing Climate Change
	(c) Scope 3 greenhouse gas emissions.	5.1 Addressing Climate Change
	11. An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	5.1 Addressing Climate Change
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	5.1 Addressing Climate Change
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	5.1 Addressing Climate Change

Environmental, Social and Governance Scope and General Disclosures and Key Performance Indicators (KPIs)		Section
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	No changes made
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 10(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	5.1 Addressing Climate Change
	(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 10(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	5.1 Addressing Climate Change
	Climate-related transition risks 12. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Climate-related risks are not expected to constitute a materiality
	Climate-related physical risks 13. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate-related risks are not expected to constitute a materiality
	Climate-related opportunities 14. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Climate-related risks are not expected to constitute a materiality
	Capital deployment 15. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate-related risks are not expected to constitute a materiality
	Internal carbon prices 16. An issuer shall disclose:	
	(a) an explanation of whether and how the issuer is applying a carbon price in decision making (for example, investment decisions, transfer pricing, and scenario analysis); and	Internal carbon pricing has not yet been applied
	(b) the price of each metric tons of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	Internal carbon pricing has not yet been applied
	Remuneration 17. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 1(a)(iv).	As climate-related risks and opportunities are not expected to be material, they have not yet been incorporated into the remuneration policy

Environmental, Social and Governance Scope and General Disclosures and Key Performance Indicators (KPIs)		Section
	Industry-based metrics 18. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry based metrics associated with disclosure topics described in the IFRS S2 Industry based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Not applicable
	Climate-related targets 19. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
	(a) the metric used to set the target;	5.1 Addressing Climate Change
	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	5.1 Addressing Climate Change
	(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	5.1 Addressing Climate Change
	(d) the period over which the target applies;	5.1 Addressing Climate Change
	(e) the base period from which progress is measured;	5.1 Addressing Climate Change
	(f) milestones or interim targets (if any);	Not applicable
	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	5.1 Addressing Climate Change
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	5.1 Addressing Climate Change
	20. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	Not certified by a third party
	(b) the issuer's processes for reviewing the target;	5.1 Addressing Climate Change
	(c) the metrics used to monitor progress towards reaching the target; and	5.1 Addressing Climate Change
	(d) any revisions to the target and an explanation for those revisions.	No revisions made
	21. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	5.1 Addressing Climate Change

Environmental, Social and Governance Scope and General Disclosures and Key Performance Indicators (KPIs)		Section
	22. For each greenhouse gas emissions target disclosed in accordance with paragraphs 19 to 21, an issuer shall disclose:	
	(a) which greenhouse gases are covered by the target;	5.1 Addressing Climate Change
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	5.1 Addressing Climate Change
	(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	5.1 Addressing Climate Change
	(d) whether the target was derived using a sectoral decarbonization approach; and	Industry decarbonization methodologies were not adopted; the approach was primarily established based on the Company's business operations
	(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	Carbon credits were not utilized
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	Carbon credits were not utilized
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	Carbon credits were not utilized
	(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Carbon credits were not utilized
	Applicability of cross-industry metrics and industry-based metrics 23. In preparing disclosures to meet the requirements in paragraphs 3 to 8 and 19 to 20, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 10 to 17) and (ii) industry-based metrics (see paragraph 18).	Not applicable

Independent Auditor's Report

To the shareholders of GenFleet Therapeutics (Shanghai) Inc.
(Incorporated in People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of GenFleet Therapeutics (Shanghai) Inc. (the "Company") and its subsidiaries (the "Group") set out on pages 141 to 210, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS (continued)

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

Key audit matter	How our audit addressed the key audit matter
Misstatement of research and development expenses	
The Group incurred research and development ("R&D") cost of RMB282,258,207 in the consolidated financial statements for the year ended 31 December 2025. These expenses primarily comprise staff expenses, material and consumable costs, and service fees paid to contract research organisations, clinical site management operators and clinical trial centers (collectively referred to as "Outsourced Service Providers"). R&D activities involving these Outsourced Service Providers are typically performed over an extended period, therefore, the related expenses are charged to statement of profit or loss based on the progress of the R&D projects. Determining the progress of the R&D projects requires management to exercise significant judgement and estimation in assessing the progress of services performed by the Outsourced Service Providers based on available project information and supporting documentation. We identified the accounting for the R&D costs incurred in connection with the Outsourced Service Providers as a key audit matter due to the significance of these costs to the consolidated financial statements and the risk of misallocation in the appropriate financial reporting periods. Related disclosures are included in notes 2.3 and 3 to the financial statements.	Our procedures in relation to research and development expenses included the followings: – Obtained an understanding of the key controls over the recognition and measurement process of R&D costs; – Inquired management reasons for periodical fluctuations in R&D expenses and assessed their reasonableness; – Selected R&D transactions, on a sampling basis, to i) review key terms set out in related agreements with Outsourced Service Providers, and determine whether such services are R&D nature; ii) inquire the R&D personnel and inspect related supporting documents to verify the progress of the R&D projects; and iii) recalculate the allocation of R&D expenses with reference to the progress of the R&D projects; – Performed cut-off tests on a sample basis and reviewed supporting documents in relation to the recognition of R&D costs; – Performed search for unrecorded liabilities procedures subsequent to the year ended 31 December 2025; – Selected the prepayments for R&D costs, on a sampling basis, to check and verify the existence of third party supporting evidence; and – Read and assessed the Group's disclosures of R&D in the consolidation financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lau Kwok Wa Lawrence (practising certificate number: P04882).

Ernst & Young
Certified Public Accountants
Hong Kong
24 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	5	**130,267**	104,703
Cost of sales		**(46,610)**	(20,095)
Gross profit		**83,657**	84,608
Other income and gains	6	**34,807**	28,531
Research and development costs		**(282,258)**	(332,124)
Administrative expenses		**(81,383)**	(58,081)
Other expenses and losses	8	**(23,959)**	(10)
Finance costs	9	**(6,389)**	(17,963)
Loss before change in fair value of redemption liabilities on equity shares		**(275,525)**	(295,039)
Change in fair value of redemption liabilities on equity shares	23	**(1,518,851)**	(382,602)
LOSS BEFORE TAX	7	**(1,794,376)**	(677,641)
Income tax expense	12	**(152)**	–
LOSS FOR THE YEAR		**(1,794,528)**	(677,641)
Attributable to:			
Owners of the parent		**(1,794,528)**	(677,641)
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**35**	(1,111)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		**35**	(1,111)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,794,493)**	(678,752)
Attributable to:			
Owners of the Company		**(1,794,493)**	(678,752)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (expressed in RMB)			
Basic and diluted	14	**(6.07)**	(2.62)

Consolidated Statements of Financial Position

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**6,905**	12,328
Right-of-use assets	16	**14,864**	15,412
Intangible assets	17	**1,083**	1,257
Prepayments, other receivables and other assets	19	**11,259**	9,576
Total non-current assets		**34,111**	38,573
CURRENT ASSETS			
Inventories		**17,336**	5,586
Trade receivables	18	**15,919**	109,153
Prepayments, other receivables and other assets	19	**53,416**	58,594
Time deposits	20	**877,221**	32,790
Cash and cash equivalents	20	**1,197,440**	362,125
Restricted bank deposits	20	**135**	–
Financial assets at FVTPL		**24**	–
Total current assets		**2,161,491**	568,248
CURRENT LIABILITIES			
Trade and other payables	21	**261,804**	181,733
Interest-bearing bank borrowings	22	**83,901**	51,128
Contract liabilities	29	**18,178**	42,204
Redemption liabilities on equity shares	23	**–**	2,214,121
Financial liabilities at FVTPL		**109**	–
Lease liabilities	16	**5,498**	4,243
Total current liabilities		**369,490**	2,493,429
NET CURRENT ASSETS/(LIABILITIES)		**1,792,001**	(1,925,181)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,826,112**	(1,886,608)

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities	*16*	**11,518**	13,977
Trade and other payables	*21*	**–**	55,676
Total non-current liabilities		**11,518**	69,653
Net assets/(liabilities)		**1,814,594**	(1,956,261)
EQUITY			
Equity attributable to owners of the Company			
Share capital	*25*	**37,037**	26,774
Reserves	*26*	**1,777,557**	(1,983,035)
Total equity/(net deficits)		**1,814,594**	(1,956,261)

Qiang LU
Director

Jiong LAN
Director

Consolidated Statements of Changes In Equity

Year ended 31 December 2024

	Paid-in capital/ Share capital *RMB'000*	Share premium *RMB'000*	Share-based payment reserve *RMB'000*	Other reserves *RMB'000*	Foreign currency translation reserve *RMB'000*	Accumulated losses *RMB'000*	Total equity/ (net deficits) *RMB'000*
At 1 January 2024	22,027	1,246,080	38,523	(1,264,082)	(364)	(1,359,495)	(1,317,311)
Exchange translation differences	–	–	–	–	(1,111)	–	(1,111)
Loss for the year	–	–	–	–	–	(677,641)	(677,641)
Total comprehensive loss for the year	–	–	–	–	(1,111)	(677,641)	(678,752)
Issue of new shares (note 25)	2,648	193,338	–	–	–	–	195,986
Capital contributions from employee incentive platform (note 25)	2,099	9,786	–	–	–	–	11,885
Conversion into a joint stock company ("Capitalisation Issue")	–	(734,351)	–	–	–	734,351	–
Recognition of redemption liabilities on equity shares (note 23)	–	–	–	(195,011)	–	–	(195,011)
Share-based payment compensation (note 27)	–	–	26,942	–	–	–	26,942
At 31 December 2024	26,774	714,853	65,465	(1,459,093)	(1,475)	(1,302,785)	(1,956,261)

Year ended 31 December 2025

	Share capital *RMB'000*	**Share premium** *RMB'000*	**Share-based payment reserve** *RMB'000*	**Other reserves** *RMB'000*	**Foreign currency translation reserve** *RMB'000*	**Accumulated losses** *RMB'000*	**Total equity/ (net deficits)** *RMB'000*
At 1 January 2025	**26,774**	**714,853**	**65,465**	**(1,459,093)**	**(1,475)**	**(1,302,785)**	**(1,956,261)**
Exchange translation differences	**–**	**–**	**–**	**–**	**35**	**–**	**35**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(1,794,528)**	**(1,794,528)**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**35**	**(1,794,528)**	**(1,794,493)**
Issue of new shares (note 25)	**10,263**	**1,795,838**	**–**	**–**	**–**	**–**	**1,806,101**
Recognition of redemption liabilities on equity shares (note 23)	**–**	**2,273,879**	**–**	**1,459,093**	**–**	**–**	**3,732,972**
Share-based payment compensation (note 27)	**–**	**–**	**26,275**	**–**	**–**	**–**	**26,275**
At 31 December 2025	**37,037**	**4,784,570**	**91,740**	**–**	**(1,440)**	**(3,097,313)**	**1,814,594**

Consolidated Statements of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(1,794,376)**	(677,641)
Adjustments for:			
Finance cost	*9*	**6,389**	17,963
Bank interest income	*6*	**(31,182)**	(17,228)
Amortisation of other intangible assets	*17*	**179**	176
Depreciation of property, plant and equipment	*15*	**5,457**	8,496
Depreciation of right-of-use assets	*16*	**4,126**	5,440
Share-based payment compensation	*27*	**26,275**	26,942
Fair value loss on redemption liabilities on equity shares	*23*	**1,518,851**	382,602
Loss on the disposal of property, plant and equipment	*8*	**6**	9
Gain on lease reassessment	*6*	**–**	(488)
Fair value gains on financial assets at FVTPL	*6*	**(191)**	(402)
Fair value loss on financial liabilities at FVTPL	*8*	**109**	–
Net exchange difference	*8*	**23,841**	(3,539)
Decrease/(increase) in trade receivables		**93,234**	(36,800)
Increase in inventories		**(11,750)**	(3,528)
Decrease/(increase) in prepayments, other receivables and other assets		**3,495**	(12,637)
Decrease in contract liabilities		**(24,026)**	(59,710)
Decrease in deferred income		**–**	(503)
Increase in restricted bank deposits		**(135)**	–
Payment of listing expenses		**(29,160)**	(7,560)
Increase in trade and other payables		**48,137**	156,142
Cash used in operating activities		**(160,721)**	(222,266)
Income tax paid		**(152)**	–
Interest received		**25,171**	15,866
Net cash flows used in operating activities		**(135,702)**	(206,400)

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(107)**	(236)
Purchases for other intangible assets		**(5)**	(32)
Purchases of financial assets at FVTPL		**(170,000)**	(170,000)
Withdrawal of financial assets at FVTPL		**170,167**	170,402
Proceeds from disposal of property, plant and equipment		**67**	4
Proceeds from withdrawal of time deposits with original maturity of more than three months		**33,151**	124,560
Purchases of time deposits with original maturity of more than three months		**(858,753)**	(123,968)
Net cash flows (used in)/from investing activities		**(825,480)**	730
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank borrowings		**88,901**	56,928
Repayment of bank borrowings		**(56,128)**	(11,112)
Interest paid on bank borrowings		**(2,322)**	(877)
Principal portion of lease payments		**(4,782)**	(5,144)
Interest paid for lease liabilities		**(776)**	(1,112)
Proceeds on issue of shares		**1,820,309**	207,871
Payment of listing expenses		**(12,081)**	(1,276)
Issued costs paid		**–**	(11,840)
Net cash flows from financing activities		**1,833,121**	233,438
NET INCREASE IN CASH AND CASH EQUIVALENTS		**871,939**	27,768
Cash and cash equivalents at beginning of year		**362,125**	332,197
Effect of foreign exchange rate changes, net		**(36,624)**	2,160
CASH AND CASH EQUIVALENTS AT END OF YEAR		**1,197,440**	362,125
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	*20*	**367,919**	255,226
Restricted bank deposits	*20*	**(135)**	–
Non-pledged time deposits with original maturity of less than three months when acquired	*20*	**829,656**	106,899
Cash and cash equivalents as stated in the statement of cash flows	*20*	**1,197,440**	362,125

1. CORPORATE AND GROUP INFORMATION

GenFleet Therapeutics (Shanghai) Inc. (the "Company") was established in Chinese mainland 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 was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 19 September 2025.

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.

As at the date of this report, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are as follows:

Name	Place and date of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Issued ordinary share/registered capital		Principal activities
			Direct	Indirect	
Zhejiang GenFleet Therapeutics Co., Ltd (浙江勁方藥業有限公司) *	PRC/Chinese mainland 8 April 2018	RMB60,000,000	100%	–	Research and development of innovative drugs
GenFleet Therapeutics (Hangzhou) Co., Ltd (勁方藥業(杭州)有限公司) *	PRC/Chinese mainland 26 September 2023	RMB50,000,000	100%	–	Technical services, technology development and production of drugs
GenFleet Therapeutics (Zhuhai) Co., Ltd (勁方藥業(珠海)有限公司) *	PRC/Chinese mainland 1 November 2023	RMB50,000,000	100%	–	Technical services, technology development and production of drugs
GenFleet Therapeutics Inc.	United States 13 April 2020	United States Dollars ("USD") 15,000,000	100%	–	Research and development of innovative drugs
GenFleet Therapeutics (Australia) Pty Ltd	Australia 15 July 2020	AUD10,168,331	100%	–	Research and development of innovative drugs

* These entities are limited liability enterprises established under the PRC law. The English names of these entities represent the best effort made by the directors of the Company, as they had not been registered with official English names.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) as issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for financial assets at FVTPL, financial liabilities at FVTPL and redemption liabilities on equity shares. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[1]

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

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

[3] No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 is not expected to have any impact on the Group's results of operations and financial position but is expected to have impact on the presentation and disclosure of the Group's financial statements.

Except for IFRS 18, the directors of the Company anticipate that the application of the new and amended IFRS Accounting Standards will have no material impact on the Group's financial performance and financial position in the foreseeable future.

2.4 MATERIAL ACCOUNTING POLICIES

Fair value measurement

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

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

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

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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

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

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Related parties

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

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

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

Computer and office equipment	19% to 32%
Machinery and equipment	19%
Motor vehicles	19%
Leasehold improvements	Shorter of remaining lease terms and estimated useful lives

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

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

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Intangible assets

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

Software	10 years

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

Research and development costs

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

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

Leases

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

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee

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

(a) Right-of-use assets

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

Office premises	2 to 10 years

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

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease.

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

The Group's lease liabilities are presented in a separate line on the consolidated statements of financial position.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

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

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

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

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through profit or loss

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

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or

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

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

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

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets

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

General approach

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

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

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

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Simplified approach

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

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and other payables, interest-bearing bank borrowings and redemption liabilities on equity shares.

Subsequent measurement

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

Financial liabilities at amortised cost

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

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

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Financial liabilities measured at FVTPL

Financial liabilities measured at FVTPL include redemption liabilities on equity shares and financial liabilities at FVTPL.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at FVTPL are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the profit or loss. The net fair value gain or loss recognised in the profit or loss does not include any interest charged on these financial liabilities.

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis or on a weighted average method and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Cash and cash equivalents

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

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

Provisions

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

If Group has a contract that is onerous, the present obligation under the contract will be recognised and measured as a provision.

Income tax

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

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

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

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

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

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary difference; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary difference; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Government grants

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

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

Revenue recognition

Revenue from contracts with customers

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

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

Licenses of intellectual property

The Group provides licenses of intellectual property to customers. License fee income is recognised at a point in time upon the customer obtains control on the usage of the intellectual property.

For contracts that contain variable consideration in relation to milestone payment and sales-based royalty from license agreement, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which best predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

Licenses of intellectual property (continued)

Notwithstanding the above criteria, the Group shall recognise revenue for a sales-based royalty promised in exchange for a license of intellectual property only when (or as) the later of the following events occurs:

- the subsequent sale occurs; and
- the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied).

Research and development services

The performance obligation of research and development services is satisfied over time and revenue is recognised over the service period.

Drug supply

Revenue from the drug supply is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the drug.

Other income

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

Contract liabilities

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

Share-based payments

The Group operates restricted share units schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments (continued)

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

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

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

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

Other employee benefits

Pension schemes

The employees of the Group which operates in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Chinese mainland are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The subsidiary in the United States maintains multiple qualified contributory savings plans as allowed under Section 401(k) of the Internal Revenue Code in the US. These plans are defined contribution plans covering substantially all its qualifying employees of that subsidiary and provide for voluntary contributions by employees, subject to certain limits. The contributions are made by both the employees and the employer. The employees' contributions are primarily based on specified dollar amounts or percentages of employee compensation. The only obligation of the subsidiaries in the US with respect to the retirement benefit plans is to make the specified contributions under the plans.

For the years ended December 31, 2024 and 2025, there are no forfeited contribution that may be used by the Group as the employer to reduce the existing level of contributions.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Other employee benefits (continued)

Housing fund – Chinese mainland

The Group contributes on a monthly basis to a defined contribution housing fund plan operated by the local municipal government. Contributions to this plan by the Group are expensed as incurred.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currencies

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

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

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

The function in overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting periods and their statements of profit or loss and other comprehensive income are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

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

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

For the purpose of the consolidated statement of cash flows, the cash flows of the overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiaries which arise throughout the reporting periods are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Research and development costs

All research costs are charged to profit or loss as incurred. Expenses incurred on each pipeline to develop new products are only capitalised and deferred in accordance with the accounting policy for research and development expenses in note 2.4 to financial statements. Determining the amounts to be capitalised requires management to make judgements on the technical feasibility of existing pipelines to be successfully commercialised and bring economic benefits to the Group.

Estimation uncertainty

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

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgment on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised in respect of deductible temporary differences and unused tax losses. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the losses can be utilised, management's judgment is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

4. 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.

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 all of the Group's non-current assets were located in Chinese mainland, no geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about major customers

Revenue from continuing operations of approximately RMB107,850,000 (2024: RMB104,703,000) was derived from licenses of intellectual property and sales of goods to a single customer.

5. REVENUE

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 ***RMB'000***	2024 *RMB'000*
Type of goods or services		
Licenses of intellectual property	**99,072**	90,035
Others	**31,195**	14,668
Total	**130,267**	104,703
Timing of revenue recognition		
Transferred at a point in time	**130,173**	104,703
Transferred overtime	**94**	–
Total	**130,267**	104,703

5. REVENUE (continued)

Revenue from contracts with customers (continued)

(b) Performance obligations

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

Licenses of intellectual property

The Group provides licenses of intellectual property to customers. License fee income is recognised at a point in time upon the customer obtains control on the usage of the intellectual property.

For contracts that contain variable consideration in relation to milestone payment and sales-based royalty from license agreement, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which best predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Notwithstanding the above criteria, the Group shall recognise revenue for a sales-based royalty promised in exchange for a license of intellectual property only when (or as) the later of the following events occurs:

- the subsequent sale occurs; and
- the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied).

Drug supply

Revenue from the drug supply is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the drug.

5. REVENUE (continued)

Revenue from contracts with customers (continued)

Research and development services

The performance obligation of research and development services is satisfied over time and revenue is recognised over the service period.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follow:

	2025 *RMB'000*	2024 *RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**3,866**	32,631
After one year	**14,312**	9,573
Total	**18,178**	42,204

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to the exercise of the option, of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2025 *RMB'000*	2024 *RMB'000*
Other income		
Government grants	**3,434**	6,869
Bank interest income	**31,182**	17,228
Total other income	**34,616**	24,097
Gains		
Foreign exchange differences, net	**–**	3,539
Fair value gains on financial assets at FVTPL	**191**	402
Gain on lease reassessment	**–**	488
Others	**–**	5
Total gains	**191**	4,434
Total other income and gains	**34,807**	28,531

7. LOSS BEFORE TAX

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

		2025 RMB'000	2024 RMB'000
Depreciation of property, plant and equipment*	15	**5,457**	8,496
Amortisation of intangible assets***	17	**179**	176
Depreciation of right-of-use assets**	16	**4,126**	5,440
Gain on lease reassessment	6	**–**	(488)
Expenses relating to short-term and low-value leases	16	**879**	961
Auditor's remuneration		**1,792**	–
Listing expense		**22,895**	18,363
Staff costs (including directors' emoluments):			
– Salaries, discretionary bonuses, allowances and benefits in kind		**68,369**	78,321
– Pension scheme contributions		**5,079**	5,709
– Share-based payment compensation	27	**26,275**	26,942
Total		**99,723**	110,972

* The depreciation of property, plant and equipment is included in "Research and development costs" and "Administrative expenses" in the consolidated statements of profit or loss.

** The depreciation of right-of-use assets is included in "Research and development costs" and "Administrative expenses" in the consolidated statements of profit or loss.

*** The amortisation of intangible assets is included in "Research and development costs" and "Administrative expenses" in the consolidated statements of profit or loss.

8. OTHER EXPENSES AND LOSSES

	2025 RMB'000	2024 RMB'000
Foreign exchange differences	**23,841**	–
Fair value losses on financial liabilities at FVTPL	**109**	–
Loss on disposals of property, plant and equipment	**6**	9
Others	**3**	1
Total	**23,959**	10

9. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	**776**	1,112
Imputed interest expenses on other payable	**3,291**	4,134
Transaction cost on issue of redemption liabilities on equity shares	**–**	11,840
Interest on bank borrowings	**2,322**	877
Total	**6,389**	17,963

10. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	**12,182**	13,302
Performance related bonuses	**3,696**	9,942
Pension scheme contributions	**308**	241
Equity-settled share award expense	**8,374**	9,386
Total fees and other emoluments	**24,560**	32,871

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Mr. Zhou Demin (Note a)	**73**	–
Mr. Li Bo (Note b)	**73**	–
Ms. Christine Shaohua LU-WONG (Note c)	**130**	–
Total fees and other emoluments	**276**	–

The independent non-executive directors did not have any other remuneration for the years ended 31 December 2025 and 2024.

10. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

(b) Executive directors, non-executive directors, the chief executive and supervisors

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Pension scheme contributions *RMB'000*	Share-based payment compensation *RMB'000*	Total *RMB'000*
2025					
Executive directors:					
Dr. Qiang LU (Note d)	**1,492**	**819**	**–**	**–**	**2,311**
Dr. Shen Haige (Note e)	**1,878**	**379**	**55**	**1,289**	**3,601**
Dr. Wang Yu (Note f)	**3,228**	**650**	**55**	**3,593**	**7,526**
Dr. Li Jingrong (Note g)	**2,071**	**646**	**–**	**1,916**	**4,633**
Ms. Zhang Wei (Note h)	**825**	**205**	**74**	**1,254**	**2,358**
Subtotal	**9,494**	**2,699**	**184**	**8,052**	**20,429**
Non-executive directors:					
Mr. Zhou Yi (Note i)	**–**	**–**	**–**	**–**	**–**
Mr. Song Gaoguang (Note j)	**–**	**–**	**–**	**–**	**–**
Mr. Zhu Jingyang (Note k)	**–**	**–**	**–**	**–**	**–**
Ms. Qian Ranting (Note l)	**–**	**–**	**–**	**–**	**–**
Ms. Tao Sha (Note m)	**–**	**–**	**–**	**–**	**–**
Ms. Xu Xijin (Note n)	**–**	**–**	**–**	**–**	**–**
Subtotal	**–**	**–**	**–**	**–**	**–**
Executive director and chief executive:					
Dr. Jiong LAN (Note o)	**1,491**	**819**	**–**	**–**	**2,310**
Supervisors:					
Mr. Xue Mengjun (Note p)	**–**	**–**	**–**	**–**	**–**
Ms. Ma Rui (Note q)	**327**	**64**	**51**	**182**	**624**
Mr. Lin Chonglan (Note r)	**594**	**114**	**73**	**140**	**921**
Subtotal	**921**	**178**	**124**	**322**	**1,545**
Total	**11,906**	**3,696**	**308**	**8,374**	**24,284**

10. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

(b) Executive directors, non-executive directors, the chief executive and supervisors (continued)

	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Pension scheme contributions *RMB'000*	Share-based payment compensation *RMB'000*	Total *RMB'000*
2024					
Executive directors:					
Dr. Qiang LU (Note d)	998	1,663	–	–	2,661
Dr. Shen Haige (Note e)	2,505	1,030	73	1,562	5,170
Dr. Wang Yu (Note f)	4,306	2,597	73	4,355	11,331
Dr. Li Jingrong (Note g)	2,763	1,673	–	2,322	6,758
Ms. Qian Ranting (Note l)	–	–	–	–	–
Mr. Gao Jieliang (Note s)	–	–	–	–	–
Ms. Liu Dan (Note t)	–	–	–	–	–
Mr. Liu Erh Fei (Note u)	–	–	–	–	–
Ms. Tao Sha (Note m)	–	–	–	–	–
Ms. Zhang Wei (Note h)	139	111	12	190	452
Ms. Xu Xijin (Note n)	–	–	–	–	–
Subtotal	10,711	7,074	158	8,429	26,372
Non-executive directors:					
Mr. Zhou Yi (Note i)	–	–	–	–	–
Mr. Song Gaoguang (Note j)	–	–	–	–	–
Mr. Zhu Jingyang (Note k)	–	–	–	–	–
Mr. Chen Fanwei (Note v)	802	803	–	–	1,605
Mr. Peng Wei (Note w)	–	–	–	–	–
Subtotal	802	803	–	–	1,605
Executive director and chief executive:					
Dr. Jiong LAN (Note o)	998	1,665	–	–	2,663
Supervisors:					
Ms. Zhang Wei (Note h)	488	388	42	665	1,583
Mr. Wei Yufa (Note x)	–	–	–	–	–
Mr. Xue Mengjun (Note p)	–	–	–	–	–
Ms. Ma Rui (Note q)	108	4	17	165	294
Mr. Lin Chonglan (Note r)	195	8	24	127	354
Subtotal	791	400	83	957	2,231
Total	13,302	9,942	241	9,386	32,871

10. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

(b) Executive directors, non-executive directors, the chief executive and supervisors (continued)

Notes:

(a) Dr. Zhou Demin was appointed as a director of the Company with effect from September 2025.

(b) Mr. Li Bo was appointed as a director of the Company with effect from September 2025.

(c) Ms. Christine Shaohua LU-WONG was appointed as a director of the Company with effect from September 2025.

(d) Dr. Qiang LU was appointed as a director of the Company with effect from November 2017.

(e) Dr. Shen Haige was appointed as a director of the Company with effect from December 2020 and has resigned as a director of the Company with effect before Listing. Her remuneration disclosed above included the remuneration for the services rendered by her as the director.

(f) Dr. Wang Yu was appointed as a director of the Company with effect from December 2020 and has resigned as a director of the Company before Listing. His remuneration disclosed above included the remuneration for the services rendered by him as the director.

(g) Dr. Li Jingrong was appointed as a director of the Company with effect from March 2022 and has resigned as a director of the Company with effect before Listing. His remuneration disclosed above included the remuneration for the services rendered by him as the director.

(h) Ms. Zhang Wei was appointed as a supervisor of the Company with effect from February 2020 and resigned in July 2024. Ms. Zhang Wei was appointed as a director of the Company with effect from November 2024. Her remuneration disclosed above included the remuneration for the services rendered by her as the supervisor.

(i) Mr. Zhou Yi was appointed as a director of the Company with effect from February 2020 and has resigned as a director of the Company with effect from November 2025. His remuneration disclosed above included the remuneration for the services rendered by him as the director.

(j) Mr. Song Gaoguang was appointed as a director of the Company with effect from December 2020 and has resigned as a director of the Company with effect from November 2025. His remuneration disclosed above included the remuneration for the services rendered by him as the director.

(k) Mr. Zhu Jingyang was appointed as a director of the Company with effect from August 2022.

(l) Ms. Qian Ranting was appointed as a director of the Company with effect from July 2023 and has resigned as a director of the Company with effect from November 2025. Her remuneration disclosed above included the remuneration for the services rendered by her as the director.

(m) Ms. Tao Sha was appointed as a director of the Company with effect from November 2024.

(n) Ms. Xu Xijin was appointed as a director of the Company with effect from July 2024 and has resigned as a director of the Company with effect from November 2025. Her remuneration disclosed above included the remuneration for the services rendered by her as the director.

(o) Dr. Jiong LAN was appointed as a director of the Company with effect from November 2017.

(p) Mr. Xue Mengjun was appointed as a supervisor of the Company with effect from August 2022.

(q) Ms Ma Rui was appointed as a supervisor of the Company with effect from September 2024.

(r) Mr. Lin Chonglan was appointed as a supervisor of the Company with effect from September 2024.

10. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

(b) Executive directors, non-executive directors, the chief executive and supervisors (continued)

Notes: (continued)

(s) Mr. Gao Jieliang was appointed as a director of the Company with effect from May 2024 and has resigned as a director of the company with effect from November 2024. His remuneration disclosed above included the remuneration for the services rendered by him as the director.

(t) Ms. Liu Dan was appointed as a director of the Company with effect from February 2020 and has resigned as a director of the Company with effect from May 2024. Her remuneration disclosed above included the remuneration for the services rendered by her as the director.

(u) Mr. Liu Erh Fei was appointed as a director of the Company with effect from January 2024 and has resigned as a director of the Company with effect from December 2024. His remuneration disclosed above included the remuneration for the services rendered by him as the director.

(v) Mr. Chen Fanwei was appointed as a director of the Company with effect from March 2022 and has resigned as a director of the Company with effect from November 2024. His remuneration disclosed above included the remuneration for the services rendered by him as the director.

(w) Mr. Peng Wei was appointed as a director of the Company with effect from July 2023 and has resigned as a director of the Company with effect from July 2024. His remuneration disclosed above included the remuneration for the services rendered by him as the director.

(x) Mr. Wei Yufa was appointed as a supervisor of the Company with effect from February 2020 and has resigned as a supervisor of the Company with effect from July 2024. His remuneration disclosed above included the remuneration for the services rendered by him as the supervisor.

(y) Directors' termination benefits
No directors' termination benefits subsisted at the end of the years or at any time during the years ended 31 December 2025 and 2024.

Consideration provided to or receivable by third parties for making available directors' services
No consideration provided to or receivable by third parties for making available directors' services subsisted at the end of the years or at any time during the years ended 31 December 2025 and 2024.

Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors
There were no loans, quasi-loans and other dealings in favour of Directors, their controlled bodies corporate and connected entities subsisted at the end of the years or at any time during the years ended 31 December 2025 and 2024.

Directors' material interests in transactions, arrangements or contracts
No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the years ended 31 December 2025 and 2024.

Waiver of Directors' emoluments
None of the Directors waived or have agreed to waive any emoluments during the years ended 31 December 2025 and 2024.

(z) The non-executive directors did not have any other remuneration for the years ended 31 December 2025 and 2024.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included five directors, details of whose remuneration are set out in note 10 above. There is no highest paid employee who is neither a director nor chief executive of the Company for the year ended 2025 (2024: two). Details of the remuneration of the highest paid employees who are neither a director nor chief executive for the years ended 31 December 2025 and 2024 of the Company are as follows:

	2025 ***RMB'000***	2024 *RMB'000*
Salaries, allowances and benefits in kind	–	2,827
Performance related bonuses	–	1,353
Pension scheme contributions	–	140
Equity-settled share award expense	–	6,034
Total	–	10,354

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	2025 Number of employees	2024 Number of employees
HKD4,500,001 to HKD5,000,000	–	1
HKD6,000,001 to HKD6,500,000	–	1
Total	–	2

During the years ended 31 December 2025 and 2024, restricted shares were granted to the non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 27 to the financial statements. The fair value of such restricted share units, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the reporting periods are included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

During the years ended 31 December 2025 and 2024, no highest paid employees waived or agreed to waive any remuneration, and no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

12. INCOME TAX

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

Chinese mainland

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 year 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, and the certificate was extended in 2025. Therefore, the Company was entitled to a preferential EIT rate of 15% during the year. The qualification as a HNTE is subject to review by the relevant 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 year.

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 year.

USA

The subsidiary incorporated and operated in United States of America is subject to the federal corporate income tax rate at 21% during the year.

12. INCOME TAX (continued)

	2025 *RMB'000*	2024 *RMB'000*
Loss before tax	**(1,794,376)**	(677,641)
Tax at the statutory tax rate (15%)	**(269,156)**	(101,646)
Effect of different tax rates enacted by local authorities	**(4,659)**	(5,358)
Additional deductible allowance for research and development expenses	**(33,684)**	(32,719)
Adjustments in respect of current tax of previous periods	**152**	–
Income not subject to tax	**(99)**	(474)
Deductible temporary difference and tax losses not recognised	**74,663**	78,115
Expenses not deductible for tax	**232,935**	62,082
Tax charge at the Group's effective rate	**152**	–

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as the Company and its subsidiaries 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 can be utilised.

According to the EIT Law, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income effective from 1 October 2022 for GenFleet Therapeutics (Shanghai) Inc. and GenFleet Biopharmaceutical (Shanghai) Co., Ltd., while Zhejiang GenFleet Therapeutics Co., Ltd. has been eligible for this additional deduction since 1 January 2022.

13. DIVIDENDS

No dividend was paid or declared by the Company during the year (2024: Nill).

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares in issue during the years ended 31 December 2025 and 2024. The sub-division of the Shares by the Company where the Company subdivided its Share from one Share of RMB1.0 each into ten Shares of RMB0.1 each upon listing is applied retrospectively for the years ended 31 December 2025 and 2024 for the purpose of computation of basic earnings per share.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

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

	2025 ***RMB'000***	2024 *RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent	**(1,794,528)**	(677,641)
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**295,808,439**	258,594,020
Loss per share (basic and diluted) (RMB per share)	**(6.07)**	(2.62)

15. PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment *RMB'000*	Computer and office equipment *RMB'000*	Motor Vehicles *RMB'000*	Leasehold improvements *RMB'000*	Total *RMB'000*
31 December 2025					
At 1 January 2025:					
Cost	**39,221**	**5,578**	**1,276**	**13,523**	**59,598**
Accumulated depreciation	**(27,802)**	**(5,002)**	**(943)**	**(13,523)**	**(47,270)**
Net carrying amount	**11,419**	**576**	**333**	**–**	**12,328**
At 1 January 2025, net of accumulated depreciation	**11,419**	**576**	**333**	**–**	**12,328**
Additions	**48**	**59**	**–**	**–**	**107**
Disposal	**(60)**	**(13)**	**–**	**–**	**(73)**
Depreciation provided during the year	**(5,021)**	**(194)**	**(242)**	**–**	**(5,457)**
At 31 December 2025, net of accumulated depreciation	**6,386**	**428**	**91**	**–**	**6,905**
At 31 December 2025:					
Cost	**39,209**	**5,624**	**1,276**	**13,523**	**59,632**
Accumulated depreciation	**(32,823)**	**(5,196)**	**(1,185)**	**(13,523)**	**(52,727)**
Net carrying amount	**6,386**	**428**	**91**	**–**	**6,905**

15. PROPERTY, PLANT AND EQUIPMENT (continued)

	Machinery and equipment *RMB'000*	Computer and office equipment *RMB'000*	Motor Vehicles *RMB'000*	Leasehold improvements *RMB'000*	Total *RMB'000*
31 December 2024					
At 1 January 2024:					
Cost	39,229	5,688	1,276	12,992	59,185
Accumulated depreciation	(21,417)	(4,408)	(701)	(12,058)	(38,584)
Net carrying amount	17,812	1,280	575	934	20,601
At 1 January 2024, net of accumulated depreciation	17,812	1,280	575	934	20,601
Additions	33	2	–	201	236
Disposal	(2)	(11)	–	–	(13)
Depreciation provided during the year	(6,424)	(695)	(242)	(1,135)	(8,496)
At 31 December 2024, net of accumulated depreciation	11,419	576	333	–	12,328
At 31 December 2024:					
Cost	39,221	5,578	1,276	13,523	59,598
Accumulated depreciation	(27,802)	(5,002)	(943)	(13,523)	(47,270)
Net carrying amount	11,419	576	333	–	12,328

As at 31 December 2025 and 2024, there were no pledged property, plant and equipment.

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of office premises used in its operations. Leases of office premises generally have lease terms between 2 and 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Office premises *RMB'000*
As at 1 January 2024	23,361
Depreciation charge	(5,440)
Lease reassessment	(2,509)
As at 31 December 2024 and 1 January 2025	15,412
Addition	**3,578**
Depreciation charge	**(4,126)**
As at 31 December 2025	**14,864**

16. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	**18,220**	26,361
New leases	**3,578**	–
Accretion of interest recognised during the year	**776**	1,112
Payments	**(5,558)**	(6,256)
Lease reassessment	**–**	(2,997)
Carrying amount	**17,016**	18,220
Analysed into:		
Current portion	**5,498**	4,243
Non-current portion	**11,518**	13,977
Total	**17,016**	18,220

The maturity analysis of lease liabilities is disclosed in note 34 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Depreciation of right-of-use assets	**4,126**	5,440
Interest on lease liabilities	**776**	1,112
Gain on lease reassessment	**–**	(488)
Expenses relating to short-term and low-value leases	**879**	961
Total amount recognised in profit or loss	**5,781**	7,025

(d) The total cash outflow for leases is disclosed in note 28 to the financial statements.

17. INTANGIBLE ASSETS

	Software *RMB'000*
31 December 2025	
At 1 January 2025:	
Cost	**1,786**
Accumulated amortisation	**(529)**
Net carrying amount	**1,257**
At 1 January 2025, net of accumulated amortisation	**1,257**
Addition	**5**
Amortisation provided during the year	**(179)**
At 31 December 2025, net of accumulated amortisation	**1,083**
At 31 December 2025:	
Cost	**1,791**
Accumulated amortisation	**(708)**
Net carrying amount	**1,083**

	Software *RMB'000*
31 December 2024	
At 1 January 2024:	
Cost	1,754
Accumulated amortisation	(353)
Net carrying amount	1,401
At 1 January 2024, net of accumulated amortisation	1,401
Addition	32
Amortisation provided during the year	(176)
At 31 December 2024, net of accumulated amortisation	1,257
At 31 December 2024:	
Cost	1,786
Accumulated amortisation	(529)
Net carrying amount	1,257

18. TRADE RECEIVABLES

	2025 *RMB'000*	2024 *RMB'000*
Trade receivables	**15,919**	109,153
Impairment	**–**	–
Total	**15,919**	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 31 December 2025 and 2024.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the recognition and net of loss allowance, is as follows:

	2025 *RMB'000*	2024 *RMB'000*
Within 1 year	**15,919**	109,153
Total	**15,919**	109,153

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 *RMB'000*	2024 *RMB'000*
Non-current:		
Rental and other deposits	**1,899**	1,514
Value-added tax recoverable	**8,106**	7,865
Others	**1,254**	197
Total	**11,259**	9,576
Current:		
Prepayments for research and development services and other services	**20,087**	22,194
Rental and other deposits	**117**	7,139
Value-added tax recoverable	**27,946**	10,719
Other receivables	**5,266**	15,420
Deferred listing expense	**–**	3,122
Total	**53,416**	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.

20. TIME DEPOSITS AND CASH AND CASH EQUIVALENTS

Cash and cash equivalents

	2025 RMB'000	2024 RMB'000
Cash at banks	**367,919**	255,226
Time deposits	**1,706,877**	139,689
Subtotal	**2,074,796**	394,915
Less:		
Time deposits over three months	**(877,221)**	(32,790)
Restricted bank deposits*	**(135)**	–
Cash and cash equivalents	**1,197,440**	362,125
Denominated in:		
RMB	**101,897**	24,714
USD	**1,083,088**	319,040
AUD	**12,136**	18,371
HKD	**319**	–
Total	**1,197,440**	362,125

Time deposits

	2025 RMB'000	2024 RMB'000
Time deposits over three months but less than one year – current	**877,221**	32,790
Total	**877,221**	32,790
Denominated in:		
RMB	**–**	32,790
USD	**877,221**	–

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

* Restricted bank deposits consist of a long-term inactive account with balance of RMB135,218 on 31 December 2025 and the account is subsequently reactivated in January 2026.

21. TRADE AND OTHER PAYABLES

	2025 *RMB'000*	2024 *RMB'000*
Current:		
Trade payables	**24,128**	6,292
Payroll payables	**16,173**	17,711
Accrued expenses for research and development services	**110,763**	73,704
Accrued listing expense	**9,034**	12,706
Other taxes payables	**1,667**	987
Other payables		
– License-out agreement option termination fee (note a)	**96,913**	68,573
– Accrued expenses	**2,357**	1,216
– Others	**769**	544
Total	**261,804**	181,733
Non-current:		
Other payables		
– License-out agreement option termination fee (note a)	**–**	55,676
Total	**–**	55,676

Note:

(a) 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").

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 31 December 2025, the Group had paid USD6,000,000 (equivalent to RMB42,916,000) to Innovent. The remaining USD14,000,000 will be paid by the Group to Innovent in instalments by 1 December 2026.

21. TRADE AND OTHER PAYABLES (continued)

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

	2025 RMB'000	2024 RMB'000
Within 3 months	**24,128**	6,292
Total	**24,128**	6,292

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

22. INTEREST-BEARING BANK BORROWINGS

	2025		
	Effective interest rate per annum %	Maturity	RMB'000
Current			
Bank loans-secured	**2.50**	**2026**	**40,000**
Bank loans-unsecured	**2.25-2.75**	**2026**	**43,901**
			83,901

	2024		
	Effective interest rate per annum %	Maturity	RMB'000
Current			
Bank loans – unsecured	2.50-2.90	2025	51,128

	2025 RMB'000	2024 RMB'000
Bank loans repayable:		
Within one year	**83,901**	51,128

The balance of secured bank loans with patent pledge is RMB40,000,000 on 31 December 2025. The patent is not capitalized as intangible assets. Subsequently, the pledge was released in March 2026.

23. REDEMPTION LIABILITIES ON EQUITY SHARES

From January 2018 to March 2024, the Company had received several rounds of investments as follows:

In January 2018, the Company issued 2,500,000 angel round equity shares with a par value of RMB1.00 per share ("Angel Round Shares") to several independent investors for a cash consideration of RMB60,000,000 or RMB24.00 per share.

In January 2019, the Company issued first tranche of 2,647,059 series A equity shares with a par value of RMB1.00 per share ("Series A Shares") to several independent investors for a cash consideration of RMB120,000,000 or RMB45.33 per share.

In April 2019, the Company issued 322,129 series A + equity shares with a par value of RMB1.00 per share ("Series A+ Shares") to one independent investors for a cash consideration of RMB20,000,000 or RMB62.09 per share.

In February and March 2020, the Company issued second tranche of 581,622 Series A Shares to several independent investors for a cash consideration of RMB30,000,000 or RMB51.58 per share.

In March 2020, the Company issued 5,122,199 series B equity shares with a par value of RMB1.00 per share ("Series B Shares") to several independent investors for a cash consideration of RMB343,000,000 or RMB66.96 per share.

In March 2021, the Company issued 2,156,401 series B+ equity shares with a par value of RMB1.00 per share ("Series B+ Shares") to several independent investors for a cash consideration of RMB200,000,000 or RMB92.75 per share.

In December 2022, the Company issued 3,889,673 series C equity shares with a par value of RMB1.00 per share ("Series C Shares") to several independent investors for a cash consideration of RMB491,082,000 or RMB124.03 per share.

In March 2024, the Company issued 1,673,807 series C+ equity shares with a par value of RMB1.00 per share ("Series C+ Shares") to several independent investors for a cash consideration of RMB195,011,000 or RMB116.68 per share.

Angel Round Shares, Series A Shares, Series A+ Shares, Series B Shares, Series B+ Shares, Series C Shares and Series C+ Shares are collectively referred as Shares.

23. REDEMPTION LIABILITIES ON EQUITY SHARES (continued)

The key terms of the Shares are summarized as follows:

(1) Voting rights

All shareholders, including the holders of ordinary shares and holders of Shares, are entitled to vote together as a single class on a pro-rata basis.

(2) Dividends rights

The Group's capital reserve, surplus reserve and undistributed reserve (if any) are shared by all shareholders in proportion to their shareholding.

No dividend or distribution, whether in cash, in property, or in any other shares of the Group, shall be declared, paid, set aside or made with respect to the ordinary shares at any time unless a dividend or distribution in like amount is likewise declared, paid, set aside or made at the same time with respect to each issued and outstanding payable of Shares in cash when, as and if declared by the Group.

(3) Redemption features

Upon occurrence of the following events which cannot be controlled by the Company, the Shares shall be redeemable by the Company at the option of the shareholders:

(a) The Company fails to achieve a qualified IPO or qualified overall sale of the Company before 31 December 2024;

(b) the founders or controlling shareholders of the Company is changed or they have actually ceased to contribute their time and efforts to the Company;

(c) The Company, GenFleet Therapeutics (H.K.) Limited, employee incentive platforms or the founders seriously violates the transaction documents (including but not limited to any breach of representations, warranties, commitments, full-time service and non-competition commitments, etc.);

(d) The founders of the Company, engage in significant acts of dishonesty that may cause unknown off-balance liabilities or unknown off-balance cash income; or

(e) The Company or the Group undergoes events that may cause significant obstacles to the qualified IPO of the Company and the obstacles cannot be overcome according to the relevant provisions of PRC laws or any one of the Company, GenFleet Therapeutics (H.K.) Limited, employee incentive platforms or the founders refuse to correct these obstacles.

The redemption amount is calculated as the higher of (i) the original investment principal from investors with an annual compound interest rate of 12% of the original investment principal plus any dividends declared but unpaid for a period of time commencing from the actual investment payment date to the actual settlement of redemption amount date (referred as "P+I") and (ii) the net assets of the Company at the time of transfer attributable to the shareholders according to share percentage.

23. REDEMPTION LIABILITIES ON EQUITY SHARES (continued)

(4) Liquidation preferences

In the event of any liquidation or deemed liquidation event, holders of the Shares shall be entitled to be paid out of the funds and assets available for distribution to the members of the Company, an amount per share equal to the original issue price for each series equity share with an annual compound interest rate of 12% or 10% plus any dividends declared but unpaid thereon in the sequence as follows:

(1) Series C+ Shares

(2) Series C Shares

(3) Series B+ Shares

(4) Series B Shares

(5) Series A+ Shares

(6) Series A Shares

(7) Angel Round Shares

(5) Anti-dilution right

If the Company increases its paid-in capital at a price lower than the price paid by the investors on a per paid-in capital basis, the investors have a right to require the Company to issue additional paid-in capital at the lowest issue price permitted by law to the investors or receive cash compensation from the Company, and the investors also have a right to require the controlling shareholders to transfer shares to the investors at the lowest issue price permitted by law or receive cash compensation from the controlling shareholders, so that the total amount paid by the investors divided by the total amount of paid-in capital obtained is equal to the price per paid-in capital in the new issuance.

Presentation and classification

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.

All issued Shares had been automatically converted into ordinary shares upon the successful Hong Kong public offering and international offering of the Company on 19 September 2025 and the fair value of redemption liabilities on equity shares of RMB3,732,972,000 had been reclassified to equity accordingly.

23. REDEMPTION LIABILITIES ON EQUITY SHARES (continued)

Presentation and classification (continued)

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

	Angel Round Shares *RMB'000*	Series A Shares *RMB'000*	Series A+ Shares *RMB'000*	Series B Shares *RMB'000*	Series B+ Shares *RMB'000*	Series C Shares *RMB'000*	Series C+ Shares *RMB'000*	Total Shares *RMB'000*
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
Issue	–	–	–	–	–	–	–	–
De-recognition of redemption liabilities	**(413,055)**	**(602,087)**	**(60,071)**	**(955,192)**	**(414,191)**	**(859,219)**	**(429,157)**	**(3,732,972)**
Change in fair value	**240,536**	**317,697**	**29,142**	**431,928**	**146,587**	**220,269**	**132,692**	**1,518,851**
At 31 December 2025	–	–	–	–	–	–	–	–

24. DEFERRED TAX

Deferred tax liabilities

	Right-of-use assets *RMB'000*	Total *RMB'000*
As at 1 January 2024	3,508	3,508
Credited to the consolidated statements of profit or loss and other comprehensive income	(1,196)	(1,196)
As at 31 December 2024	2,312	2,312
Credited to the consolidated statements of profit or loss and other comprehensive income	(92)	(92)
As at 31 December 2025	**2,220**	**2,220**

24. DEFERRED TAX (continued)

Deferred tax assets

	Tax Losses *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
As at 1 January 2024	10	3,498	3,508
Charged to the consolidated statements of profit or loss and other comprehensive income	(10)	(1,186)	(1,196)
As at 31 December 2024	–	2,312	2,312
Charged to the consolidated statements of profit or loss and other comprehensive income	–	(92)	(92)
As at 31 December 2025	**–**	**2,220**	**2,220**

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 ***RMB'000***	2024 *RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	**–**	–
Net deferred tax liabilities recognised in the consolidated statement of financial position	**–**	–
Net deferred tax liabilities in respect of continuing operations	**–**	–

25. 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.

	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 1 January 2025	26,774
Shares issued upon initial public offering (note c)	**10,263**
As at 31 December 2025	**37,037**

Notes:

(a) 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, the capital contribution by shareholders related to the increase of the registered capital was settled in March 2024. On 19 September 2025, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the share capital increased from RMB26,774,000 to RMB37,037,000.

(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.

(c) Based on the Company's Hong Kong public offering and international offering on 19 September 2025, 102,626,000 ordinary shares with a par value of RMB0.1 per share were issued and allotted. The shares were offered at HKD20.39 per share, resulting in total gross proceeds of HKD2,092,544,140 (equivalent to RMB1,913,393,000).

26. RESERVES

The amounts of the Group's share premium and other reserves and the movements therein for the year are presented in the consolidated statement of changes in equity.

(a) Share premium

The share premium of the Group represents the difference between the par value of the shares issued and the consideration received.

(b) Share-based payment reserve

The share-based payment reserve represents the fair value of equity-settled share-based payment awards granted to the Group's employees, comprising share awards not yet vested. The related expense is recognized in the income statement over the vesting period, with a corresponding increase in this reserve.

(c) Other reserves

Other reserves of the Group represent the carrying amounts of the equity shares with redemption features.

(d) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of entities of which the functional currency is not RMB.

27. SHARE-BASED PAYMENTS

Employee Incentive Scheme

The Company adopted a share incentive plan ("Employee Incentive Scheme") in 2020, as amended and restated in 2023, for the purpose of attracting and retaining the best talents who promote the success of the Group's operations. Eligible participants of the Employee Incentive Scheme include the certain directors of the Company, and employees of the Group. Pursuant to the adopted Employee Incentive Scheme in 2023, 2,383,606 shares of the Company were allocated to four employee incentive platforms. The restricted shares granted to each grantee shall vest and tradeable upon one year anniversary of the listing date of the Company. The eligible participants would be repaid with original subscription price plus single digit interest if employment were terminated before the vesting date. After taking into consideration of the best estimation of the listing date, the management determined the vesting period of the relevant restricted shares based on the above performance conditions and service requirements. As such, the share-based payment expenses are amortized during the vesting period.

The fair value of services received in return for shares granted to employees and directors was measured by reference to the fair value of the shares granted and the subscription price paid by employees and directors.

27. SHARE-BASED PAYMENTS (continued)

Employee Incentive Scheme (continued)

Details of the granted shares are as follows:

Date of grant	Number of restricted shares	Subscription price per share	Fair value of the underlying shares
2020/12/21	246,000	RMB0.0000	RMB24.67
2023/10/31	1,098,607	RMB5.6658	RMB53.65
2023/10/31	128,250	RMB0.0000	RMB53.65
2023/9/30	1,000,000	RMB5.7562	RMB53.65
2024/2/29	8,000	RMB5.6658	RMB53.65
2024/4/30	10,000	RMB5.6658	RMB60.83
2024/5/31	16,000	RMB5.6658	RMB60.83
2024/6/7	2,000	RMB0.0000	RMB60.83
2024/6/7	6,000	RMB5.6658	RMB60.83
2024/7/12	8,000	RMB5.6658	RMB60.83
Total	2,522,857		

The following numbers of restricted shares were outstanding under the Employee Incentive Scheme during the year:

	2025	2024
At the beginning of the year	**2,383,607**	2,383,607
Granted during the year	**13,000**	50,000
Forfeited during the year	**(13,000)**	(50,000)
At the end of the year	**2,383,607**	2,383,607

During the years ended 31 December 2025 and 2024, share-based payment compensation expenses of RMB26,275,000 and RMB26,942,000 were charged to profit or loss.

28. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets of nil and nil and non-cash additions to lease liabilities of nil and nil, respectively, in respect of lease arrangements for office premises.

28. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities

	Lease liabilities *RMB'000*	Interest-bearing bank borrowings *RMB'000*	Redemption liabilities on equity shares *RMB'000*	Accrued transaction cost on issue of redemption liabilities on equity shares in trade and other payables *RMB'000*	Accrued listing expenses included in trade and other payable *RMB'000*	Total *RMB'000*
At 1 January 2024	26,361	5,312	1,636,508	–	–	1,668,181
Changes from financing cash flows						
Additions	–	56,928	195,011	11,840	3,122	266,901
Payments	(6,256)	(11,989)	–	(11,840)	(1,276)	(31,361)
Changes from operating cash flows						
Payments	–	–	–	–	(7,560)	(7,560)
Accretion of interest recognised during the year	1,112	877	–	–	–	1,989
Increase in deferred listing expenses	–	–	–	–	57	57
Listing expenses charged to profit or losses	–	–	–	–	18,363	18,363
Change in fair value of redemption liabilities on equity shares	–	–	382,602	–	–	382,602
Lease reassessment	(2,997)	–	–	–	–	(2,997)
At 31 December 2024 and 1 January 2025	**18,220**	**51,128**	**2,214,121**	**–**	**12,706**	**2,296,175**
Changes from financing cash flows						
Additions	**3,578**	**88,901**	**–**	**–**	**–**	**92,479**
Payments	**(5,558)**	**(58,450)**	**–**	**–**	**(12,081)**	**(76,089)**
Changes from operating cash flows						
Payments	**–**	**–**	**–**	**–**	**(29,160)**	**(29,160)**
Accretion of interest recognised during the year	**776**	**2,322**	**–**	**–**	**–**	**3,098**
Increase in deferred listing expenses	**–**	**–**	**–**	**–**	**14,674**	**14,674**
Listing expenses charged to profit or losses	**–**	**–**	**–**	**–**	**22,895**	**22,895**
De-recognition of redemption liabilities	**–**	**–**	**(3,732,972)**	**–**	**–**	**(3,732,972)**
Change in fair value of redemption liabilities on equity shares	**–**	**–**	**1,518,851**	**–**	**–**	**1,518,851**
At 31 December 2025	**17,016**	**83,901**	**–**	**–**	**9,034**	**109,951**

28. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	2025 *RMB'000*	2024 *RMB'000*
Within operating activities	**879**	961
Within financing activities	**5,558**	6,256
Total	**6,437**	7,217

29. CONTRACT LIABILITIES

	31 December 2025 *RMB'000*	31 December 2024 *RMB'000*
Contract liabilities	**18,178**	42,204

Contract liabilities represented the obligation to transfer the Ex-China Option of GFH375 to Verastem and the obligation to transfer the goods to SELLAS.

30. COMMITMENTS

The Group had the following contractual commitments at the end of the year:

	2025 *RMB'000*	2024 *RMB'000*
Property, plant and equipment	**6,850**	1

31. RELATED PARTY TRANSACTIONS

(a) Names and relationships

Name of related parties	Relationship with the Group
Hongyong Bingde (Hong Kong) Limited (鴻永秉德(香港)有限公司) ("Hongyong")	shareholder of the Company*

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

31. RELATED PARTY TRANSACTIONS (continued)

(b) Significant related party transactions

	2025 RMB'000	2024 RMB'000
Rendering of services		
Hongyong	–	1,191

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

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	**2,983**	1,996
Performance related bonuses	**1,638**	3,328
Total compensation paid to key management personnel	**4,621**	5,324

Further details of directors' and supervisors' emoluments are included in note 10 to the financial statements.

32. FINANCIAL INSTRUMENTS BY CATEGORY

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

2025

Financial assets

	Financial assets at fair value through profit or loss *RMB'000*	Financial assets at amortised cost *RMB'000*	Total *RMB'000*
Financial assets at FVTPL	**24**	**–**	**24**
Trade receivables	**–**	**15,919**	**15,919**
Financial assets included in prepayments and other receivables	**–**	**7,282**	**7,282**
Cash and cash equivalents	**–**	**1,197,440**	**1,197,440**
Time deposits	**–**	**877,221**	**877,221**
Total	**24**	**2,097,862**	**2,097,886**

Financial liabilities

	Financial liabilities at fair value through profit or loss *RMB'000*	Financial liabilities at amortised cost *RMB'000*	Total *RMB'000*
Financial liabilities at FVTPL	**109**	**–**	**109**
Interest-bearing bank borrowings	**–**	**83,901**	**83,901**
Financial liabilities included in trade and other payables	**–**	**243,964**	**243,964**
Total	**109**	**327,865**	**327,974**

32. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

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

2024

Financial assets

	Financial assets at fair value through profit or loss *RMB'000*	Total *RMB'000*
Trade receivables	109,153	109,153
Financial assets included in prepayments and other receivables	24,073	24,073
Cash and cash equivalents	362,125	362,125
Time deposits	32,790	32,790
Total	528,141	528,141

Financial liabilities

	Financial liabilities at amortised cost *RMB'000*	Total *RMB'000*
Redemption liabilities on equity shares	2,214,121	2,214,121
Interest-bearing bank borrowings	51,128	51,128
Financial liabilities included in trade and other payables	218,711	218,711
Total	2,483,960	2,483,960

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair values

Management has assessed that the fair values of cash and cash equivalents, financial assets included in prepayments and other receivables (in the current portion), financial liabilities included in trade and other payables approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair values of the other non-current financial assets and financial liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of the reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager.

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

The Group invests in financial assets at fair value through profit or loss, which represent structured deposits products issued by banks. The fair values are based on cash flows discounted using the expected yield rate.

The fair values of the redemption liabilities on equity shares measured at FVTPL are determined using the OPM.

Fair value hierarchy

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

Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Financial assets at fair value through profit or loss	–	24	–	24

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities measured at fair value:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Financial liabilities at fair value through profit or loss	–	**109**	–	**109**

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Redemption liabilities on equity shares	–	–	2,214,121	2,214,121

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from financing activities by subsidiaries in currencies other than the subsidiaries' functional currencies.

The following table demonstrates the sensitivity at the end of each of the reporting period to a reasonably possible change in the USD and AUD exchange rates, with all other variables held constant, of the Group's loss before tax and equity (due to changes in the fair value of monetary assets and liabilities).

	Increase/ (decrease) in rate of foreign currency *%*	**Increase/ (decrease) in loss before tax** *RMB'000*	**Increase/ (decrease) in equity** *RMB'000*
31 December 2025			
If RMB weakens against USD	**5**	**(1,518)**	**1,518**
If RMB strengthens against USD	**(5)**	**1,518**	**(1,518)**
If RMB weakens against AUD	**5**	**(29)**	**29**
If RMB strengthens against AUD	**(5)**	**29**	**(29)**
If RMB weakens against HKD	**5**	**(18)**	**18**
If RMB strengthens against HKD	**(5)**	**18**	**(18)**
31 December 2024			
If RMB weakens against USD	5	(194)	194
If RMB strengthens against USD	(5)	194	(194)
If RMB weakens against AUD	5	(919)	919
If RMB strengthens against AUD	(5)	919	(919)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the head of credit control.

The Group's credit risk is primarily attributable to trade receivables. The Group has applied the simplified approach to provide for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The directors of the Company are of the opinion that the ECL in respect of the balance of trade receivables is minimal. No loss allowance for impairment of trade receivables is provided as at 31 December 2025 and 2024.

For other receivables and other non-current assets, management has assessed that during the years ended 31 December 2025 and 2024, other receivables and other non-current assets have not had a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default event within 12 months of each reporting date is adopted by management. The Group does not expect any losses from non-performance by the counterparties of other receivables and no loss allowance provision for other receivables and other non-current assets was recognized.

To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the days past due. As at 31 December 2025 and 2024, the Group has assessed that the expected loss rate for other receivables was immaterial. Thus no loss allowance provision for other receivables was recognized as at 31 December 2025 and 2024.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities as at the end of 31 December 2025 and 2024, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2025			
	Within 1 year *RMB'000*	**1 to 5 years** *RMB'000*	**Over 5 years** *RMB'000*	**Total** *RMB'000*
Financial liabilities included in trade and other payables	**245,454**	**–**	**–**	**245,454**
Financial liabilities at FVTPL	**109**	**–**	**–**	**109**
Interest-bearing bank borrowings	**84,451**	**–**	**–**	**84,451**
Redemption liabilities on equity shares	**–**	**–**	**–**	**–**
Lease liabilities	**6,176**	**12,059**	**–**	**18,235**
Total	**336,190**	**12,059**	**–**	**348,249**

	As at 31 December 2024			
	Within 1 year *RMB'000*	1 to 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
Financial liabilities included in trade and other payables	166,306	57,507	–	223,813
Interest-bearing bank borrowings	51,637	–	–	51,637
Redemption liabilities on equity shares	2,082,681	–	–	2,082,681
Lease liabilities	5,014	15,015	–	20,029
Total	2,305,638	72,522	–	2,378,160

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the reporting periods.

35. EVENT AFTER THE REPORTING PERIOD

No significant events of the Group occurred after the end of the reporting period.

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 *RMB'000*	2024 *RMB'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**6,070**	10,866
Intangible assets	**1,083**	1,257
Right-of-use assets	**14,759**	15,412
Investments in subsidiaries	**455,577**	398,352
Prepayments, other receivables and other assets	**3,153**	1,711
Amounts due from subsidiaries	**215,990**	199,491
Total non-current assets	**696,632**	627,089
CURRENT ASSETS		
Inventories	**17,336**	5,586
Trade receivables	**15,919**	109,153
Prepayments, other receivables and other assets	**49,228**	39,081
Time deposits	**877,221**	32,790
Cash and cash equivalents	**1,099,145**	313,454
Financial assets at FVTPL	**24**	–
Total current assets	**2,058,873**	500,064
CURRENT LIABILITIES		
Interest-bearing bank borrowings	**83,901**	51,128
Trade and other payables	**252,349**	166,859
Amounts due to subsidiaries	**55,459**	96,548
Contract liabilities	**18,178**	42,204
Redemption liabilities on equity shares	**–**	2,214,121
Financial liabilities at FVTPL	**109**	–
Lease liabilities	**5,486**	4,243
Total current liabilities	**415,482**	2,575,103
NET CURRENT ASSETS/(LIABILITIES)	**1,643,391**	(2,075,039)
TOTAL ASSETS LESS CURRENT LIABILITIES	**2,340,023**	(1,447,950)
NON-CURRENT LIABILITIES		
Lease liabilities	**11,491**	13,977
Trade and other payables	**–**	55,676
Total non-current liabilities	**11,491**	69,653
Net assets/(liabilities)	**2,328,532**	(1,517,603)

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

	2025 *RMB'000*	2024 *RMB'000*
EQUITY		
Paid-in capital/Share capital	**37,037**	26,774
Reserves	**2,291,495**	(1,544,377)
Net equity/(net deficits)	**2,328,532**	(1,517,603)

	Share premium *RMB'000*	Share-based payment reserve *RMB'000*	Other reserves *RMB'000*	Accumulated losses *RMB'000*	Total equity/ (net deficits) *RMB'000*
At 1 January 2024	1,246,080	38,523	(1,264,082)	(1,017,284)	(996,763)
Loss and total comprehensive loss for the year	–	–	–	(582,669)	(582,669)
Issue of new shares	193,338	–	–	–	193,338
Capital contributions from employee incentive platform	9,786	–	–	–	9,786
Equity-settled share-based payment	–	26,942	–	–	26,942
Recognition of redemption liabilities on equity shares	(734,351)	–	(195,011)	734,351	(195,011)
At 31 December 2024 and 1 January 2025	714,853	65,465	(1,459,093)	(865,602)	(1,544,377)
Loss and total comprehensive loss for the year	**–**	**–**	**–**	**(1,719,213)**	**(1,719,213)**
Issue of new shares	**1,795,838**	**–**	**–**	**–**	**1,795,838**
Equity-settled share-based payment	**–**	**26,275**	**–**	**–**	**26,275**
Recognition of redemption liabilities on equity shares	**2,273,879**	**–**	**1,459,093**	**–**	**3,732,972**
At 31 December 2025	**4,784,570**	**91,740**	**–**	**(2,584,815)**	**2,291,495**

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 24 March 2026.

	December 31,		
	2025	2024	2023
Total current assets	**2,161,491**	568,248	450,744
Total non-current assets	**34,111**	38,573	85,390
Total assets	**2,195,602**	606,821	536,134
Total current liabilities	**369,490**	2,493,429	1,832,107
Total non-current liabilities	**11,518**	69,653	21,338
Total liabilities	**381,008**	2,563,082	1,853,445
Equity attributable to equity holders of the Company	**1,814,594**	(1,956,261)	(1,317,311)
Total equity/(deficit)	**1,814,594**	(1,956,261)	(1,317,311)
Total equity and liabilities	**2,195,602**	606,821	536,134

	For the year ended December 31		
	2025	2024	2023
Revenue	**130,267**	104,703	73,734
Gross profit	**83,657**	84,608	73,050
Loss before tax	**(1,794,376)**	(677,641)	(508,324)
Loss for the year	**(1,794,528)**	(677,641)	(508,324)
Add:			
Fair value loss on redemption liabilities on equity shares	**1,518,851**	382,602	256,993
Share-based payments	**26,275**	26,942	36,968
Listing expenses	**22,895**	18,363	–
Adjusted loss for the year (Non-IFRS measure)	**(226,507)**	(249,734)	(214,363)

Definitions

In this report, unless the context otherwise requires, the following expressions have the following meanings. These expressions and their definitions may not correspond to any industry standard definitions and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as the Company.

"Articles of Association"	the articles of association of our Company, as amended from time to time
"AUD"	Australian Dollars. the lawful currency of Australia
"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
"Award Shares"	the H Shares granted in an Award pursuant to the H Share Incentive Scheme
"Award(s)"	award(s) granted by the Board and/or its authorized person to a grantee under the H Share Incentive Scheme, which may vest in the form of Award Shares or the actual selling price of the Award Shares in cash in accordance with the terms of the H Share Incentive Scheme
"Board"	the board of Directors
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Chairman"	chairman of the Board
"Chief Executive Officer"	chief executive officer of our Company
"Chief Medical Officer"	chief medical officer of our Company
"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
"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
"EGM"	the extraordinary general meeting of the Company held on February 9, 2026
"Eligible Participant(s)"	with respect to the H Share Option Scheme and H Share Incentive Scheme, any individual, or a corporate entity (as the case may be), being any of (i) an Employee Participant, (ii) a Related Entity Participant, and (iii) a Service Provider
"EMA"	the European Medicines Agency
"Employee Participant(s)"	director(s), supervisor(s) and employee(s) (whether full time or part time employees) of the Company and/or of any of its subsidiaries (including persons who are granted Options or Awards under the H Share Option Scheme and H Share Incentive Scheme as an inducement to enter into employment contracts with these companies)
"ESOP Platforms"	Shanghai Kunjin, Shanghai Kunjue, Shanghai Kunqian and Auspicious Delight
"Exercise Price"	the price at which each H Share subject to an Option may be subscribed on the exercise of that Option as determined by the Board and/or the authorized person, but subject to the provisions of the H Share Option Scheme, or (where applicable) such price as from time to time adjusted pursuant to the H Share Option Scheme Rules
"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
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "our", "we" or "us"	our Company and its subsidiaries

"H Share Incentive Scheme"	the H share incentive scheme proposed to be adopted by the Company which was passed and approved by the Shareholders on February 9, 2026
"H Share Incentive Scheme Rules"	the rules of the H Share Incentive Scheme (in its present or any amended form)
"H Share Option Scheme"	the H share option scheme proposed to be adopted by the Company which was passed and approved by the Shareholders on February 9, 2026
"H Share Option Scheme Rules"	the rules of the H Share Option Scheme (in its present or any amended form)
"H Share Schemes"	the H Share Incentive Scheme and H Share Option Scheme
"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
"HKD" or "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 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
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"Model Code"	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
"Nomination Committee"	the nomination committee of the Board

"Option"	a right granted to a grantee to subscribe for H Shares pursuant to the H Share Option Scheme
"Over-allotment Option"	has the meaning ascribed to it under the Prospectus
"Pre-IPO Equity 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
"Purchase Price"	the purchase price of each H Share in relation to Award Shares to be determined by the Board and/or the authorized person when granting Award Shares
"Related Entity Participant(s)"	director(s), supervisor(s) and employee(s) (whether full time or part time employees) of the Related Entities
"Relevant Period"	the period from the Listing Date to December 31, 2025
"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reporting Period"	the year ended December 31, 2025
"Scheme Limit"	the limit on grant(s) of share option(s) and/or award(s) over new Shares under all share schemes of the Company to be approved by its Shareholders, which must not exceed 10% of the total number of issued Shares as at the date of Shareholders' approval of the Scheme Limit
"Service Provider"	any person (natural person or corporate entity) who provide services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long-term growth of the Group, taking into account (including but not limited to) the length and nature of the services provided or which are expected to be provided, the terms of engagements and focuses of the Group from time to time
"Service Provider Sublimit"	a sublimit under the Scheme Limit for share options and/or awards over new Shares under all share schemes adopted by the Company granted to the Service Providers, which must not exceed 1% of the total number of issued Shares as at the date of the Shareholders' approval of the Service Provider Sublimit

"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 on or before February 9, 2026
"Supervisory Committee"	the supervisory committee of the Company, which was abolished on February 9, 2026
"TGA"	Therapeutic Goods Administration of Australia
"United States", "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"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
"USD" or "U.S. dollar"	United States dollars, the lawful currency of the United States
"Verastem"	Verastem, Inc., a company headquartered in Massachusetts and listed on NASDAQ (stock code: VSTM)
"%"	per cent

In this report, unless the context otherwise requires, the following terms have the following meanings. These terms and their definitions may not correspond to any industry standard definition, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as the Company.

"AACR"	American Association for Cancer Research
"ADC"	antibody drug conjugate
"antibody"	also known as an immunoglobulin, a protein used by the immune system to recognize and bind an antigen
"ASCO"	American Society of Clinical Oncology
"BD"	business development
"BTD"	Breakthrough Therapy Designation, a process designed to expedite the development and review of drugs that are intended to treat a serious condition
"CAGR"	compound annual growth rate
"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
"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
"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
"DXd"	deruxtecan derivative

"EGFR"	epidermal growth factor receptor, a cell surface protein that plays a key role in cellular signaling and growth
"ELCC"	European Lung Cancer Conference
"ESMO"	European Society for Medical Oncology
"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
"GDF"	growth differentiation factor
"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
"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
"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
"hERG"	human Ether-à-go-go-Related Gene
"IL"	Interleukin
"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
"indication"	a specific condition, disease, or medical purpose for which a drug, treatment, or medical device is intended or approved for use
"IP"	intellectual property
"KRAS"	Kirsten RAS, a member of the RAS family proteins
"KROCUS"	A Phase Ib/II trial to evaluate the safety, tolerability, PK, and efficacy of GFH925 in combination with cetuximab in patients with previously untreated advanced NSCLC harboring KRAS G12C mutation sponsored by the Company

"LBA"	Late-breaking Abstract
"mechanism of action"	the specific biochemical interaction through which a drug substance produces its pharmacological effect
"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
"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
"NRDL"	China's National Reimbursement Drug List
"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
"PBMC"	peripheral blood mononuclear cell
"PDAC"	pancreatic ductal adenocarcinoma
"PFS"	progression-free survival
"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
"QD"	quaque die, once daily
"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
"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
"SOC"	standard of care
"STAT"	Signal Transducer and Activator of Transcription
"TPD"	targeted protein degradation
"WCLC"	World Conference on Lung Cancer