宜明昂科
ImmuneOnco

ImmuneOnco Biopharmaceuticals (Shanghai) Inc.
宜明昂科生物醫藥技術(上海)股份有限公司

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

Stock code: 1541

Annual Report 2024

CONTENTS

Company Profile	2
Corporate Information	3
Chairman's Statement	5
Business Highlights	8
Financial Highlights	11
Management Discussion and Analysis	12
Directors, Supervisors and Senior Management	35
Report of Directors	44
Corporate Governance Report	68
Environmental, Social and Governance Report	88
Independent Auditor's Report	127
Consolidated Statement of Profit or Loss and Other Comprehensive Income	131
Consolidated Statement of Financial Position	132
Consolidated Statement of Changes In Equity	133
Consolidated Statement of Cash Flows	134
Notes to the Consolidated Financial Statements	135
Financial Summary	182
Definitions and Glossary	183

Company Profile

ImmuneOnco Biopharmaceuticals (Shanghai) Inc. is a science-driven biotechnology company dedicated to the development of innovative immuno-oncology therapies. Incorporated in 2015, we stand out as one of the few biotechnology companies globally adopting a systematic approach to harness both the innate and adaptive immune systems. Strictly adhering to the "Drug-by-Design" concept and leveraging our R&D platform, we have designed a robust pipeline of over ten innovative drug candidates with eleven ongoing clinical programs. Anchored by a deep and broad innate-immunity-based asset portfolio, our pipeline reflects our extensive understanding into the frontiers of cancer biology and immunology, and our expertise in turning scientific research into drug candidates.

BOARD OF DIRECTORS

Executive Directors

Dr. Tian Wenzhi (田文志) *(Chairman of the Board, chief executive officer and chief scientific officer)*
Mr. Li Song (李松)
Ms. Guan Mei (關梅)
(appointed with effect from May 28, 2024)

Non-executive Director

Dr. Xu Cong (徐聰)

Independent Non-executive Directors

Dr. Zhenping Zhu
Dr. Kendall Arthur Smith
Mr. Yeung Chi Tat (楊志達)

AUDIT COMMITTEE

Mr. Yeung Chi Tat (楊志達) *(Chairman)*
Dr. Xu Cong (徐聰)
Dr. Zhenping Zhu

REMUNERATION COMMITTEE

Dr. Zhenping Zhu *(Chairman)*
Dr. Tian Wenzhi (田文志)
Dr. Xu Cong (徐聰)
Dr. Kendall Arthur Smith
Mr. Yeung Chi Tat (楊志達)

NOMINATION COMMITTEE

Dr. Tian Wenzhi (田文志) *(Chairman)*
Dr. Zhenping Zhu
Mr. Yeung Chi Tat (楊志達)

SUPERVISORS

Ms. Tian Miao (田苗) *(Chairman)*
Mr. Zhao Zimeng (趙子萌)
Ms. Zhang Wei (張薇)
(appointed with effect from July 29, 2024)

JOINT COMPANY SECRETARIES

Ms. Guan Mei (關梅)
Mr. Li Kin Wai (李健威) *(Associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)*

AUTHORIZED REPRESENTATIVES

Dr. Tian Wenzhi (田文志)
Mr. Li Kin Wai (李健威)

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
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PRINCIPAL BANKS

Industrial and Commercial Bank of China
(Shanghai Branch, Zhangjiang Pudong Software Park Sub-branch)
No. 2 Boyun Road
Pudong New Area
Shanghai
PRC

Industrial and Commercial Bank of China
(Zhongshan South Road Sub-branch)
No. 315 Zhongshan South Road
Huangpu District
Shanghai
PRC

China Merchants Bank
(Shanghai Branch, Zhangjiang Sub-branch)
German Center 3, No. 88 Keyuan Road
Pudong New Area
Shanghai
PRC

China Merchants Bank
(Shanghai Branch, Lingang Lanwan Sub-branch)
No. 271 Yunying Road
Fengxian District
Shanghai
PRC

REGISTERED OFFICE, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Unit 15, 1000 Zhangheng Road
China (Shanghai) Pilot Free Trade Zone
Pudong New Area
Shanghai
PRC

Corporate Information

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1918, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor
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88 Queensway
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STOCK CODE

1541

WEBSITE

www.immuneonco.com

LISTING DATE

September 5, 2023

COMPLIANCE ADVISOR

Rainbow Capital (HK) Limited
Office No.710, 7/F, Wing On House
71 Des Voeux Road Central
Hong Kong

Chairman's Statement

Dr. Wenzhi Tian

Founder,
Chairman of the Board,
Chief Executive Officer and
Chief Scientific Officer

Dear Shareholders,

I would like to express my sincere gratitude for your continuous trust and support. ImmuneOnco is a science-driven biopharmaceutical company dedicated to the development of immuno-oncology therapies. Year 2024 marks a significant milestone for ImmuneOnco with remarkable achievements made in the development of our pipeline products and breakthroughs attained in business development (BD), achieving extensive international BD cooperations.

In 2024, our core product, timdarpacept (project number: IMM01), achieved notable advancements in clinical development:

As of December 31, 2024, the median duration of follow-up for the Phase II clinical trial of timdarpacept in combination with azacitidine for the first-line treatment of higher-risk myelodysplastic syndrome (MDS) reached 26.0 months (95%CI, 23.5–28.3). Among the 51 efficacy-evaluable patients, overall response rate (ORR) was 64.7%, including 33.3% complete response, 15.7% marrow CR (mCR) with hematologic improvement (HI), 3.9% HI and 11.8% mCR alone. The Phase II study results were selected for oral presentation at the American Society of Clinical Oncology (ASCO) 2024 and won the third prize of the 2024 China Clinical Oncology Outstanding Paper Award by the Chinese Society of Clinical Oncology (CSCO). We have obtained an IND approval from NMPA for Phase III clinical trial of IMM01 in combination with azacitidine for the first-line treatment of higher-risk myelodysplastic syndrome (HR-MDS) in May 2024.

As of December 31, 2024, the median duration of follow-up for the Phase II clinical trial of IMM01 in combination with azacitidine for the first-line treatment of chronic myelomonocytic leukemia (CMML) reached 21.0 months (95%CI, 19.3–23.3). Among 22 efficacy evaluable patients, overall response rate (ORR) was 72.7%, including 27.3% CR, 13.6% mCR with 4.5% HI and 27.3% mCR alone. The Phase II study results were selected for oral presentation at the European Society for Medical Oncology (ESMO) 2024. We have obtained an IND approval from NMPA for a Phase III clinical trial of IMM01 in combination with azacitidine for the first-line treatment of CMML in June 2024. The first patient was dosed in November 2024.

As of December 31, 2024, the Phase II clinical trial of timdarpacept in combination with tislelizumab, targeting relapsed or refractory (R/R) classical Hodgkin lymphoma (cHL) patients after the treatment of PD-1 inhibitors demonstrated the compelling initial clinical data. Among 33 evaluable patients, 8 achieved CR, 15 achieved partial response (PR), resulting in an ORR of 69.7% and CRR of 24.2%, along with favorable tolerability and safety profiles. The Phase II study results were selected for oral presentation at ASCO and ESMO respectively and were selected for the Best of ASCO® program at the 2024 China Clinical Oncology Annual Progress Symposium (BOC) & Best of ASCO® 2024 China (BOC/BOA). In April 2024, we have obtained approval from the NMPA for the protocol of the Phase III clinical trial of IMM01 in combination with tislelizumab in prior PD-(L) 1-refractory cHL, and the first patient was dosed in July 2024.

We have also achieved significant clinical progress in other drug candidates:

As of December 31, 2024, 74 patients were enrolled and dosed for palverafusp alfa (project number: IMM2510) in the Phase Ib/II clinical trial, with preliminary data demonstrating promising efficacy and favorable safety profile. Together with 33 patients enrolled in the Phase I dose-escalation study, we have enrolled a total of 107 patients by the end of 2024. the Phase Ib/II study of palverafusp alfa in combination with tazlestobart (project number: IMM27M) for the treatment of relapsed or refractory solid tumors was initiated in July 2024 and the first patient was dosed. The Phase Ib/II study of IMM2510 in combination with chemotherapy for first line NSCLC was initiated in December 2024 and the first patient was dosed. The project is currently undergoing rapid enrollment and is expected to release initial clinical data as early as the second half of 2025.

In September 2024, we have dosed the first patient in a cohort expansion study for hormone receptor positive (HR+) and HER2 negative metastatic breast cancer in the Phase Ib study of tazlestobart. Preliminary data from both the dose-escalation and early cohort expansion Phase indicate that tazlestobart is safe and well tolerated.

As of December 31, 2024, the phase Ib dose escalation clinical trial of amulirafusp (project number: IMM0306) in combination of lenalidomide for the R/R follicular lymphoma (FL) and marginal zone lymphoma (MZL) collected positive clinical data. Among 11 efficacy-evaluable patients, the ORR and CRR were 90.9% and 27.3%, respectively, and were safe and well tolerated. We have dosed the first patient for Phase IIa dose expansion clinical trial in March 2024. As of December 31, 2024, a total of 36 R/R FL patients who relapsed from or were refractory to at least 1 line of therapy were enrolled. Promising antitumor activity was observed alongside a manageable safety profile. The detailed data will be disclosed at 2025 ASCO Annual Meeting.

In 2024, we have also achieved significant progress in non-oncology therapeutic areas. The amulirafusp alfa for the treatment of autoimmune disorders including systemic lupus erythematosus (SLE), neuromyelitis optica Spectrum disorders (NMOSDs) and lupus nephritis (LN) were granted IND approval from the NMPA, of which the first two indications were activated for the Phase Ib/II of enrollment and dose in the fourth quarter. In April 2025, the second dose cohort are being dosed, and positive and preliminary efficacy and safety signals was observed. IND applications was submitted to the NMPA for innovative drug candidates IMM72/IMC-003 (ActRIIA-Fc fusion protein) developed by ourself, and was accepted in April 2025, for the treatment of pulmonary arterial hypertension (PAH). Based on IMM72, we further developed the Bispecific Molecule IMM7220/IMC-010 (GLP-1 × ActRIIA fusion protein), for the indications of the lose fat and build muscle. IMM7220 is currently in the stage of animal tests.

2024 is also the inaugural year of our business development (BD), the Company achieved its first major international BD since the listing. On August 1, 2024, we reached a license and collaboration agreement with Axion Bio, Inc. (a wholly-owned subsidiary of Instil Bio Inc. (TIL US)) (formerly known as SynBioTx Inc.), pursuant to which Instil will in-license the commercial rights outside the Greater China region, including mainland China, Hong Kong Special Administrative Region of China, Macau Special Administrative Region of China and Taiwan to our proprietary PD-L1xVEGF bispecific molecule palverafusp alfa, as well as our next-generation ADCC-enhanced anti-CTLA-4 antibody tazlestobart. We are entitle to an upfront payment and potential near-term payments of up to US$50 million as well as potential additional development, regulatory, and commercial milestones payments of up to US$2.1 billion, plus single digit to low double-digit percentage royalties on global (outside the Greater China region) net sales. As of December 31, 2024, we have received the upfront payment and near-term payments of US$15 million.

Moving forward, we are steadfast in our commitment to advancing the development of innovative drug candidates, unlocking their therapeutic potential, and addressing crucial unmet medical needs. Our achievements to date position us well to make 2025 another rewarding year. In 2025, we expect to rapidly advance the enrollment of Phase III clinical trial for our core product timdarpacept, the enrollment of Phase Ib/II study of palverafusp alfa in combination with chemotherapy for first line NSCLC with anticipation to release initial clinical data as early as the second half of 2025, and clinical trial of amulirafusp alfa's combination trial with lenalidomide targeting relapsed/refractory B-NHL. In non-oncology therapeutic areas, we will actively advance the Phase Ib/II clinical trial of amulirafusp alfa for moderate-to-severe lupus erythematosus and neuromyelitis optica, the clinical progress of IMM72 for pulmonary arterial hypertension, and the explore of IMM7220/IMC-010 in build muscle and lose fat. Simultaneously, we will actively seek collaborative partnerships while persistently pursuing in-house drug development, with the aim of collectively expanding our presence in the global market.

Dr. Wenzhi Tian
Founder, Chairman of the Board, Chief Executive Officer and Chief Scientific Officer

Business Highlights

During the Reporting Period, we continued rapidly advancing the development of our drug pipeline, including the following milestones and achievements.

PROGRESS OF OUR ONCOLOGY PRODUCTS

Progress of Core Product

- ***IMM01 (timdarpacept) (SIRPα-Fc Fusion Protein)***
  - We have completed the enrollment of patients for the Phase II clinical trial of IMM01 in combination with azacitidine for the first-line treatment of higher-risk myelodysplastic syndrome (MDS) in June 2023. As of December 31, 2024, the median duration of follow-up was 26.0 months (95%CI, 23.5–28.3). Among the 51 efficacy-evaluable patients, overall response rate (ORR) was 64.7%, including 33.3% complete response (CR) rate, 15.7% marrow CR (mCR) with hematologic improvement (HI), 3.9% HI and 11.8% mCR alone. The Phase II study results were selected for oral presentation at the American Society of Clinical Oncology (ASCO) in 2024. Mature survival endpoints, including median progression-free survival (PFS), will be disclosed at a forthcoming international oncology conference in 2025.

  - We have completed the enrollment of patients for the Phase II clinical trial of IMM01 in combination with azacitidine for the first-line treatment of chronic myelomonocytic leukemia (CMML) in May 2023. As of December 31, 2024, the median duration of follow-up was 21.0 months (95%CI, 19.3–23.3). Among 22 efficacy evaluable patients, overall response rate (ORR) was 72.7%, including 27.3% CR, 13.6% mCR with 4.5% HI and 27.3% mCR alone. The Phase II study results were selected for oral presentation at the European Society for Medical Oncology (ESMO) in 2024. Mature survival endpoints, including median PFS, will be disclosed at a forthcoming international oncology conference in 2025.

  - We have completed the enrollment of patients for the Phase II clinical trial of IMM01 in combination with tislelizumab, targeting relapsed or refractory (R/R) classical Hodgkin lymphoma (cHL) patients who relapsed or progressed after the treatment of PD-1 inhibitors in December 2023. As of December 31, 2024, among 33 evaluable patients, 8 achieved CR, 15 achieved partial response (PR), resulting in an ORR of 69.7% and CRR of 24.2%. These results demonstrate encouraging antitumor efficacy, along with favorable tolerability and safety profiles. The Phase II study results were selected for oral presentation at ASCO and ESMO respectively and were selected for the Best of ASCO® program at the 2024 China Clinical Oncology Annual Progress Symposium (BOC) & Best of ASCO® 2024 China (BOC/BOA).

  - We have obtained approval from the National Medical Products Administration of the People's Republic of China (NMPA) for the protocol of the Phase III clinical trial of IMM01 in combination with tislelizumab in prior PD-(L) 1-refractory cHL in April 2024. The first patient was dosed in July 2024.

  - We have obtained an Investigational New Drug (IND) approval from NMPA for Phase III clinical trial of IMM01 in combination with azacitidine for the first-line treatment of higher-risk myelodysplastic syndrome (HR-MDS) in May 2024.

  - We have obtained an IND approval from NMPA for a Phase III clinical trial of IMM01 in combination with azacitidine for the first-line treatment of CMML in June 2024. The first patient was dosed in November 2024.

  - We have obtained an IND approval from NMPA for a clinical trial of IMM01 in combination with IMM2510 and with or without chemotherapy, for the treatment of advanced malignant tumors in March 2025.

PROGRESS OF OTHER SELECTED PRODUCTS

Clinical Stage Products

- ***IMM2510 (palverafusp alfa) (VEGF×PD-L1)***
  - We have completed the enrollment of patients for the Phase I dose-escalation study of IMM2510 in September 2023. A total of 33 patients with advanced/metastatic solid tumors were enrolled and dosed. The recommended Phase II dose (RP2D) has been determined. The clinical data from the Phase I trial of IMM2510 has demonstrated tolerable safety and promising antitumor activity particularly for treatments of advanced solid tumors. We have observed three patients who confirmed PR and seven patients with SD and four of them had over 15% tumor shrinkage.

  - We dosed the first patient in the Phase Ib/II clinical trial of IMM2510 monotherapy in China in November 2023. As of December 31, 2024, 74 patients were enrolled and dosed, with preliminary data demonstrating promising efficacy and favorable safety profile. As of December 31, 2024, we have enrolled a total of 107 patients, including the 33 patients from the Phase I dose-escalation study.

  - We received IND approval from the NMPA for a clinical trial of IMM2510 in combination with IMM27M for advanced solid tumors in October 2023. The IMM2510–002 study, a Phase Ib/II investigation of IMM2510 combined with IMM27M for the treatment of R/R solid tumors, was initiated in July 2024. The first patient was dosed in July 2024.

  - IMM2510–003, a Phase Ib/II study of IMM2510 in combination with chemotherapy for first line NSCLC was initiated and the first patient was dosed in December 2024. We anticipate releasing initial clinical data as early as the second half of 2025.

- ***IMM27M (tazlestobart) (CTLA-4 ADCC-enhanced mAb)***
  - We have completed the enrollment of patients for the Phase I dose-escalation study of IMM27M, and the preliminary data has demonstrated that IMM27M is safe and well tolerated. Two confirmed PRs were achieved in heavily treated advanced solid tumors patients as of December 31, 2024.

  - A RP2D dose has been determined for Phase I cohort expansion. Various advanced solid tumor patients have been enrolled. We have dosed the first patient in a cohort expansion study for hormone receptor positive (HR+) and HER2 negative metastatic breast cancer in September 2024. Preliminary data from both the dose-escalation and early cohort expansion Phase indicate that IMM27M is safe and well tolerated.

- ***IMM0306 (amulirafusp alfa)(CD47×CD20)***
  - We have completed the enrollment of patients for phase Ib dose escalation clinical trial of IMM0306 in combination of lenalidomide for the R/R follicular lymphoma (FL) and marginal zone lymphoma (MZL). As of December 31, 2024, a total of 11 patients were enrolled at two dose levels (1.6 mg/kg and 2.0 mg/kg). Among 11 efficacy-evaluable patients in the phase Ib study, 3 CRs (all FL) and 7 PRs (5 FL, 2 MZL) were observed. The ORR and CRR were 90.9% and 27.3%, respectively. IMM0306 at the dose of 1.6 mg/kg in combination with lenalidomide at 20 mg/day (RP2D) was well-tolerated and demonstrated a robust preliminary antitumor activity in patients with R/R FL and MZL.

  - We have dosed the first patient for Phase IIa dose expansion clinical trial in March 2024. As of December 31, 2024, a total of 36 R/R FL patients who relapsed from or were refractory to at least 1 line of therapy were enrolled. Promising antitumor activity was observed alongside a manageable safety profile. The detailed data will be disclosed at an upcoming international oncology conference in 2025.

- ***IMM2520 (CD47×PD-L1)***
  - As of December 31, 2024, 26 patients have been enrolled and dosed. The preliminary data has demonstrated that IMM2520 is safe and well tolerated. One PR and two SDs with tumor shrinkage over 10% were achieved.

PROGRESS OF OUR NON-ONCOLOGY PRODUCTS

Autoimmune Diseases Products

- ***IMM0306 (amulirafusp alfa) (CD47×CD20)***
  - We have dosed the first patient in Phase Ib trial for systemic lupus erythematosus (SLE) in October 2024, completed enrollment of the first dose cohort (7 patients) and initiated the second dose cohort enrollment for SLE in February 2025.
  - We have dosed the first patient in Phase Ib trial for neuromyelitis optica spectrum disorders (NMOSDs) in December 2024, completed enrollment of the first dose cohort (3 patients) and initiated the second dose cohort enrollment for NMOSD in February 2025.
  - We have obtained IND approvals for the Phase II trial for lupus nephritis (LN) in December 2024.
  - We are preparing to submit the IND applications to the U.S. Food and Drug Administration (FDA) and expect receiving IND approvals for SLE in the second half of 2025.

Metabolic Diseases and Cardiovascular Diseases Products

- ***IMM01 (timdarpacept) (SIRPα-Fc Fusion Protein)***
  - IND-enabling study is currently ongoing for IMM01 for the treatment of atherosclerosis.
- ***IMM72/IMC-003 (ActRIIA fusion protein)***
  - We have submitted pre-IND documents to CDE and expect to obtain IND approval in June 2025.
- ***IMM7220/IMC-010 (GLP-1 x ActRIIA Bispecific Molecule)***
  - The in vitro study demonstrated its potential for treating obesity and promoting muscle growth.
  - We are proceeding with in vivo efficacy study.

BUSINESS DEVELOPMENT

On August 1, 2024, the Company reached a license and collaboration agreement (the "**Agreement**") with Axion Bio, Inc. (a wholly-owned subsidiary of Instil Bio Inc. (TIL US)) (formerly known as SynBioTx Inc.), pursuant to which Instil will in-license the commercial rights outside the Greater China region, including mainland China, Hong Kong Special Administrative Region of China, Macau Special Administrative Region of China and Taiwan (the "**Greater China region**") to our proprietary PD-L1xVEGF bispecific molecule IMM2510 (palverafusp alfa), as well as our next-generation anti-CTLA-4 antibody (ADCC+) IMM27M (tazlestobart). Pursuant to the Agreement, the Company is entitle to an upfront payment and potential near-term payments of up to US$50 million as well as potential additional development, regulatory, and commercial milestones payments of up to US$2.1 billion, plus single digit to low double-digit percentage royalties on global (outside the Greater China region) net sales.

As of December 31, 2024, we have received the upfront payment and near-term payments of US$15 million.

- **Revenue** was RMB74.1 million for the year ended December 31, 2024, representing an increase of RMB73.7 million from RMB0.4 million for the year ended December 31, 2023, primarily attributable to the upfront payment and near-term payments we have received pursuant to the license and collaboration agreement the Company have reached with Axion Bio, Inc., a wholly-owned subsidiary of Instil Bio Inc. (NASDAQ: TIL, formerly known as SynBioTx Inc.).

- **Research and development expenses** increased by 10.6% from RMB291.9 million for the year ended December 31, 2023 to RMB322.8 million for the year ended December 31, 2024, primarily attributable to (i) an increase of RMB43.6 million in preclinical and CMC expenses, primarily due to the increased manufacturing and CDMO expenses of IMM2510 and IMM0306 for the use in their clinical trials; and (ii) an increase of RMB7.4 million in salaries and related benefit costs due to the continuous expansion of our clinical team throughout 2024, in line with our continuous research and development efforts in advancing and expanding our pipeline of drugs; partially offset by a decrease of RMB 18.3 million in clinical trial expenses and share-based payments due to (i) the decrease of RMB 4.0 million in clinical CRO expenses and laboratories expenses; and (ii) a decrease of RMB14.3 million in share-based payments, resulting from a decrease in the number of restricted shares vested for the year ended December 31, 2024.

OVERVIEW

We are a science-driven biotechnology company dedicated to the development of innovative immuno-oncology therapies. Incorporated in 2015, we stand out as one of the few biotechnology companies globally adopting a systematic approach to harness both the innate and adaptive immune systems. Strictly adhering to the "Drug-by-Design" concept and leveraging our R&D platform, we have designed a robust pipeline of over ten innovative drug candidates with 11 ongoing clinical programs. Anchored by a deep and broad innate-immunity-based asset portfolio, our pipeline reflects our extensive understanding into the frontiers of cancer biology and immunology, and our expertise in turning scientific research into drug candidates.

PRODUCT PIPELINE

The following diagram summarizes the development status of our selected drug candidates as of the date of this announcement:

Notes:

(1) All of the Company's clinical- and IND-stage drug candidates are classified as Category 1 innovative drugs, and preclinical- and discovery-stage drug candidates are expected to be classified as Category 1 innovative drugs, in accordance with relevant laws and regulation in China.

(2) The trial is mainly designed to target the first-line treatment of higher-risk MDS (patients who fall into higher-risk group categories in the original or revised International Prognostic Scoring System).

(3) This combination of IMM01 and tislelizumab targets prior PD-(L) 1-refractory cHL.

Abbreviations: MDS refers to myelodysplastic syndrome; CMML refers to chronic myelomonocytic leukemia; cHL refers to classical Hodgkin lymphoma; FL refers to follicular lymphoma; MZL refers to marginal zone lymphoma; IND refers to investigational new drug; CMC refers to chemistry, manufacturing, and controls; ADCC refers to antibody-dependent cellular cytotoxicity; TNBC refers to triple-negative breast cancer; NSCLC refers to non-small cell lung cancer; SLE refers to systemic lupus erythematosus; LN refers to lupus nephritis; NMOSD refers to neuromyelitis optica spectrum disorder; PAH refers to pulmonary arterial hypertension.

BUSINESS REVIEW

Our Product Candidates

During the Reporting Period, we made significant progress advancing our pipeline candidates and business operations. Our key achievements and planned next steps as of the date of this announcement along include:

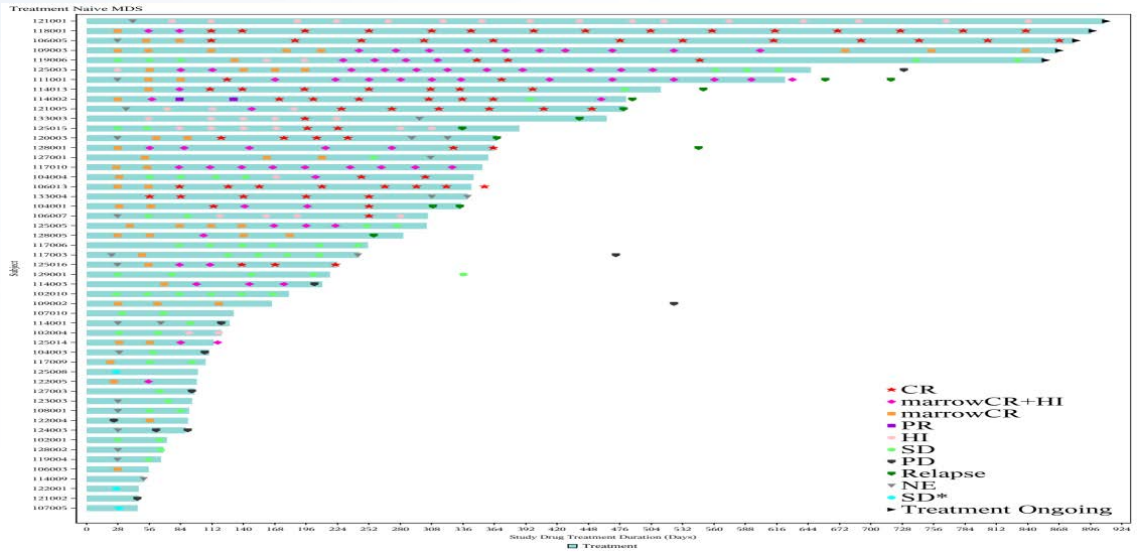
- ***IMM01 (timdarpacept) (SIRPα-Fc Fusion Protein)***
  - IMM01, our Core Product, is an innovative CD47-targeted molecule. It is the first SIRPα-Fc fusion protein to enter into clinical stage in China. IMM01 designed with IgG1 Fc can fully activate macrophages via a dual mechanism — simultaneously blocking the "don't eat me" signal by disrupting CD47/SIRPα interaction and delivering the "eat me" signal through the engagement of activating Fcγ receptors on macrophages. Furthermore, the CD47-binding domain of IMM01 was specifically engineered to avoid human red blood cell (RBC) binding. With the differentiated molecule design, IMM01 has achieved a favorable safety profile and demonstrated its ability to activate macrophages. Moving forward, we may actively explore IMM01's therapeutic potential in other indications and seek collaboration opportunities.

  - During the Reporting Period and up to the date of this announcement, we have achieved the following progress and milestones:

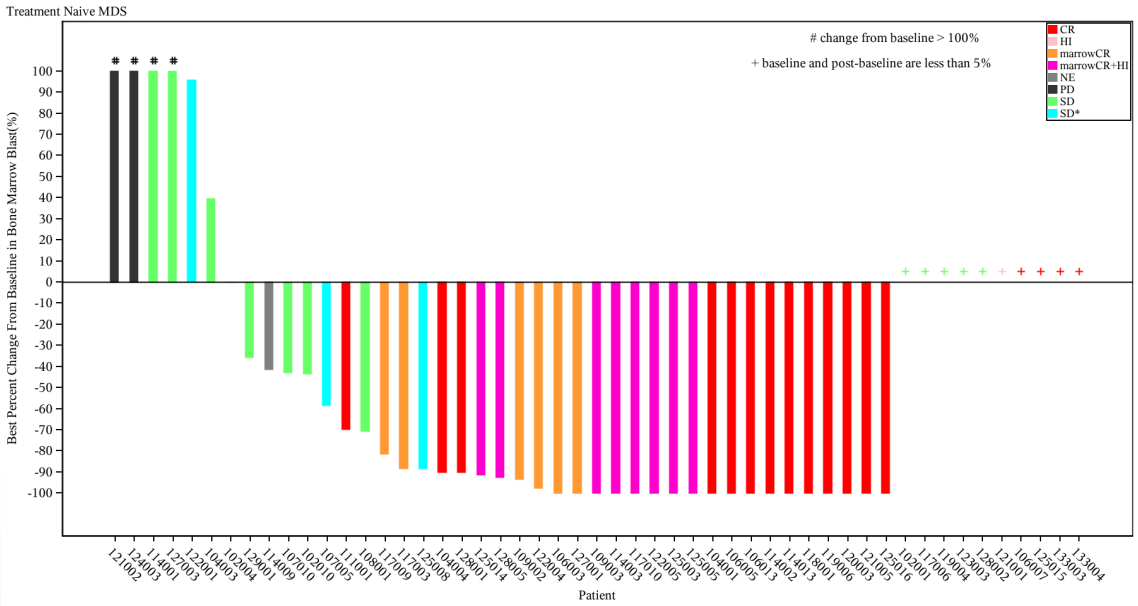
    - Combination Therapy with Azacitidine

      - We have completed the enrollment of patients for the Phase II clinical trial of IMM01 in combination with azacitidine for the first-line treatment of higher-risk MDS in June 2023. 57 patients were enrolled in the study. As of December 31, 2024, the median duration of follow-up was 26.0 months (95%CI, 23.5–28.3). Among the 51 efficacy evaluable patients, overall response rate (ORR) was 64.7%, including 33.3% complete response (CR) rate, 15.7% marrow CR (mCR) with hematologic improvement (HI), 3.9% HI and 11.8% mCR alone. Among patients treated for ≥ 6 months, the ORR reached 89.7% (26/29), and the CRR was 58.6% (17/29), demonstrating increasing efficacy with prolonged treatment duration. Mature survival endpoints, including median progression-free survival (PFS), will be disclosed at a forthcoming international oncology conference in 2025. The most common ≥G3 treatment related adverse events (TRAEs) (≥10%) included leukopenia (78.9%), thrombocytopenia (66.7%), neutropenia (66.7%), lymphopenia (57.9%), anemia (45.6%), infection (17.5%) and pneumonia (12.3%). Without having to resort to priming dose, only 1 patient (1.8%) had Grade 3 hemolysis occurred, but resolved after treatment. IMM01 (without low-dose priming) combined with azacitidine were well tolerated and showed exciting efficacy results in patients with treatment-naive higher-risk MDS, as demonstrated in the diagram below:

Duration of Treatment and Best Response (1L HR-MDS)



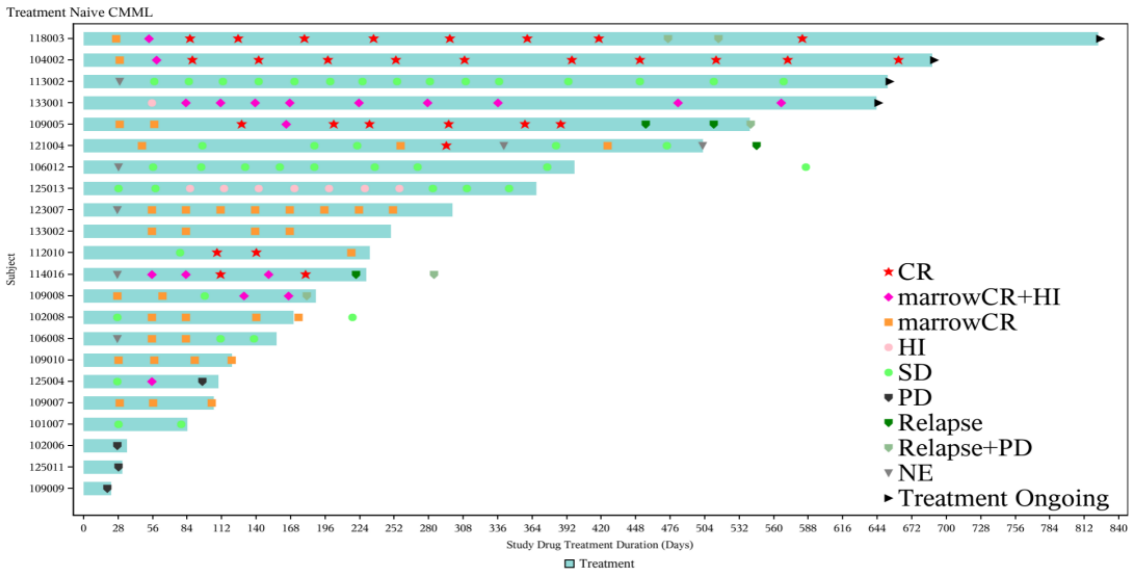
Best Percent Change from Baseline in the Blast Cells in the Bone Marrow (1L HR-MDS)



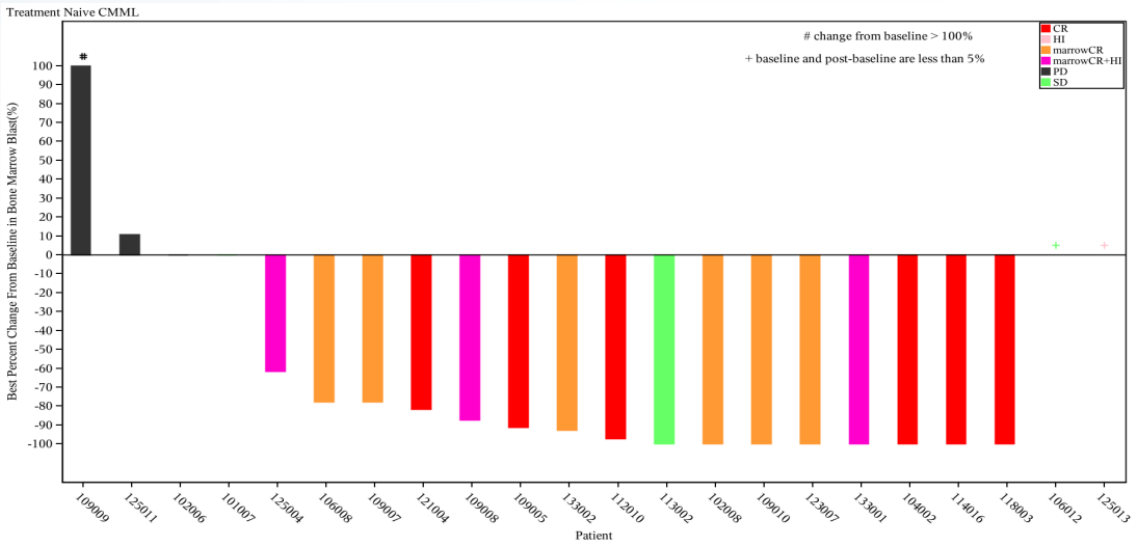
- A randomized, controlled, double-blind, multicenter, Phase III study (IMM01-009) of IMM01 in combination with azacitidine in patients with newly diagnosed higher-risk MDS was approved by NMPA in May 2024.

- We completed the enrollment of patients for the Phase II clinical trial of IMM01 in combination with azacitidine for the first-line treatment of CMML in May 2023. A total of 24 patients were enrolled. As of December 31, 2024, the median duration of follow-up was 21.0 months (95%CI, 19.3–23.3). Among 22 efficacy evaluable patients, ORR was 72.7%, including 27.3% CR, 13.6% mCR with 4.5% HI and 27.3% mCR alone. Among patients treated for ≥ 6 months, the ORR reached 84.6% (11/13), and the CRR was 46.2% (6/13), revealing increasing efficacy with prolonged treatment duration. Mature survival endpoints, including median progression-free survival (PFS), will be disclosed at a forthcoming international oncology conference in 2025. The most common ≥Grade 3 TRAEs (≥10%) included lymphopenia (66.7%), leukopenia (62.5%), neutropenia (58.3%), thrombocytopenia (50.0%), anemia (29.2%) and pneumonia (16.7%). IMM01, without the use of low-dose priming, combined with azacitidine, was well tolerated in 1L CMML. The combination of IMM01 with azacitidine, showed exciting efficacy results for patients with treatment-naive CMML, as demonstrated in the diagram below:

Duration of Treatment and Best Response (1L CMML)



Best Percent Change from Baseline in the Blast Cells in the Bone Marrow (1L CMML)



- The FDA has granted an orphan-drug designation to IMM01 in combination with azacitidine for the treatment of CMML in November 2023.

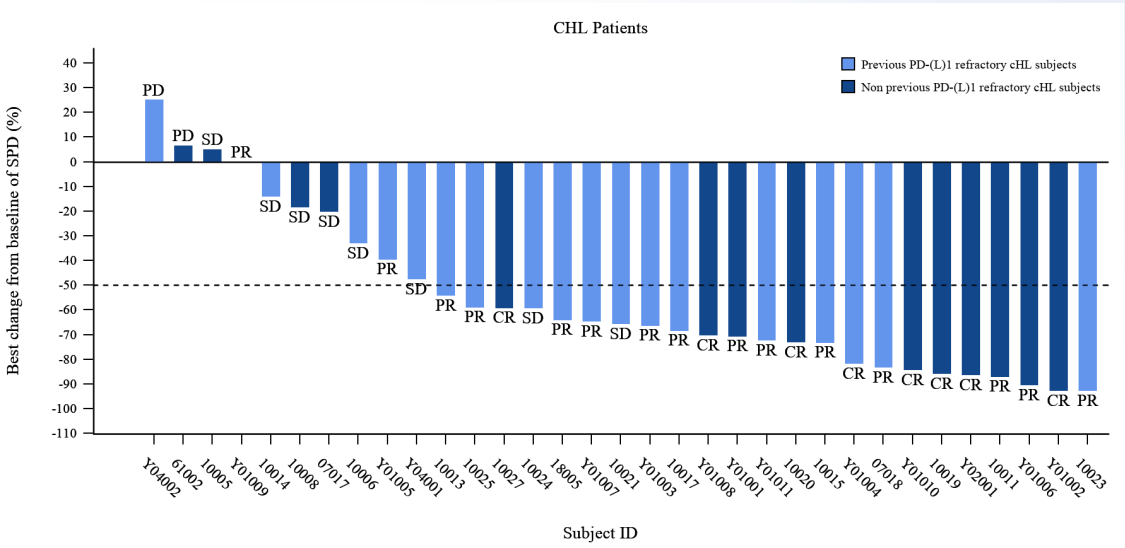
- A randomized, controlled, double-blind, multicenter, Phase III study (IMM01-010) of IMM01 in combination with azacitidine in patients with newly diagnosed CMML was approved by the NMPA in June 2024. The first patient was dosed in November 2024.

o Combination Therapy with Tislelizumab

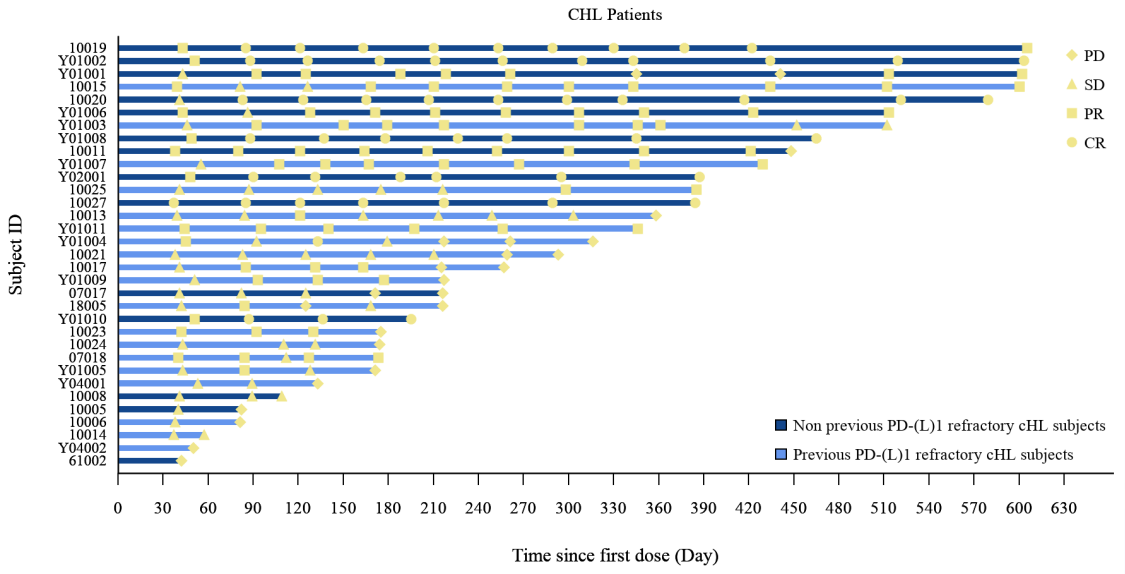
- We have dosed the first patient for the Phase II clinical trial of IMM01 in combination with tislelizumab on January 19, 2023, targeting R/R cHL patients who had relapsed or progressed after the treatment with PD-1 inhibitors, and completed the Phase II enrollment in December 2023. As of December 31, 2024, 33 cHL R/R patients were enrolled. Among 33 efficacy evaluable patients, 8 achieved CR and 15 achieved PR, resulting in an ORR of 69.7% and a CRR of 24.2%. No reported cases of hemolytic anemia or hemolysis in any of the patients. No patients experienced TRAEs leading to study drug discontinuation or death. These results demonstrate encouraging antitumor efficacy, along with favorable tolerability and safety profiles.

- The following diagrams illustrate the interim efficacy data of the combination of IMM01 and tislelizumab as of December 31, 2024:

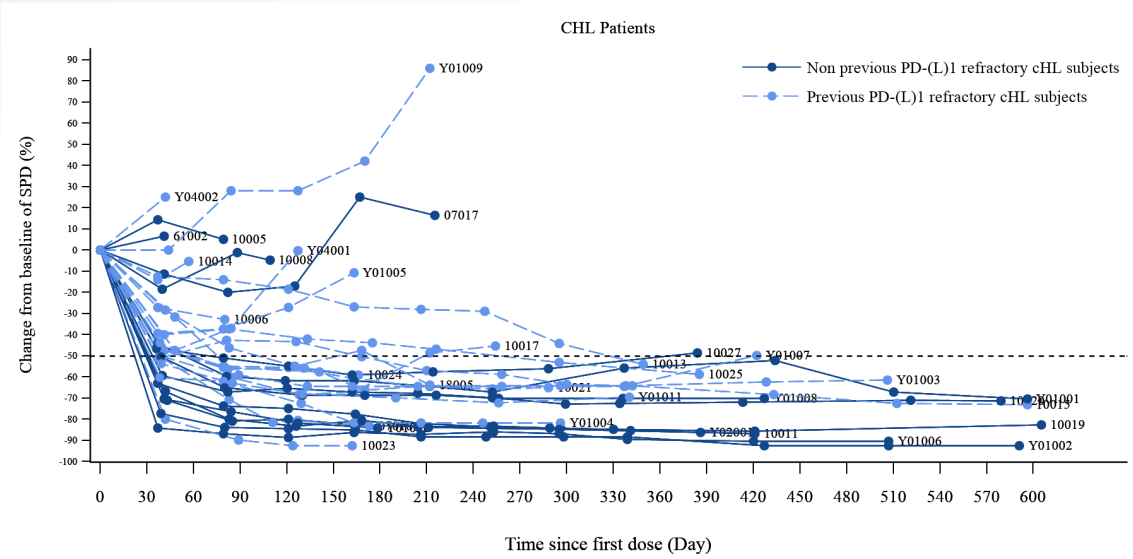
Best Percentage Change from Baseline in Target Lesion



Duration of Treatment and Response



Change in Target Lesion Tumor Size



- We received approval from the NMPA for the protocol of the Phase III clinical trial of IMM01 in combination with tislelizumab versus physician's choice of chemotherapy in prior PD-(L) 1-refractory cHL in April 2024. The first patient was dosed in July 2024.

o Combination Therapy with IMM2510

- We have obtained an IND approval from NMPA for a clinical trial of IMM01 in combination with IMM2510 and with or without chemotherapy, for the treatment of advanced malignant tumors in March 2025.

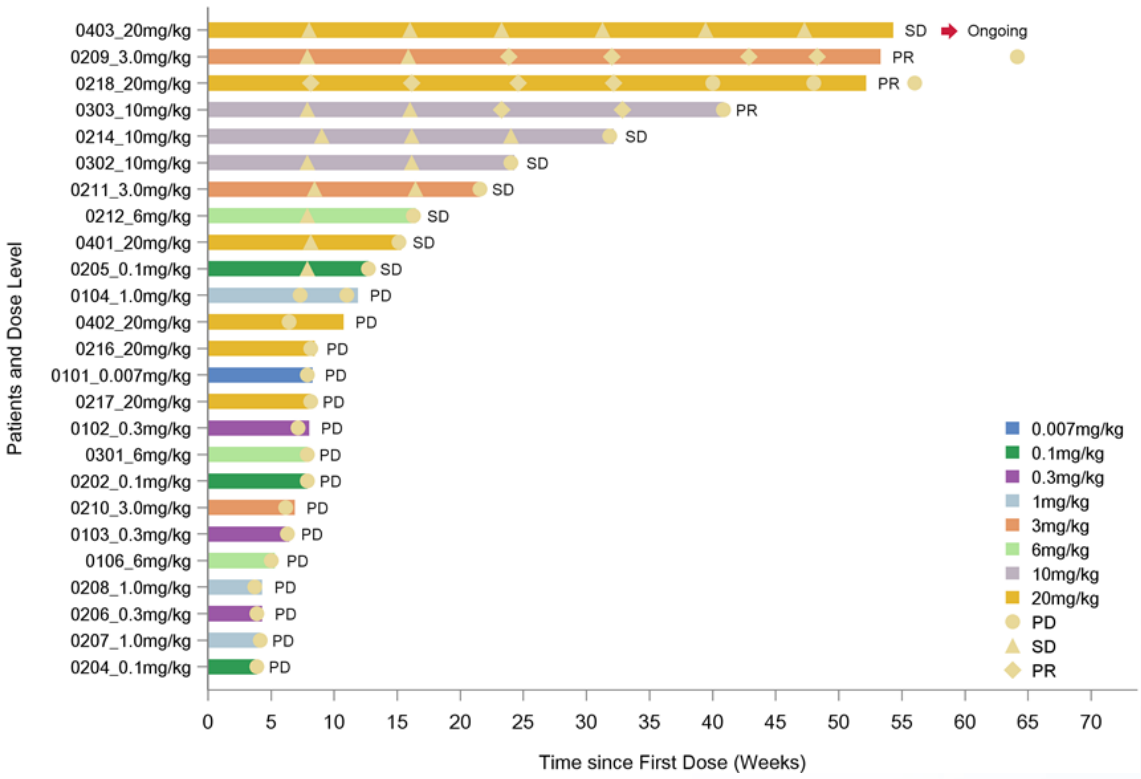
o Potential Therapy for Treating Atherosclerosis

- Based on a solid scientific basis, IMM01 may also be effective in treating atherosclerosis by blocking the CD47/SIRPα signaling pathway and inducing macrophages to phagocytose the atherosclerotic plaque. IND-enabling study is currently ongoing for IMM01 for the treatment of atherosclerosis.

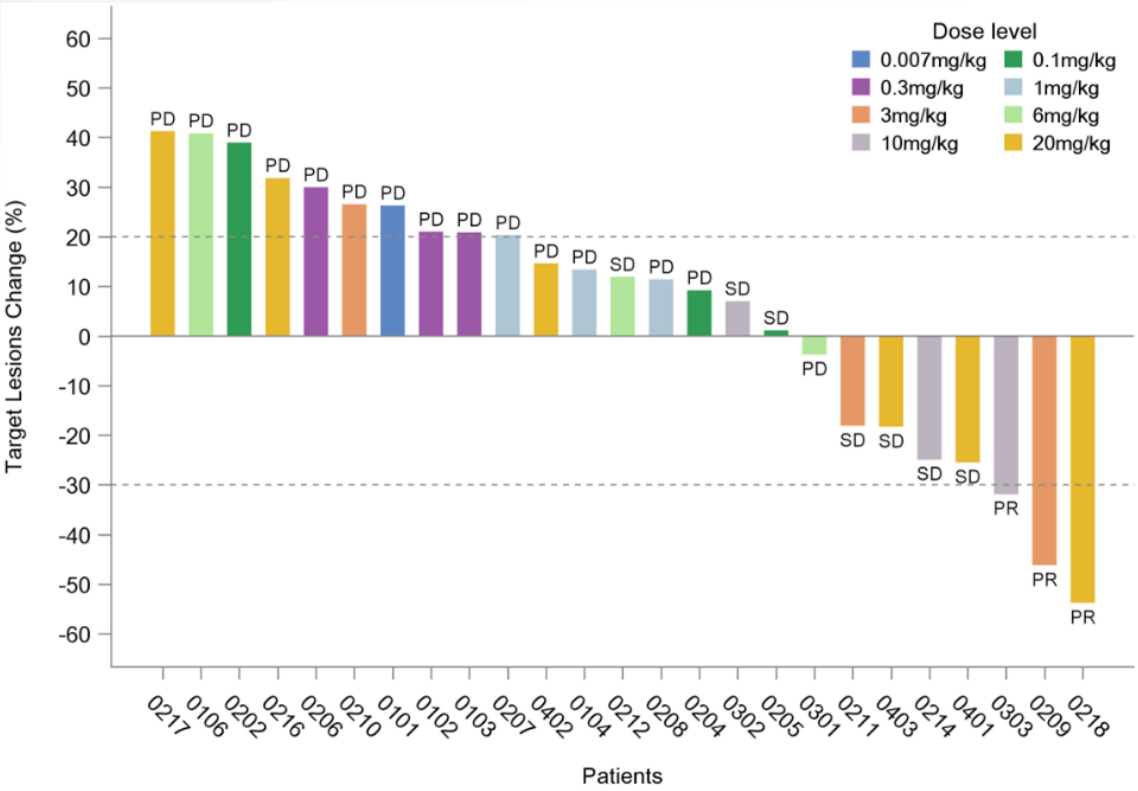
Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that IMM01 will ultimately be successfully developed and marketed by our Company.

- ***IMM2510 (palverafusp alfa)(VEGF×PD-L1)***
  - IMM2510 is a bispecific molecule with the mAb-Trap structure that targets VEGF and PD-L1 for the treatment of solid tumors. By targeting VEGF and PD-L1, IMM2510 is able to activate T-cell tumor killing activities and simultaneously inhibit tumor angiogenesis and tumor growth. Moreover, IMM2510 can also activate NK cells and macrophages through Fc-mediated ADCC/ADCP activities.
    - Monotherapy
      - We completed the enrollment of patients for the Phase I dose-escalation study of IMM2510 in September 2023. 33 patients with advanced/metastatic solid tumors were enrolled and dosed. There was no DLT observed. The RP2D has been determined. The clinical data as of December 31, 2024 from the Phase I trial of IMM2510 has demonstrated tolerable safety and promising antitumor activity. As of December 31, 2024, we have observed three patients who confirmed PR. We observed seven patients with SD and four of them had over 15% tumor shrinkage. The following diagrams illustrate the interim efficacy data of IMM2510 monotherapy:

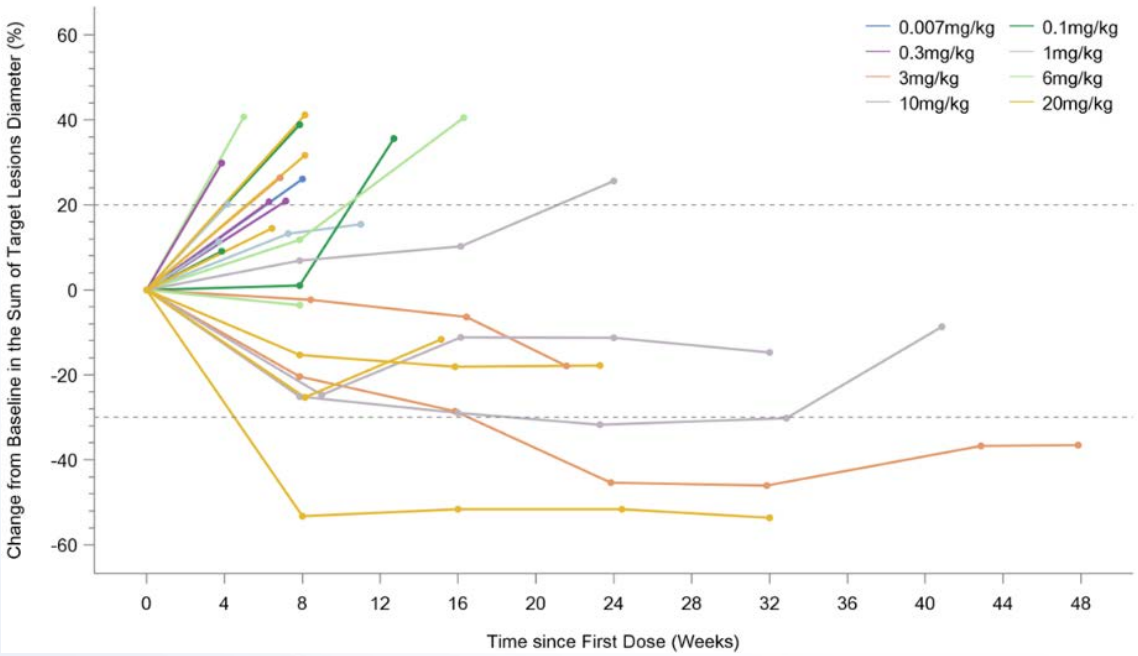
Duration of Treatment and Best Response



Best Percent Change from Baseline in Target Lesions



Change in Target Lesion Tumor Size



- As of December 31, 2024, 74 patients were enrolled and dosed in Phase Ib/II clinical trial. All patients enrolled had previously failed standard of care therapy, over 60% of which had prior immunotherapy or VEGF-targeted therapy history. Promising preliminary efficacy was found in non-small cell lung cancer, triple-negative breast cancer, soft tissue sarcoma, hepatocellular cancer, colorectal cancer and renal cell cancer.

- As of December 24, 2024, a favorable safety profile was observed in a phase Ib/II trial of the 20 mg/kg dose administered every two weeks (Q2W), with the majority TRAEs being grade 1 or 2.

o Combination therapy with chemotherapy

- We have received IND approval from the NMPA for a Phase II clinical trial of IMM2510 in combination with chemotherapy for 1L NSCLC and TNBC in November 2023. We have dosed first patient for NSCLC cohort in December 2024. We anticipate releasing initial clinical data as early as the second half of 2025.

o Combination Therapy with IMM27M

- We received IND approval from the NMPA for a clinical trial of IMM2510 in combination with IMM27M for advanced solid tumors in October 2023. The IMM2510–002 study (IMM2510+IMM27M Phase Ib/II study for R/R solid tumor) was initiated in July 2024. The first patient was dosed on July 23, 2024.

- ***IMM27M (tazlestobart) (CTLA-4 ADCC-enhanced mAb)***

  - IMM27M is a new generation CTLA-4 antibody with enhanced ADCC activity through genetic engineering modification. As a protein receptor that can be found on the activated T cells, CTLA-4 can downregulate immune responses by binding to CD80/CD86, its natural ligands found on the surface of antigen presenting cells, delivering inhibitory signal and thus suppressing T-cell immune function. CTLA-4 antibodies can block the interaction between CTLA-4 and CD80/CD86, and thus enhance immune responses of T cells to tumor antigens.

  - We have completed the enrollment of patients for the Phase I dose-escalation study of IMM27M, and the preliminary data has demonstrated that IMM27M is safe and well tolerated. There was no DLT observed. The RP2D has been determined. In the Phase I dose-escalation study, we have observed 2 confirmed PRs, by December 31, 2024.

  - We have dosed the first patient in a cohort expansion study for hormone receptor positive (HR+) and HER2 negative metastatic breast cancer in September, 2024.

- ***IMM0306 (amulirafusp alfa) (CD47×CD20)***
  - IMM0306 (amulirafusp alfa) is a bispecific molecule that simultaneously targets both CD47 and CD20, and is the first CD47 and CD20 dual-targeting bispecific that has entered into clinical stage globally. Based on our mAb-Trap platform, we designed the molecule of IMM0306 to consist of the CD47-binding domain and an ADCC-enhanced IgG1 Fc fragment which is capable of inducing full macrophage activation and greatly improved antibody-dependent cellular phagocytosis (ADCP) and antibody-dependent cellular cytotoxicity (ADCC) activity, resulting in strong antitumor immune responses.

  - During the Reporting Period and up to the date of this announcement, we have achieved the following progress and milestones:

    - Combination Therapy with Lenalidomide

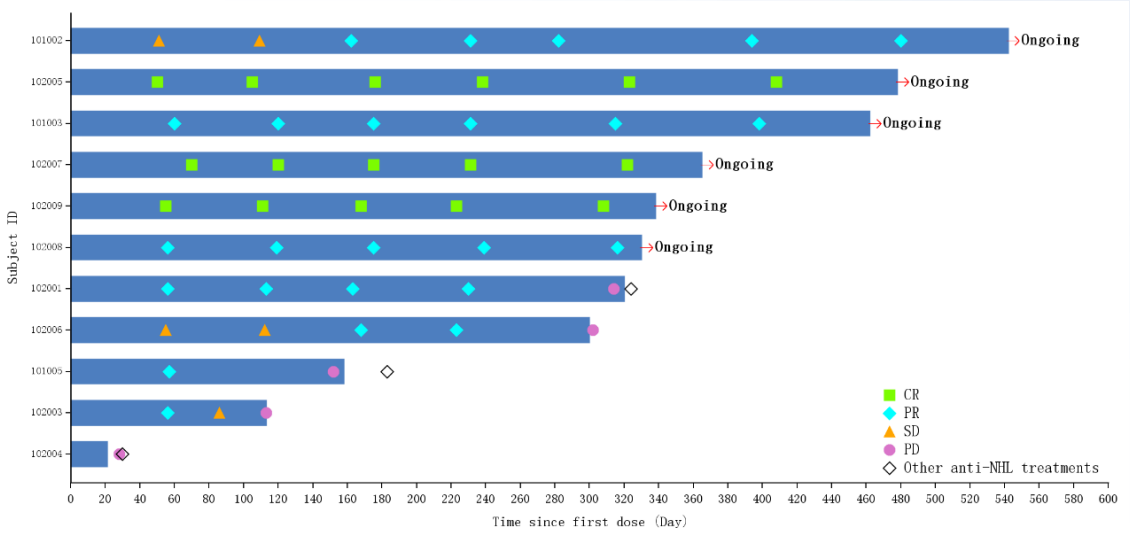
      - We dosed the first patient in the Phase Ib/IIa clinical trial, a combination study of IMM0306 and lenalidomide for R/R CD20-positive B-NHL in June 2023.

      - We have completed the enrollment of patients for phase Ib dose escalation clinical trial of IMM0306 in combination of lenalidomide for the R/R follicular lymphoma (FL) and marginal zone lymphoma (MZL). As of December 31, 2024, a total of 11 patients were enrolled at two dose levels (1.6 mg/kg and 2.0 mg/kg). Among 11 efficacy-evaluable patients in the phase Ib study, 3 CRs (all FL) and 7 PRs (5 FL, 2 MZL) were observed. The ORR and CRR were 90.9% and 27.3%, respectively. IMM0306 at the dose of 1.6 mg/kg in combination with lenalidomide at 20 mg/day (RP2D) was well-tolerated and demonstrated a robust preliminary antitumor activity in patients with R/R FL and MZL.

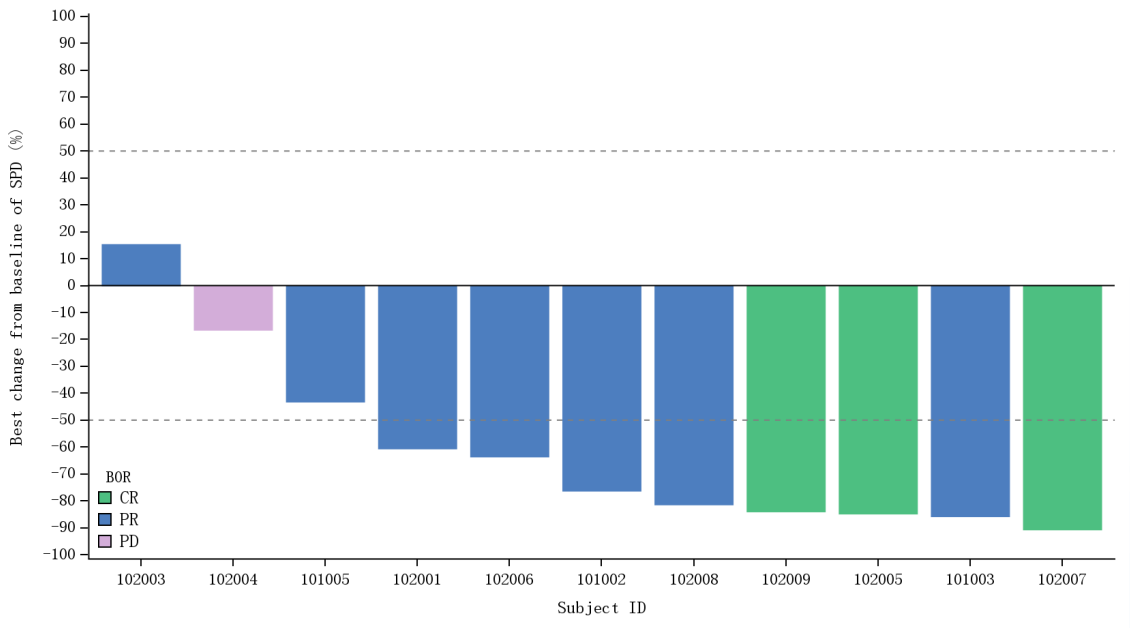
      - We have dosed the first patient for Phase IIa dose expansion clinical trial in March 2024. As of December 31, 2024, a total of 36 R/R FL patients who relapsed from or were refractory to at least 1 line of therapy were enrolled. Promising antitumor activity was observed alongside a manageable safety profile. The detailed data will be disclosed at an upcoming international oncology conference in 2025.

      - The following diagrams illustrate the interim efficacy data of the combination of IMM0306 and lenalidomide in Phase Ib trial:

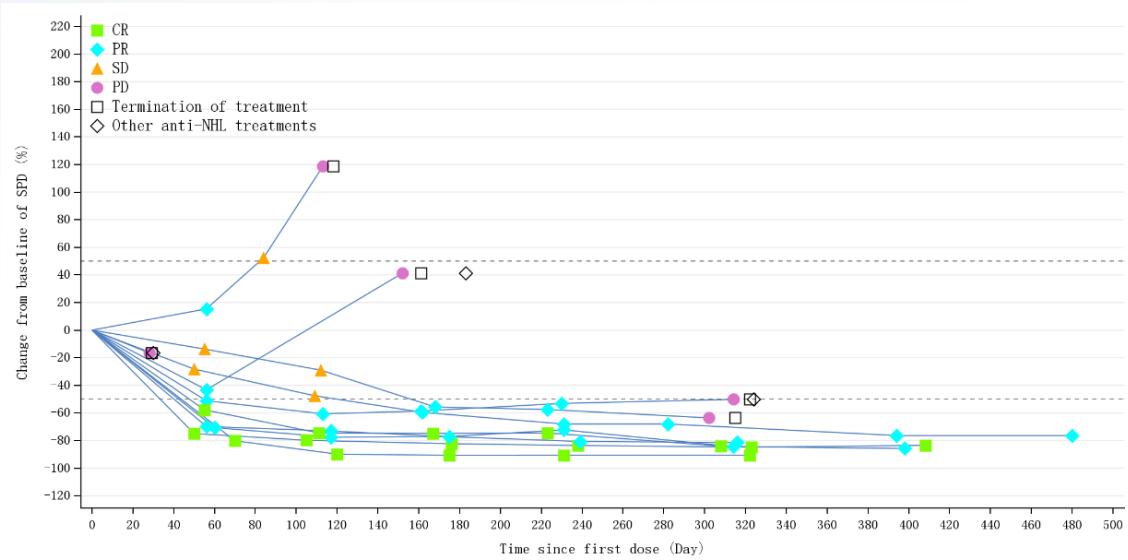
Duration of Treatment and Best Response in Phase Ib



Best Percentage Change from Baseline in Target Lesion in Phase Ib



Change in Target Lesion Tumor Size in Phase Ib



o Potential Therapy for Treating Autoimmune Diseases

- B-cell depletion observed in IMM0306 clinical studies serves as a strong basis for its treatment of autoimmune diseases.
- We have dosed the first patient in Phase Ib trial for systemic lupus erythematosus (SLE) in October 2024, completed enrollment of the first dose cohort (7 patients) and initiated the second dose cohort enrollment for SLE in February 2025.
- We have dosed the first patient in Phase Ib trial for neuromyelitis optica spectrum disorders (NMOSDs) in December 2024, completed enrollment of the first dose cohort (3 patients) and initiated the second dose cohort enrollment for NMOSD in February 2025.
- We have obtained IND approvals for the Phase II trial for lupus nephritis (LN) in December, 2024.
- We are preparing to submit the IND applications to the FDA and expect receiving IND approvals for SLE in the second half of 2025.

- ***IMM2520 (CD47×PD-L1)***
  - IMM2520 is a CD47 and PD-L1 dual-targeting bispecific molecule for the treatment of solid tumors. IMM2520 consists of a PD-L1 antibody with an engineered ADCC-enhanced IgG1 Fc region, linked to the same CD47-binding domain used in IMM01 at the N-terminus of heavy chains. This unique structure allows our CD47-based bispecific molecules to avoid RBC binding, thus enabling the adoption of an ADCC-enhanced IgG1 Fc fragment to fully activate macrophages and induce enhanced ADCP and ADCC activity, resulting in potent integrated antitumor immune responses.

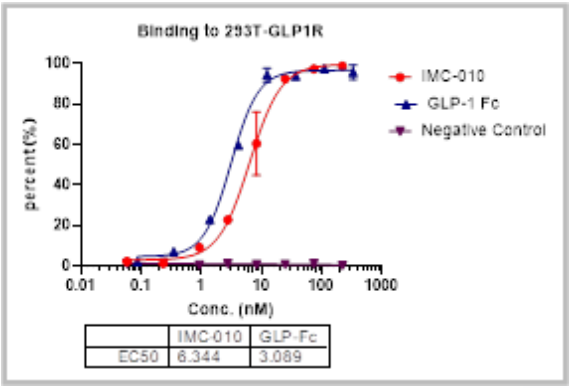
  - We have dosed the first patient at 0.1 mg/kg dose level on March 23, 2023 in the Phase I study of IMM2520 targeting solid tumor indications, with a particular focus on solid tumors that are generally resistant or not sensitive to currently available immunotherapies. As of December 31, 2024, 26 patients in total have been enrolled and dosed at 6 dose levels (from 0.1mpk to 4mpk). As of December 31, 2024, one PR and two SDs with over 10% tumor shrinkage have been observed. The patient had PR was diagnosed with small cell lung cancer who failed prior immunotherapy, indicating potential efficacy among solid tumor patients.

During the past year, we have also expanded our early research and development efforts into non-oncology therapeutic areas, and achieved significant progress, including:

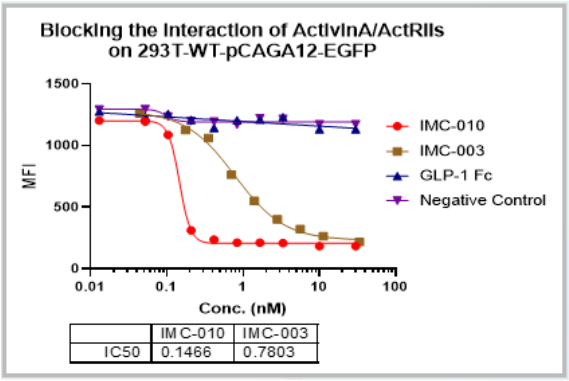
- ***IMM72/IMC-003 (ActRIIA fusion protein)***
  - IMM72/IMC-003 is a new generation ActRIIA fusion protein through genetic engineering modification with better activity and quality attributes than sotatercept. We have completed the pilot efficacy study in rat models of PAH. We have submitted pre-IND documents to the CDE and expect to obtain IND approval in June 2025.

- ***IMM7220/IMC-010 (GLP-1 × ActRIIA Bispecific Molecule)***
  - IMM7220/IMC-010 is a bispecific Fc fusion protein targeting ActRIIA ligands and GLP-1R, indicated for the treatment of patients with obesity (lose fat and build muscle). We are proceeding with in vivo efficacy study.

Activity



	IMC-010	GLP-Fc
EC50	6.344	3.089



	IMC-010	IMC-003
IC50	0.1466	0.7803

- ***IMM67 (recombinant human hyaluronidase)***
  - IMM67 is a recombinant human hyaluronidase engineered and expressed by mammalian cells. Our IMM67 can locally degrade hyaluronan in the subcutaneous space and temporarily remove the barrier to fluid flow, and thus overcome volume limitation to subcutaneous injection. We have completed the CMC of IMM67 as a pharmaceutical excipient. Non-clinical study is currently in progress, with registration filing to the NMPA anticipated by the first quarter of 2025.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that IMM2510, IMM27M, IMM0306, IMM2520, IMM72/IMC-003, IMM7220/IMC-010 and IMM67 will ultimately be successfully developed and marketed by our Company.

BUSINESS DEVELOPMENT

On August 1, 2024, the Company and Axion Bio, Inc. (formerly known as SynBioTx Inc.), a wholly-owned subsidiary of Instil Bio, Inc. (NASDAQ: TIL) ("**Instil**"), have entered into a license and collaboration agreement, pursuant to which the Company agreed to grant Axion Bio, Inc. an exclusive license to research, develop and commercialize IMM2510 (palverafusp alfa) and IMM27M (tazlestobart), outside the Greater China region.

The Company has received an upfront payment and near-term payment in aggregate of US$15 million and anticipates to receive the remaining potential near-term payments of up to US$35 million, as well as milestone payments of up to US$2.1 billion in commercial, development and regulatory milestones (including up to US$270 million in longer term development and regulatory milestones and up to US$1.8 billion in commercial milestones) plus single-digit to low double digit percentage royalties on global net sales outside the Greater China Region.

Instil anticipates initiating a U.S. clinical trial of AXN-2510/IMM2510 in combination with chemotherapy for 1L NSCLC patients before the end of 2025, assuming the necessary regulatory approvals are obtained. Therefore, the Company may receive near-term payments for the coming progress according to the license and collaboration agreement.

FUTURE AND OUTLOOK

Looking forward to 2025, we will continue to advance the development of our drug candidates to unleash their therapeutic potential and address substantial unmet medical needs. We will follow a stepwise clinical development strategy to evaluate our drug candidates and expand their clinical application. In addition, we plan to expand our overseas footprint and develop immuno-oncology therapies to fully grasp tremendous market opportunities. We expect to rapidly advance clinical studies in China, and may subsequently utilize the China data to accelerate the clinical progress in other markets in order to save the time and costs of clinical development globally. Also, we will continue to single out and evaluate other innate immune checkpoints and enrich our pipeline with novel therapies.

Cautionary Statement under Rule 18A.08(3) of the Listing Rules: Our Company cannot guarantee that it will be able to successfully develop or ultimately market our Core Product.

FINANCIAL REVIEW

Revenue

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Out-licensing fee	**71,342**	—
Collaboration development	**2,668**	—
Revenue from sales of cell strain and other products	**111**	367
Revenue from testing services	**28**	19
Total	**74,149**	386

For the years ended December 31, 2024 and 2023, our Group recorded revenue of RMB74.1 million and RMB0.4 million, respectively. Our revenue was generated from out-licensing fee, collaboration development revenue, sales of cell strain and other products, and provision of testing services. Our revenue generated from out-licensing fee mainly represents the upfront of the license and collaboration agreement we have reached with the Axion Bio, Inc. Our revenue generated from collaboration development represents the clinical development payment we received pursuant to the license and collaboration agreement we have reached with the Axion Bio, Inc. Our revenue generated from sales of cell strain and other products mainly represents the income from selling cell lines and growth medium developed by us. Our revenue generated from testing services mainly represents the income from providing testing assays through fee-for-service contracts.

Other Income

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Bank interest income	**6,376**	10,799
Government grants	**5,387**	7,309
Others	**—**	137
Total	**11,763**	18,245

Our other income decreased from RMB18.2 million for the year ended December 31, 2023 to RMB11.8 million during the year ended December 31, 2024, primarily attributable to a decrease in bank interest income of RMB4.4 million.

Other Gains and Losses, Net

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Impairment loss for property and equipment	**(27,398)**	—
Gains from changes in fair value of financial assets at FVTPL	**14,151**	1,761
Net foreign exchange gains	**1,790**	96
Others	**(17)**	(79)
Total	**(11,474)**	1,778

Our other gains and losses, net changed from gains of RMB1.8 million for the year ended December 31, 2023 to losses of RMB11.5 million for the year ended December 31, 2024, which was mainly attributable to an increase of RMB27.4 million in impairment loss for property and equipment in accordance with IAS 36 *Impairment of Assets*; partially offset by (i) an increase of RMB12.4 million in gains from changes in fair value of financial assets at FVTPL, mainly due to the gains from the wealth management products, and (ii) an increase of RMB1.7 million in net foreign exchange gains, in connection with fluctuations in the RMB-USD exchange rate.

Research and Development Expenses

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Preclinical and CMC expenses	**86,458**	42,883
Clinical trial expenses	**116,608**	120,584
Salaries and related benefit costs	**69,071**	61,629
Costs of materials and consumables	**14,069**	12,304
Share-based payments	**16,816**	31,160
Depreciation expenses	**13,133**	13,950
Others	**6,604**	9,434
Total	**322,759**	291,944

Our research and development expenses consisted of (i) preclinical and CMC expenses, mostly resulting from the engagement of CROs, CDMOs and other service providers to conduct preclinical studies and CMC on our behalf; (ii) clinical trial expenses for our drug candidates, including expenses with respect to the engagement of clinical trial sites and principal investigators, as well as other expenses incurred in connection with our clinical trials; (iii) salaries and related benefit costs (exclusive of non-cash share-based payments) for our research and development activities; (iv) costs of materials and consumables, primarily representing expenses for procuring materials and consumables used to support our preclinical studies and clinical trials; (v) non-cash share-based payments for our research and development functions; (vi) depreciation expenses, mainly including depreciation expenses for right-of-use assets, property and equipment used for research and development purposes; and (vii) others, including utilities, travelling and transportation expenses and other miscellaneous expenses.

Our research and development expenses increased by 10.6% from RMB291.9 million for the year ended December 31, 2023 to RMB322.8 million for the year ended December 31, 2024, primarily due to (i) an increase of RMB43.6 million in preclinical and CMC expenses, primarily due to the increased manufacturing and CDMO expenses of IMM2510 and IMM0306 for the use in their clinical trials; and (ii) an increase of RMB7.4 million in salaries and related benefit costs due to the continuous expansion of our clinical team throughout 2024, in line with our continuous research and development efforts in advancing and expanding our pipeline of drugs; partially offset by a decrease of RMB 18.3 million in clinical trial expenses and share-based payments due to (i) the decrease of RMB 4.0 million in clinical CRO expenses and laboratories expenses; and (ii) a decrease of RMB14.3 million in share-based payments, resulting from a decrease in the number of restricted shares vested for the year ended December 31, 2024.

Administrative Expenses

Our administrative expenses decreased by 19.4% from RMB80.4 million for the year ended December 31, 2023 to RMB64.8 million for the year ended December 31, 2024, which was mainly caused by the decrease of non-cash share-based payments, resulting from a decrease in the number of restricted shares vested for the year ended December 31, 2024.

Finance Costs

Our finance costs increased from RMB1.5 million for the year ended December 31, 2023 to RMB3.4 million for the year ended December 31, 2024, primarily due to an increase in interest on borrowings.

Income Tax Expense

We recognized no income tax expenses for the years ended December 31, 2023 and 2024.

Loss for the Year

Based on the factors described above, the Group's loss decreased from RMB379.5 million for the year ended December 31, 2023 to RMB316.6 million for the year ended December 31, 2024.

Non-IFRS Measure

To supplement our consolidated statements of profit or loss and other comprehensive expenses which are presented in accordance with IFRSs, we also use adjusted net loss as a non-IFRS measure, which is not required by, or presented in accordance with, IFRSs. We believe that the presentation of the non-IFRS measure when shown in conjunction with the corresponding IFRS measures provides useful information to management and investors in facilitating a comparison of our operating performance from year to year. In particular, the non-IFRS measure eliminates impact of certain expenses/(gains), share-based payment, listing expenses, and impairment loss for property and equipment. Such non-IFRS measure allows investors to consider metrics used by our management in evaluating our performance.

The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for, or superior to, analysis of our results of operations or financial condition as reported under IFRSs. In addition, the non-IFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

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

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Loss for the year	**(316,590)**	(379,459)
Added:		
Share-based payment expenses	**34,210**	71,642
Impairment loss for property and equipment	**27,398**	—
Listing expenses	**—**	25,976
Adjusted loss for the year	**(254,982)**	(281,841)

Material Acquisitions and Disposals

On December 30, 2024, the Company entered into an equity transfer agreement (the "**Agreement**") with Shanghai Zhangjiang Group Co., Ltd. (上海張江(集團)有限公司) (the "**Purchaser**") and Shanghai Zhangtou Yaoxin Technology Development Co., Ltd.* (上海張投堯新科技發展有限公司) (the "**Target Company**"), pursuant to which the Company agreed to sell, and the Purchaser agreed to acquire the 100% equity interest of the Target Company (the "**Disposal**"). The maximum amount of the purchase price for the Disposal is RMB98,188,983.55 (the "**Purchase Price**"), subject to the adjustment as stipulated in the Agreement. The Purchase Price was determined after arm's length negotiations between the parties taking into account various factors, including, among others, the valuation of the Target Company conducted as at November 6, 2024 (the "**Valuation Benchmark Date**") by Shanghai Cai Rui Assets Evaluation Co., Ltd* (上海財瑞資產評估有限公司), an independent and qualified valuer engaged by the Purchaser (the "**Valuer**"), using the asset-based approach. According to the valuation report issued on December 24, 2024 (the "**Valuation Report**"), after conducting the evaluation procedures, including on-site investigation, interviews, data collection and evaluation, and internal review, the Valuer concluded that the appraised value of the total assets of the Target Company to be RMB101,078,891.81 as at the Valuation Benchmark Date, based on the asset-based approach.

In February 2025, all the conditions precedent under the Agreement have been fulfilled and the completion of the Disposal took place in accordance with the Agreement. Upon the completion of the Disposal, the Group no longer had any equity interest in the Target Company. As such, the Target Company has ceased to be a subsidiary of the Company and the financial results of the Target Company is no longer be consolidated into the financial statements of the Group. As one or more applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceed 5% but are lower than 25%, the Disposal constitutes a discloseable transaction of the Company under relevant requirements of Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements as set out under Rule 14.34 of the Listing Rules but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

As of the Valuation Benchmark Date, the Target Company had no major assets other than the industrial property (the "**Property**") with a land area of approximately 28,763.10 square meters. The Company had initially planned to utilize the Property for construction of its new manufacturing facility. However, taking various factors as below into consideration, the Property is no longer a strategically prioritized asset for the Company, and the Disposal is entered into, among others:

(i) The Company wishes to strategically concentrate on clinical research and development instead of manufacturing. The Group is committed to accelerating advancement of its drug candidates and bring these promising treatments to market as efficiently as possible, therefore the Group is strategically focusing on clinical development; and

(ii) In light of evolving industry dynamics, the Group continues to optimize the use of existing resource, and is refocusing and allocating the Group's resources to expedite clinical development of promising candidates.

To satisfy the Group's strategy and development needs, the Disposal enables the Group to optimize its strategically aligned asset portfolio, and strengthens the cash flow of the Group and allows the Group to improve its liquidity and to reallocate its resources for future development. Accordingly, the Directors (including the independent non-executive Directors) are of the view that the conditions and terms of the Agreement (including the Purchase Price) were fair and reasonable and on normal commercial terms and therefore the Disposal is in the interests of the Company and the Shareholders as a whole. For further details in relation to the Disposal, please refer to the announcements of the Company dated December 30, 2024, February 17, 2025 and February 21, 2025.

Saved as disclosed above, our Group did not have any material acquisitions or disposals of subsidiaries, associates, and joint ventures during the Reporting Period.

Capital Structure, Liquidity and Financial Resources

As of December 31, 2024, our cash and cash equivalents, which were primarily denominated in USD, HKD and RMB and financial assets at fair value through profit or loss were RMB752.1 million aggregately, as compared to RMB608.6 million as of December 31, 2023. The increase was primarily attributed to an increase of RMB73.7 million in our revenue.

As of December 31, 2024, our current assets were RMB867.9 million, including cash and cash equivalents of RMB477.6 million, financial assets at fair value through profit or loss of RMB274.5 million, and prepayments and other receivables of RMB35.6 million. As of December 31, 2024, our current liabilities were RMB214.6 million, including trade and other payables of RMB74.4 million, lease liabilities of RMB6.4 million and bank borrowings of RMB100.9 million.

During the year ended December 31, 2024, net cash used in operating activities of our Group amounted to RMB128.0 million, representing a decrease of RMB239.6 million compared to RMB367.6 million during the year ended December 31, 2023. The decrease was mainly due to the increase of RMB73.7 million and RMB32.9 million in the revenue and contract liabilities, respectively, the decrease of RMB42.5 million in prepayments and other receivables, and the increases of RMB22.9 million in trade and other payables.

During the year ended December 31, 2024, our net cash generated from investing activities increased to RMB37.9 million, compared to the net cash flows used in investing activities of RMB294.8 million for the year ended December 31, 2023. This change was mainly due to the decrease in purchase of financial assets at FVTPL.

During the year ended December 31, 2024, net cash generated from financing activities of our Group decreased by RMB72.1 million to RMB258.9 million from RMB331.0 million during the year ended December 31, 2023, which the decrease was mainly due to the decrease of RMB91.9 million in proceeds from issuance of new shares.

As at December 31, 2024, the Group had available unutilized bank loan facilities of approximately RMB80.1 million.

As part of our treasury management, we invested in certain term deposits, wealth management products and structured deposits to better utilize excess cash when our cash sufficiently covered our ordinary course of business. We have implemented a series of internal control policies and rules setting forth overall principles as well as detailed approval process for our treasury management activities. Going forward, we believe our liquidity requirements will be satisfied by a combination of net proceeds from the Global Offering, funds received from potential collaboration arrangements and cash generated from our operations after the commercialization of our drug candidates.

Gearing Ratio

The gearing ratio (calculated by total liabilities divided by total assets) of the Group as of December 31, 2024 was 26.4%, representing an increase of 12.0% from the gearing ratio of 14.4% as at December 31, 2023, primarily due to an increase in our total liabilities, mainly resulting from (i) an increase of RMB55.4 million in our bank borrowings, and (ii) an increase of RMB32.9 million in contract liabilities which represents the clinical development payment we have received and have yet to deliver the associated collaboration development services.

Indebtedness

As of December 31, 2024, we had unsecured bank borrowings of RMB115.4 million, which were at fixed interest rates, primarily denominated in RMB and with original maturity of within one year, as compared to RMB60.0 million as of December 31, 2023. The interest rate of our bank borrowings ranged from 2.95% to 3.60% as of December 31, 2024.

Our lease liabilities increased from RMB14.8 million as of December 31, 2023 to RMB21.0 million as of December 31, 2024, mainly resulting from the contract renewal of our premises.

Capital Commitments

As of December 31, 2024, we had no capital commitments contracted, but not yet provided. As of December 31, 2023, our Group had capital commitments contracted, but not yet provided, of RMB6.0 million. Such capital commitments reflected capital expenditure we contracted for but not provided in the consolidated financial statements in respect of acquisition of property and equipment.

Contingent Liabilities

As of December 31, 2024, our Group did not have any contingent liabilities.

Pledge of Assets

There was no pledge of our Group's assets as of December 31, 2024.

Foreign Exchange Exposure

Certain financial assets and liabilities of the Group are denominated in foreign currency of respective Group entities which are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration Policies

As at December 31, 2024, our Group had 156 employees in total. The total remuneration costs amounted to RMB123.9 million for the year ended December 31, 2024, as compared to RMB155.7 million for the year ended December 31, 2023. The decrease in total remuneration was mainly due to the decrease in non-cash share-based payments, resulting from a decrease in the number of restricted shares vested for the year ended December 31, 2024.

In order to maintain the quality, knowledge and skill levels of our workforce, our Group provides continuing education and training programs, including internal and external training, for our employees to improve their technical, professional or management skills. Our Group also provides training programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects.

We provide various incentives and benefits for our employees. We offer competitive salaries, bonuses and share-based compensation to our employees, especially key employees. We have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees in accordance with applicable laws. In recognition of the contributions of our employees and to incentivize them to further promote our development, the Company approved and adopted the employee incentive plans on January 31, 2021 and December 20, 2021, respectively. Please refer to the paragraph headed "Appendix IV — Statutory and General Information — C. Further Information about Directors, Supervisors, Management and Substantial Shareholders — 4. Employee Incentive Plans" to the Prospectus for further details.

Future Plans for Material Investments or Capital Asset

As of December 31, 2024, the Group did not have detailed future plans for material investments or capital assets.

Significant Investments Held

As at December 31, 2024, we held one cash management fund and one redeemable wealth management product of structured notes (the "**Wealth Management Products**") subscribed from two different reputable institutions using our internal surplus cash reserves, including a Wealth Management Product subscribed from Haitong International Asset Management (HK) Limited ("**Haitong International**") (海通國際資產管理(香港)有限公司) and a Wealth Management Product subscribed from Huatai Financial Holdings (Hong Kong) Limited ("**Huatai Financial**") (華泰金融控股(香港)有限公司), respectively, with effective date of subscription of September 30, 2024 and November 15, 2024, respectively, which recorded a gain on changes in fair value for the Reporting Period of RMB3,480,000 and RMB2,120,000, respectively. As disclosed below, the Company subscribed for a Wealth Management Product of structured notes from Huatai Financial with effective date of subscription of November 10, 2023 and a term for one year. Upon expiry of the term of such wealth management product, the Company agreed to extend it on same terms and conditions with effect from November 15, 2024, and no payment of subscription amount was required or paid by the Company for such extension. The Wealth Management Product subscribed from Haitong International has no expiry date, and the Wealth Management Product subscribed from Huatai Financial has a term for one year, each of which is redeemable upon giving notice seven business days in advance by the Company. Each of the Wealth Management Products carries an expected annualized rate of return ranging from 1.5% to 4.5%. Such Wealth Management Products had the fair value as of December 31, 2024 of RMB186,019,000 and RMB47,914,000, respectively, each of which accounts for 5% or more of the Group's total assets as of December 31, 2024. For further details of the Wealth Management Product from Haitong International, please refer to the Company's announcement dated September 27, 2024. For further details of the Wealth Management Product from Huatai Financial, see "Discloseable Transactions In Relation To Subscription Of Wealth Management Products" below.

We believe that appropriate wealth management with low risk exposure is conducive to enhancing the utilization of capital and increasing income from idle funds of the Group, and that diversified, readily redeemable investments in cash management products are conducive to enhancing the safety and flexibility of our cash management.

Saved as disclosed above, 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 as at December 31, 2024.

DIRECTORS

The Board currently consists of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors.

Executive Directors

Dr. Tian Wenzhi (田文志), aged 61, founded our Group in June 2015 and has been serving as a Director since then. He has been serving as the chairman of our Board and the chief executive officer of our Company since December 15, 2015 and has been serving as the chief scientific officer of our Company since June 18, 2018. He was re-designated as an executive Director on June 14, 2022. Dr. Tian is responsible for the overall strategic planning, business management, and research and development of our Group. Since inception, Dr. Tian has been the key driving force in our innovation and overseen our science-driven research and development efforts, from discovery, target selection and validation, CMC development, to clinical studies. He is currently also a director of ImmuneTANK, ImmuneOnco Shanghai, Macroimmune and ImmuneOnco Hong Kong.

Dr. Tian has over 30 years of experience in the biomedical industry. Prior to founding our Company, Dr. Tian served as a teaching assistant at the Medical School of Zhengzhou University (鄭州大學醫學院) (formerly known as Henan Medical University (河南醫科大學) from July 1990 to September 1993. Dr. Tian also worked on cloning of c-Rel regulated genes that are involved in B cell functions at Weill Cornell Medical College for several years. He later served as a principal research associate at ImClone Systems Inc., a company primarily engaging in research and development of anti-tumor antibody drugs from January 2006 to April 2011, where he was responsible for research of monoclonal antibody drugs addressing novel tumor targets. Dr. Tian co-founded Huabo Biopharm (Shanghai) Co., Ltd. (華博生物醫藥技術(上海)有限公司) ("**Huabo Biopharm**"), a company primarily engaging in research and development of new biological drug in tumors and autoimmune diseases, and served as its general manager from June 2011 to April 2015.

Dr. Tian was recognized as a senior biomedical engineer by Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) in November 2019. Dr. Tian served as a visiting professor at the First Affiliated Hospital of Zhengzhou University (鄭州大學第一附屬醫院), a visiting professor at Henan Medical University (河南大學醫學院), a distinguished professor at the Second Affiliated Hospital of Zhengzhou University (鄭州大學第二附屬醫院) and a visiting professor at School of Pharmacy, Fudan University (復旦大學藥學院), respectively.

Dr. Tian has published 32 scientific papers, participated in the edition of one monograph and owns 30 issued patents.

Dr. Tian obtained a bachelor's degree in medicine and a master's degree in immunology of basic medicine department from the Medical School of Zhengzhou University (河南醫科大學) in the PRC in July 1987 and July 1990, respectively. As accredited by a globally recognized institution providing credential evaluation, World Education Services, in September 2022, such education is equivalent to the Doctor of Medicine and a master's degree in the United States. Dr. Tian pursued his postdoctoral training as a Doctor of Medicine at North Shore University Hospital in the United States from October 1997 to April 2001. He also participated in research at Karolinska Institute in Sweden.

Mr. Li Song (李松), aged 40, joined our Group in December 2015 and has been serving as a Director since then. Mr. Li served as the senior director of research and development of our Company from January 2019 to January 2023, and has been serving as the vice president of research and development of our Company since January 2023. He was re-designated as an executive Director on June 14, 2022. Mr. Li is responsible for leading preclinical research and development efforts of our Group.

Mr. Li has over 10 years of experience in the biopharmaceutical and biological science industries. Prior to joining our Group, Mr. Li served as a manager of the research and development department at Huabo Biopharm from April 2012 to December 2015, where he was responsible for in vitro studies of antibodies and fusion proteins, construction of stable cell strains and other matters related to molecular biology.

Mr. Li obtained a bachelor's degree in biological science from Inner Mongolia University of Science & Technology (內蒙古科技大學) in the PRC in July 2008 and a master's degree in biochemistry and molecular biology from Jilin Agricultural University (吉林農業大學) in the PRC in July 2011.

Ms. Guan Mei (關梅), aged 42, joined our Group on October 8, 2018 and has been serving as a Director since May 28, 2024. Ms. Guan has also been one of the joint company secretaries of the Company since June 14, 2022 and the secretary of the Board since May 23, 2022. She is responsible for financing activities, internal control and securities and listing matters of the Group.

Ms. Guan has over 18 years of work experience in the biotech and investment industries. She has been serving as the vice president of the financing and investment strategy department since January 3, 2025. Prior to that, she served as the director of the same department from October 8, 2018 to January 2, 2025. Earlier in her career, Ms. Guan served as an analyst at General Biologics, Inc. She served as a project manager at ChinaBio Consulting LLC from August 2008 to September 2010. Ms. Guan also worked at SIG Asia Investment Fund (海納亞洲創投基金), and served as a director of investment at Lead Capital Management Co., Ltd. (利得資本管理有限公司) from February 2016 to September 2018.

Ms. Guan obtained a bachelor's degree in biological sciences from Shanxi University (山西大學) in the PRC in July 2003 and a master's degree in botany from Nanjing University (南京大學) in the PRC in June 2007. She obtained the qualification of practitioners in funds industry issued by the Asset Management Association of China (中國證券投資基金業協會) in June 2016.

Non-executive Director

Dr. Xu Cong (徐聰), Ph.D., aged 39, joined our Group in October 2020 and has been serving as a Director since then. He was re-designated as a non-executive Director on June 14, 2022. Dr. Xu is responsible for advising on our business plans, major decisions and investment activities of our Group.

Dr. Xu has approximately 10 years of experience in the biomedical and financial industries. Prior to joining our Group, Dr. Xu joined Lilly Suzhou Pharmaceutical Co., Ltd. Shanghai Branch (禮來蘇州製藥有限公司上海分公司), which is a subsidiary of Eli Lilly and Company, a company listed on the New York Stock Exchange ("**NYSE**") (stock code: LLY), in August 2012. He has been serving as an executive director of Lilly Asia Ventures (禮來亞洲基金) since January 2018. Dr. Xu has been serving as a non-executive director of EdiGene Inc. (博雅輯因生物科技有限公司) and NovoDodex Biopharmaceuticals Co., Ltd. (浙江新碼生物醫藥有限公司) since August 2018 and March 2021, respectively. He has also been serving as the chairman of the board of Impact Therapeutics (Nanjing) (南京英派藥業有限公司) since July 2020.

Dr. Xu obtained a bachelor's degree in clinical medicine from Tongji Medical College of Huazhong University of Science and Technology (華中科技大學同濟醫學院) in the PRC in June 2007 and a Ph.D. in biological sciences from Clemson University in the United States in May 2012. He also obtained a master's degree in business administration from the University of British Columbia in Canada in May 2018 through attending long-distance learning courses.

Independent Non-executive Directors

Dr. Zhenping Zhu, Ph.D., aged 60, has been our independent non-executive Director since September 2016. He was re-designated as an independent non-executive Director on June 14, 2022. Dr. Zhu is responsible for supervising and providing independent advice to our Board.

Dr. Zhu has approximately 30 years of experience in the pharmaceutical industry and innovative drug research development. Prior to joining our Group, Dr. Zhu had positions in various biopharmaceutical companies, including ImClone Systems Inc., Novartis Pharma AG, which is a subsidiary of Novartis AG, a company dually listed on the NYSE (stock code: NVS) and Six Swiss Exchange (stock code: NOVN), and Kadmon Corporation. After that, Dr. Zhu successively served as the president of research and development and the chief scientific officer at 3SBio Inc. (三生製藥公司) ("**3SBio Inc.**"), a company listed on the Stock Exchange (stock code: 1530), from January 2017 to May 2019. He also served as a director, the president of research and development and the chief scientist of Sunshine Guojian Pharmaceutical (Shanghai) Co., Ltd. (三生國健藥業(上海)股份有限公司), a company listed on the Science and Technology Innovation Board of Shanghai Stock Exchange (stock code: 688336) and also a subsidiary of 3SBio Inc., from June 2019 to January 2022. Dr. Zhu also previously served as a non-executive director on the board of Refuge Biotechnologies Inc., Verseau Therapeutics and Numab Therapeutic AG. In January 2022, Dr. Zhu founded HanBio Therapeutics（Shanghai) Co., Ltd. (丹生醫藥技術(上海)有限公司), and served as the chairman of the board and the chief executive officer. In February 2023, Dr. Zhu joined Helixon Biotechnology (Beijing) Co., Ltd. (華深智藥生物科技(北京)有限公司) (commonly known as "**Helixon**") as a co-founder, and has served as the president and co-chief executive officer since then.

Dr. Zhu obtained a bachelor's degree in clinical medicine from Jiangxi Medical College of Nanchang University (南昌大學江西醫學院) (formerly known as Jiangxi Medical College (江西醫學院)) in the PRC in July 1985 and a master's degree in pharmacology from Peking Union Medical College (北京協和醫學院) (or namely Chinese Academy of Medical Sciences (中國醫學科學院)) in the PRC in October 1988. Dr. Zhu. further obtained his Ph.D. in immunology and pathology from Dalhousie University in Canada in October 1993 and was a post-doctorate fellow at Genentech, Inc. in the United States.

As of December 31, 2024, Dr. Zhu held approximately 10.00% of the partnership interests of Jiaxing Changxian (one of our Onshore Employee Shareholding Platforms), representing an indirect interest of approximately 0.4% of the Company's total issued Share capital.

Dr. Kendall Arthur Smith, M.D., aged 83, was appointed as an independent non-executive Director on June 14, 2022, and is responsible for supervising and providing independent advice to our Board.

Dr. Smith has over 50 years of experience in medicine and biology education and research. He is currently professor of Emeritus of Medicine & Immunology at Weill Cornell Medical College since 2020. Dr. Smith once successively worked as an assistant professor, an associate professor and a professor of medicine at Dartmouth Medical School for approximately 20 years. He later served as a professor of medicine at Weill Cornell Medical College from 1993 to 2020. Dr. Smith is a pioneer in immunological research focused on interleukins. He and his research team identified, purified and characterized interleukin molecules and discovered interleukin-2 receptors. His research promoted the advance in understanding the immune system from cells to molecules. Dr. Smith established that the immune system is regulated by hormone-like molecules that can be manipulated therapeutically.

Dr. Smith obtained a bachelor's degree in biology from Denison University in the United States in June 1964 and his doctor's degree in medicine from Ohio State University College of Medicine in the United States in June 1968.

Mr. Yeung Chi Tat (楊志達), aged 55, was appointed as an independent non-executive Director on June 14, 2022, and is responsible for supervising and providing independent advice to our Board.

Mr. Yeung has over 30 years of experience in audit, financing and accounting industries. Mr. Yeung is the President (2022-2023) of the Hong Kong Independent Non-executive Director Association. He has been the chief financial officer and the Company secretary at Solargiga Energy Holdings Limited (陽光能源控股有限公司), a company listed on the Stock Exchange (stock code: 757), since December 2021. Prior to joining our Group, Mr. Yeung had positions in various companies, including the Hong Kong office of KPMG as an audit manager, Dynasty Fine Wines Group Limited (王朝酒業集團有限公司), a company listed on the Stock Exchange (stock code: 828), as financial controller and the Company secretary, and ANTA Sports Products Limited (安踏體育用品有限公司), a company listed on the Stock Exchange (stock code: 2020), as a vice president. After that, Mr. Yeung also served as an independent non-executive director of ANTA Sports Products Limited (安踏體育用品有限公司), a company listed on the Stock Exchange (stock code: 2020), Boer Power Holdings Limited (博耳電力控股有限公司), a company listed on the Stock Exchange (stock code: 1685), New Hope Dairy Holdings Co., Ltd. (新希望乳業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002946), and Guodian Technology & Environment Group Corporation Limited (國電科技環保集團股份有限公司), a company formerly listed on the Stock Exchange (stock code: 1296), Beijing Capital Grand Limited (首創鉅大有限公司), a company formerly listed on the Stock Exchange (stock code: 1329), from February 2007 to June 2018, from September 2010 to June 2020, from December 2016 to May 2023, from August 2017 to June 2022, and from May 2023 to February 2025, respectively. He has been serving as an independent non-executive director of Sitoy Group Holdings Limited (時代集團控股有限公司), a company listed on the Stock Exchange (stock code: 1023), Birmingham Sports Holdings Limited (伯明翰體育控股有限公司), a company listed on the Stock Exchange (stock code: 2309), Sichuan Baicha Baidao Industrial Co., Ltd. (四川百茶百道實業股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 2555), Shiyue Daotian Group Co., Ltd. (十月稻田集團股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 9676), and Lingbao Gold Group Company Ltd. (靈寶黃金集團股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 3330), since November 2011, November 2019, April 2024, October 2023 and May 2024, respectively.

Mr. Yeung obtained a bachelor's degree in business administration from the University of Hong Kong in November 1993 and a master's degree in professional accounting with distinction from Hong Kong Polytechnic University in Hong Kong in August 2004. Mr. Yeung has been a fellow member of the Hong Kong Institute of Certified Public Accountants since December 2003, the Association of Chartered Certified Accountants since September 2002 and the Institute of Chartered Accountants in England and Wales since October 2017, respectively.

SUPERVISORS

The Supervisory Committee of the Company comprises three members.

Ms. Tian Miao (田苗), aged 33, was appointed as a Supervisor in July 2017 and has been serving as the chairman of Supervisory Committee since September 2024. Ms. Tian is responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a member of the Supervisory Committee. Ms. Tian is currently a supervisor of our subsidiary, ImmuneTANK.

Ms. Tian joined our Group in October 2015 and has been serving as the head of administration since then. She has also been a supervisor of ImmuneTANK since February 2018.

Ms. Tian obtained a bachelor's degree in enterprise management from Northeast Normal University (東北師範大學) in the PRC in June 2015.

Mr. Zhao Zimeng (趙子萌), aged 34, was appointed as an employee representative Supervisor in January 2022, and is responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a member of the Supervisory Committee. Mr. Zhao is currently a supervisor of our subsidiary, ImmuneOnco Shanghai.

Mr. Zhao joined our Group in October 2017 and has been serving as the manager of the laboratory management department since then. He previously served as a manager of procurement department at Huabo Biopharm from July 2012 to October 2017, where he was responsible for supply chain management for laboratories.

Mr. Zhao obtained a bachelor's degree in clinical medicine from Xinxiang Medical University (新鄉醫學院) in the PRC in January 2016.

Ms. Zhang Wei (張薇), aged 37, was appointed as an employee representative Supervisor in July 2024, and is responsible for supervising the performance of our Directors and members of senior management and performing other supervisory duties as a member of the Supervisory Committee.

Ms. Zhang, joined the Group as a cell scientist in February 2016 and has been serving as a director of upstream processing since 2019.

Ms. Zhang obtained a bachelor's degree in bioengineering and a master's degree in biochemical engineering from Shanghai University (上海大學) in the PRC in June 2010 and June 2013, respectively.

As of December 31, 2024, Ms. Zhang held approximately 4% partnership interests in Jiaxing Changxian (one of the employee shareholding platforms of the Company), representing an indirect interest of approximately 0.17% of the Company's total issued share capital.

SENIOR MANAGEMENT

For the biographical details of Dr. Tian, Mr. Li Song and Ms. Guan Mei, please see "— Directors-Executive Directors."

Mr. Zhang Ruliang (張如亮), aged 41, was appointed as a deputy general manager of our Company in February 2017 and a senior vice president of our Company in January 2023, and is responsible for CMC and global clinical registration of our Group.

Mr. Zhang has over 15 years of work experience in CMC, quality control, regulatory and project management in the biopharmaceutical industry. Prior to joining our Company, Mr. Zhang successively served as a researcher, a controller and the manager of the department of quality at Shanghai Newsummit Biopharma Co., Ltd. (上海新生源生物醫藥研究有限公司) from January 2007 to January 2009. He served as a manager of quality and project manager at General Regeneratives (Shanghai) Limited (交晨生物醫藥技術(上海)有限公司) from February 2009 to September 2012, during which he was responsible for preclinical research and clinical registration. Mr. Zhang later served as the director of projects at Huabo Biopharm from January 2013 to February 2016, during which he was responsible for leading clinical registration and project management.

Mr. Zhang obtained a bachelor's degree in bioengineering from East China University of Science and Technology (華東理工大學) in the PRC in July 2006.

On October 14, 2024, the Board resolved to propose Mr. Zhang to be appointed as an executive Director. Such proposed appointment is subject to the approval from the Shareholders at the AGM and will take effect upon the approval from the Shareholders at the AGM.

Dr. Xiong Zikai (熊梓鍇), Ph.D., aged 45, was appointed as the senior vice president of our Company in March 2022, and is responsible for business development of our Group.

Dr. Xiong has over 14 years of work experience in the business development and other important functions of biomedical and pharmaceutical industries. Earlier in his career, Dr. Xiong served as a consultant at Roland Berger International Management Consulting (Shanghai) Co. Ltd. (羅蘭貝格國際管理諮詢(上海)有限公司) from June 2009 to June 2011. He served as a strategy manager at Bayer Healthcare Co., Ltd. (拜耳醫藥保健有限公司), which is a company under Bayer AG, a multinational pharmaceutical company listed on the Frankfurt Stock Exchange (stock code: BAYN), from June 2011 to December 2013, during which he was responsible for formulating the corporate strategy, business development and sales performance management. Dr. Xiong also served as the director of products and marketing at Beijing Genetron Biotech Co., Ltd. (北京泛生子生物科技有限公司) and Genetron Health Gene Technology (Beijing) Co., Ltd. (北京泛生子基因科技有限公司), each of which is a PRC operation entity controlled by Genetron Health, Inc., a precision oncology company listed on the NASDAQ Global Market (stock code: GTH), from December 2013 to March 2016. He co-founded Beijing Open01 Technology Co., Ltd. (北京開數科技有限公司) in April 2016, a company exploring big-data applications. Dr. Xiong served as the executive director of business development at Veritas Genetics (Shanghai) Co., Ltd. (真奕生物科技(上海)有限公司), a PRC operation entity controlled by Veritas Genetics Inc. from March 2018 to March 2019, during which he was responsible for the overall business development. He also served as a senior director of business alliance at Sinovant Sciences Co., Ltd (上海侖勝醫藥科技有限公司), a company which principally engages in innovative biomedical research and development in the PRC, from November 2019 to June 2021, during which he was responsible for the overall business development. Dr. Xiong served as the vice president of business development and investment of Shanghai De Novo Pharmatech Co., Ltd. (上海迪諾醫藥科技有限公司), a company which principally engages in the discovery and development of small molecule drugs for cancer patients, from August 2021 to February 2022, during which he was responsible for the overall business development, marketing and investment activities.

Dr. Xiong obtained a bachelor's degree in cell biology and genetics from Peking University (北京大學) in the PRC in July 2002 and his Ph.D. in stem cell genetics from University of Cambridge in the United Kingdom in July 2008.

Dr. Frank Xiaodong Gan, aged 62, has served as the counsel of our Company since January 2025 and the senior vice president of our Company from April 2022 to January 2025, responsible for clinical development of our Group in the United States.

Dr. Gan has over 25 years of work experience in the academia and biopharmaceutical industry. Prior to joining our Company, Dr. Gan worked at Merck & Co., Inc., a multinational pharmaceutical company listed on the NYSE (stock code: MRK) as a biologist from February 2000 to September 2004 and served as a clinical research scientist from September 2004 to July 2007, during which he was responsible for clinical research and development. He served as a clinical research scientist at Bristol Myers Squibb, a multinational pharmaceutical company listed on the NYSE (stock code: BMY), from July 2007 to November 2010, during which he was responsible for early phase clinical development of antitumor drugs. Dr. Gan also served as a clinical research scientist at Eli Lilly and Company, from November 2010 to September 2016. He served as a director and a clinical project scientist of oncology at Janssen Research & Development, LLC, a subsidiary of Johnson & Johnson which is a company listed on the NYSE (stock code: JNJ), from September 2016 to October 2018. Dr. Gan also served as the head of global clinical development at NMS Group from March 2019 to March 2022, during which he was responsible for leading the global clinical development of the Company. Dr. Gan currently serves as a member of the board of directors of Sino-American Pharmaceutical Professionals Association (美中醫藥開發協會).

Dr. Gan obtained a bachelor's degree in pharmacy and a master's degree in pharmacognosy from Shanghai Medical College (上海醫科大學) (currently known as Shanghai Medical College of Fudan University (復旦大學上海醫學院)) in the PRC in July 1984 and October 1988, respectively. He further obtained a master's degree in pharmaceutical sciences from North Dakota State University in the United States in December 1997. Dr. Gan obtained a doctor's degree in pharmacy from Shenandoah University in the United States in May 2007 through attending long-distance learning courses, a non-traditional PharmD program.

Dr. Lu Qiying (盧啟應), aged 51, was appointed as the chief medical officer and senior vice president of our Company in March 2022, and is responsible for formulating the clinical strategy and direct clinical development of our Group. Dr. Lu resigned as the chief medical officer and senior vice president on March 20, 2025.

Dr. Lu has around 20 years of work experience as a physician and in development of oncology medicine. Prior to joining our Company, Dr. Lu served as a resident physician at the medical oncology department of Beijing Cancer Hospital (北京大學腫瘤醫院) from January 2003 to August 2005. He also served as a senior medical advisor at Merck Serono (Beijing) Pharmaceutical Research and Development Co., Ltd. Shanghai Office (默克雪蘭諾(北京)醫藥研發有限公司上海地區研發中心). Dr. Lu served as a clinical research physician at the medical department of GlaxoSmithKline (China) R&D Company Limited (葛蘭素史克(上海)醫藥研發中心有限公司). He also served as an associate director and clinician at Pfizer (China) Research and Development Co., Ltd. (輝瑞(中國)研究開發有限公司), a Chinese subsidiary of Pfizer Inc., which is a multinational pharmaceutical company listed on the NYSE (stock code: PEF). Dr. Lu served as an associate director and oncology physician at AstraZeneca Investment (China) Company Limited, a Chinese subsidiary of AstraZeneca Plc, which is a company dually listed on the NASDAQ Global Market (stock code: AZN) and the London Stock Exchange (stock code: AZN). He served as a vice general manager of clinical development at Ascentage Pharma (Suzhou) Co., Ltd. (蘇州亞盛藥業有限公司), a subsidiary of Ascentage Pharma Group International (亞盛醫藥集團) which is a company listed on the Stock Exchange (stock code: 6855). Dr. Lu also served at QureBio Biotech (Shanghai) Co., Ltd. (啓愈生物技術(上海)有限公司).

Dr. Lu obtained a master's degree in immunology from Hebei Medical University (河北醫科大學) in the PRC in June 2008.

JOINT COMPANY SECRETARIES

Ms. Guan Mei (關梅) was appointed as a joint company secretary of our Company on June 14, 2022. She is primarily responsible for financing activities, internal control and securities and listing matters of our Group. For details of her biography, see "— Executive Directors."

Mr. Li Kin Wai (李健威) was appointed as the other joint company secretary of our Company on June 14, 2022. He is primarily responsible for the corporate secretarial matters of our Group.

Mr. Li currently serves as a corporate service manager of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services.

He has over 10 years of experience in providing company secretarial services and compliance services to listed companies and private companies. Mr. Li has been serving as a company secretary/joint company secretary of two companies listed on the Stock Exchange, namely Sinco Pharmaceuticals Holdings Limited (興科蓉醫藥控股有限公司) (stock code: 6833) since March 31, 2021, and Zhengye International Holdings Company Limited (正業國際控股有限公司) (stock code: 3363) since April 1, 2021.

Mr. Li is a Chartered Secretary, Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute ("**HKCGI**") (formerly known as "**The Hong Kong Institute of Chartered Secretaries**") and The Chartered Governance Institute ("**CGI**") (formerly known as "**The Institute of Chartered Secretaries and Administrators**") in the United Kingdom.

Mr. Li obtained a master's degree of corporate governance from The Open University of Hong Kong in Hong Kong in November 2020.

CHANGES IN DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INFORMATION

Resignation of Executive Director, Chief Financial Officer and Authorized Representative

With effect from March 2, 2024, Ms. Song Ziyi (宋子一) ("**Ms. Song**") has tendered her resignation as an executive Director and the chief financial officer of the Company, in order to devote more time to her other business commitments. Following the resignation of Ms. Song, she has also ceased to be an authorized representative ("**Authorized Representative**") of the Company under Rule 3.05 of the Listing Rules. For further details, please refer to the Company's announcement dated March 1, 2024.

Appointment of Authorized Representative

Dr, Tian, the chairman of the Board, the chief executive officer, the chief scientific officer and an executive Director of the Company, has been appointed as an Authorized Representative with effect from March 2, 2024 to fill the vacancy following Ms. Song' cessation to act in the same capacity as mentioned above. For further details, please refer to the Company's announcement dated March 1.2024.

Appointment of Executive Director

Upon approval by the Shareholders at the annual general meeting on May 28, 2024, Ms. Guan Mei (關梅) ("**Ms. Guan**") was appointed as an executive Director of the first session of the Board. The term of office of Ms. Guan shall be commencing from May 28, 2024 until the expiration of the term of office of the first session of the Board. Ms. Guan had obtained the legal advice as referred to in Rule 3.09D of the Listing Rules on February 23, 2024 and she had confirmed she understood her obligations as a director of a listed issuer under the Listing Rules. The biographical details of the aforesaid Director have been set out in Company's announcement dated March 1. 2024 in accordance with Rule 13.51(2) of the Listing Rules. For further details, please refer to the Company's announcements dated March 1, 2024 and May 28, 2024, and the Company's circular dated April 30, 2024.

Resignation of Supervisor and Election of Employee Representative Supervisor

With effect from July 29, 2024, Mr. Gu Jiefeng (顧傑鋒) ("**Mr. Gu**") has tendered his resignation as a member of the Supervisory Committee, in order to devote more time to his other business commitments.

Pursuant to the Company Law of the PRC and Company's Articles of Association, Ms. Zhang Wei (張薇) ("**Ms. Zhang**") has been elected by the employee representative assembly as an employee representative supervisor, for a term of office commencing from July 29, 2024 until the date of expiry of the term of the first session of the Supervisory Committee. For further details, please refer to Company's announcement dated July 30, 2024.

Resignation of Non-executive Directors

Mr. Yu Xiaoyong (于曉勇) tendered his resignation as a non-executive Director of the Company, with effect from September 30, 2024, in order to devote more time to his other business commitments. For further details, please refer to the Company's announcement dated September 30, 2024.

Mr. Yu Zhihua (余治華) tendered his resignation as a non-executive Director of the Company, with effect from October 14, 2024, in order to devote more time to his other business commitments. For further details, please refer to the Company's announcement dated October 14, 2024. Prior to his resignation, Mr. Yu was responsible for advising on our business plans, major decisions and investment activities of our Group.

Proposed Appointment of Directors

On September 30, 2024, the Board resolved to propose Ms. Fu Dawei (付大偉) to be appointed as a non-executive Director. Such proposed appointment is subject to the approval from the Shareholders at the AGM and will take effect upon the approval from the Shareholders at the AGM. For further details, please refer to the Company's announcement dated September 30, 2024.

On October 14, 2024, the Board resolved to propose Mr. Zhang Ruliang (張如亮) to be appointed as an executive Director. Such proposed appointment is subject to the approval from the Shareholders at the AGM and will take effect upon the approval from the Shareholders at the AGM. For further details, please refer to the Company's announcement dated October 14, 2024.

Save as disclosed in this annual report and up to the date of this annual report, there are no other changes in the Directors', the Supervisors' or the chief executive officer's information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Report of Directors

The Board is pleased to present this report of Directors together with the audited consolidated financial statements of the Group for the year ended December 31, 2024.

PRINCIPAL ACTIVITIES

The Group is a science-driven biotechnology group dedicated to the development of immuno-oncology therapies.

The activities and particulars of the Company's subsidiaries are shown under Note 35 to the consolidated financial statements. An analysis of the Group's results for the year ended December 31, 2024 by principal activities of the Group is set out in the section headed "Management Discussion and Analysis" in this annual report.

There were no significant changes in the nature of the Group's principal activities during the Reporting Period and up to the date of this report.

RESULTS

The results of the Group for the year ended December 31, 2024 are set out in the consolidated financial statements in this annual report.

DIVIDEND

The Board has resolved not to recommend a final dividend for the year ended December 31, 2024 (2023: Nil).

As of December 31, 2024, there was no arrangement under which a Shareholder has waived or agreed to waive any dividend.

SHARE CAPITAL AND SHARES ISSUED

Details of the movement in the share capital of the Company for the year ended December 31, 2024 and details of the Shares issued during the year ended December 31, 2024 are set out in Note 28 to the consolidated financial statements in this annual report.

RESERVES

As of December 31, 2024, the Company did not have any distributable reserves.

Details of the movement in reserves of the Group for the year ended December 31, 2024 are set out in Notes 37 to the consolidated financial statements in this annual report.

BUSINESS REVIEW

A review of the business of the Group during the year as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a discussion and analysis on the Group's future business development and the financial and operational key performance indicators employed by the Directors in measuring the performance of the Group's business is set out in the section headed "Management Discussion and Analysis" and "Financial Summary" in this annual report. These discussions form part of this report of Directors. Events affecting the Company that have occurred since the end of the financial year, if any, are set out in the section headed "Important Events After The Reporting Period" in this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Risks Relating to the Research and Development and Commercialization of our Drug Candidates

- We face substantial competition and our competitors may discover, develop or commercialize competing drugs faster or more successfully than we do.

- We depend substantially on the success of our clinical-stage and preclinical stage drug candidates. If we are unable to successfully complete development, obtain regulatory approval and commercialize our drug candidates, or if we experience significant delays in doing any of the foregoing, our business, financial condition, results of operations and prospects will be materially harmed.

- If clinical trials of our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or may ultimately be unable to complete, the development and commercialization of our drug candidates.

- If we encounter difficulties in enrolling subjects in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

Risks Relating to Regulatory Approvals and Government Regulation

- All material aspects of the research, development, manufacturing and commercialization of our drug candidates are heavily regulated and are subject to change. Any failure to comply with existing regulations and industry standards or any adverse actions by the drug-approval authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects.

- We may seek approvals from the NMPA, FDA or other comparable regulatory authorities to use data from registrational trials via accelerated approval pathways for our drug candidates. If we are not able to use such pathways, we may be required to conduct additional clinical trials beyond those that we contemplate, which would increase the expense of obtaining, and delay the receipt of, necessary marketing approvals, if we receive them at all.

- The regulatory approval processes of the NMPA, FDA and other comparable regulatory authorities are lengthy, time-consuming and inherently unpredictable. If we are unable to obtain without undue delay any regulatory approval for our drug candidates in our targeted markets, our business may be materially and substantially affected.

Risks Relating to our Operations

- Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which would be uncertain.

- We have entered into collaborations with our partners and may form or seek additional collaborations or strategic alliances or enter into licensing arrangements in the future. We may not realize any or all benefits of such alliances or licensing arrangements, and disputes may arise between us and our collaboration partners.

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 our H Shares.

For the measures related to the risks, please refer to "Corporate Governance Report" in this report.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2024, the Group's five largest suppliers accounted for 34.8%, as compared to 38.9% of the Group's total purchases for the year ended December 31, 2023. The Group's single largest supplier accounted for 12.3% for the year ended December 31, 2024, as compared to 11.1% of the Group's total purchases for the year ended December 31, 2023.

For the year ended December 31, 2024, the Group's five largest customers accounted for 99.9%, as compared to 82.7% of the Group's total revenue for the year ended December 31, 2023. The Group's single largest supplier accounted for 99.8% for the year ended December 31, 2024, as compared to 46.2% of the Group's total revenue for the year ended December 31, 2023.

None of the Directors or any of their close associates (as defined in the Listing Rules) or any Shareholders (whom, to the best knowledge and belief of the Directors, own more than 5% of the Company's total issued share capital) had a material interest in the Group's five largest customers or suppliers during the Reporting Period.

KEY RELATIONSHIPS WITH STAKEHOLDERS

The Group recognizes that various stakeholders, including employees, customers, suppliers and other business associates are key to the Group's success. The Group strives to achieve corporate sustainability through engaging, collaborating and cultivating strong relationship with them.

Further details of an account of the Company's key relationships with its employees, customers, suppliers and other business associates that have a significant impact on the Company are set out in the "Environmental, Social and Governance Report" in this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

We are committed to environmental protection and promoting corporate social responsibility and best corporate governance practices to develop sustainable value for stakeholders and take up responsibilities as a corporate citizen.

Further details of the Company's environmental policies and performance are set out in the "Environmental, Social and Governance Report" in this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended December 31, 2024, there was no material breach of, or non-compliance with, applicable laws and regulations, by the Group.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

Use of Proceeds during the Reporting Period

The Company issued 17,147,200 H Shares at HK$18.60, which were listed on the Main Board of the Stock Exchange on the Listing Date, and issued 917,800 H Shares at HK$18.60 upon the partial exercise of the Over-allotment Option (as defined in the Prospectus), which were listed on the Main Board of the Stock Exchange on October 4, 2023. We received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering (following partial exercise of the Over-allotment Option) (the "**Net Proceeds**") of approximately HK$251.3 million. As at December 31, 2024, the Net Proceeds had been utilized as follows:

Proposed use	Percentage of total net proceeds	Allocation of net proceeds (HK$ million)	Unutilized amount as of December 31, 2023 (HK$ million)	Utilized amount during the year ended December 31, 2024 (HK$ million)	Balance of net proceeds unutilized as of December 31, 2024 (HK$ million)
(a) To fund our Core Product, IMM01	40.0%	100.5	77.7	48.5	29.2
• For funding an ongoing Phase II trial and planned pivotal clinical trials for the combination therapy of IMM01 and azacitidine for the first-line treatment of MDS/AML, and CMML in China, the preparation of relevant registration filings and other regulatory matters.	20.0%	50.3	39.2	17.5	21.7
• For funding ongoing and planned clinical trials of the combination therapy of IMM01 and tislelizumab in China, the preparation of relevant registration filings and other regulatory matters.	17.0%	42.7	31.0	31.0	0.0
• For funding the launch and commercialization of IMM01 in combination therapies.	3.0%	7.5	7.5	0.0	7.5

Proposed use	Percentage of total net proceeds	Allocation of net proceeds (HK$ million)	Unutilized amount as of December 31, 2023 (HK$ million)	Utilized amount during the year ended December 31, 2024 (HK$ million)	Balance of net proceeds unutilized as of December 31, 2024 (HK$ million)
(b) To fund our key products, IMM0306, IMM2902 and IMM2520	28.0%	70.4	48.8	43.9	4.9
• For ongoing and planned clinical trials of IMM0306 for the treatment of R/R B-NHL in China, the preparation of relevant registration filings, other regulatory matters, and planned commercial launch in China.	15.0%	37.7	29.5	29.5	0.0
• For the ongoing clinical trials of IMM2902 for the treatment of advanced HER2-positive and HER2-low expressing solid tumors, such as BC, GC, NSCLC and BTC in China and the U.S.	8.0%	20.1	8.1	8.1	0.0
• For planned clinical trials of IMM2520 in China for the treatment of solid tumors, particularly those resistant or not sensitive to the currently available immunotherapies, such as CRC, GC and lung cancer, among others.	5.0%	12.6	11.2	6.3	4.9
(c) For the planned clinical trial of IMM47.	10.0%	25.1	17.5	2.5	15.0
(d) For the ongoing clinical trials of IMM2510 and IMM27M.	5.0%	12.6	5.2	5.2	0.0
(e) For construction of our new manufacturing facility in Zhangjiang Science City, Shanghai.	7.0%	17.5	17.5	0.0	17.5
(f) For our continuous preclinical research and development of multiple preclinical-and discovery-stage assets, including without limitation IMM4701, IMM51, IMM38, IMM2547, IMM50 and IMM62, as well as CMC to support the clinical trials including pivotal trials for various assets.	5.0%	12.6	12.6	12.6	0.0
(g) For working capital and general corporate purposes.	5.0%	12.6	12.6	12.6	0.0
Total	100.0%	251.3	191.9	125.3	66.6

Proposed Change in Use of Proceeds from the Global Offering

As at the date of this announcement, our Company has not yet utilized the Net Proceeds of approximately RMB54.5 million (the "**Unutilized Net Proceeds**"). The Board, having considered the reasons set out in "Reasons for the Proposed Change in Use of Proceeds from the Global Offering" below, proposed to make adjustments in the intended use of the Unutilized Net Proceeds ("**Proposed Change in Use of Proceeds from the Global Offering**"), as set out in the table below.

		Original percentage of Net Proceeds as disclosed in the Prospectus	Original allocation of Net Proceeds as disclosed in the Prospectus (HK$ million)	Amounts of Unutilized Net Proceeds as at the date of this announcement (HK$ million)	Amount to be adjusted (HK$ million)	Percentage of Net Proceeds (after the proposed change)	Revised allocation of Net Proceeds (HK$ million)	Revised amounts of Unutilized Net Proceeds as at the date of this announcement (HK$ million)
(a)	To fund our Core Product, IMM01	40.0%	100.5	17.1	15.0	46.0%	115.5	32.1
•	For funding an ongoing Phase II trial and planned pivotal clinical trials for the combination therapy of IMM01 and azacitidine for the first-line treatment of MDS/AML, and CMML in China, the preparation of relevant registration filings and other regulatory matters.	20.0%	50.3	9.6	Same as original	20.0%	50.3	9.6
•	For funding ongoing and planned clinical trials of the combination therapy of IMM01 and tislelizumab in China, the preparation of relevant registration filings and other regulatory matters.	17.0%	42.7	0.0	Same as original	17.0%	42.7	0.0
•	For funding the launch and commercialization of IMM01 in combination therapies.	3.0%	7.5	7.5	Same as original	3.0%	7.5	7.5
•	For funding ongoing and planned clinical trials of the combination therapy of IMM01	0.0%	0.0	0.0	15.0	6.0%	15.0	15.0

		Original percentage of Net Proceeds as disclosed in the Prospectus	Original allocation of Net Proceeds as disclosed in the Prospectus (HK$ million)	Amounts of Unutilized Net Proceeds as at the date of this announcement (HK$ million)	Amount to be adjusted (HK$ million)	Percentage of Net Proceeds (after the proposed change)	Revised allocation of Net Proceeds (HK$ million)	Revised amounts of Unutilized Net Proceeds as at the date of this announcement (HK$ million)
(b)	To fund our Key Products, IMM0306, IMM2902 and IMM2520	28.0%	70.4	4.9	11.1	32.4%	81.5	16.0
	• For ongoing and planned clinical trials of IMM0306 for the treatment of R/R B-NHL in China, the preparation of relevant registration filings, other regulatory matters, and planned commercial launch in China.	15.0%	37.7	0.0	10.0	19.0%	47.7	10.0
	• For ongoing and planned clinical trials of IMM0306 for the treatment of SLE, NMOSD, LN and other autoimmune related diseases.	0.0%	0.0	0.0	6.0	2.4%	6.0	6.0
	• For the ongoing clinical trials of IMM2902 for the treatment of advanced HER2-positive and HER2-low expressing solid tumors, such as BC, GC, NSCLC and BTC in China and the U.S.	8.0%	20.1	0.0	Same as original	8.0%	20.1	0.0
	• For planned clinical trials of IMM2520 in China for the treatment of solid tumors, particularly those resistant or not sensitive to the currently available immunotherapies, such as CRC, GC and lung cancer, among others.	5.0%	12.6	4.9	(4.9)	3.1%	7.7	0.0
(c)	For the planned clinical trial of IMM47.	10.0%	25.1	15.0	(15.0)	4.0%	10.1	0.0
(d)	For the ongoing clinical trials of IMM2510 and IMM27M.	5.0%	12.6	0.0	Same as original	5.0%	12.6	0.0

		Original percentage of Net Proceeds as disclosed in the Prospectus	Original allocation of Net Proceeds as disclosed in the Prospectus (HK$ million)	Amounts of Unutilized Net Proceeds as at the date of this announcement (HK$ million)	Amount to be adjusted (HK$ million)	Percentage of Net Proceeds (after the proposed change)	Revised allocation of Net Proceeds (HK$ million)	Revised amounts of Unutilized Net Proceeds as at the date of this announcement (HK$ million)
(e)	For construction of our new manufacturing facility in Zhangjiang Science City, Shanghai.	7.0%	17.5	17.5	(17.5)	0.0%	0.0	0.0
(f)	For our continuous preclinical research and development of multiple preclinical-and discovery-stage assets, including without limitation IMM4701, IMM51, IMM38, IMM2547, IMM50 and IMM62, as well as CMC to support the clinical trials including pivotal trials for various assets.	5.0%	12.6	0.0	Same as original	5.0%	12.6	0.0
(g)	For working capital and general corporate purposes.	5.0%	12.6	0.0	6.4	7.6%	19.0	6.4
Total		**100.0%**	**251.3**	**54.5**	**–**	**100.0%**	**251.3**	**54.5**

Reasons for the Proposed Change in Use of Proceeds from the Global Offering

The reasons for the Proposed Change in Use of Proceeds from the Global Offering and the reallocation of the Unutilized Net Proceeds are as follows:

(i) The Company aims to strategically concentrate on the research and development progress of key pipeline projects. The Group is committed to accelerating the advancement of its drug candidates and bringing these promising treatments to market as efficiently as possible, which is why we are focusing on clinical development.

(ii) In light of evolving industry dynamics, the Group continues to optimize the use of existing resources. We are refocusing and reallocating these resources to expedite the clinical development of our most promising candidates. This strategic realignment will enable us to maximize our impact and effectively address the needs of patients.

(iii) As part of this strategy, we have strategically terminated the development of IMM2520, IMM47, and the construction of our manufacturing facility in Zhangjiang Science City, Shanghai, the PRC, and decided to reallocate the Net Proceeds to accelerate the advancement of our drug candidates and efficiently bring these promising treatments to market. For further details of the termination of the construction of our manufacturing facility in Zhangjiang Science City, Shanghai, the PRC, please refer to the announcements of the Company dated December 30, 2024, February 17, 2025 and February 21, 2025.

Impact of the Proposed Change in Use of Proceeds from the Global Offering

The Board has considered that the development direction of our Company is still in line with the disclosures in the Prospectus in spite of the Proposed Change in Use of Proceeds from the Global Offering as stated above. The Board confirms that there is no material change in the business nature of our Group as set out in the Prospectus, and considers that the change in the use of the Net Proceeds is fair and reasonable as this would allow the Group to deploy its financial resources more effectively to enhance the R&D capacity and pipeline of the Group, and is therefore in the best interest of our Company and the Shareholders as a whole.

Save as the changes disclosed above, there are no other proposed changes in the use of the Net Proceeds. The Unutilized Net Proceeds will be applied in a manner consistent with the above planned applications and remains subject to change based on our current and future development of market conditions and actual business needs. The Company plans to utilize the unutilized balance of the Net Proceeds of the Global Offering by the end of 2026. The completion time of using such proceeds will be determined based on the Company's actual business needs and future business development.

General

The Proposed Change in Use of Proceeds from the Global Offering shall be subject to the consideration and approval by the Shareholders at the general meeting of the Company by way of an ordinary resolution. A circular containing, among other things, details of the Proposed Change in Use of Proceeds from the Global Offering, together with a notice of the general meeting of the Company, will be dispatched to the Shareholders in due course.

PROSPECTS

A description of the future development in the Company's business is provided in the "Chairman's Statement" and the "Management Discussion and Analysis" in this annual report.

DIRECTORS AND SUPERVISORS

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

Executive Directors[1]

Dr. Tian Wenzhi (田文志)
Mr. Li Song (李松)
Ms. Guan Mei (關梅) (*appointed with effect from May 28, 2024*)

Non-executive Director[2]

Dr. Xu Cong (徐聰)

Independent Non-executive Directors

Dr. Zhenping Zhu
Dr. Kendall Arthur Smith
Mr. Yeung Chi Tat (楊志達)

Supervisors[3]

Ms. Tian Miao (田苗)
Mr. Zhao Zimeng (趙子萌)
Ms. Zhang Wei (張薇) (*appointed with effect from July 29, 2024*)

Notes:

(1) Ms. Song Ziyi (宋子一) resigned as an executive Director of the Company with effect from March 2, 2024.

(2) Mr. Yu Xiaoyong (于曉勇) resigned as a non-executive Director of the Company with effect from September 30, 2024.

On September 30, 2024, the Board resolved to propose Ms. Fu Dawei (付大偉) to be appointed as a non-executive Director. Such proposed appointment is subject to the approval from the Shareholders at the AGM and will take effect upon the approval from the Shareholders at the AGM.

Mr. Yu Zhihua (余治華) tendered his resignation as a non-executive Director of the Company, with effect from October 14, 2024

On October 14, 2024, the Board resolved to propose Mr. Zhang Ruliang (張如亮) to be appointed as an executive Director. Such proposed appointment is subject to the approval from the Shareholders at the AGM and will take effect upon the approval from the Shareholders at the AGM.

(3) Mr. Gu Jiefeng (顧傑鋒) resigned as a member of the Supervisory Committee of the Company with effect from July 29, 2024

The Company has received, from each of the independent non-executive Directors, a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors are independent.

BIOGRAPHIES OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The biographical information of the Directors, Supervisors and the senior management of the Company are set out in "Directors, Supervisors and Senior Management" in this annual report.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

We have entered into a service contract with each of our Directors and Supervisors which contains provisions in relation to, among other things, compliance with relevant laws and regulations and observance of the Articles of Association.

The principal particulars of these service contracts are: (a) each of the contracts is for a term of three years following his/her respective effective date of his/her appointment; and (b) each of the contracts is subject to termination in accordance with their respective terms. The contracts may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors and Supervisors in their respective capacities as Directors or Supervisors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

EMPLOYEES AND REMUNERATION POLICIES

A review of the employees and remuneration policies of the Group during the year is set out in the "Management Discussion and Analysis — Financial Review — Employees and Remuneration Policies" on page 33 of this annual report.

RETIREMENT BENEFITS SCHEME

Further details of the retirement benefits scheme of the Company are set out in Note 34 to the consolidated financial statements in this annual report.

REMUNERATION OF THE DIRECTORS AND SUPERVISORS AND FIVE HIGHEST PAID INDIVIDUALS

Our Directors and Supervisors, certain of whom are also employees of our Company, receive compensation in the form of fee, salaries, allowances, discretionary bonuses, share-based compensation, retirement benefit scheme contributions and other benefits in kind.

The remuneration of the Directors and Supervisors of the Group is determined by the Shareholders' general meeting with reference to the recommendation given by the Remuneration Committee, having regard to the individual performance and comparable market statistics. The remuneration of the senior management of the Group is determined by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the individual performance and comparable market statistics.

Details of the remuneration of the Directors, Supervisors and the five highest paid individuals for the Reporting Period are set out in Note 12 to the consolidated financial statements in this annual report.

During the Reporting Period, there was no emolument paid by the Group to any of the Directors, Supervisors or any of the five highest paid individuals as an inducement to join, or upon joining the Group or as compensation for loss of office. None of the Directors or Supervisors waived or agreed to waive any emoluments for the year ended December 31, 2024.

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

Save as disclosed in this annual report, none of the Directors and Supervisors nor any entity connected with the Directors or Supervisors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance, whether for the provision of services or otherwise, to the Group to which the Company or any of its subsidiaries was a party subsisting during or at the end of the year ended December 31, 2024.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no controlling shareholders or their respective subsidiaries had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the Group to which the Company or any of its subsidiaries was a party subsisting during or at the end of the year ended December 31, 2024.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had any interest in a business which competes or is likely to compete, directly or indirectly, with business of the Group for the year ended December 31, 2024.

From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these non-executive Directors are not members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which these non-executive Directors may hold directorships from time to time.

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 from the period of the Listing Date to December 31, 2024 and up to the date of this report between the Company and a person other than a Director or any person engaged in the full-time employment of the Company.

CONNECTED TRANSACTION

During the Reporting Period, the Group did not conduct any non-exempt connected transactions or continuing connected transactions in accordance with the Listing Rules.

Details of related party transactions of the Group for the year ended December 31, 2024 are set out in Note 30 to the consolidated financial statements in this annual report. None of the related party transactions constitutes a connected transactions or continuing connected transactions required to be disclosed under the Listing Rules.

DISCLOSURE OF INTERESTS

A. Directors', Supervisors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Its Associated Corporations

As of December 31, 2024, the interests and short positions of our Directors, Supervisors and chief executive of our Company in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

Long positions in the Shares of the Company

Name of Director/ Supervisor/Chief Executive	Capacity/Nature of interest	Description of Shares[1]	Number of Shares Held or Interested	Approximate percentage of shareholding in our Unlisted Shares/H Shares (as appropriate)[2]	Approximate percentage of shareholding in the total share capital of our Company[2]
Dr. Tian (Chairman of the Board, chief executive officer, chief scientific officer and executive Director)	Beneficial owner	H Shares	70,182,990	18.36%	17.23%
	Interest in controlled corporations; Interest of spouse[3]	H Shares	45,701,100	11.96%	11.22%

Notes:

(1) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.

(2) The calculation is based on the total number of issued Shares, 407,307,695 Shares, including 25,144,396 Unlisted Shares and 382,163,299 H Shares, as of December 31, 2024.

(3) Jiaxing Changxian Enterprise Management L.P. (Limited Partnership) (嘉興昶咸企業管理合夥企業(有限合夥)) holds 15,517,260 H Shares as beneficial owner and is ultimately controlled by Dr. Tian, (ii) Jiaxing Changyu Enterprise Management L.P. (Limited Partnership) (嘉興昶宇企業管理合夥企業(有限合夥)) holds 14,839,695 H Shares as beneficial owner and is ultimately controlled by Dr. Tian, and (iii) Halo Biomedical Investment II Limited holds 15,344,145 H Shares as beneficial owner and is ultimately controlled by Dr. Tian. Accordingly, Dr. Tian is deemed to be interested in 45,701,100 H Shares.

Long positions in the Shares of associated corporation of the Company

Name of Director/Supervisor/Chief Executive	Capacity/Nature of interest	Associated corporation	Approximate percentage of shareholding
Dr. Tian (Chairman of the Board, chief executive officer, chief scientific officer and executive Director)	Interest in controlled corporations	ImmuneCare Biopharmaceutical (Shanghai) Co., Ltd.	6%

Note:

(1) As at the date of this report, ImmuneCare Biopharmaceutical (Shanghai) Co., Ltd. (宜明凱爾生物醫藥技術(上海)有限公司) was owned as to 93% and 6% by the Company and Jiaxing Changxin Enterprise Management L.P. (Limited Partnership) (嘉興昶新企業管理合夥企業(有限合夥)) ("**Jiaxing Changxin**"), respectively. Jiaxing Changxin is a limited partnership managed by its executive partner, Jiaxing Hanning Enterprise Management Co., Ltd. (嘉興翰濘企業管理有限公司), which is ultimately controlled by Dr. Tian and holds approximately 0.1% partnership interest in Jiaxing Changxin. As at the date of this report, Jiaxing Changxin had two limited partners, among which, Dr. Tian held approximately 71.33% of its partnership interests. Accordingly, Dr. Tian is deemed to be interested in the shares of ImmuneCare Biopharmaceutical (Shanghai) Co., Ltd. held by Jiaxing Changxin under the SFO.

Save as disclosed above, as of December 31, 2024, none of the Directors, Supervisors and 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 as recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

B. Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As of December 31, 2024, to the knowledge of the Company and the Directors after making reasonable inquiries, the following persons had interests or short positions in the Shares or the underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Capacity/ Nature of interest	Description of Shares	Number of Shares	Approximate percentage of shareholding in our Unlisted Shares/H Shares (as appropriate)[1]	Approximate percentage of shareholding in the total share capital of our Company[2]
Dr. Tian[3][4]	Beneficial owner	H Shares	70,182,990	18.36%	17.23%
	Interest of spouse	H Shares	15,344,145	4.02%	3.77%
	Interest in controlled corporations	H Shares	30,356,955	7.94%	7.45%
Mr. Yu Xiaoyong (于曉勇)[5]	Interest in controlled corporations	Unlisted Shares	11,030,390	43.87%	2.71%
		H Shares	26,463,905	6.92%	6.50%
ZJ Leading Initiating VC[5]	Beneficial owner	H Shares	20,909,600	5.47%	5.13%

Notes:

(1) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.

(2) The calculation is based on the total number of issued Shares, 407,307,695 Shares, including 25,144,396 Unlisted Shares and 382,163,299 H Shares, as of December 31, 2024.

(3) Halo Investment II, one of our Employee Shareholding Platforms and a limited liability company incorporated under the laws of the BVI, is wholly owned by Halo LP, a limited partnership established under the laws of the BVI. The general partner of Halo LP is Halo Biomedical Investment I Limited ("**Halo Investment I**"). As of December 31, 2024, Dr. Tian was the sole director of Halo Investment I and controlled the voting rights in Halo Investment I pursuant to the voting agreement entered into between Dr. Tian and the sole shareholder of Halo Investment I, and Halo Investment I was accustomed to act in accordance with Dr. Tian's instruction. For further details of the voting agreement, please refer to the Prospectus.

Further, as of December 31, 2024, Dr. Yumei Ding, the spouse of Dr. Tian and a director of our subsidiary, held more than one-third of interests as a limited partner in Halo LP. All limited partners of Halo LP do not have any voting rights in our Company which are resided with the sole director of Halo Investment I being Dr. Tian. As such, under the SFO, Dr. Tian is deemed to be interested in 15,344,145 H Shares held by Halo Investment II as well as Dr. Yumei Ding's deemed interest in Halo Investment II.

(4) Each of Jiaxing Changxian and Jiaxing Changyu, our Employee Shareholding Platforms, is a limited partnership incorporated under the laws of the PRC and is managed by its general partner, Jiaxing Hanning Enterprise Management Co., Ltd. (嘉興翰寧企業管理有限公司), which is ultimately controlled by Dr. Tian. As such, under the SFO, Dr. Tian is deemed to be interested in an aggregate of 30,356,955 H Shares held by Jiaxing Changxian and Jiaxing Changyu.

(5) ZJ Leading Initiating VC beneficially owns 20,909,600 H Shares and ZJ Leading SiQi VC beneficially owns 5,554,305 H Shares. ZJ Leading Initiating VC is a limited partnership incorporated under the laws of the PRC, whose general partner is Shanghai Zhangke Lingyi Enterprise Management Center (Limited Partnership) (上海張科領醫企業管理中心(有限合夥)), a limited partnership incorporated under the laws of the PRC, which is ultimately controlled by Mr. Yu Xiaoyong (于曉勇), our non-executive Director. ZJ Leading SiQi VC is a limited partnership incorporated under the laws of the PRC, whose general partner is Jiaxing Linghe Equity Investment Partnership (Limited Partnership) (嘉興領和股權投資合夥企業(有限合夥)), a limited partnership incorporated under the laws of PRC, which is also ultimately controlled by Mr. Yu Xiaoyong (于曉勇). As such, under the SFO, Mr. Yu Xiaoyong (于曉勇) is deemed to be interested in an aggregate of 26,463,905 H Shares held by ZJ Leading Initiating VC and ZJ Leading SiQi VC.

Save as disclosed in this annual report, as of December 31, 2024, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in any Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the year ended December 31, 2024. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the year ended December 31, 2024.

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

On November 21, 2024 (before trading hours), the Company and China International Capital Corporation Hong Kong Securities Limited (the "**Placing Agent**") entered into a placing agreement (the "**Placing Agreement**"), pursuant to which the Company has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as the Company's sole placing agent, to procure subscribers, on a best effort basis, to subscribe for a total of 33,150,000 new H Shares (the "**Placing Shares**") at the placing price of HK$7.05 per Placing Share (the "**Placing Price**") upon the terms and subject to the conditions set out in the Placing Agreement (the "**Placing**"). The aggregate nominal value of the Placing Shares was RMB33,150,000. The closing price of the Share as quoted on the Stock Exchange on November 20, 2024, being the last trading day prior to the signing of the Placing Agreement, was HK$8.42.

The Placing was completed on November 28, 2024 in accordance with terms and conditions of the Placing Agreement (the "**Closing**"). A total of 33,150,000 Placing Shares were successfully placed by the Placing Agent to no less than six placees (the "**Placees**") at the Placing Price, representing approximately 8.86% of the number of issued share capital and approximately 9.50% of the total issued H Shares of the Company immediately before Closing, and approximately 8.67% of the total issued H Shares and approximately 8.14% of the number of issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares immediately upon Closing.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) each of the Placees and their respective ultimate beneficial owner(s) (where applicable) is a third party independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules); and (ii) none of the Placees nor their respective associates (as defined in the Listing Rules) had become a substantial shareholder (as defined in the Listing Rules) of the Company immediately upon Closing.

The Directors consider that the Placing represents a suitable financing option for the Company to further support the continuous development of the Company's pipeline of candidate products and to strengthen its financial position while broadening its Shareholder base.

The net proceeds from the Placing, after deducting the Placing commission and other relevant costs and expenses of the Placing, amounted to approximately HK$229.7 million, representing a net placing price of approximately HK$6.93 per Placing Share.

Details of the use of the proceeds from the Placing are set out below:

Proposed use	**Percentage of total net proceeds**	**Allocation of net proceeds** (HK$ million)	**Utilized amount during the year ended December 31, 2024** (HK$ million)	**Unutilized amount as of December 31, 2024** (HK$ million)
(a) To fund the Phase Ib/II and further clinical studies of IMM2510 in combination with chemotherapy for first-line treatments of NSCLC and triple-negative breast cancer (TNBC) and treatments of other solid tumors in China	30.0%	68.9	1.0	67.9
(b) To fund the Phase Ib and further clinical studies of IMM2510 in combination with IMM27M for the treatment of advanced solid tumors in China	30.0%	68.9	0.8	68.1
(c) To fund the pivotal clinical studies of the combination therapy of IMM01 (Timdarpacept) and azacitidine, and the combination therapy of IMM01 (Timdarpacept) and tislelizumab in China	10.0%	23.0	0.0	23.0
(d) To replenish the Company's working capital and for general corporate purposes	30.0%	68.9	0.0	68.9
Total	100.0%	229.7	1.8	227.9

The Company intends to use the net proceeds from the Placing in the manner consistent with the intended use as mentioned above. The Company plans to utilize the balance of the unutilized net proceeds of the Placing by mid-2027.

For further details in relation to the Placing, please refer to the announcements of the Company dated November 21, 2024 and November 28, 2024.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares (as defined under the Listing Rules)) during the Reporting Period. As at December 31, 2024, the Company did not hold any of treasury share.

BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings of the Group for the year ended December 31, 2024 are set out in Note 26 to the consolidated financial statements in this annual report. During the year ended December 31, 2024, the Company had not breached any terms of its loan agreements that are significant to the Group's operations.

DEBENTURES ISSUED

The Group did not issue any debentures during the Reporting Period.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

For the purpose of this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 15 to the consolidated financial statements in this annual report.

FINANCIAL SUMMARY

The Company's H Shares were listed on the Stock Exchange on September 5, 2023. A summary of the Group's results, assets and liabilities for the last four financial years is set out on page 182 of this annual report. This summary does not form part of the audited consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float as required under the Listing Rules during the Reporting Period and up to the date of this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights over shares of the Company under the Company's Articles of Association, or the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

TAX RELIEF AND EXEMPTION

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

PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate liability insurance coverage for the Directors, Supervisors and senior management of the Group during the year ended December 31, 2024 which is still in force.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended December 31, 2024 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and none of the Directors and any of their spouse and children under the age of 18 had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

EQUITY-LINKED AGREEMENTS

Save as disclosed in "Employee Shareholding Platforms" set out below, no equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Group during the Reporting Period, or subsisted as of December 31, 2024.

EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our development, Jiaxing Changxian and Jiaxing Changyu were established pursuant to PRC law as the Onshore Employee Shareholding Platforms mainly for our PRC employees. Further, Halo Investment II was established pursuant to BVI law as the Offshore Employee Shareholding Platform mainly for our overseas employees and consultants.

The Shares of the Company were listed on the Stock Exchange on September 5, 2023. Prior to the Listing, all the Shares held by the three Employee Shareholding Platforms had been granted to the relevant individuals. After the Listing, no further grants will be made under the Employee Incentive Plans (as defined below).

Onshore Employee Shareholding Platforms

The Company approved and adopted the employee incentive plan I on January 31, 2021 (the "**Plan I**") and employee incentive plan II on December 20, 2021 (the "**Plan II**", collectively, the "**Employee Incentive Plans**").

As of December 31, 2024, Jiaxing Changxian was the Company's Onshore Employee Shareholding Platform holding the underlying Shares (i.e. 15,517,260 Shares) in respect of share awards granted under the Plan I, and Jiaxing Changyu was the Company's Onshore Employee Shareholding Platform holding the underlying Shares in respect of share awards granted under the Plan II (i.e. 14,839,695 Shares).

The following is a summary of the general information of the Employee Incentive Plans.

(a) Objectives

The objectives of the Employee Incentive Plans are to further improve the corporate governance of the Company, to build an incentive mechanism for senior management members and core employees, to achieve our strategies and to advance development of the Company.

(b) Eligibility

Pursuant to the plan documents (the "**Plan Documents**"), participants of the Employee Incentive Plans include our Company's senior management members, core employees and other talents as approved by the manager of the Employee Incentive Plans, Dr. Tian (the "**Manager**").

The Plan Documents further provided that the following employees or other talents may not be selected as participants to the Employee Incentive Plans (as the case may be):

- Persons who have received administrative penalties from government authorities due to material violation of laws and regulations in the preceding three years;

- Persons who are forbidden to hold the position of director, supervisor or senior management pursuant to the Company Law of the PRC;
- Persons who have breached employment contracts, confidentiality agreements, non-competition agreements or any other agreements entered into with our Company;
- Persons who have seriously violated laws, professional ethics, Articles of Association and the internal policies of our Company, or jeopardized the reputation or interests of the Company or cause severe accidents to the Company due to serious misconduct or gross negligence;
- Persons who have been considered as unqualified by the Company or the Manager during the probation period; or
- Persons who are otherwise not eligible as determined by the Manager or his/her supervisors.

(c) Maximum number of Shares

The Company was listed on the Stock Exchange on September 5, 2023. Prior to the Listing, an aggregate of 30,356,955 Shares (representing approximately 7.45% of total issued share capital of the Company as at the date of this annual report) underlying the shares awards available for grant under the Employee Incentive Plans had been granted to 29 eligible participants (being the individuals who are the limited partners of the Onshore Employee Shareholding Platforms) under the Employee Incentive Plans. After the Listing, no further grant has been or will be made under the Employee Incentive Plans. Given the underlying Shares under the Employee Inventive Plans were either transferred by Dr. Tian to or had been issued by the Company to the relevant Onshore Shareholding Platforms, there will be no dilutive effect to the issued Shares upon unlocking of awards granted under the Employee Incentive Plans.

(d) Maximum entitlement of each Eligible Participant

Under the Employee Incentive Plans, there is no specific limit on the maximum number of shares which may be granted to each participant.

(e) Performance target

The participant may be required to achieve performance targets as the Employee Incentive Plans specify and/or as set out in the individual grant letter before the relevant share awards can be unlocked.

(f) Remaining life

The Plan I and Plan II were approved and adopted on January 31, 2021 and December 20, 2021, respectively, and shall continue to be in effect unless terminated earlier in accordance with applicable laws and provisions of the Employee Incentive Plans or otherwise approved by the Board.

(g) Purchase price of share awards

The purchase price of share awards shall, subject to any adjustments made pursuant to the Employee Incentive Plans, be such amount as may be determined by the Manager in accordance with the Employee Incentive Plans.

(h) Unlocking period

Any transfer or sale of the Shares underlying the awards granted under the Employee Incentive Plans is subject to the unlocking schedule as set out in the individual grant letter.

(i) Grant of awards

The general partner of Jiaxing Changxian and Jiaxing Changyu is Jiaxing Hanning Enterprise Management Co., Ltd. (嘉興翰濘企業管理有限公司), which is ultimately controlled by Dr. Tian. Therefore, all management powers and voting rights of Jiaxing Changxian and Jiaxing Changyu reside with Dr. Tian.

All selected participants do not have any direct voting right in our Company. Each selected participants will be granted awards in the form of economic interest in the relevant Onshore Employee Shareholding Platforms as a limited partner. Upon becoming the limited partner of the relevant Onshore Employee Shareholding Platforms, the selected participant indirectly receives economic interest in the number of Shares underlying the awards granted to the selected participants held by the relevant Onshore Employee Shareholding Platforms.

(j) Administration

The Manager or the Board retains sole discretion over, among other things, the matters of the Employee Incentive Plans to the extent approved by the shareholders' meeting (as the case may be) including the implementation, amendment, termination and interpretation of the Employee Incentive Plans, subject to compliance with applicable laws, regulations, rules, requirements of relevant regulatory authorities and the Articles of Association.

The Employee Incentive Plans are implemented by the office of share incentive comprising three responsible employees appointed by the Manager, subject to the terms of the Employee Incentive Plans and authorization by the Manager and/or the Board, with respect to the matters including (as the case may be):

- the formulation of implement plan of Employee Incentive Plans;
- the management of relevant documents under the Employee Incentive Plans;
- the administration of the general matters of the Employee Incentive Plans;
- the internal coordination with the selected participants; and
- the regular assessment of the selected participants.

(k) Restrictions on transfer

Prior to the Listing, the selected participants may not transfer any or all of his or her interest in the relevant Onshore Employee Shareholding Platforms unless approved by the Manager pursuant to the terms of the Employee Incentive Plans.

After the Listing, in addition to the restrictions under the Employee Incentive Plans and the unlocking period set out in the individual grant letter, the transfer or sale by selected participants shall be subject to the lock-up requirements under the relevant laws and regulations and the stock exchange rules, or the respective agreements entered into between the Company and the relevant selected participants pursuant to the terms of the Employee Incentive Plans (if applicable).

(I) Share awards granted under the Employee Incentive Plans

Details of the share awards under the Employee Incentive Plans during the year ended December 31, 2024 are set out below:

Name/Category of grantees	Date of grant	Unlocking period[1]	Purchase price of share awards per share (RMB)	Closing price immediately before the date of grant	Fair value of share awards on the date of grant per share[2] (RMB)	Number of share awards locked as at January 1, 2024	Number of share awards granted during the Reporting Period	Number of share awards unlocked during the Reporting Period	Weighted average closing price of the Shares immediately before the date unlocked per share (RMB)	Number of share awards cancelled/ forfeited during the Reporting Period[3]	Number of share awards lapsed during the Reporting Period	Number of share awards locked as at December 31, 2024
Directors												
Tian Wenzhi	June 29, 2021	22 to 58 months after grant date	0.18	N/A[4]	5.58	4,756,691	–	1,585,564	13.76	–	–	3,171,127
	April 29, 2022	1 to 4 years after grant date	0.18	N/A[4]	10.15	1,366,099	–	455,366	13.76	–	–	910,733
	September 8, 2022	1 to 4 years after grant date	0.18	N/A[4]	10.15	253,125	–	84,375	4.24	–	–	168,750
	September 28, 2022	1 to 4 years after grant date	0.18	N/A[4]	10.15	50,625	–	16,875	5.48	–	–	33,750
	December 31, 2022	1 to 4 years after grant date	0.18	N/A[4]	10.15	40,500	–	13,500	4.78	–	–	27,000
	August 1, 2023	1 to 4 years after grant date	0.18	N/A[4]	16.94	202,455	–	50,614	13.01	–	–	151,841
Li Song	December 17, 2015	30% at grant date; 70% at successful IPO	0.02	N/A[4]	0.30	–	–	–	–	–	–	–
Zhenping Zhu	September 19, 2016	0 to 2 years after grant date	0.02	N/A[4]	0.30	–	–	–	–	–	–	–
Guan Mei	January 31, 2021	1 to 3 years after grant date	0.18	N/A[4]	5.50	102,414	–	102,414	23.04	–	–	–
Supervisors												
Tian Miao	January 31, 2021	1 to 3 years after grant date	0.18	N/A[4]	5.50	139,655	–	139,655	23.04	–	–	–
Zhao Zimeng	January 31, 2021	1 to 3 years after grant date	0.18	N/A[4]	5.50	116,379	–	116,379	23.04	–	–	–
Zhang Wei	January 31, 2021	1 to 3 years after grant date	0.18	N/A[4]	5.50	186,207	–	186,207	23.04	–	–	–
Five highest paid individuals during the Reporting Period (excluding the Directors and the Supervisors)												
In aggregate	April 29, 2022	1 to 4 years after grant date	0.18	N/A[4]	10.15	3,036,994	–	1,012,331	13.76	–	–	2,024,663
Other employee grantees (excluding the Directors, Supervisors and five highest paid individuals during the Reporting Period)												
In aggregate	July 4, 2017 to May 31, 2023	0 to 5 years after grant date	0.02 to 0.18	N/A[4]	1.19 to 10.15	2,701,312	–	1,529,769	19.98	280,125	–	891,418
Total						**12,952,456**	**–**	**5,293,050**		**280,125**	**–**	**7,379,281**

Notes:

(1) The share awards will be unlocked on a time-based basis over the individual unlocking period, with 25%-50% of the awards unlocked on each anniversary year/specific month of the grant date pursuant to the individual grant letter.

(2) For accounting standard and policy adopted, please refer to Notes 2 and 3.2 to the consolidated financial statements in this annual report.

(3) The purchase price of the cancelled share awards per share is RMB0.18.

(4) The Company's H Shares were listed on the Main Board of the Stock Exchange on September 5, 2023. The grant of the share awards was made prior to the Listing Date.

(5) All grants were made prior to the Company's Listing and no further grant has been or will be made after the Listing. Given the underlying Shares under the Employee Inventive Plans were either transferred by Dr. Tian to or had been issued by the Company to the relevant Onshore Shareholding Platforms, there will be no dilutive effect to the issued Shares upon unlocking of awards granted under the Employee Incentive Plans.

Please refer to note 29 to the consolidated financial statements in this annual report for details of the share awards under the Employee Incentive Plans during the year ended December 31, 2024.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

On December 30, 2024, the Company entered into an equity transfer agreement (the "**Agreement**") with Shanghai Zhangjiang Group Co., Ltd. (上海張江(集團)有限公司) (the "**Purchaser**") and Shanghai Zhangtou Yaoxin Technology Development Co., Ltd.* (上海張投堯新科技發展有限公司) (the "**Target Company**"), pursuant to which the Company agreed to sell, and the Purchaser agreed to acquire the 100% equity interest of the Target Company (the "**Disposal**"). The maximum amount of the purchase price for the Disposal is RMB98,188,983.55 (the "**Purchase Price**"), subject to the adjustment as stipulated in the Agreement. The Purchase Price was determined after arm's length negotiations between the parties taking into account various factors, including, among others, the valuation of the Target Company conducted as at November 6, 2024 (the "**Valuation Benchmark Date**") by Shanghai Cai Rui Assets Evaluation Co., Ltd* (上海財瑞資產評估有限公司), an independent and qualified valuer engaged by the Purchaser (the "**Valuer**"), using the asset-based approach. According to the valuation report issued on December 24, 2024 (the "**Valuation Report**"), after conducting the evaluation procedures, including on-site investigation, interviews, data collection and evaluation, and internal review, the Valuer concluded that the appraised value of the total assets of the Target Company to be RMB101,078,891.81 as at the Valuation Benchmark Date, based on the asset-based approach.

In February 2025, all the conditions precedent under the Agreement have been fulfilled and the completion of the Disposal took place in accordance with the Agreement. Upon the completion of the Disposal, the Group no longer had any equity interest in the Target Company. As such, the Target Company has ceased to be a subsidiary of the Company and the financial results of the Target Company is no longer be consolidated into the financial statements of the Group. As one or more applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceed 5% but are lower than 25%, the Disposal constitutes a discloseable transaction of the Company under relevant requirements of Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements as set out under Rule 14.34 of the Listing Rules but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

As of the Valuation Benchmark Date, the Target Company had no major assets other than the industrial property (the "**Property**") with a land area of approximately 28,763.10 square meters. The Company had initially planned to utilize the Property for construction of its new manufacturing facility. However, taking various factors as below into consideration, the Property is no longer a strategically prioritized asset for the Company, and the Disposal is entered into, among others:

(i) The Company wishes to strategically concentrate on clinical research and development instead of manufacturing. The Group is committed to accelerating advancement of its drug candidates and bring these promising treatments to market as efficiently as possible, therefore the Group is strategically focusing on clinical development; and

(ii) In light of evolving industry dynamics, the Group continues to optimize the use of existing resource, and is refocusing and allocating the Group's resources to expedite clinical development of promising candidates.

To satisfy the Group's strategy and development needs, the Disposal enables the Group to optimize its strategically aligned asset portfolio, and strengthens the cash flow of the Group and allows the Group to improve its liquidity and to reallocate its resources for future development. Accordingly, the Directors (including the independent non-executive Directors) are of the view that the conditions and terms of the Agreement (including the Purchase Price) were fair and reasonable and on normal commercial terms and therefore the Disposal is in the interests of the Company and the Shareholders as a whole. For further details in relation to the Disposal, please refer to the announcements of the Company dated December 30, 2024, February 17, 2025 and February 21, 2025.

Saved as disclosed above, our Group did not have any material acquisitions or disposals of subsidiaries, associates, and joint ventures during the Reporting Period.

DONATIONS

During the Reporting Period, the Group did not make any charitable or other donations.

CORPORATE GOVERNANCE

The Company has been committed to achieving high standards of corporate governance with a view to safeguarding the interests of the Shareholders and to enhancing corporate value and accountability.

The Board is of the view that the Company has complied with all applicable code provisions of the Corporate Governance Code during the Reporting Period, except for a deviation from the code provision C.2.1 of the Corporate Governance Code. A report on the corporate governance practices adopted by the Company is set out in "Corporate Governance Report" of this annual report.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, as at the date of this report, the Company is not aware of any other major subsequent events of the Company after December 31, 2024 and up to the date of this report which need to be disclosed in the annual report.

Amendments to the Articles of Association

To reflect the changes in the registered capital of the Company from 374,157,695 Shares to 407,307,695 Shares, corresponding amendments were made to the Articles of Association. For further details of the amendments to the Articles of Association, please refer to the Company's announcement dated January 24, 2025.

Issuance of the Filing Notice by the CSRC for the H Share Full Circulation Application of the Company

The Company has received a filing notice issued by the CSRC (the "**Filing Notice**") regarding the implementation of the H share full circulation of the Company in March 2025. According to the Filing Notice, the Company has completed the filing with the CSRC in respect of the implementation of conversion up to an aggregate of 14,114,006 Unlisted Shares into H Shares. The Filing Notice shall be valid for 12 months from March 11, 2025. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, such H Shares on the Main Board of the Stock Exchange (the "**Conversion and Listing**"). As at the date of this report, the details of implementation plan of the Conversion and Listing have not been finalized. The Company will make further announcements on the progress of the Conversion and Listing in compliance with the requirements under Listing Rules and the applicable laws, as and when appropriate. For further details, please refer to the Company's announcement dated March 14, 2025

AUDITOR

The H Shares were listed on the Stock Exchange on September 5, 2023, and there has been no change in auditors since the Listing Date. The consolidated financial statements for the year ended December 31, 2024 have been audited by Deloitte Touche Tohmatsu, certified public accountants, who will retire at the conclusion of the AGM. Deloitte Touche Tohmatsu, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of Deloitte Touche Tohmatsu as the auditor of the Company will be proposed at the AGM.

On behalf of the Board
ImmuneOnco Biopharmaceuticals (Shanghai) Inc.
Dr. Tian Wenzhi
Chairman and Executive Director

Shanghai, the People's Republic of China, March 25, 2025

Corporate Governance Report

The Board hereby presents this corporate governance report (the "**Corporate Governance Report**") in the Company's annual report for the year ended December 31, 2024.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining 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 of the Company (the "**Shareholder(s)**"), enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as the basis of the Company's corporate governance practices.

The Board is of the view that throughout the Reporting Period, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code (the "**CG Code**") except for the deviation from Code Provision C.2.1 as mentioned in the paragraph headed "Chairman and Chief Executive Officer" of this report. The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

VALUES AND CULTURE

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.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

The Board always ensures that the objectives, values and strategies set are consistent with the corporate culture, while all directors take the lead to act and are committed to promoting the corporate culture. For details of the Company's performance during the Reporting Period, please see the section headed "Management Discussion and Analysis" in this annual report. The Board believes that the Company's existing business model is in line with the Company's objective and long-term strategy.

All Directors have carried out their duties in good faith and in compliance with the standards of applicable laws and regulations, and have acted in the best interests of the Company and its Shareholders at all times.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding dealings in the securities of the Company by the Directors, the Supervisors and the Group's employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company's securities, on terms no less exacting than the required standards set out in the Model Code as set out in Appendix C3 to the Listing Rules. Specific enquiries have been made to all Directors and Supervisors and the Directors and Supervisors have confirmed that they have complied with the Model Code and Company's code of conduct regarding the Directors', the Supervisors' and employees' securities transactions during the Reporting Period.

No incident of non-compliance of the Model Code by the employees was noted by the Company for the Reporting Period.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsibility 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 non-executive directors (including independent non-executive directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board Composition

The composition of the Board as at the date of this annual report is as follows:

Executive Directors *(Note)*

Dr. Tian Wenzhi (Chairman of the Board, chief executive officer and chief scientific officer)
Mr. Li Song
Ms. Guan Mei *(appointed with effect from May 28, 2024)*
Ms. Song Ziyi *(resigned with effect from March 2, 2024)*

Non-executive Directors *(Note)*

Dr. Xu Cong
Mr. Yu Xiaoyong *(resigned with effect from September 30, 2024)*
Mr. Yu Zhihua *(resigned with effect from October 14, 2024)*

Independent Non-executive Directors

Dr. Zhenping Zhu
Dr. Kendall Arthur Smith
Mr. Yeung Chi Tat

Note: On May 28, 2024, Ms. Guan Mei (關梅) ("**Ms. Guan**") was appointed as an executive Director of the Company. Ms. Guan confirms that she has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on February 23, 2024, and understands her obligations as a director of a listed issuer under the Listing Rules. On September 30, 2024, the Board resolved to propose Ms. Fu Dawei to be appointed as a non-executive Director. On October 14, 2024, the Board resolved to propose Mr. Zhang Ruliang to be appointed as an executive Director, respectively. Such proposed appointment is subject to the approval from the Shareholders at the AGM and will take effect upon the approval from the Shareholders at the AGM.

The biographical information of the Directors is set out in the section headed "Directors, Supervisors and Senior Management — Directors" of this annual report. Save as disclosed therein, there is no other relationships (including financial, business, family or other material/relevant relationship(s)) between the Board members and in particular, between the Chairman and the Chief Executive Officer.

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

Board Meetings and Directors' Attendance Records

Regular 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.

During the Reporting Period, the Company convened fourteen Board Meetings.

The attendance record of each Director during their respective tenure of office at the Board meeting of the Company held during the Reporting Period is set out in the table below:

Name of Director	Attendance/ Number of Board Meetings
Executive Directors *(Note)*	
Dr. Tian Wenzhi	14/14
Mr. Li Song	14/14
Ms. Guan Mei *(appointed with effect from May 28, 2024)*	10/10
Ms. Song Ziyi *(resigned with effect from March 2, 2024)*	2/2
Non-executive Directors *(Note)*	
Dr. Xu Cong	14/14
Mr. Yu Xiaoyong *(resigned with effect from September 30, 2024)*	11/11
Mr. Yu Zhihua *(resigned with effect from October 14, 2024)*	12/12
Independent Non-executive Directors	
Dr. Zhenping Zhu	14/14
Dr. Kendall Arthur Smith	11/14
Mr. Yeung Chi Tat	14/14

Note: On September 30, 2024 the Board resolved to propose Ms. Fu Dawei to be appointed as a non-executive Director; on October 14, 2024, the Board resolved to propose Mr. Zhang Ruliang to be appointed as an executive Director, respectively. Such proposed appointment is subject to the approval from the Shareholders at the AGM and will take effect upon the approval from the Shareholders at the AGM.

Code provision C.2.7 of the CG Code stipulates that the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors.

During the Reporting Period, the chairman of the board held two meetings with independent non-executive Directors without the presence of other Directors.

General Meeting

During the Reporting Period, the Company convened one annual general meeting.

The attendance record of each Director during their respective tenure of office at the general meeting of the Company held May 28, 2024 is set out in the table below:

Name of Director	Attendance/ Number of Board Meetings
Executive Directors *(Note)*	
Dr. Tian Wenzhi	1/1
Mr. Li Song	1/1
Ms. Guan Mei *(appointed with effect from May 28, 2024)*	0/0
Ms. Song Ziyi *(resigned with effect from March 2, 2024)*	0/0
Non-executive Directors *(Note)*	
Dr. Xu Cong	1/1
Mr. Yu Xiaoyong *(resigned with effect from September 30, 2024)*	1/1
Mr. Yu Zhihua *(resigned with effect from October 14, 2024)*	1/1
Independent Non-executive Directors	
Dr. Zhenping Zhu	1/1
Dr. Kendall Arthur Smith	1/1
Mr. Yeung Chi Tat	1/1

Note: On September 30, 2024 the Board resolved to propose Ms. Fu Dawei to be appointed as a non-executive Director; on October 14, 2024, the Board resolved to propose Mr. Zhang Ruliang to be appointed as an executive Director, respectively. Such proposed appointment is subject to the approval from the Shareholders at the AGM and will take effect upon the approval from the Shareholders at the AGM.

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 corporate governance, internal control and risk management systems are in place.

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

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.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

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

Chairman and Chief Executive Officer

Under Code Provision C.2.1 of the CG Code, the roles of Chairman and chief executive officer should be separate and performed by different individuals.

During the Reporting Period, Dr. Tian Wenzhi was the Chairman of the Board, the chief executive officer and chief scientific officer of the Company, with Dr. Tian's extensive experience in the biopharmaceuticals industry, the Board considered that vesting the roles of Chairman and CEO in the same person is beneficial to the business prospects and management of the Group. The check and balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high calibre individuals. Accordingly, the Board believes that this arrangement will not impact on the balance of power and authorisations between the Board and the management of the Company.

The Company will continuously review and comply with Code Provision C.2.1 of the CG Code as set out in Appendix C1 of the Listing Rules.

Independent Non-executive Directors

During the period from the Listing Date to the date of this annual report, the Board at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing 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 Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, and allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence.

In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess the Directors' independence annually with regards to all relevant factors related to the independent non-executive Directors including the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of the executive Directors

During the Reporting Period, the Board had conducted the annual review on the implementation and effectiveness of the Board Independence Evaluation Mechanism.

Appointment and Re-election of Directors

Under the Articles of Association of the Company (the "**Articles**"), Directors (including non-executive Directors) shall be elected and appointed at the general meeting with a term of three years. The appointment of each Director is renewable upon re-election and re-appointment approved at the general meeting. Each of the current non-executive Directors has been appointed for a term of three years commencing on the following dates:–

Directors	**Appointment Date**
Non-executive Director	
Dr. Xu Cong	June 14, 2022
Independent Non-executive Directors	
Dr. Zhenping Zhu	June 14, 2022
Dr. Kendall Arthur Smith	June 14, 2022
Mr. Yeung Chi Tat	June 14, 2022

A Director may serve consecutive terms if re-elected upon the expiry of his/her term. A Director shall continue to perform his duties in accordance with the laws, administrative regulations and Articles until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum. The Articles also provides that each Director appointed to fill a casual vacancy or as addition to the Board shall hold office until the first general meeting after his/her appointment. The retiring Directors shall be eligible for re-election.

Each of the executive Directors, non-executive Directors, independent non-executive Directors and Supervisors has entered into a service contract with the Company with a specific term. The principal particulars of these service contracts are: (a) each of the contracts is for a term of three years following his/her respective effective date of his/her appointment; and (b) each of the contracts is subject to termination in accordance with their respective terms. The contracts may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed above, the Company did not sign any relevant unexpired service contract which is not terminable within a year without payment of any compensation, other than statutory compensation.

Continuous Professional Development of Directors

Pursuant to the code provision C.1.4 of the CG Code, 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. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate.

During the Reporting Period, the Company organized training sessions conducted by the qualified professionals/legal advisers for all Directors. The training sessions covered Directors' duties and responsibilities. In addition, relevant reading materials covering Directors' duties and responsibilities have been provided to the Directors for their reference and studying.

The training records of the Directors during the Reporting Period are summarized as follows:

Directors	**Type of Training[1]**
Executive Directors[2]	
Dr. Tian Wenzhi	A and B
Mr. Li Song	A and B
Ms. Guan Mei *(appointed with effect from May 28, 2024)*	A and B
Ms. Song Ziyi *(resigned with effect from March 2, 2024)*	A and B
Non-executive Directors[2]	
Dr. Xu Cong	A and B
Mr. Yu Xiaoyong *(resigned with effect from September 30, 2024)*	A and B
Mr. Yu Zhihua *(resigned with effect from October 14, 2024)*	A and B
Independent Non-executive Directors	
Dr. Zhenping Zhu	A and B
Dr. Kendall Arthur Smith	A and B
Mr. Yeung Chi Tat	A and B

Notes:

(1) Types of Training

A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

(2) On September 30, 2024, the Board resolved to propose Ms. Fu Dawei to be appointed as a non-executive Director; on October 14, 2024, the Board resolved to propose Mr. Zhang Ruliang to be appointed as an executive Director, respectively. Such proposed appointment is subject to the approval from the Shareholders at the AGM and will take effect upon the approval from the Shareholders at the AGM.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and 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 Audit Committee, Remuneration Committee and Nomination Committee are published on the Company's website and the Stock Exchange's website.

Audit Committee

The Audit Committee consists of two independent non-executive Directors, namely Mr. Yeung Chi Tat and Dr. Zhenping Zhu, and one non-executive Director, namely Dr. Xu Cong. Mr. Yeung Chi Tat, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the Corporate Governance Code and the PRC laws. The primary responsibilities of the Audit Committee are (a) to review annually the performance of the external audit firm, to submit a summary report of the audit work conducted by the external audit firm during the year to the Board, to make recommendations to the Board on the appointment, re-appointment, removal, audit service fee and terms of engagement of the external audit firm for the next year, as well as deal with any questions or matters related to the resignation or dismissal of the external audit firm; (b) to act as the Company's representative in liaising with the external audit firm, to be responsible for the communication between the Company's internal audit department and external audit firm, including examining and monitoring of the independence and objectivity of the external audit firm, the effectiveness of the audit process in accordance with applicable standards; and, prior to the commencement of the audit, discuss with the external audit firm about the nature, scope and method of audit and the reporting obligations during the year, and negotiate with the external audit firm to determine the schedule of auditing the financial report of the year, as well as procure the external audit firm to submit audit reports within the predetermined timelines and so forth; (c) to develop and implement, in accordance with the operational needs, policy on the external audit firm (including its affiliates) to supply non-audit services. The Audit Committee shall report and make recommendations to the Board if any actions or remedial measures are considered necessary; (d) to review the Company's accounting policies, financial position, financial reporting procedures and financial controls; to review the integrity, accuracy and fairness of the Company's financial statements, quarterly reports (if any), interim reports and annual reports and accounts, and to review significant financial reporting judgments contained therein, as well as the disclosure of the Company's financial information; (e) to discuss questions and doubts raised by the external audit firm upon its completion of reviewing the interim accounts and auditing the annual accounts of the Company and any other matters that the external audit firm may wish to discuss; (f) to examine the financial policies, internal audit systems, the effectiveness of the financial reporting process, internal control systems and risk management systems of the Company and provide opinions and recommendations for improvements; (g) the Audit Committee shall establish relevant procedures to ensure fair and independent investigation; (h) to advise and ensure that the Board takes effective remedial measures for the Company's failure to comply with the requirements of the Listing Rules regarding the establishment of an Audit Committee; (i) to complete other tasks assigned by the Board; and (j) to perform other duties imposed by the laws, regulations, regulatory documents, regulatory bodies including the Hong Kong Stock Exchange and the Securities and Futures Commission of Hong Kong, as well as the Articles of Association and the rules of procedures of the Board.

During the Reporting Period, four Audit Committee meetings were held.

During the year ended December 31, 2024, the Audit Committee has reviewed the interim results of the Company for the six months ended June 30, 2024 and annual results of the Company for the year ended December 31, 2023, and believes that the Company has complied with all applicable accounting standards and regulations and made sufficient disclosures.

During the year ended December 31, 2024, the Audit Committee has reviewed the risk management and internal control systems of the Company.

The attendance record of Audit Committee members during their respective tenure of office at the Audit Committee meeting of the Company held during the Reporting Period is set out in the table below:

Name of Director	Attendance/Number of Meetings
Mr. Yeung Chi Tat (Chairman)	4/4
Dr. Xu Cong	3/4
Dr. Zhenping Zhu	4/4

Remuneration Committee

The Remuneration Committee consists of three independent non-executive Directors, namely Dr. Zhenping Zhu, Dr. Kendall Arthur Smith and Mr. Yeung Chi Tat, one executive Director, namely Dr. Tian Wenzhi, and one non-executive Director, namely Dr. Xu Cong. Dr. Zhenping Zhu is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the Corporate Governance Code and the PRC laws. The primary functions of the Remuneration Committee include (a) to make recommendations to the Board on the Company's remuneration policies and structure for all directors and senior management based on their main responsibilities, time required to devote in, importance of their positions, the remuneration level of other relevant positions in the similar enterprises, and the employment conditions of other positions in the Company, and on the establishment of a formal and transparent procedure for developing remuneration policies; (b) to review the management's remuneration proposals with reference to the Board's corporate policies and objectives; (c) to supervise the implementation of the Company's remuneration policies taking into account of the remuneration paid by similar companies, the time and responsibilities required, and the employment conditions of other positions within the Group; (d) to make recommendations to the Board on the determination of the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation amounts (including compensation payable for loss or termination of office or appointment), and to make recommendations to the Board on the remuneration of non-executive directors; (e) to consult the chairman of the Board or the general manager in respect of the remuneration proposed for other executive directors. The Remuneration Committee shall seek independent professional opinions if necessary; (f) to review the compensation payable to executive directors and senior management for any loss or termination of office or appointment, so as to ensure that such compensation is consistent with the contractual terms and is otherwise fair, reasonable and not excessive; (g) to review compensation arrangements relating to the dismissal or removal of directors for misconduct, so as to ensure that such arrangements are consistent with the contractual terms or are otherwise reasonable and appropriate; (h) to ensure that any director or any of his/her associate (as defined in the Listing Rules) does not participate in the determination of his/her own remuneration; and in relation to a non-executive director who is also a member of the Remuneration Committee, his/her remuneration shall be determined by other members of the Remuneration Committee; (i) to determine the policy for the remuneration of executive directors; (j) to assess performance of executive directors; (k) to approve the terms of executive directors' service contracts; (l) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; (m) other matters authorized by the Board.

The remuneration of the senior management of the Company, whose biographical details are included in section headed "Directors, Supervisors and Senior Management" of this annual report, for the year ended December 31, 2024 falls within the following bands:

Remuneration (RMB)	Number of Individuals
0–1,000,000	1
1,000,001–3,000,000	2
3,000,001 and above	4

The Company's remuneration policy is to ensure that the remuneration offered to the Directors, Supervisors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration and compensation packages of the Directors, Supervisors and senior management are also determined with reference to account salaries paid by comparable companies, time commitment and responsibilities of the Directors and Supervisors and the performance of the Group. The remuneration for the Directors and Supervisors comprises fees, salaries, allowances, benefits in kind, performance-related bonuses, equity-settled share-based compensation expense and pension scheme contributions.

During the Reporting Period, three Remuneration Committee meetings were held.

During the year ended December 31, 2024, the Remuneration Committee had reviewed the remuneration of Directors and senior management and the Company's remuneration policy.

The attendance record of Remuneration Committee members during their respective tenure of office at the Remuneration Committee meetings of the Company held during the Reporting Period is set out in the table below:

Name of Director	Attendance/Number of Meetings
Dr. Zhenping Zhu (Chairman)	3/3
Dr. Tian Wenzhi	3/3
Dr. Xu Cong	3/3
Dr. Kendall Arthur Smith	3/3
Mr. Yeung Chi Tat	3/3

Nomination Committee

The Nomination Committee consists of one executive Director, namely Dr. Tian Wenzhi, and two independent non-executive Directors, namely Dr. Zhenping Zhu and Mr. Yeung Chi Tat. Dr. Tian Wenzhi is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the Corporate Governance Code and the PRC laws. The principal duties of the Nomination Committee include (a) to consider and draw up the criteria and procedures for selecting directors and senior management and make recommendations thereon to the Board. Factors to be considered include but are not limited to cultural and educational background and work experience as well as the ability to devote sufficient time and make contributions to the Company that are commensurate with their role and board responsibilities; (b) to identify candidates suitably qualified to become directors and make nominations to the Board, to review and make recommendations on candidates for directors of the Company (in particular the chairman of the Board); (c) to identify candidates suitably qualified to become senior management, to review and make recommendations on candidates for senior management of the Company (in particular the general manager); (d) to review the independence of independent non-executive directors; (e) to review the structure, size and composition (including the skills, knowledge and

experience) of the Board of Directors at least annually and make recommendations on any proposed changes to the Board to complement the Company's strategies; to make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors, in particular the chairman and CEO (if applicable); to assess the structure of the committees under the Board, recommend members to the relevant committees from among the directors, and submit to the Board for approval; (f) to establish reserve plans for directors and senior management, and to update and supplement the plans at any time; (g) to evaluate the director's work, and put forward opinions or suggestions on the replacement, reappointment or succession of directors (including the chairman of the Board and the general manager) based on the evaluation results; (h) to formulate, and, where appropriate, review and implement the Board diversity policy adopted by the Board from time to time, review the progress of achieving goals, and disclose the relevant reviewed policies or their summary in the Company's annual report; and (i) other matters prescribed by relevant laws, administrative regulations, the Listing Rules and the Articles of Association and authorized by the Board.

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 as set out in the Board Diversity Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board. During the Reporting Period, the Nomination Committee submitted the proposal to the Board for the appointments of Ms. Fu Dawei and Mr. Zhang Ruliang, as a non-executive Director and an executive Director, respectively, with effect from approval at the upcoming AGM.

During the Reporting Period, four Nomination Committee meetings were held.

The attendance record of Nomination Committee members during their respective tenure of office at the Nomination Committee meetings of the Company held during the Reporting Period is set out in the table below:

Name of Director	Attendance/ Number of Meetings
Dr. Tian Wenzhi *(Chairman)*	4/4
Dr. Zhenping Zhu	4/4
Mr. Yeung Chi Tat	4/4

Supervisory Committee

The Supervisory Committee is a supervisory body of the Company which is responsible for the supervision of the Board and its members and senior management so as to prevent them from the misuse of authority and infringement upon lawful rights of the Shareholders, the Company and the Company's employees. The number of members and the composition of the Supervisory Committee are in line with the provisions and requirements of the laws, regulations and the Articles. The Supervisory Committee is comprised of three Supervisors, of whom one was an employee representative democratically elected by the employees of the Company.

The biographical information of the Supervisors is set out in the section headed "Directors, Supervisors and Senior Management — Supervisors" of this annual report.

Board Diversity Policy

The Company has adopted a Board Diversity Policy in order to enhance the effectiveness of the Board and to maintain a high standard of corporate governance.

Pursuant to the Board Diversity Policy, the Company seeks to achieve diversity of the Board through the consideration of a wide range of factors, including but not limited to gender, age, cultural and educational background, industry experience, technical capabilities, professional qualifications and skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Board has a balanced mix of knowledge and skills, including overall management and strategic development, research and clinical development, finance and accounting and corporate governance in addition to industry experience in healthcare and biotechnology. The Directors obtained degrees in various majors including medicine, immunology, biological science, biochemistry, pharmacology, pathology, genetics, bioengineering, cell biology, pharmacy, mathematics, business administration, economics, taxation, biology, accounting, enterprise management and botany. The Company has three independent non-executive Directors with different industry backgrounds, representing one third of the members of our Board. Further, as of the date of this annual report, the Board has a relatively wide range of ages ranging from 39 years old to 83 years old. The Company has reviewed the membership, structure and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operation.

For the purpose of implementation of the Board Diversity Policy, the Board has set the following measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives:

(A) at least one of the members of the Board shall be female;

(B) at least one-third of the members of the Board shall be independent non-executive Directors;

(C) at least one of the members of the Board shall have obtained accounting or other professional qualifications/knowledge of environmental issues.

An analysis of the Board's current composition based on the measurable objectives is set out below:

Gender

Male:	6 Directors
Female:	1 Director

Designation

Executive Directors:	3 Directors
Non-executive Directors:	1 Director
Independent Non-executive Directors:	3 Directors

Business Experience

Accounting & Finance:	1 Director
Experience Related to the Company's Business:	5 Directors

Ms. Song Ziyi (宋子一) has tendered her resignation as an executive Director of the Company, with effect from March 2, 2024. Upon approval by the Shareholders at the annual general meeting on May 28, 2024, Ms. Guan Mei (關梅) ("**Ms. Guan**") was appointed as an executive Director of the first session of the Board. Ms. Guan confirms that she has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on February 23, 2024, and understands her obligations as a director of a listed issuer under the Listing Rules. The composition of the Board will satisfy the requirement under Rule 13.92 of the Listing Rules regarding gender diversity of the Board and the Board had targeted to achieve at least 1/9 of female Directors and will considers that the above gender diversity is satisfactory.

Taking into account the Company's existing business model and specific needs as well as the different background of the Directors, the composition of our Board satisfies our board diversity policy.

The Nomination Committee is responsible for ensuring the diversity of the Board and will review the Board Diversity Policy annually to ensure its effectiveness.

Gender Diversity

The Company values gender diversity across all levels of the Group. The Company has taken, and will continue to take, steps to promote gender diversity at all levels of the Company, including but not limited to the Board and the senior management levels.

The following table sets out the gender ratio in the workforce (including senior management) of the Group as at the date of this annual report:

	Female	Male
Overall workforce	93	63

The Company will continue to work to enhance gender diversity of the Board. The Board will use its best endeavors to appoint female Directors to the Board and the Nomination Committee will use its best endeavors to identify and recommend suitable female candidates to the Board for its consideration of appointment of Directors. The Company will also continue to ensure that there is gender diversity when recruiting staff from mid to senior level, such that it will have a pipeline of female management and potential successors to our Board in due time to ensure gender diversity of the Board. The Company is not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant. The Group will continue to emphasise training of female talents and provide long-term development opportunities for the female staff.

Director Nomination Policy

The Nomination Committee shall assess the structure, size and composition (including the skills, knowledge and experience) of the Board at least once every year and make recommendations on any proposed changes to the Directors and senior management to complement the Company's strategy, in accordance with the relevant requirements of the Company Law of the People's Republic of China and the Hong Kong Listing Rules and taking into consideration the characteristics and other specific circumstances of the Company. When considering the composition of the Board, the Committee shall take into account the diversity of the Board from various aspects, including but not limited to the gender, age, cultural and educational background and professional experience of the Directors;

The Company has adopted a Director Nomination Policy, as contained in the terms of reference of the Nomination Committee, 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 of appointment of new Director set out in the Director Nomination Policy is as follows:

(i) the human resources department and the Nomination Committee shall actively communicate with the relevant departments of the Company to assess the Company's demand for new directors and senior management, and produce materials in writing;

(ii) the Nomination Committee may extensively seek for candidates for directors and senior management within the Company, its holding (shareholding) enterprises as well as the job market;

(iii) the Nomination Committee shall collect and learn the information of the occupation, education background, job title, detailed working experience and all the part-time jobs of the initially proposed candidates, and produce materials in writing;

(iv) to seek for the nominee's written consent to the nomination, otherwise, he/she shall not be considered as a candidate for directors and senior management;

(v) to convene Nomination Committee meetings to review the qualifications of the initially proposed candidates according to the job requirements of directors and senior management;

(vi) to submit proposals and the relevant materials to the Board in respect of candidates of directors and senior management within a reasonable period of time prior to the election of new directors and senior management; and

(vii) to carry out other follow-up work according to the decision and feedback of the Board.

The Nomination Committee shall submit its decisions, recommendations and/or proposals to the Board for consideration and decision. Among which, the nomination of director candidates must be submitted to the general meeting of Shareholders for review and approval after being reviewed by the Board and before implementation.

The criteria for assessing the suitability and the potential contribution to the Board of a proposed candidate as set out in the Board Diversity Policy, including but not limited to the following, are gender, age, cultural and educational background, industry experience, technical capabilities, professional qualifications and skills, knowledge and length of service.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Corporate Governance Functions

In accordance with Code Provision A.2.1 of the CG Code, the Board is responsible for performing the corporate governance duties including:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with Appendix C1 to the Listing Rules (CG Code) and disclosure in the Corporate Governance Report.

The Board has performed the above duties during the Reporting Period and as at the date of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Audit Committee, assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions.

The Company's risk management and internal control systems have been developed with the following principles, features and processes:

1. The Company's internal audit function carry out regular risk assessment to ensure that the risks faced by the Company are effectively identified, and fully communicated with the management to formulate the risk preference and risk response strategy.

2. The Company has developed a clear organizational structure, clarified the authority and responsibility of the departments, and developed a system and operating rules covering various key business processes.

3. The Company attaches great importance to cultivating the risk management awareness and risk management culture of employees at all levels, and provides related training for employees to ensure that employees fully understand the requirements of risk management in daily operation.

The Company has established an internal audit function 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, in coordination with division/department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The Board, as supported by the Audit Committee as well as the internal audit function and the external professional firm, conducted an annual review of the risk management and internal control during the Reporting Period and concluded that there had been no deficiency in material risk control nor any weakness in material risk control based on the outcome of the risk management and internal control work implemented by the Group as of December 31, 2024. The Board was of the view that the risk management and internal control system of the Group is effective and sufficient.

The Company has engaged external professional firm for the internal audit function and independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examined key issues in relation to all material controls and provided its findings and recommendations for improvement to the Audit Committee.

Whistleblowing Policy

The Company has in place the Whistleblowing Policy 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.

Anti-Corruption Policy

The Company has also 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 according to the procedures as set out in the Whistleblowing Policy.

Disclosure of Inside Information Policy

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

Directors' Responsibility in Respect of The Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements for the year ended December 31, 2024 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 statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report of this annual report.

AUDITOR'S REMUNERATION

The Company appointed Deloitte Touche Tohmatsu, Certified Public Accountants as the external auditor for the year ended December 31, 2024. A statement by Deloitte Touche Tohmatsu about their reporting responsibilities for the financial statements is included in the Independent Auditor's Report on pages 127 to 130 of this annual report. The remuneration paid and payable to the external auditors of the Company for the year ended December 31, 2024 is set out as follows:

Services rendered	**Paid/payable** RMB'000
Audit services	1,685
Non-audit services	
— Interim review service	620
— Risk management and ESG advisory services	400
— Tax services	312
	3,017

JOINT COMPANY SECRETARIES

The Company has appointed Ms. Guan Mei, an executive Director, and Mr. Li Kin Wai, a senior manager of corporate services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services, as the Company's joint company secretaries.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Ms. Guan, who is also the secretary of the Board, has been designated as the primary contact person at the Company which would work and communicate with Mr. Li on the Company's corporate governance and secretarial and administrative matters.

For the year ended December 31, 2024, Ms. Guan and Mr. Li have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

Pursuant to the Article 54 of the Articles, Shareholders either individually or collectively holding 10% or more of the shares of the Company may, through signing one or more written requisition(s) in the same form and content stating the topics to be discussed at the meeting, require the Board of Directors to convene an extraordinary general meeting. The Board shall give a written response as to whether or not it agrees to convene such an extraordinary general meeting within 10 days upon receipt of the request in accordance with the requirements of the laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association.

If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after resolution of the Board is passed. Where there are other requirements imposed by laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed, such requirements shall prevail.

If the Board does not agree to convene the extraordinary general meeting, or fails to make a response within 10 days upon receipt of the request, the shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall have the right to propose to the Supervisory Committee to convene the extraordinary general meeting. Such request shall be made to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. Changes in the original proposal in the notice shall be subject to the approval of relevant shareholders.

If the Supervisory Committee fails to issue a notice of the shareholders' general meeting within the prescribed time limit, it shall be deemed that the Supervisory Committee shall not convene and preside over the shareholders' general meeting, the shareholder(s) individually or collectively holding 10% or more of the shares of the Company for 90 consecutive days or longer period may convene and preside over the meeting by himself/herself/themselves.

Putting Forward Proposals at General Meetings

Pursuant to the Article 59 of the Articles, shareholder(s) individually or jointly holding 3% or more of the Company's shares shall have the right to make a proposal to the Company at a Shareholders' general meeting of the Company.

The shareholder(s) individually or jointly holding 3% or more of the Company's shares may make provisional proposals in writing to the convener of a shareholders' general meeting 10 days prior to the meeting. The convener shall issue a supplementary notice of the shareholders' general meeting and announce the contents of such provisional proposals within two days after receipt thereof.

Except as provided by the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposals already specified in the notice of the shareholders' general meeting or add new proposals subsequent to the issuance of the notice of the shareholders' general meeting.

Proposals which are not specified in the notice of the shareholders' general meeting or which do not comply with the Articles of Association shall not be voted on and resolved at the shareholders' general meeting.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, the Directors, Supervisors and senior management officers shall provide explanations and statements relating to the queries and suggestions put forward by the shareholders at the general meeting.

Contact Details

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

Address: Unit 15, 1000 Zhangheng Road China (Shanghai) Pilot Free Trade Zone Pudong New Area Shanghai PRC (For the attention of the Board of Directors/Company Secretary)
Telephone: 021-38016387
Email: ir@immuneonco.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/Investor Relations

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.

A notice of the general meeting shall be given at least 21 days prior to the convening of the annual general meeting, and at least 15 days prior to the convening of the extraordinary general meeting. Where laws, regulations and the securities regulatory authority of the place where the Company's Shares are listed provide otherwise, such provisions shall prevail.

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.

Shareholders Communication Policy

The Company has in place a Shareholders Communication Policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively.

During the Reporting Period, the Board had conducted the annual review on the implementation and effectiveness of the Shareholders Communication Policy and considers it to be effective.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website (www.hkex.com.hk) in a timely manner as required by the Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules. Shareholders and non-registered holders of the Company's securities shall have the right to choose the language (either English or Chinese) or means of receipt of the Corporate Communication (in printed form or through electronic means).

(b) Announcements and Other Documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.immuneonco.com). Other corporate information about the Company's corporate governance will also be available on the Company's website.

(d) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairmen and deputy chairman of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any). The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

(e) Shareholders' Enquiries

Enquiries about Shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, by submitting online enquiries using the link https://www-uk.computershare.com/Investor/Contact/Enquiry?cc=hk&lang=en or calling its hotline at (852) 2862 8555, or going in person to its public counter at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: ir@immuneonco.com or by post to Unit 15, 1000 Zhangheng Road China (Shanghai) Pilot Free Trade Zone Pudong New Area Shanghai PRC

Having considered the multiple channels of communication, the Company believes that the Company's Shareholders Communication Policy has facilitated adequate communications, and is satisfied that the Shareholders Communication Policy has been properly implemented during the year of 2023 and is effective.

(f) Webcast

Webcasts of the Company's interim and annual results briefings are available.

(g) Other Investor Relations Communication Platforms

Investor/analysts briefings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums etc. will be launched on a regular basis.

Changes in Constitutional Documents

On January 24, 2025, the Company has amended the Articles of Association to reflect the changes in the registered capital in relation to the placing of new H shares of the Company under the general mandate and its completion. For details, please refer to the announcements of the Company dated November 21, 2024, November 28, 2024 and January 24, 2025.

Save as disclosed above, during the Reporting Period and as at the date of this annual report, there were no significant changes in the Articles of Association of the Company.

Dividend Policy

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 Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

Environmental, Social and Governance Report

TABLE OF CONTENTS

ABOUT THE REPORT 89
ABOUT IMMUNEONCO 90
I. SUSTAINABLE DEVELOPMENT MANAGEMENT 90
1. ESG governance structure 90
2. Operational compliance 91
3. Analysis of significant topics 93
4. Communication with stakeholders 94
5. Awards in 2024 95
II. INNOVATIVE OPERATION 95
1. R&D and innovation 95
2. Responsible sourcing 98
3. Information safety 99
III. GREEN DEVELOPMENT 100
1. Emissions management 100
2. Energy saving and emission reduction 103
3. Health and safety 104
4. Addressing climate change 107
IV. EMPLOYEE EMPOWERMENT 108
1. Equality and diversity 109
2. Introduction of talents 109
3. Compensation and welfare 110
4. Promotion system 111
5. Employee training 112
6. Caring for employees 112
V. HEALTHCARE ACCESSIBILITY 115
1. Academic communication 115
2. Licensing and collaboration 118
3. Social welfare 119
APPENDIX 120
Content index — Environmental, Social and Governance Reporting Guide 120
Statistical table 124

ABOUT THE REPORT

ImmuneOnco Biopharmaceuticals (Shanghai) Inc. (the "**Company**") and its subsidiaries and consolidated joint entities (hereinafter referred to as "**ImmuneOnco**," the "**Company**" or "**We**") are pleased to present the Environmental, Social and Governance (hereinafter referred to as the "**ESG Report**" or the "**Report**"). The purpose of this report is to provide stakeholders with an objective and fair description of the Company's strategies, policies, measures and achievements in the area of sustainable development, with emphasis on the disclosure of information relating to the Company's performance in the areas of environmental, social and governance.

Reporting Period

The reporting period covers information and data of the Company from January 1, 2024 to December 31, 2024 (the "**Reporting Period**").

Reporting Scope

The scope of disclosure in this report covers the Company's core business, including our headquarters, R&D center and offices in Shanghai.

Basis and principles of preparation

The Report is prepared in accordance with the revised Appendix C2, *the Environmental, Social and Governance Reporting Guide* (the "**Guide**") to *the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (the "**Listing Rules**") published by The Stock Exchange of Hong Kong Limited (the "**HKEX**").

This report has been prepared in accordance with the following reporting principles of the Environmental, Social and Governance Reporting Guidelines:

- Materiality: Significant ESG topics are identified through communication with stakeholders and materiality assessment and disclosed in the ESG Report.
- Quantification: Quantitative data such as environmental and social key performance indicators disclosed in the Report are accompanied by descriptions of their purpose and impact.
- Consistency: The Report will adopt the statistical method consistent with the prior year for meaningful comparison.
- Balance: The Report presents the Company's ESG performance fairly and impartially.

Download and Feedback

For the sake of environmental protection, we recommend reading the electronic version of the report, which is available on our official website (http://www.immuneonco.com/). We value the opinions of our stakeholders and welcome readers to contact us via the contact details below. Your comments will help us to further improve this report as well as the overall ESG performance of the Company.

Contacts Information

Email: esg@immuneonco.com
Address: Building 15, Lane 1000, Zhangheng Road, Zhangjiang Science City, Pudong New Area, Shanghai

ABOUT IMMUNEONCO

ImmuneOnco Biopharmaceuticals (Shanghai) Inc., (Stock Exchange stock code: 01541) established in the PRC in June 2015, is a science-driven biotechnology company developing immuno-oncology therapies. ImmuneOnco is one of the few biotechnology companies globally adopting a systematic approach to harness both the innate and adaptive immune systems. Currently approved immunotherapies primarily focus on the adaptive immune system and are often confronted with limited clinical benefits due to low response rates and inevitable drug resistance and/or relapse in many cancer indications. Harnessing both the innate and adaptive immune systems allows us to overcome the limitations of current T-cell-based immunotherapies and address substantial unmet medical needs in cancer patients.

I. SUSTAINABLE DEVELOPMENT MANAGEMENT

ImmuneOnco has deeply integrated the concept of sustainable development into its corporate governance and regards it as one of the key elements in building its core competitiveness. We comply with the requirements of the *Companies Ordinance*, *the Listing Rules* and other laws, regulations, and regulatory documents to establish a modern organizational structure. Currently, the Board of Directors of the Company consists of seven directors, including three independent directors. Under the Board of Directors, we have established an Audit Committee, a Remuneration Committee and a Nomination Committee, with corresponding implementation rules to meet the needs of the Company's development.

1. ESG governance structure

The Board of Directors is responsible for formulating and overseeing the implementation of the sustainability strategy and is committed to building a green office environment and improving the utilization of corporate resources to fulfil ImmuneOnco's responsibilities to shareholders and society. Our ESG goals are integrated into our overall strategic framework and aligned with core business objectives. For instance, business planning incorporates sustainability requirements holistically, ensuring environmental, social responsibility, and governance issues are coordinated with functional department goals.

We have set up an ESG working group to facilitate the Company's sustainability management. The ESG team, comprising members from various key functional departments, is responsible for leading the design of the ESG action plan, discussing issues encountered in the course of the work on a regular basis and reporting to the management, which will then report major matters to the Board of Directors as appropriate.

2. Operational compliance

ImmuneOnco has always adhered to the concept of compliance management and has established law-based governance as the strategic cornerstone of sustainable development. We abide by the code of business ethics, practice the core values of honesty, trustworthiness, fair competition, and legal compliance, and ensure the operational stability of the Company through the establishment of a comprehensive compliance management system.

- ***Compliance and Anti-Corruption Management***

  The Company strictly follows the requirements of the *Criminal Law of the People's Republic of China*, *the Anti-Unfair Competition Law, the Anti-Money Laundering Law* and other laws and regulations. We incorporate anti-corruption governance into the corporate culture construction system. The compliance department has established a "three-in-one" prevention and control mechanism: carrying out daily compliance review and risk monitoring, organizing compliance training for all staff, and implementing compliance review of systems and processes to ensure the enterprise develops in a compliant manner.

  In addition, for the prevention and control of commercial bribery risk, the Company has built a management system covering systems, execution, and supervision:

  - Institutional system: Specialized systems such as the *Anti-Fraud Management Regulations* and the R*egulations on the Acceptance and Handling of Gifts* have been promulgated to clarify the standards for fraud prevention, investigation, and disposal.

  - Supervision mechanism: Establish a reporting platform (speakup@immuneonco.com) and implement whistleblower protection and reward policies.

  - Implementation results: Maintain a clean business record and achieve zero corruption cases in the year of 2024.

- ***Compliance training***

  In 2024, we continued to strengthen our compliance knowledge training for employees. Specialized training courses were conducted several times through face-to-face lectures, online lectures and question-and-answer sessions on topics including the protection of trade secrets and the prevention of intellectual property risks in the procurement process. In addition, the Legal Department organized and carried out the Intellectual Property Rights Awareness Week every year and produces a video to circulate in the Company, so as to strengthen employees' awareness of intellectual property rights protection and regulate their practice behavior.

  In December 2024, the Company carried out *Compliance Management Special Training* for all employees, which included: anti-corruption and anti-fraud awareness promotion; popularization of anti-sanctions and export control management systems; and sharing of relevant compliance cases in the pharmaceutical industry, with a coverage rate of 100% for employees.

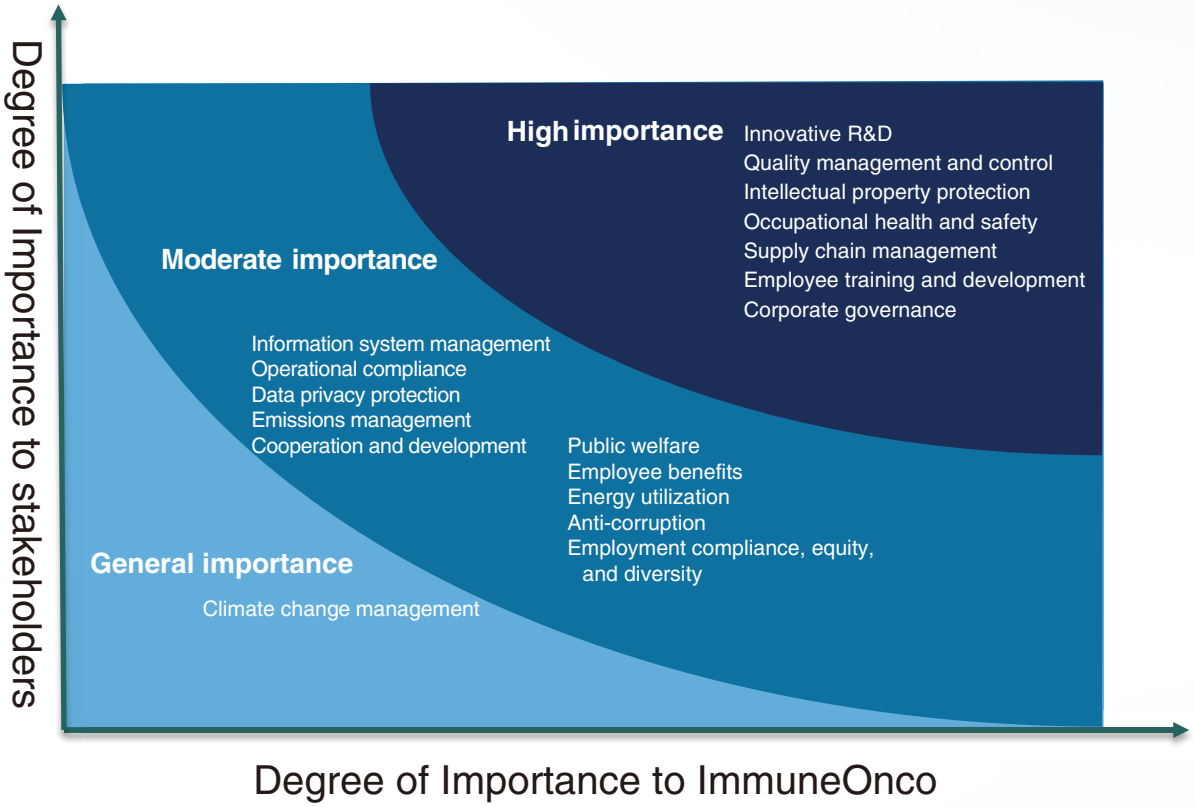
Case in point: data compliance training

In order to respond to the regulatory requirements of the *Regulations on the Management of Human Genetic Resources* and the *Measures for the Security Assessment of Data Exit*, the Company carried out the *Specialized Training on Clinical Trial Data Compliance Governance* in July 2024. During the training, the instructor provided an in-depth explanation of the regulatory points and operational procedures of the *Guidelines on Human Genetic Information Declaration and Data Exit Compliance*, and popularized the standards for clinical trial data classification. The training was attended by 42 employees from R&D, Clinical, and Data Management departments.

Our staff participating in data compliance training

3. Analysis of significant topics

To fully understand stakeholders' expectations of ImmuneOnco, the Company has sorted through a wide range of sustainable development topics and identified those with significant impact on ImmuneOnco and its stakeholders according to the Stock Exchange's ESG reporting guidelines and in combination with internal and external communication and discussion. These topics are included in the ESG report and are designed to help the Company develop risk management measures and ensure that stakeholders' major concerns are effectively addressed. The Company prioritized these significant topics based on the materiality principle and the stakeholder-company materiality model and passed the management's review. The results are presented as follow:



4. Communication with stakeholders

We value our stakeholders' opinions and factor their requirements and expectations into our corporate decisions. ImmuneOnco has identified its major stakeholders according to its business and operational characteristics, including investors, employees, clinical trial participants, regulators, research and development organizations, suppliers, peers, the community, and partners. The Company has set up different communication channels for stakeholders and maintains regular communication to ensure that substantive issues relevant to stakeholders are addressed. Through regular stakeholder engagement, the Company considers the views of stakeholders in making decisions and reviewing the Company's management priorities and performance. We also disclose material data in response to the concerns of our stakeholders.

Stakeholders	Topics of concern	Major communication channels
Investor	• Corporate governance • Innovative R&D	√ Annual general meeting and other shareholders' meetings √ Information disclosure √ Investors' meetings
Employee	• Occupational health and safety • Employee training and development • Employment compliance, equity, and diversity • Employee benefits	√ EHS occupational health and safety system √ Employee training √ Employee complaint and communication mechanism √ Team building activities
Participant	• Innovative R&D • Quality management and control • Data privacy protection	√ Informed consent √ EHS occupational health and safety system √ IT system information protection
Government and regulator	• Innovative R&D • Quality management and control • Occupational health and safety • Corporate governance • Operational compliance	√ Conference √ Environmental impact assessment report √ Information disclosure √ Site inspection
R&D institution	• Intellectual property protection • Information system management	√ Patent protection system
Industry peer	• Industry cooperation and development • Intellectual property protection	√ Summit √ Exchange and cooperation √ Patent protection system
Supplier	• Supply chain management • Anti-corruption	√ Supplier management procedures √ Supplier assessment √ Site inspection
Community & the public	• Public welfare • Climate change management • Emissions management • Energy utilization	√ Community activities √ Patient care √ Environment protection √ Information disclosure
Cooperative partner	• Long-term stabilization cooperation Mechanism • Resource sharing	√ Project communication meeting √ High-level exchange visits and strategic cooperation meetings

5. Awards in 2024

Name of Honor/Qualification	Awarding organization
"**Annual Influential Business Development Award**" of the Fifth China Biopharmaceutical Industry Chain Innovation List	China Biomedical Industry Chain Innovation and Transformation Consortium (CBIITA Consortium)
Hong Kong Stock 100 Annual List, "**Top 15 Biotech Stocks**"	Organized by the Hong Kong Top 100 Stocks Research Center, co-organized by Caihua News Agency and Fortis, and supported by several media organizations, including Hong Kong's Dagong Wenhui Financial PR Group
Mr. Li Song, Vice President of Enlighten, was awarded the 5th Guangdong, Hong Kong and Macau "**Outstanding Young Entrepreneur**" Award.	Guangdong-Hong Kong-Macao Greater Bay Area Entrepreneurs Alliance
2024 **Top 100 Pharmaceutical Innovation Enterprises** in China	E-pharm Manager

II. INNOVATIVE OPERATION

1. R&D and innovation

Continuous R&D innovation is the strategic cornerstone for enterprises to realize sustainable development and build core competitiveness. Based on this, the Company has established a special management system including *R&D Management System* and *R&D Expense Management System,* which systematically standardize the complete control process from project initiation, multi-dimensional evaluation, process supervision to funding audit, and establish standardized operating procedures for the acquisition of investigational drugs.

Relying on our R&D team consisting of senior scientists and interdisciplinary experts, we have always practiced the philosophy of "developing first-class new drugs for the benefit of oncology patients," and we are committed to developing breakthrough therapeutic solutions for patient groups with clear potential for clinical benefit based on clinical value.

- ***R&D platforms***

  We have built a full-flow R&D platform covering target selection and validation, drug discovery, and preclinical research, with core technologies including monoclonal antibody-receptor recombinant protein bispecific molecular platforms, high-throughput screening systems and in-house CMC development capabilities. Through the integration of hybridoma technology, immunoassay and bioassay technology, the platform can efficiently complete drug screening and durability analysis. Currently, the antibody discovery platform is equipped with diversified immunization tools such as proteins, cells, mRNAs, etc.; the cell line development platform supports the construction of double/multiple antibody molecules with complex structures, and the CMC system realizes the whole process of independent production, from drug candidate to IND registration.

  Technology upgrades

  In 2024, we focused on optimizing our dual/multiple antibody molecule design platform, and we now have mAb-Trap, mAb-scFv, CL-KiH and Crossmab-KiH dual/multiple antibody molecule development platforms. In addition, we have enhanced the conformational stability of molecules through genetic engineering modification, which significantly improves the druggability. At the same time, we have strengthened our antibody production capacity and process development capabilities to ensure the efficient production of antibodies with complex structures. Currently, the platform has formed a closed-loop system for target validation, molecular design and preclinical research, providing technical support for the continuous development of innovative tumor therapies with clinical potential.

Professional Advantages

ImmuneOnco has a technology platform that covers the entire process from early target screening, antibody discovery, drug design and validation, to drug development. It has a leading edge in antibody discovery, drug design and validation, and cell line development. Established until 2024, our cell line development platform, which was established using self-constructed CHO-GSKO host cells and proprietary transfection plasmids, supports a series of preclinical and clinical-stage products. Using the traditional mouse hybridoma technology platform, together with the highly efficient screening process, the time required from immunization to obtaining high-yield and stable cell lines is only about 6 months. In addition, the various in vitro drug analysis platforms we have established have been favored and adopted by dozens of well-known companies in the industry. In 2024, we had not received the customer complaints regarding our products and services.

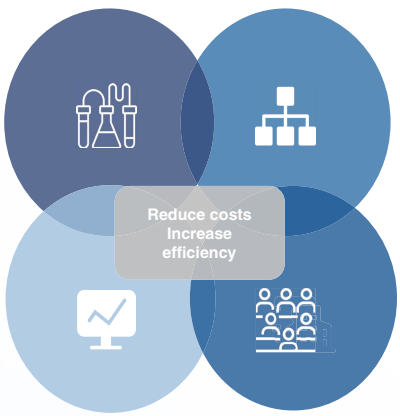
Thanks to the continuous polishing of our various platforms targeting early-stage R&D, the Group established a subsidiary, ImmuneCare, in 2024, which opens drug development for the Group in addition to tumor-related targets, and we will continue to carry out drug screening for non-tumor conditions, such as autoimmune, cardiovascular and metabolic diseases, to further enrich our product pipeline. In the future, we will continue to improve and enhance our efficiency, and stockpile a series of potential candidate molecules to lay the foundation for future work.

- ***Cost reduction and efficiency enhancement***

  We systematically promote cost reduction and efficiency enhancement through continuous optimization of the R&D system and strengthening of refined management. On the one hand, we deepen the construction of technology platform, reduce repetitive work by optimizing the design of experimental process, and enhance the efficiency of R&D resources; on the other hand, we strengthen the standard management of experimental operation, and implement the cost control of the whole process under the premise of guaranteeing R&D quality. Specific implementation initiatives are as follows:

Experimental process optimization

- Implement modularized experimental design to achieve reusability of key steps.
- Improve the pre-experiment evaluation mechanism to reduce the failure rate of formal experiments.



Fine control of resources

- Establishment of a mechanism to evaluate the substitution of domestic reagents, balancing cost and quality.
- Implement the micro reaction system to reduce reagent consumption.
- Implementing a system for classifying and managing consumables, and standardizing the reuse process of protective equipment.

Team performance enhancement

- Improve the "mentorship" training system to strengthen standardized operational capabilities.
- Implement an equipment reservation and sharing system to enhance instrument utilization efficiency.

Guarantee of management mechanisms

- Special working meetings are held every month to dynamically assess the implementation of cost control measures, formulate improvement plans for common pain points, and form a closed-loop management mechanism of “implementation-feedback-optimization.”

- ***Intellectual property (IP) protection***

  In accordance with laws and regulations such as the *Patent Law of the People's Republic of China*, *the Trademark Law of the People's Republic of China*, *the Copyright Law of the People's Republic of China*, and the *Law of the People's Republic of China against Unfair Competition*, the Company established the *IP Management Policy*, which specifies the requirements in patents, trademarks, copyrights, and trade secrets to standardize the IP management. In addition, the Company complies with the IP laws and regulations of the countries and regions where it operates in applying for foreign patents and carrying out foreign cooperation.

  The Company has constructed a perfect intellectual property management system: it is equipped with full-time staff in charge of the whole life cycle management of patents in cooperation with professional agencies, covering application, examination and maintenance, and implements the monitoring of the time limit of the whole process, so as to effectively prevent the risk of human error. In terms of personnel management, new employees are required to sign the *Declaration of Intellectual Property Rights*, promising to eliminate trade secret infringement and fulfill the intellectual property obligations of their former employers. In external cooperation, we sign confidentiality agreements with confidential partners and build a multi-level information protection system. At key points of technology development, infringement risks are effectively avoided through global patent searches and risk assessments. As of the end of 2024, 30 invention patents have been authorized, six invention patents have entered the substantive examination stage, and there has never been any intellectual property violation or dispute.

- ***Quality management***

  The Company strictly complies with laws and regulations such as the *Drug Administration Law of the People's Republic of China*, the *Implementing Regulations of the Drug Administration Law of the People's Republic of China*, *the Pharmacopoeia of the People's Republic of China*, the *Measures for the Supervision and Administration of Drug Production*, and the *Risk Assessment Principles for On-site Inspection of Drug Manufacturing Enterprises, Announcement of the State Drug Administration on Strengthening the Supervision and Management of Commissioned Manufacturing by Holders of Listed Licenses of Medicines No. 132 of 2023*, as well as the *Good Manufacturing Practice (GMP)* and its appendices, to ensure that the CMOs comply with the relevant regulatory requirements and our internal guidelines on production standards, process and facilities. In 2024, we enhanced the management of CMOs as follows:

Strict implementation of audits

In 2024, the QA department audited five commissioned manufacturers and three production suppliers on-site. During the audit process, we ensured that the commissioned parties strictly implemented the agreements of the quality agreement, ensured that the release of drugs for our clinical trials was guaranteed, and ensured that the technical information of our commissioned projects was complete, scientific and true.

Strengthening documentation

In 2024, with the increase of self-research projects, in order to quickly access, easily track statistics, and also to ensure the integrity of the project technical information and records, we have added electronic files in the Company's shared disk in addition to the paper files, such as the product files, material files, validation ledgers, measurement ledgers, etc., and update and maintain them in real time. At the same time, we strictly follow the requirements of the our "Document Management Regulations" to implement the synchronized management of paper and electronic files, and share open access with department heads as needed.

Introduction of validation and metrology

Validation and metrology are the basic guarantee for production and quality activities. In 2024, our QA department followed up on the validation master plan and metrology plan, and ensured the continuous improvement of validation management procedures by coordinating the timing of production and inspection activities. In addition, our clean area environmental monitoring work is carried out in an orderly manner with production and inspection activities. Daily monitoring and dynamic testing, combined with regular review and analysis, ensure that the clean environment continued to meet the requirements of the corresponding cleanliness level.

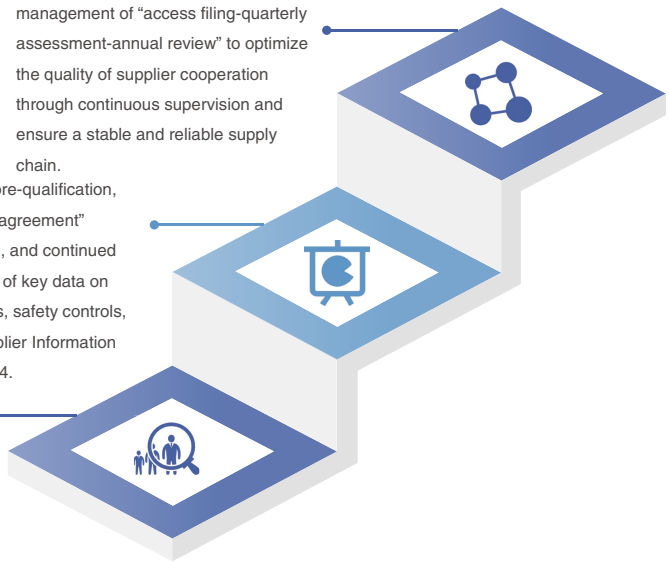
Strengthening Quality Awareness

By instilling continuous quality awareness, all departments in 2024 were able to proactively notify abnormal events and communicate deviation factors with the QA department. The technical staff of each department also cooperated with the QA department to conduct risk assessments based on their professional knowledge and formulate scientific and reasonable preventive measures. Compared with the past, the total number of deviations and changes in 2024 decreased significantly, and the quality awareness of the entire CMC team continued to improve, with most of the changes initiated on the basis of site changes and continuous optimization of processes and analysis methods.

2. Responsible sourcing

ImmuneOnco has always regarded suppliers as strategic partners and built long-term cooperative relationships based on the principle of mutual trust and win-win cooperation. We have established a fair and transparent procurement management system through the institutional frameworks of *Procurement Management Regulations*, *Office Supplies Procurement Management Measures*, and *Services Procurement Management Measures*. The system documents clearly regulate the whole process of management standards such as supplier access assessment, signing of quality agreements, regular audits, etc., and synchronize the implementation of the dual-track mechanism of qualification review and dynamic quality monitoring, so as to ensure that the supplier's capability is accurately matched with the Company's quality requirements.

- ***Supplier Management***



Dynamic Supervision

Implementing closed-loop management of "access filing-quarterly assessment-annual review" to optimize the quality of supplier cooperation through continuous supervision and ensure a stable and reliable supply chain.

Multidimensional Assessment

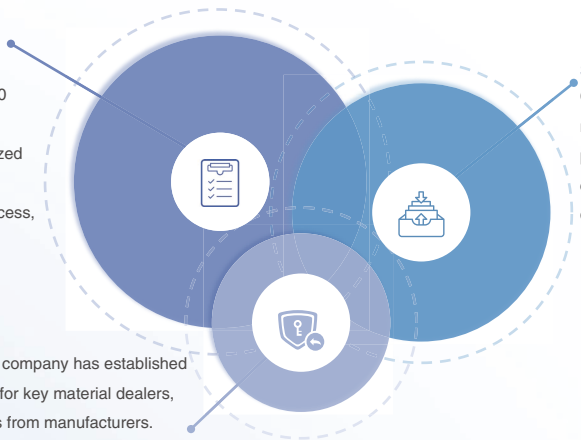
Establishment of a "pre-qualification, on-site audit, quality agreement" assessment program, and continued systematic collection of key data on production processes, safety controls, etc. through the Supplier Information Questionnaire in 2024.

Qualification Review

Formulation of "Procurement Management Regulations" to clarify the principles of supplier selection and access standards, covering production qualifications, quality control capabilities, warehousing and transportation and other core elements.

- ***Supplier supervision***

In 2024, according to the MAH regulations, the Company should audit suppliers of raw and auxiliary materials, packaging materials and containers that come into direct contact with pharmaceuticals. Accordingly, the QA department has formally incorporated the supervision and audit of suppliers into its daily management this year.



Project vendor list construction

Completed the signing and approval of the supplier list of IMM2520/IMM0306/IMM2510 projects, which has been distributed to warehouses/production/trustees, standardized the material code application, receipt verification and procurement execution process, and synchronized with the progress of the supplier list audit of IMM72/IMM01/IMM27M/IMM67 projects.

Supplier qualification archiving

Completed the collection of 28 manufacturers' qualification certificates and product information, and realized the full coverage of quality questionnaire filling and quality agreement signing.

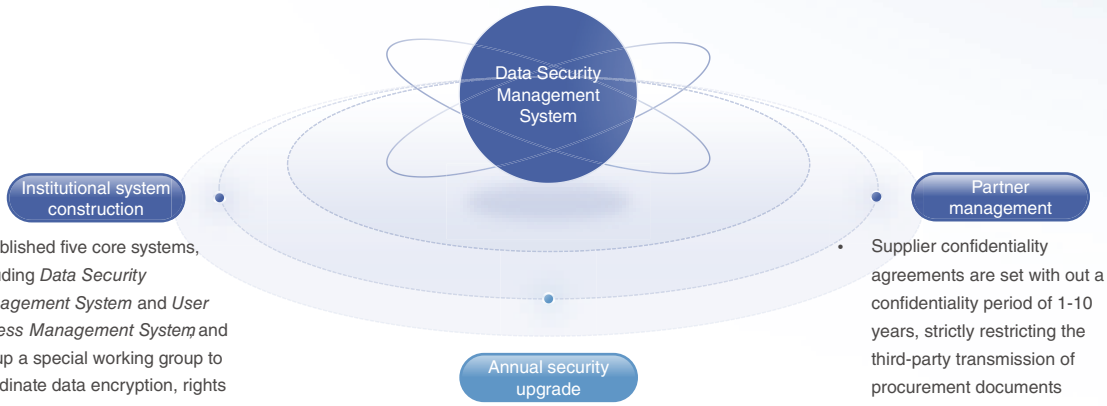
Dealer authorization control

For materials with multiple dealers, the company has established a mandatory authorization mechanism for key material dealers, requiring valid authorization documents from manufacturers.

3. Information safety

- ***Data Security Management***

  ImmuneOnco has established a strict data control system, taking a series of measures including data encryption to ensure data security. The layered protection strategy ensures that the data is not leaked and at the same time prevents external attacks.



- Established five core systems, including *Data Security Management System* and *User Access Management System*, and set up a special working group to coordinate data encryption, rights control and backup mechanism.
- Formulated the *Employee Handbook* to clarify the requirements for trade secret protection, and carried out confidentiality training to strengthen the security awareness of all staff.

- In 2024, server room/network/terminal security construction planning was implemented, and storage system optimization and network security equipment upgrading completed.
- Promote the improvement of the information system management system and strengthen the security control of the whole process of network configuration and project construction.

- Supplier confidentiality agreements are set with out a confidentiality period of 1-10 years, strictly restricting the third-party transmission of procurement documents (business data/quotation information, etc.).
- Except for cases where disclosure is mandatory by law, one-way controllability of core business information is retained.

- ***Privacy Protection System***

  ImmuneOnco understands the importance of clinical subjects' privacy protection and the need for personal information security protection, strictly follows the data privacy protection requirements, abides by the *Personal Information Protection Law*, *Cybersecurity Law*, EU GDPR, U.S. HIPAA, and other laws and regulations of the place of operation, formulates the *Information Confidentiality Management System* and *Personal Information Confidentiality System*, and signs the *Confidentiality Commitment Letter* prior to cooperating with the third party, requiring strict adherence to the principle of protection when handling customer/patient/supplier data. The Company's policy covers all employees and cooperating third parties, and its implementation is ensured through binding terms of agreements, thus forming a data security protection mechanism both internally and externally.

- ***IT audit***

  The Company regularly conducts IT audits. Internally, the Company regularly conducts security audits of accounts with sensitive privileges, operation log audits, etc., to solve internal security problems by monitoring abnormal operation behaviors; externally, the Company regularly accepts IT audits, classified Security Protection assessments, and DSG evaluations from third-party auditing teams to comprehensively safeguard the Company's information, network, and data security.

III. GREEN DEVELOPMENT

ImmuneOnco actively responds to the national strategic call for energy saving, emission reduction and green development, continuously optimizes environmental protection strategies and measures, practices corporate environmental responsibility in all aspects, and is committed to achieving the goal of sustainable development.

We strictly follow the *Environmental Protection Law*, *Water Pollution Prevention and Control Law* and other national and local environmental protection regulations, and formulate special systems such as *Hazardous Waste Disposal Management Regulations*, *Laboratory Environmental Safety Management Regulations*, and *Emergency Response Plan for Environmental Emergencies* to systematically standardize the whole process of environmental management. For the prevention and control of environmental risks, we have constructed a management system of *identification-assessment-emergency response*. We realized closed-loop risk control through the formulation of emergency response plans, the establishment of professional emergency response organizations, and the provision of rescue facilities, as well as annual drills. During the reporting period, our environmental management maintained a record of zero violation, and no major environmental accidents have occurred.

1. Emissions management

We strictly abide by the laws and regulations such as the *Law of the People's Republic of China* on Prevention and Control of Air Pollution and the *Law of the People's Republic of China* on Prevention and Control of Waste Pollution, use environmentally friendly materials in our operations, set and regularly review our environmental emission targets, and standardize our emission management system. We are targeting to maintain our 2025 emission intensity data at the same level as 2024 (i.e., 95% to 105%).

- ***Exhaust emission***

  The Company's two experimental buildings are equipped with two fume hoods and a number of capture hoods. Exhaust gases generated during the experiments are collected from the fume hoods and collector hoods, collected and purified by activated carbon adsorption devices, and then discharged through a 25-meter-high exhaust pipe on the roof of the building. Bioaerosols generated are treated in biological safety cabinets and then discharged into the indoor environment. In addition, the Company regularly replaces the activated carbon to ensure that the efficiency of the exhaust gas emission meets standard.

- ***Wastewater discharge***

  During the operation of the project, the concentration of wastewater pollutants discharged by ImmuneOnco complies with the *Pollutant Emission Standards for the Biopharmaceutical Industry* and the tertiary standards of Shanghai's *Comprehensive Wastewater Emission Standards*, ensuring that the wastewater can be discharged into the municipal sewer system in compliance with the relevant standards.

Case: Wastewater Treatment Facility Retrofit Disposal Process

In 2024, we maintained and upgraded our wastewater treatment facilities. Laboratory wastewater is collected through a dedicated piping system and then automated diversion through motorized three-way valves: low-concentration wastewater wastewater is discharged directly to the equalization tank along with regular laboratory wastewater, while high-concentration wastewater is transported directionally to the collection tank for enhanced treatment. The collection tank is equipped with a built-in pH online monitoring device and an automatic dosing system, which detects and adjusts the acidity and alkalinity of the wastewater to the compliant range in real-time, and ensures that the pharmaceuticals are evenly mixed through simultaneous aeration mixing. The pre-treated high-concentration wastewater is quantitatively transported by diaphragm pumps to the conditioning tank, where it is fully mixed and diluted with the low-concentration wastewater to ensure that the subsequent treatment meets the standards. The application of bio-fermentation-collection tank further reduces the concentration of pollutants by extending the residence time of high-concentration wastewater and utilizing biodegradation. This enhances the treatment efficiency, while ensuring compliance with the discharge indicators.

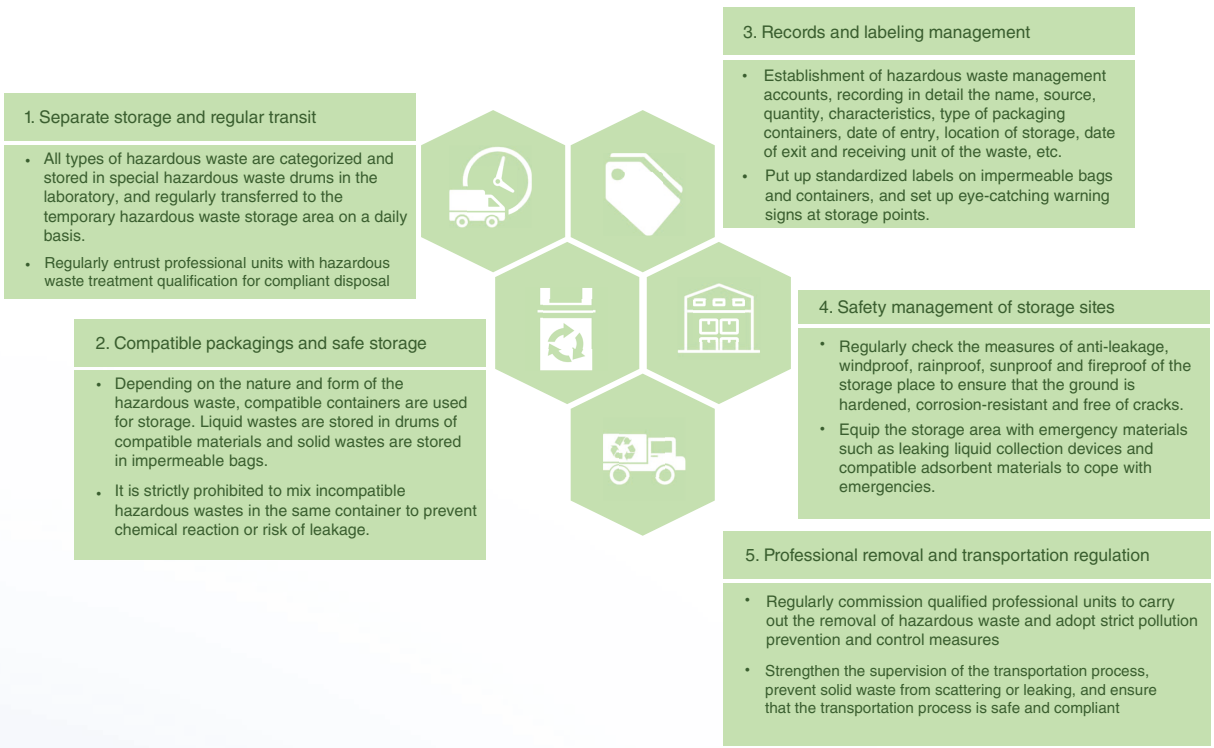
High-concentration wastewater catchment basin

- ***Waste disposal***

  ImmuneOnco strictly follows the relevant provisions of the *Law of the People's Republic of China on the Prevention* and *Control of Environmental Pollution by Solid Waste* and *the National List of Hazardous Wastes*, classifies, and manages solid wastes generated in the course of production and operation, and adopts scientific and compliant disposal measures to minimize the impact on the environment. By establishing a perfect waste management system, the Company ensures that the whole process of collecting, storing, transporting and disposing of non-hazardous and hazardous wastes in a classified manner meets the requirements of environmental protection.

  The Company implements centralized recovery and separate disposal of recyclable resources and non-hazardous wastes, which mainly include: recyclable wastes, such as paper, ink cartridges, ribbons, toner cartridges, used batteries, office computers, etc. We uniformly recovered these recyclable resources and non-hazardous wastes and entrusted professional institutions for treatment, so as to promote the recycling of resources; as for domestic wastes, the Company implements separate collection within the Company, to ensure the harmless treatment and to reduce the burden on the environment.

  For hazardous wastes, ImmuneOnco adopts the following pollution prevention and control measures in accordance with the requirements of the *Pollution Control Standards for the Storage of Hazardous Wastes*:



2. Energy saving and emission reduction

In the course of ImmuneOnco operation, energy consumption mainly comes from daily office, production and R&D activities, and the types of energy involved are concentrated in electricity, gasoline and water resources.

In strict compliance with the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, the Company has built up a perfect responsibility system for energy conservation. In terms of office management, the Company implements a full range of energy-saving initiatives to reduce the level of resource consumption by means of refined management. At the same time, the Company actively carries out staff training and education activities to vigorously enhance the awareness of energy saving and emission reduction among the staff, and is committed to reducing the carbon footprint and eliminating the phenomenon of resource wastage, so as to take practical actions to promote the in-depth implementation of the Company's sustainable development strategy, and to contribute to the environmental protection and rational utilization of resources. In 2024, ImmuneOnco is actively pursuing energy-saving and emission reduction measures and will strive to further reduce energy consumption based on the maintenance of the energy consumption level in the past. Specific measures to reduce energy consumption are as follows:

Electricity management

The company has implemented a refined power consumption strategy, turning off all lighting and air-conditioning equipment during unoccupied office hours to eliminate energy waste. The Company's intelligent control of laboratory equipment and optimization of power consumption patterns have yielded significant results.

Paper use

Actively practicing the concept of green office, fully promoting double-sided printing, effectively reducing paper consumption and reducing the indirect loss of forest resources.

Water control

The company's water consumption mainly covers domestic water and experimental water, and through rational planning and daily monitoring, the water consumption remains stable without significant fluctuations, ensuring the efficient utilization of water resources. The company's full-process water utilization complies with environmental regulatory standards, maintaining a penalty-free record since operation commenced.

Official vehicle

To reduce carbon emissions, the company continues using pure electric commercial vehicles as official vehicles in 2024 to promote green transportation.

Green procurement

In the procurement process, the Company strictly controls and prioritizes the selection of paper with environmental protection certification, practicing the concept of sustainable development from the source.

Environmental protection advocacy

Actively carry out environmental protection publicity activities and put up environmental protection posters in order to enhance employees' awareness of environmental protection.

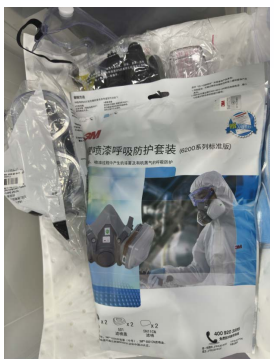
Extreme weather response

A comprehensive emergency plan has been formulated. The contents include prevention of objects thrown from heights, provision of emergency backup electricity, rationalization of duty personnel, and allowing employees to apply for home office when necessary to ensure the stability and safety of the Company's operations in extreme situations.

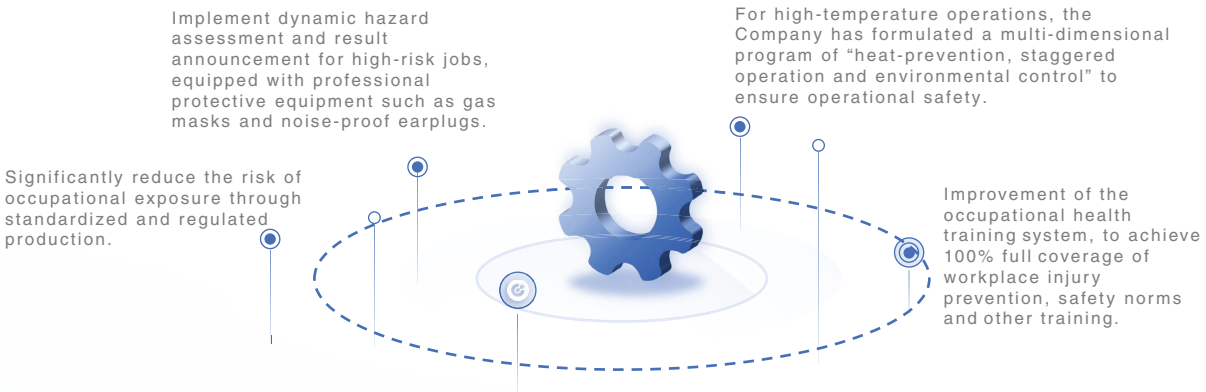
3. Health and safety

ImmuneOnco always prioritizes the health and safety of its employees, and cares deeply about the well-being of each one of them. The company has established a comprehensive and complete Environment, Health, and Safety (EHS) management system, focusing on strengthening the overall management effectiveness of the EHS organization and clearly defining the EHS assessment indicators. Relying on a sound governance structure and under the strict supervision of the Company's leadership, we ensure the effective implementation of health and safety management at all levels of the Company through a series of practical actions, creating a safe and healthy working environment for employees and helping the Company achieve its sustainable development goals.

- ***Occupational health***



In strict compliance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other relevant laws and regulations, we have established a comprehensive and perfect environment, health, and safety (EHS) management system to build up an all-round defense for the occupational health of our employees. Relying on a sound governance structure and under the strict supervision of the Company's management, we have taken a series of practical actions to ensure the effective implementation of health and safety management at all levels of the Company, to create a safe and healthy working environment for our employees, and to help the Company achieve its goal of sustainable development, as well as to maintain a zero occupational disease incidence rate during the reporting period.



- ***Safety production***

  ImmuneOnco strictly abides by the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other laws and regulations, and has formulated a series of management regulations, such as the *Environmental Risk Incidents Contingency Plan,* the *Lab Environment Safety Management Regulations*, the *Hazardous Waste Disposal Management Regulations*, the *Hazardous Chemicals Management Regulations*, the *Fire-fighting Facilities Management Regulations*, the *Contingency Plan for Production Safety Accidents*, the *Dual Prevention Mechanism for Hidden Trouble Detection and Risk Management*, and *the Hazard Analysis and Management Regulations of Operational Conditions*, establishing a target responsibility system for production safety, and systematically identifying and controlling safety risk factors. Through the mechanisms of laboratory safety management and full process control of hazardous chemicals, the Company realizes intrinsic safety in the working environment. The Company has maintained a record of zero workplace fatalities for three consecutive years.

In 2024, we have increased the installation of flammable gas alarms in hazardous chemical rooms. When a flammable liquid leaks into the environment and the gas alarm detects that the gas concentration reaches the threshold set by the alarm, the alarm will send out an alarm signal, with cell phones receiving the alarm signal at the same time.

Pictured: Flammable gas alarm

- ***Emergency management***

According to the actual operation of the laboratory and possible accidents, we have set up a professional in-house emergency rescue team, equipped with a full range of emergency equipment and emergency supplies, to ensure that we can respond quickly to carry out rescue work in the event of an accident, and minimize casualties and property damage.

In 2024, we continued to improve the equipment of safety facilities, including anti-leakage emergency supplies, eyewashes, sprinklers, fire extinguishers, fire blankets, and so on. At the same time, we continued to optimize the emergency handling procedures and strictly require all personnel entering the laboratory to read and familiarize themselves with these procedures before entering. When a fire or explosion occurs, the alarm system is immediately activated, and the laboratory personnel quickly take firefighting equipment to extinguish the fire and guide the visitors to evacuate in an orderly manner; if a poisoning accident occurs, the poisoned personnel will be transferred to a well-ventilated area in the first time, and will be urgently cleaned and sent to the hospital for treatment; in the face of chemical burns and leakage accidents, effective measures are taken in time such as rinsing, neutralizing and adsorbing cleanups, etc., so as to minimize the losses caused by the accidents and hazards caused by the accident.

- ***Safety training***

Every year, the Company will conduct a comprehensive review and in-depth analysis of the various issues in the past year's production safety management, combined with the actual characteristics of the laboratory, business processes and potential risks, to develop a detailed annual publicity and training program. Through diversified channels, such as the production of publicity brochures, setting-up eye-catching safety knowledge wall posters in the office area and the laboratory, carrying out targeted professional training courses, etc., the Company intends to popularize the key knowledge of emergency response, risk prevention, risk avoidance strategies, self-help and mutual rescue skills, as well as disaster mitigation methods to all employees, aiming to enhance the staff's awareness of safety and the ability to cope with emergencies, creating a good safety culture to build up a solid foundation of safety work throughout the year, enhancing the safety awareness of the staff and the ability to cope with emergency events, and building up a solid ideological defense for the whole year's production safety work.

Case: laboratory safety training

In terms of hazardous materials management, the Company organized a special training on hazardous materials for experimental personnel on July 12, 2024, in which a total of 12 experimental personnel took an active part. The training was rich in content and very targeted, focusing on the standardization of the process of hazardous materials receipt, strict personnel entry and exit registration system and detailed explanation of emergency measures for hazardous materials and other key points. Through this training, the experimental personnel have been able to skillfully receive hazardous chemicals in accordance with the standard requirements, and in-depth understanding of the physical and chemical properties of the hazardous chemicals used and the emergency disposal methods, effectively enhancing their professional ability and safety awareness in the operation and management of hazardous chemicals.

- ***Fire drill***

  In the process of continuously promoting the integration of work safety with environment, social responsibility and corporate governance, the Company pays special attention to conducting drills to improve the emergency response capability.

Case: conducting fire drills

On December 6, 2024, the Company carefully organized a fire emergency drill on the first floor of the hazardous chemical storage room. The drill centered on the key themes of "standardized use of fire extinguishers, standardized wearing of protective gear, and emergency disposal procedures for leakage of hazardous chemicals." During the drill, professionals explained and demonstrated the correct operation steps of fire extinguishers to ensure that employees can quickly and accurately use fire extinguishing equipment in case of fire. At the same time, they emphasized the importance of standardized wearing of protective gears and instructed employees on how to wear them correctly to effectively protect their own safety. For the high-risk scenario of hazardous chemical leakage, the drill simulated the whole process from leakage discovery, emergency report, to on-site disposal, so as to make the staff familiar with the operation points of each link.

4. Addressing climate change

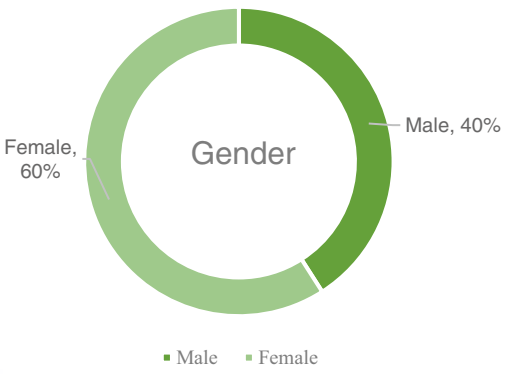
ImmuneOnco proactively explores economic opportunities and challenges posed by climate change. The EHS department closely monitors climate patterns, timely identifying operational risks including project suspensions, asset damage, and personnel injuries caused by extreme weather events. Emergency response plans standardize preparedness protocols to mitigate climate-related impacts. Regular departmental safety inspections systematically address climate-induced risks while eliminating potential hazards.

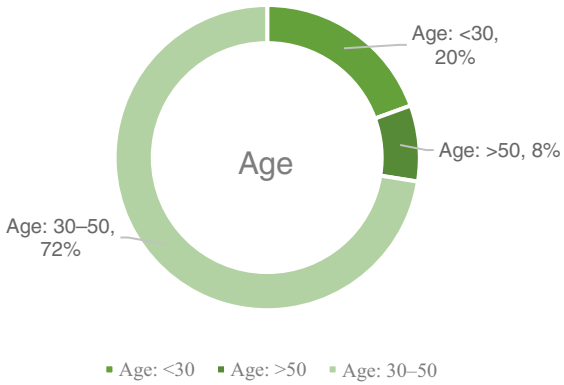
IV. EMPLOYEE EMPOWERMENT

ImmuneOnco focuses on the training, motivation and development of its employees, actively implementing relevant policies to attract and retain talents, and creating a favorable working environment and development opportunities for its employees in order to enhance their work experience. We believe that employees are the core assets of the Company's sustainable development and success, so we are committed to providing broad development space for more outstanding talents.

The Company has established various employee communication channels, including the Employee Hotline, Compliance Hotline and General Manager's Email. These channels serve as a means for employees to actively participate in communication, enabling them to provide valuable suggestions on the development and construction of the Company. By actively encouraging employee communication, ImmuneOnco aims to continuously improve the interaction between the Company and its employees, thereby enhancing the overall work experience.

As at the end of the reporting period, ImmuneOnco had a total of 156 full-time employees, of which 93 were female employees, accounting for 60%, and 63 were male employees, accounting for 40%. In addition, according to the statistics, the turnover rate of female employees in 2024 will be 9% and the turnover rate of male employees will be 14%, which is at a stable and reasonable level.





1. Equality and diversity

The Company strictly follows a series of national laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Regulations on Work-Related Injury Insurance*, the *Law on the Protection of the Rights and Interests of Workers*, and the *Regulations on the Prohibition of Child Labor* to ensure that every human resource decision and practice is legal and compliant. At the same time, the Company independently formulates and fully implements a series of internal policies, such as the *Employee Handbook*, the *Management Regulations for Performance Review*, the *Compensation Management Rules*, and the *Welfare Rules*, etc., to protect the legal rights and interests of the employees in all aspects, from onboarding, daily operations, performance evaluation, to welfare protection.

In its employment practices, the Company adheres to the ethical standards, adopts various measures to ensure that employees are of legal working age, and eliminates the employment of child labor and forced labor. A strict monitoring and disposal mechanism has been established, and suspected cases are immediately resolved. During the reporting period, the Company did not commit any such illegal acts.

ImmuneOnco is committed to the principles of diversity, equality and compliance in hiring and employment, and strongly supports the principle of holistic, merit-based hiring. The Company is committed to ensuring that every employee enjoys the right to equal employment, firmly opposes any form of employment discrimination, and ensures that employees of different religions, nationalities, races, genders, and ages are given equal employment opportunities and promotional opportunities. The company further emphasizes this principle and related behavioral norms in the *Employee Handbook*, and actively creates a diversified and inclusive workplace, so that every employee can give full play to his or her potential in an atmosphere of respect and tolerance, and realize a win-win situation for both personal value and company development.

2. Introduction of talents

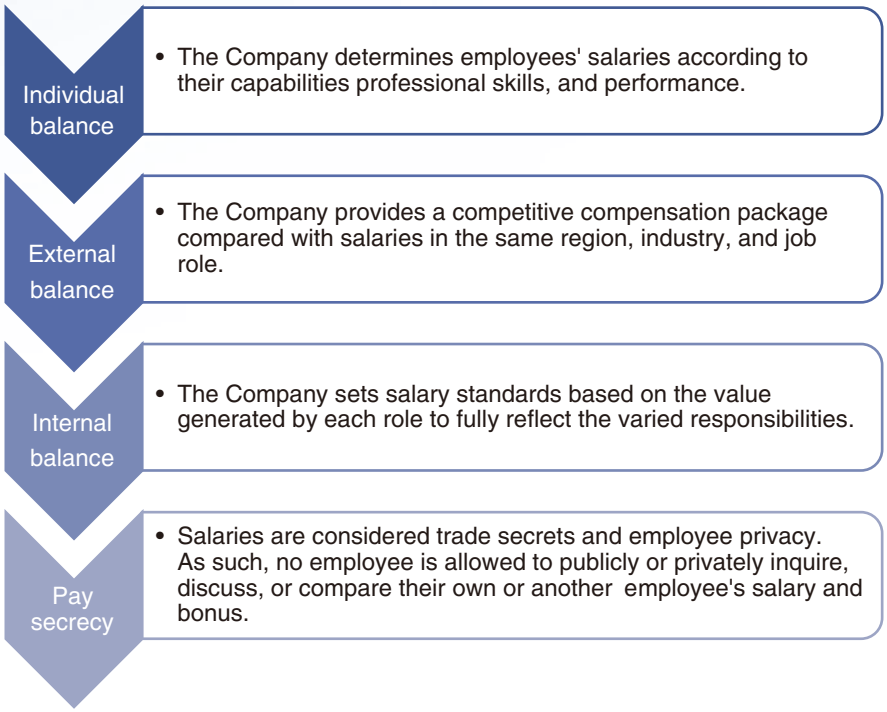
In the process of talent introduction, the Company has built a perfect talent assessment system. Using a clear talent scale, the Company accurately locates top-tier talents with the help of professional headhunting channels, and adopts a rigorous three-stage interview method to ensure the selection of outstanding talents with both integrity and talent. At the same time, the introduction of talent assessment system, covering the five personality, occupational tendency, mental health and other multi-dimensional assessment, provides a scientific basis for talent selection.

In 2024, the Company paid particular attention to the core talent retention program, and comprehensively assessed and categorized its employees through the talent inventory and the nine-grid model. For five-star employees, incentives for promotion and salary increase were given, and different development paths and incentives were formulated for four-star and three-star employees respectively. Based on the results of the talent pool, the Company actively carries out the successor program and is committed to building a solid talent ladder. This not only guarantees the sustainable and stable development of the Company's business, but also provides employees with a clear career development path and enhances their sense of belonging and loyalty.

In addition, the Company develops and implements the *Talent Residency Administration Policy*, and actively handles the settlement for the regular employees who meet the policy conditions, so that the employees really feel the care and respect of the Company and create a strong sense of belonging.

3. Compensation and welfare

Principles of compensation management



The company strictly follows the relevant national laws and regulations, practices the principles of personal, external and internal balance and salary confidentiality, formulates the *Compensation Management Rules* and the *Management Regulations for Performance Review*, and actively devotes itself to the optimization and adjustment of the salary structure. The company's employees' salaries cover a wide range of components, including fixed salaries, variable salaries, allowances and subsidies, as well as overtime labor compensation. Among them, the variable salary is closely linked to the Company's and individual's performance, which stimulates the employees to pay close attention to the Company's development and operation status, and fully mobilizes the employees' work enthusiasm.

In strict accordance with the relevant state laws and regulations, the Company pays the full amount of pension insurance, medical insurance, unemployment insurance, industrial injury insurance and maternity insurance for employees, and contributes to the housing provident fund, which provides a solid basic protection for the employees' life. The company not only guarantees the right of employees to rest on statutory holidays according to the law, but also provides a variety of paid leave, such as annual leave, marriage leave, bereavement leave, maternity leave, breastfeeding leave, work injury leave, etc., which fully respects the special needs of employees at different stages of life.

The company provides employees with special benefits, additional purchase of accidental injury and other commercial insurance for employees; provide meal allowance, differential compensation, transportation subsidies, high temperature subsidies, etc.; in the holiday gifts, birthday parties for employees, organizing annual physical examination of employees, the Company to carry out team building activities, set up health tea breaks, sick staff care and condolences, etc.

- Full payment of pension insurance, medical insurance, unemployment insurance, work injury insurance and maternity insurance, as well as contribution to the housing provident fund
- Annual leave, marriage leave, bereavement leave, maternity leave, breastfeeding leave, work injury leave and other paid leave.

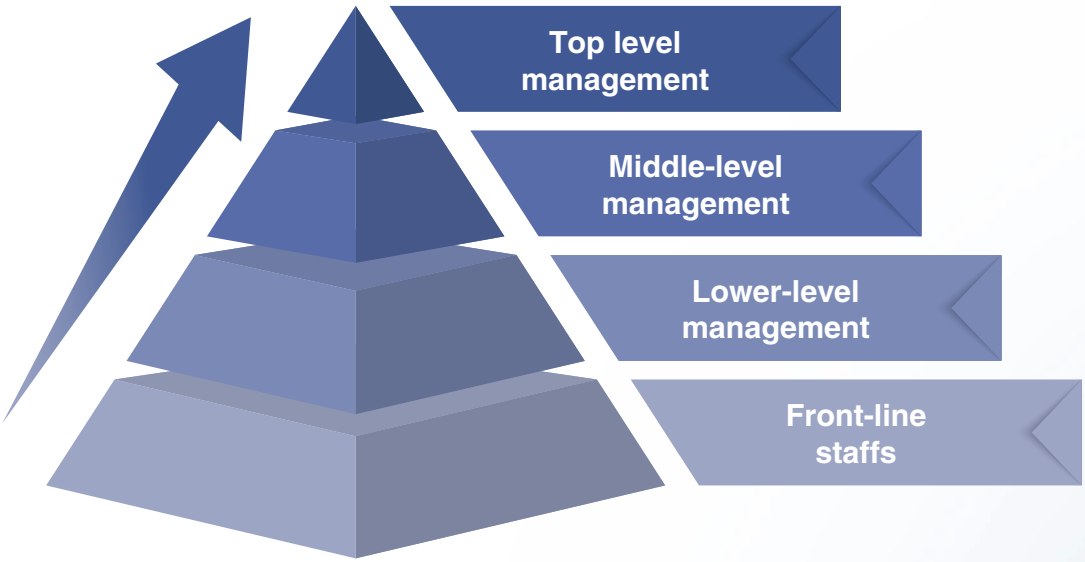
Statutory welfare

Supplementary welfare

- Accidental injury and other commercial insurance, meal allowance, differential compensation, transportation subsidies, high temperature subsidies, holiday gifts, birthday party, staff physical examination, company building activities, health tea breaks, sick staff care condolences, etc.

4. Promotion system

ImmuneOnco has established *Management Regulations for Performance Review* and continues to optimize the standardization and scientific rigor of the performance review process. By implementing a scientific and rational performance management mechanism, the Company's business plans are decomposed and implemented at each level, facilitating comprehensive and continuous improvement of company-wide performance. Each year, the Human Resources Department initiates a unified annual performance appraisal, and the performance evaluation is conducted in accordance with the scoring mechanism of the Performance Appraisal Management Measures, and the standardized approach ensures the fairness and objectivity of the appraisal process; for the promotion of special talents, the business departments and the Human Resources Department will jointly submit a Promotion Nomination Form, one-on-one communicate with candidates, and then submit the application for promotion to the Chief Executive Officer for approval.



5. Employee training

Insisting on the value of “Talent First, Knowledge First”, ImmuneOnco pays attention to talent cultivation and development, improves the talent cultivation system, expands career pathways for employees, and continuously improves the construction of talent team through multi-channel and multi-level cultivation programs. For different groups of people, such as new hires, frontline staff, high-potential talents, technical experts, newly promoted management, and core management, newly promoted cadres, core managers, etc., the Company has designed various training courses to help employees at all levels to empower employees with comprehensive skill enhancement,

1. Entrepreneurship Sharing Session

In 2024, the Company's CEO, Dr. Wenzhi Tian, organized an exclusive startup sharing session for employees. The sharing session was designed to help new directors adapt faster to the Company's entrepreneurial culture and strategic vision. By sharing the Company's growth history, challenges faced, and strategic decision-making process, employees were able to better understand the Company's core identity and defining characteristics.

2. Professional Skills Training

Different business departments carry out professional skills upgrading training at different levels, such as laws and regulations, professional skills, quality management, occupational safety, and industry innovation.

3. New Employee Training

The company organizes orientation for new employees to familiarize them with the Company's values, culture, organizational structure and role-specific responsibilities. By providing a comprehensive orientation, new employees are able to quickly integrate into the Company, shortening the adjustment period and enhancing their sense of belonging.

4. Compliance Training

Compliance training is carried out both online and offline, and training materials are distributed to all employees to ensure that every employee is familiar with relevant laws and regulations as well as company policies. By enhancing compliance awareness, we safeguard the Company’s ethical integrity, mitigate legal exposure, and foster a culture of proactive risk management.

6. Caring for employees

The company attaches great importance to the well-being of its employees. For employees with long commuting distance, the Company has formulated a humanized attendance policy, which divides the clocking-in time into three time slots, considering the actual commuting difficulties of the employees, and effectively improves the convenience of work and quality of life of the employees, and embodies the Company’s meticulous care for the living conditions of the employees.

The company fully protects the rights and interests of female employees. For female employees in the late stage of pregnancy, the Company implements the home office policy, which effectively protects the physical and mental health and work rights of female employees in special physiological periods.

In the field of team building and comprehensive management, the Company has entrusted the Administration Department with the responsibility of team building, which promotes the enhancement of team cohesion, enriches the workplace life of the staff and creates a positive working atmosphere for the staff through professional integrated planning. On every Monday, Wednesday and Friday, afternoon tea is prepared for employees according to seasonal changes and different festivals.

Afternoon Tea

The company organized nine festivals in 2024, including Chinese New Year Reunion, Women's Day, Dragon Boat Festival and other festivals:

ImmuneOnco Chinese New Year Reunion Family Portrait

Group photo of employees with 5 years of experience

Women's Day Events



Dragon Boat Festival activities

ImmuneOnco strictly implements national and local social security mechanisms in accordance with laws and regulations. It enters labour contracts with its employees to formalize and legalize labour relations and provides social insurances and housing provident fund. The Company also ensures that employees are entitled to paid annual leave, marriage leave, maternity leave, paternity leave, sick leave, bereavement leave, family visit leave, etc., effectively protecting their legitimate rights and interests.

2024 indicator of employees' rights and interests

Labour contract signing rate	100%
Social insurance coverage	100%

No labour disputes or discrimination incidents occurred during the Reporting Period

V. HEALTHCARE ACCESSIBILITY

1. Academic communication

In terms of academic dissemination and scientific contributions, ImmuneOnco has achieved fruitful results: the results of the preclinical study of CD38×CD47 double antibody (IMM5605) were published in *Frontiers in Immunology*, the results of the Jurkat — CAR cell activity analysis platform were published in the *Journal of Pharmaceutical and Biomedical Analysis*, and the data of IMM2520 preclinical study were published in *Heliyon*. The publication of these results provides valuable research information for the global medical research community and promotes the advancement of medical research. The following is a summary of the journal/conference publication results of ImmuneOnco:

Academic Impact

Journal Publications

Journals	Title	Date
Drug Resistance Updates	• Development and evaluation of a human CD47/HER2 bispecific antibody for Trastuzumab-resistant breast cancer immunotherapy	February 2024
Frontiers in Immunology	• Combining CD38 antibody with CD47 blockade is a promising strategy for treating hematologic malignancies expressing CD38	June 2024
Journal of Pharmaceutical And Biomedical Analysis	• Development of bioassay platforms for biopharmaceuticals using Jurkat-CAR cells by AICD	August 2024
Heliyon	• IMM2520, a novel anti-CD47/PD-L1 bispecific antibody for cancer immune therapy	October 2024
Journal of Hematology & Oncology	• Safety and efficacy of amulirafusp alfa (IMM0306), a fusion protein of CD20 monoclonal antibody with the CD47 binding domain of SIRPα, in patients with relapsed or refractory B-cell non-Hodgkin lymphoma: an open-label, phase 1/2 study	December 2024

Academic Impact

Publication of the Conference

Sessions	Title	Date
2024 American Association for Cancer Research (AACR)	• Preliminary Results from a Phase I Study of IMM0306 in Patients with Relapsed or Refractory CD20-positive B-cell non-Hodgkin's lymphoma • IMM27M, a humanized Fc-engineered anti CTLA-4 antibody, in patients with advanced solid tumors: A phase I dose-escalation study • Preclinical development of a bispecific antibody-trap selectively targeting CD38 and CD47 for treating hematologic malignancies	February 2024
2024 American Society of Clinical Oncology (ASCO)	• Latest results of a phase 2 study of IMM01 combined with azacitidine (AZA) as the first-line treatment in adults with higher risk myelodysplastic syndromes (MDS). • Timdarpacept (IMM01) in combination with tislelizumab in prior anti-PD-1 failed classical Hodgkin lymphoma: An open label, multicenter, phase II study (IMM01-04) evaluating safety as well as preliminary anti-tumor activity. • Preliminary results from a phase I study of IMM0306 in patients with relapsed or refractory CD20-positive B-cell non-Hodgkin's lymphoma. • Phase I safety and preliminary efficacy of IMM0306 in combination with lenalidomide in patients with relapsed or refractory CD20-positive B-cell non-Hodgkin's lymphoma. • IMM2510, an anti-PD-L1/VEGF bispecific antibody fusion protein, in patients with advanced solid tumors: A phase I dose escalation study.	June 2024
2024 European Society for Medical Oncology (ESMO)	• Efficacy and safety results from the phase 2 study of Timdarpacept in combination with tislelizumab, in prior anti-PD-1 failed classical Hodgkin lymphoma • Efficacy and safety of a Phase 2 Study: Timdarpacept (IMM01) Combined with Azacitidine (AZA) As the First-Line Treatment in Adults with Chronic Myelomonocytic Leukemia (CMML) • Preliminary Results from a Phase II study of Amulirafusp alfa (IMM0306) in Patients with Relapsed or Refractory CD20-positive B-cell non-Hodgkin's lymphoma	September 2024
2024 American Society of Hematology (ASH)	• Updated Results from a Phase I Trial of Amulirafusp Alfa (IMM0306) in Patients with Relapsed or Refractory CD20-Positive B-Cell Non-Hodgkin's Lymphoma • Phase Ib/IIa Study of Amulirafusp Alfa (IMM0306) in Combination with Lenalidomide in Patients with Relapsed or Refractory CD20-Positive B-Cell Non-Hodgkin's Lymphoma	December 2024

Academic Impact

Reporting awards

Host	Awarded content	Date
Best of ASCO 2024 China	Results of an innovative Phase II clinical study of Timdarpacept (IMM01) in combination with tislelizumab in prior anti-PD-1 failed Classical Hodgkin Lymphoma (cHL)	July 2024
National Congress of Clinical Oncology and 2024 CSCO Annual Meeting	The latest results of a Phase II study of Timdarpacept (IMM01) in combination with azacitidine (AZA) for the treatment of first-line higher-risk myelodysplastic syndromes (MDS) in adults won the Third Prize of 2024 China Clinical Oncology Outstanding Paper Award	September 2024

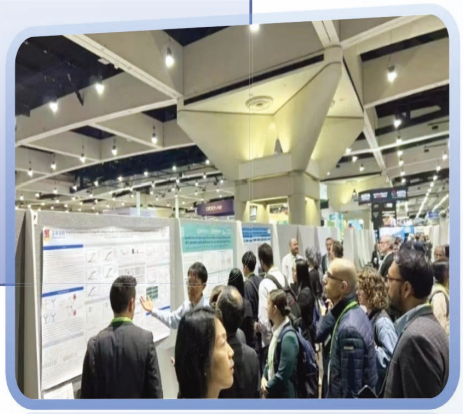
In terms of knowledge dissemination and synergistic development of the industry, ImmuneOnco has always maintained open and proactive stance, deeply engaging in key industry conferences and forums. Through extensive exchanges with peers, the Company constantly learns from advanced experiences, realizes complementary advantages, and strongly promotes its own continuous progress and innovative development. The company has been invited as a guest speaker on many occasions, actively disseminating constructive medical and is committed to enhancing the accessibility of medical knowledge and contributing to the improvement of public health literacy.

Case: American Society of Clinical Oncology (ASCO) Academic Exchange

At the 2024 Annual Meeting of the American Society of Clinical Oncology (ASCO), ImmuneOnco presented five results of clinical studies: two Phase II studies of Timdarpacept (IMM01) in combination with tislelizumab in prior anti-PD-1 failed cHL and combination with azacitidine (AZA) for the treatment of first-line HR-MDS were presented in oral presentations; clinical results of Phase I study of IMM0306 in the treatment of relapsed/refractory CD20-positive B-NHL were presented in abstract form; clinical results of the IMM0306 and IMM2510 studies were presented via online publication. The clinical results attracted widespread attention and were recognized by the industry.

Case: American Association for Cancer Research (AACR) Academic Exchange

ImmuneOnco presented three studies in the form of poster presentations at the AACR Annual Meeting in San Diego, U.S.A. from April 5-10, 2024: the data showcased included: Phase I clinical results for IMM0306 as a monotherapy, Phase I clinical results for IMM27M, and Preclinical data for IMM5605. The Company will accelerate the clinical development of the above drug candidates to provide new treatment options for cancer patients.



Case: Academic Exchange with American Society of Hematology (ASH) and European Society for Medical Oncology (ESMO)

On December 13, 2024, ImmuneOnco presented the results of two clinical studies of its bispecific molecule IMM0306 targeting both CD47 and CD20, which have been selected for poster presentations at the 66th Annual Meeting of the American Society of Hematology (ASH). The clinical results showed that IMM0306 monotherapy and combination therapy with lenalidomide demonstrated strong potential and significant efficacy in the treatment of relapsed/refractory CD20-positive B-cell non-Hodgkin's lymphoma.

On July 14, 2024, five clinical results of ImmuneOnco were accepted by the 2024 European Society for Medical Oncology (ESMO) Annual Meeting. Two Phase II clinical studies of Timdarpacept (IMM01) were selected for oral presentations, including a Phase II study of Timdarpacept (IMM01) in combination with tislelizumab in prior anti-PD-1 failed classical Hodgkin lymphoma (cHL), and a Phase II study of Timdarpacept (IMM01) in combination with azacitidine for the first-line treatment in adults with chronic myelomonocytic leukemia (CMML). Additionally, three clinical results were presented in the form of poster.

Case: Biopharmaceutical Elite Industry Forum

On April 18–19, 2024, ImmuneOnco participated in the "GenScript ProBio-Antibody Protein Therapeutics & Viral Vector Commercialization GMP Facility" held in Zhenjiang, Jiangsu Province, China, where Mr. Li Song, Vice President of R&D Department of ImmuneOnco was invited to deliver a speech on the topic of "Key Considerations in Cell Line Development and Upstream Processes for Biopharmaceuticals".

2. Licensing and Collaboration

On August 1, 2024, the Company and Instil Bio, Inc., a NASDAQ-listed company jointly announced a global strategic licensing and collaboration agreement. Under the agreement, Instil Bio, Inc., through its wholly-owned subsidiary Axion Bio, Inc. (formerly known as SynBioTx, Inc.), obtained globally exclusive development and commercialization rights of two innovative drugs independently developed by the Company, IMM2510 and IMM27M, outside the Greater China region (including mainland China, Taiwan, Macau, and Hong Kong). This collaboration marks a significant milestone for the Company's innovative biologics technology entering the international stage through cross-border licensing. Both parties will leverage the Company's R&D expertise in tumor immunotherapy and Instil Bio,'s Inc. global clinical development and commercialization capabilities to accelerate the exploration of therapeutic potential of these two drug candidates for solid tumors and hematological malignancies.

3. Social welfare

In the field of social care and animal protection, the administration department of the Company actively plays an exemplary role by carrying out the "Warm Stomach Action" public welfare program, collecting leftovers for feeding stray dogs, additionally, the team pay attention to the survival of stray cats on weekdays and provide them with food on a regular basis. This initiative extends the social responsibility of corporate to the dimension of biodiversity protection, conveys the value concept of ecological civilization through the practice of life care, highlights the Company's commitment to animal rights and biodiversity protection, and conveys the positive social energy of caring for life and respecting nature.

Our staff feeding stray animals

At the level of environmental protection and community responsibility, the Administration Department has taken the lead in implementing the "Oasis Program" environmental management project. Our staff actively participate in community waste cleanup activities, regularly venturing into every corners of the community to clean up all kinds of garbage, helping to improve the quality of the community environment. Through these efforts, we have helped the community to effectively reduce the environmental pollution caused by waste, and at the same time, we have driven the community residents to pay attention to environmental protection, enhanced the public's awareness of environmental protection, and contributed to the construction of a green and clean community environment. This program has established a new model of community environmental management led by enterprises and driven by widespread public participation.

Our staff volunteering for community waste cleanup

APPENDIX

Content index — Environmental, Social and Governance Reporting Guide

Aspect	Description	Location
A. Environmental		
Aspect 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 and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Development
A1.1	The types of emissions and respective emissions data.	Statistical table
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Statistical table
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Statistical table
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Statistical table
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Development
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.	Green Development
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Development
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).	Statistical table
A2.2	Water consumption in total and intensity (e.g. per unit of production. volume, per facility).	Statistical table
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Development
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.	Green Development
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Statistical table

Aspect	Description	Location
Aspect A3: The Environmental and Natural Resources		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Development
A3.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green Development
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Development
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green Development
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employee Empowerment
B1.1	Total workforce by gender, employment type (for example, full-or parttime), age group and geographical region.	Statistical table
B1.2	Employee turnover rate by gender, age group and geographical region.	Statistical table
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Employee Empowerment
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employee Empowerment
B2.2	Lost days due to work injury.	Statistical table
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Empowerment

Aspect	Description	Location
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Empowerment
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Statistical table
B3.2	The average training hours completed per employee by gender and employee category.	Statistical table
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employee Empowerment
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Empowerment
B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Empowerment
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Innovative Operation
B5.1	Number of suppliers by geographical region.	Statistical table
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.	Innovative Operation
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Innovative Operation
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Innovative Operation

Aspect	Description	Location
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Innovative Operation
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Statistical table
B6.2	Number of products and service related complaints received and how they are dealt with.	Innovative Operation
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Innovative Operation
B6.4	Description of quality assurance process and recall procedures.	Innovative Operation
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Innovative Operation
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Sustainable Development Management
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.	Sustainable Development Management
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Sustainable Development Management
B7.3	Description of anti-corruption training provided to directors and staff	Sustainable Development Management
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Healthcare Accessibility
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Healthcare Accessibility
B8.2	Resources contributed (e.g. money or time) to the focus area.	Healthcare Accessibility

Statistical table

Indicator	2024	2023
Emissions		
Total GHG emissions (Scope 1 & Scope 2) (tonne)	2,126.78	1,639.62
Direct GHG (Scope 1)	1.91	5.1
Indirect GHG (Scope 2)	2,124.87	1,634.52
Total exhaust emissions	14.27	11.31
Exhaust emissions per employee (tons/employee)	31.07	30.39
GHG emissions per capita (tonne/per capita)	0.21	0.21
Total hazardous waste emissions (tonne)	8.24	7.50
Hazardous waste emissions per capita (ton/per capita)	0.05	0.05
Total non-hazardous waste emissions (tonne)	7.23	6.98
Non-hazardous waste emissions per capita (tonne/per capita)	0.05	0.05
Water consumption		
Water consumption (tonne)	5,032	4,670
Water consumption per capita (tonne/per capita)	33.77	32.20
Energy consumption		
Total energy consumption (kWh in '000s)	3,521.37	2,342.04
Gas and oil	6.99	18.63
Electricity	3,514.38	2,323.41
Energy consumption per capita (kWh in '000s/per capita)	23.63	16.15
Packaging material		
Total packaging material used for finished products (tonne)	N/A	N/A
Employee		
Total workforce	156	145
By gender		
Female	93	85
Male	63	60
By employment type		
Full-time	156	145
Part-time	0	0

Indicator	2024	2023
By age		
<30	31	36
30–50	113	93
>50	12	16
By geographical region		
China	153	141
Overseas	3	4
By employee category		
Senior management	8	10
Middle management	71	45
Ordinary staff	77	90
Employee turnover rate	12%	
By gender		
Female	9%	14%
Male	14%	10%
By age		
<30	14%	25%
30–50	12%	9%
>50	8%	0%
By geographical region		
China	10%	12%
Overseas	33%	0%
Lost days due to work injury	0	0
Lost days due to work injury per capita	0	0

Indicator	2024	2023
Percentage of employees trained		
By gender		
Female	100%	97%
Male	100%	98%
By employee category		
Senior management	100%	100%
Middle management	100%	100%
Ordinary staff	100%	95%
Average number of hours of training completed per employee		
By gender		
Female	24.40	12.00
Male	20.30	12.50
By employee category		
Senior management	11.30	11.13
Middle management	18.13	11.35
Ordinary staff	23.68	10.60
Number of suppliers by region		
Eastern China	336	317
Southern China	30	21
central China	24	18
North China	78	64
Northwest China	6	1
Southwest China	11	8
Northeastern China	5	8
extraterritorial area	16	16
Percentage of total products sold or shipped that are subject to recall for safety and health reasons	0	0
Number of cases of embezzlement proceedings against companies or employees of companies that have been concluded	0	0

Deloitte. 德勤

TO THE SHAREHOLDERS OF IMMUNEONCO BIOPHARMACEUTICALS (SHANGHAI) INC.

(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of ImmuneOnco Biopharmaceuticals (Shanghai) Inc. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 131 to 181, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRS**") Accounting Standards as issued by the International Accounting Standards Board (the "**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**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have 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 MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

Key Audit Matter

Cut-off of the outsourcing service fees included in research and development expenses

The Group incurred research and development ("**R&D**") expenses of RMB322.8 million during the year ended December 31, 2024. The Group engaged outsourced service providers including contract research organizations, contract development and manufacturing organizations, principal investigators and other service provides (collectively referred to as the "**Outsourced Service Providers**") for its R&D activities. Recording of outsourcing service fees to the appropriate financial reporting period and the corresponding accruals at the end of the reporting period are based on the progress of these R&D projects. As disclosed in Note 4 to the consolidated financial statements, the management of the Group applies estimate in measurement of the progress of the R&D projects. Outsourcing service fees of RMB11.0 million were accrued at December 31, 2024 as set out in Note 24 to the consolidated financial statements.

We identified the cut-off of outsourcing service fees as a key audit matter due to its significant amount and the risk of not recording outsourcing service fees incurred for services provided by Outsourced Service Providers in the appropriate financial reporting period.

How our audit addressed the key audit matter

Our procedures performed on the cut-off of the outsourcing service fees included:

- Obtaining an understanding of key controls in relation to the cut-off of the outsourcing service fees and evaluating the design and implementation and operating effectiveness of these controls;
- For the service fees incurred to the Outsourced Service Providers by December 31, 2024, performing test of details, on a sample basis, by:
  - (1) checking the respective contract terms and/or milestones of the relevant agreements and the progress reported by the representatives of the relevant Outsourced Service Providers;
  - (2) sending confirmation to Outsourced Service Providers to confirm the progress of the outsourcing services provided for the year ended December 31, 2024; and
  - (3) Checking the subsequent payment to Outsourced Service Providers to evaluate the adequacy of the outsourcing service fees accrual at the year end.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and fair presentation of the consolidated financial statements 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible 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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with those charged with governance, 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 Jacky Wong Suk Hung.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

March 25, 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year Ended December 31, 2024

		Year ended December 31,	
		2024	2023
	NOTES	**RMB'000**	RMB'000
Revenue	*5*	**74,149**	386
Other income	*7*	**11,763**	18,245
Other gains and losses, net	*8*	**(11,474)**	1,778
Research and development expenses		**(322,759)**	(291,944)
Administrative expenses		**(64,820)**	(80,424)
Listing expenses		**—**	(25,976)
Finance costs	*9*	**(3,449)**	(1,524)
Loss before tax	*10*	**(316,590)**	(379,459)
Income tax expense	*11*	**—**	—
Loss for the year		**(316,590)**	(379,459)
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(10)**	(172)
Total comprehensive expense for the year		**(316,600)**	(379,631)
Loss for the year attributable to:			
Owners of the Company		**(315,855)**	(379,459)
Non-controlling interests		**(735)**	—
		(316,590)	(379,459)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(315,865)**	(379,631)
Non-controlling interests		**(735)**	—
		(316,600)	(379,631)
Loss per share			
— Basic and diluted (RMB yuan)	*13*	**(0.84)**	(1.05)

Consolidated Statement of Financial Position

At December 31, 2024

	NOTES	As at December 31, 2024 RMB'000	2023 RMB'000
Non-current assets			
Property and equipment	15	**27,646**	59,157
Right-of-use assets	16	**20,065**	90,230
Other non-current assets	17	**6,347**	38,503
		54,058	187,890
Current assets			
Trade receivables	18	**16**	39
Prepayments and other receivables	19	**35,604**	78,097
Financial assets at fair value through profit or loss ("**FVTPL**")	20	**274,521**	259,085
Term deposits with original maturity over three months	21	**—**	42,496
Cash and cash equivalents	22	**477,601**	306,983
		787,742	686,700
Assets classified as held for sale	23	**80,196**	—
		867,938	686,700
Current liabilities			
Trade and other payables	24	**74,431**	51,530
Contract liabilities	25	**32,900**	—
Borrowings	26	**100,890**	59,980
Lease liabilities	27	**6,421**	4,398
		214,642	115,908
Net current assets		**653,296**	570,792
Total assets less current liabilities		**707,354**	758,682
Non-current liabilities			
Borrowings	26	**14,500**	—
Lease liabilities	27	**14,549**	10,395
		29,049	10,395
Net assets		**678,305**	748,287
Capital and reserves			
Share capital	28	**407,308**	374,158
Reserves		**271,592**	374,129
Equity attributable to owners of the Company		**678,900**	748,287
Non-controlling interests		**(595)**	—
Total equity		**678,305**	748,287

The consolidated financial statements on pages 131 to 181 were approved and authorised for issue by the board of directors on March 25, 2025 and are signed on its behalf by:

Tian Wenzhi
DIRECTOR

Li Song
DIRECTOR

Consolidated Statement of Changes in Equity

For the year Ended December 31, 2024

	Attributable to owners of the Company							
	Share capital RMB'000	Share premium RMB'000	Share-based payment reserve RMB'000	Translation reserve RMB'000	Accumulated losses RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
As at January 1, 2023	356,093	654,470	99,476	68	(330,886)	779,221	–	779,221
Loss for the year	–	–	–	–	(379,459)	(379,459)	–	(379,459)
Other comprehensive expense for the year	–	–	–	(172)	–	(172)	–	(172)
Total comprehensive expense for the year	–	–	–	(172)	(379,459)	(379,631)	–	(379,631)
H shares issued upon initial public offering *(Note 28)*	18,065	289,728	–	–	–	307,793	–	307,793
Transaction costs attributable to issuance of H shares	–	(30,738)	–	–	–	(30,738)	–	(30,738)
Recognition of equity-settled share-based payments *(Note 29)*	–	–	71,642	–	–	71,642	–	71,642
As at December 31, 2023 and January 1, 2024	374,158	913,460	171,118	(104)	(710,345)	748,287	–	748,287
Loss for the year	–	–	–	–	(315,855)	(315,855)	(735)	(316,590)
Other comprehensive expense for the year	–	–	–	(10)	–	(10)	–	(10)
Total comprehensive expense for the year	–	–	–	(10)	(315,855)	(315,865)	(735)	(316,600)
Partial disposal of a subsidiary that does not lose control	–	–	–	–	–	–	140	140
Issuance of ordinary shares *(Note 28)*	33,150	182,791	–	–	–	215,941	–	215,941
Share issuance costs	–	(3,673)	–	–	–	(3,673)	–	(3,673)
Recognition of equity-settled share-based payments *(Note 29)*	–	–	34,210	–	–	34,210	–	34,210
As at December 31, 2024	407,308	1,092,578	205,328	(114)	(1,026,200)	678,900	(595)	678,305

Consolidated Statement of Cash Flows

For the year Ended December 31, 2024

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Loss for the year	**(316,590)**	(379,459)
Adjustments for:		
Gain from changes in fair value of financial assets at FVTPL	**(14,151)**	(1,761)
Depreciation of property and equipment	**10,277**	12,414
Depreciation of right-of-use assets	**10,404**	10,169
Impairment loss on property and equipment	**27,398**	—
Share-based payment expenses	**34,210**	71,642
Bank interest income	**(6,376)**	(10,799)
Finance costs	**3,449**	1,524
Adjustments to listing expenses	**—**	4,129
Net foreign exchange gains	**(1,790)**	(96)
Operating cash flow before movements in working capital	**(253,169)**	(292,237)
Decrease in trade receivables	**23**	27
Decrease (increase) in prepayments and other receivables	**51,435**	(67,850)
Decrease (increase) in other non-current assets	**13,205**	(13,858)
Increase in trade and other payables	**27,571**	6,364
Increase in contract liabilities	**32,900**	—
NET CASH USED IN OPERATING ACTIVITIES	**(128,035)**	(367,554)
INVESTING ACTIVITIES		
Bank interest received	**7,285**	10,815
Purchase of property and equipment	**(10,404)**	(2,691)
Withdrawal of financial assets at FVTPL	**221,885**	222,000
Gains from withdrawal of financial assets at FVTPL	**492**	399
Purchase of financial assets at FVTPL	**(223,662)**	(482,872)
Withdraw (placement) of term deposits with maturity dates over three months	**42,496**	(42,496)
Payments for rental deposits	**(146)**	—
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	**37,946**	(294,845)
FINANCING ACTIVITIES		
Proceeds from issuance of new shares	**215,941**	307,793
Issue costs paid for issuance of new shares	**(3,685)**	(28,989)
Partial disposal of a subsidiary that does not lose control	**140**	—
Bank loans raised	**175,780**	79,960
Repayments of bank loans	**(120,370)**	(19,980)
Repayments of lease liabilities	**(5,432)**	(6,225)
Interest paid	**(3,449)**	(1,524)
NET CASH GENERATED FROM FINANCING ACTIVITIES	**258,925**	331,035
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**168,836**	(331,364)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**306,983**	635,212
Bank balances and cash upon transfer to assets classified as held for sale	**(9)**	—
Effect of foreign exchange rate changes	**1,791**	3,135
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**477,601**	306,983

1. GENERAL INFORMATION

ImmuneOnco Biopharmaceuticals (Shanghai) Inc. (the "**Company**") was incorporated in the People's Republic of China (the "**PRC**") on June 18, 2015 as a limited liability company. On June 14, 2022, the Company was converted to a joint stock company with limited liability under the Company Law of the PRC. The Company's shares were listed on The Main Board of The Stock Exchange of Hong Kong Limited on September 5, 2023 (the "**Listing**"). The respective address of the registered office and the principal place of business of the Company is Unit 15, 1000 Zhangheng Road, China (Shanghai) Pilot Free Trade Zone, Pudong New Area, Shanghai, PRC.

The principal activities of the Company and its subsidiaries (the "**Group**") are the research and development of immuno-oncology therapies. Particulars and principal activities of the subsidiaries are disclosed in Note 35.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**"), for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2024 for the preparation of the Group's consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Noncurrent
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of these amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instrument[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after January 1, 2025.
3 Effective for annual periods beginning on or after January 1, 2026.
4 Effective for annual periods beginning on or after January 1, 2027.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") ACCOUNTING STANDARDS *(Continued)*

New and amendments to IFRS Accounting Standards in issue but not yet effective *(Continued)*

The application of IFRS 18 has impact on presentation of the consolidated statement of profit or loss and other comprehensive income and no impact on the Group's financial positions and performance. Except for the IFRS 18, the directors of the Company anticipate that the application of these amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

***Basis of consolidation** (Continued)*

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiary are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiary upon liquidation.

Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 5.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

***Leases** (Continued)*

The Group as a lessee (Continued)

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities and makes a corresponding adjustment to the related right-of-use assets whenever the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

***Leases** (Continued)*

The Group as a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All borrowing costs are recognized in profit or loss in the period in which there are incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

The Group participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of its staff's wages as contributions to the plans. Payments to such retirement benefit schemes are recognized as an expense when employees have rendered service entitling them to the contributions.

A subsidiary in the United States of America (the "**USA**") adopted a qualified defined contribution plan covering all its eligible employees. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. Employees become eligible to participate in the plan on the first of the calendar month following the date the employee meets the eligibility requirements as defined. As defined by the plan, participants may contribute up to US$23,000 of pretax annual compensation. Participants who reach age 50 may elect to make catch-up contributions US$7,500. The subsidiary contributes matching contribution of 3% of each eligible participant's compensation.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave) after deducting any amount already paid.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Share-based payment

Equity-settled share-based payment transactions

Restricted shares ("**RS**") granted to employees and others providing similar services

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For RS that vest immediately at the date of grant, the fair value of the RS granted is expensed immediately to profit or loss.

Modification to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognizes, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period.

The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period.

If the modification occurs after vesting period, the incremental fair value granted is recognized immediately, or over the vesting period if additional period of service is required before the modified equity instruments are vested.

If the modification reduces the total fair value of the share-based arrangement, or is not otherwise beneficial to the employee, the Group continues to account for the original equity instruments granted as if that modification had not occurred.

Taxation

Income tax expense represents the sum of current and deferred tax expense.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

***Taxation** (Continued)*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

***Taxation** (Continued)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes other than construction in progress stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties, including leasehold improvement, in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets are functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Internally-generated intangible assets-research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

***Intangible assets** (Continued)*

Internally-generated intangible assets-research and development expenditure (Continued)

- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Impairment on property and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

***Impairment on property and equipment and right-of-use assets** (Continued)*

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

- cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognized in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivable arising from contracts with customers which are initially measured in accordance with IFRS 15 Revenue from Contracts with Customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributed to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

(i) Amortised cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortised cost and calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Classification and subsequent measurement of financial assets *(Continued)*

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of the reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any interest earned on the financial asset and is included in the "other gains and losses, net" line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses, net' line item (Note 8) as part of the net foreign exchange gains/(losses).

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of the gain/(loss) from changes in fair value of financial assets (Note 8);

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the assets expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity interests is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancelation of the Company's own equity interests.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity (Continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is designated as at FVTPL.

A financial liability may be designated as at FVTPL upon initial recognition if it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including trade payables, other payables and borrowings are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses, net' line item in profit or loss (Note 8) as part of net foreign exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative financial instruments

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognized in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity (Continued)

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's material accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Research and development expenses

Development expenses incurred on the Group's drug product pipelines are capitalised and deferred only when the Group could demonstrate (i) the technical feasibility of completing the development of the relevant intangible asset so that it will be available for use or sale; (ii) the Group's intention to complete and the Group's ability to use or sell the asset; (iii) how the asset will generate future economic benefits; (iv) the availability of resources to complete the pipeline; and (v) the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Management assesses the progress of each of the research and development projects and determine whether the criteria are met for capitalisation. During the year ended December 31, 2024, all research and development expenses are expensed when incurred.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Key sources of estimation uncertainty

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

Research and development expenses accrued

The Group rely on outsourced service providers including contract research organizations, contract development and manufacturing organizations, principal investigators and other service provides (collectively referred to as the "**Outsourced Service Providers**") to conduct, supervise and monitor the Group's ongoing research and development projects. Determining the amounts of service fees payable to Outsourced Service Providers up to the end of the reporting period requires the management of the Group to estimate and measure the progress of services provided by Outsourced Service Providers on a contract-by-contact basis, which is the basis of assessing service fees to Outsourced Service Providers that had incurred and therefore should be recognized up to the end of the reporting period.

Estimated impairment of property and equipment

Property and equipment are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

In the year ended December 31, 2024, impairment loss of RMB27,398,000 (2023: nil) in respect of property and equipment has been recognised in other gains and losses, net. Details of the impairment are disclosed in Note 15 and Note 23.

5. REVENUE

Disaggregation of revenue from contracts with customers:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Types of goods or services		
Out-licensing fee	**71,342**	—
Collaboration development	**2,668**	—
Sales of cell strain and other products	**111**	367
Testing services	**28**	19
	74,149	386
Geographical market		
USA	**74,010**	—
The PRC	**139**	386
	74,149	386
Timing of revenue recognition		
At a point in time	**71,481**	386
Overtime	**2,668**	—
	74,149	386

Out-licensing

In August 2024, the Company entered into a license and collaboration agreement (the "**License and Collaboration Agreement**") with an independent third party, pursuant to which the Company agreed to grant the customer an exclusive license to research, develop and commercialize certain bispecific antibodies outside the Greater China region, including mainland China, Hong Kong Special Administrative Region of China, Macau Special Administrative Region of China and Taiwan.

Under the License and Collaboration Agreement, the Company will receive upfront payments, clinical development payments, milestone payments and sales-based royalty.

During the year ended December 31, 2024, the Group recognised a total revenue of RMB71,342,000 at a point in time upon the grant of the license, which is the time the customer obtains control on the usage of licensed intellectual property. The normal credit term is 10 to 30 days upon receipt of invoices.

For contract that contains variable consideration in relation to milestone payments 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 potential milestone payments that the Group is eligible to receive were considered as variable consideration as all milestone amounts were fully constrained due to uncertainty of achievement.

5. REVENUE *(Continued)*

Out-licensing *(Continued)*

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.

Collaboration development

Pursuant to the License and Collaboration Agreement, the Group is entitled to receive clinical development payment following the progress of the collaboration development plan. Revenue is recognised over time for the collaboration development services as the customer simultaneously receives and consumes the benefits provided by the Group's performance. The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of the Group's performance completed to date.

The normal credit term is 30 days upon receipt of invoices. The transaction price received by the Group is recognised as a contract liability and the Group transfers the contract liabilities to revenue over time on a systematic basis that is consistent with the customer receives and consumes the benefits from the service. As at December 31, 2024, RMB32,900,000 (Note 25) has been received and recorded as contract liability since the service has not yet been performed.

Sales of cell strain and other products

Revenue from sales of cell strain and other products is recognised when control of the goods has been transferred, being when the goods have been delivered to the customer's specific location. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. A receivable is recognised by the Group when the goods are delivered to the customer. Following delivery, the customer bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 10 to 30 days (2023: 10 to 30 days) upon delivery.

Testing services

The Group earns revenues by providing testing services to its customers through fee-for-service contracts. Services revenues are recognized at a point of time upon the customer obtains deliverables of the Group's service. The normal credit term is 10 to 30 days (2023: 10 to 30 days) upon delivery of testing result and issuance of invoices.

Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur. All sales of goods or services either have an original expected duration of one year or less, or for certain services the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. SEGMENTS INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("**CODM**"), which is also identified as the chief executive officer of the Group, in order to allocate resources to segments and to assess their performance.

During the year, the CODM reviews the overall results and financial position of the Group as a whole which are prepared based on the same material accounting policies as set out in Note 3. Accordingly, the Group has only one single segment and no further analysis of the single segment is presented.

Geographical information

As at December 31, 2024 and 2023, all non-current assets are located in the PRC.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group during the reporting period are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Customer A	**74,010**	N/A
Customer B	**N/A**	178
Customer C	**N/A**	80

N/A: Not disclosed as amounts less than 10% of total revenue.

7. OTHER INCOME

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Bank interest income	**6,376**	10,799
Government grants *(Note)*	**5,387**	7,309
Others	**—**	137
	11,763	18,245

Note:

The amount represents various subsidies received from the PRC local government authorities as incentives mainly for the Group's research and development activities and financing activities.

8. OTHER GAINS AND LOSSES, NET

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Impairment loss for property and equipment	**(27,398)**	—
Gains from changes in fair value of financial assets at FVTPL	**14,151**	1,761
Net foreign exchange gains	**1,790**	96
Others	**(17)**	(79)
	(11,474)	1,778

9. FINANCE COSTS

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Interest on borrowings	**2,632**	947
Interest on lease liabilities	**817**	577
	3,449	1,524

10. LOSS BEFORE TAX

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Loss before tax for the year has been arrived at after charging:		
Depreciation of property and equipment	**10,277**	12,414
Depreciation of right-of-use assets	**10,404**	10,169
Total depreciation	**20,681**	22,583
Auditor's remuneration	**2,305**	1,560
Directors' and supervisors' emoluments *(Note 12(a))*	**27,370**	52,429
Other staff costs:		
— salaries and other benefits	**67,074**	64,301
— discretionary bonus *(Note)*	**7,862**	6,820
— retirement benefit scheme contributions	**6,345**	4,333
— share-based payments	**15,264**	27,854
	123,915	155,737

Note: Discretionary bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

11. INCOME TAX EXPENSE

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the Company and the PRC subsidiaries of the Company is 25% for both years.

Pursuant to Caishui 2018 circular No. 99, the Company enjoyed super deduction of 200% on qualifying research and development expenditures for the year ended December 31, 2024 (Year ended December 31, 2023: 200%).

No provision for taxation in Hong Kong or the United States has been made since the operating subsidiaries of the Company in Hong Kong and the United States have no taxable profits for the year ended December 31, 2024 (Year ended December 31, 2023: nil).

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to pillar two income taxes. The pillar two income taxes legislation had no material impact on the Group's financial positions and performance for the current and prior years.

The income tax expense for the reporting period can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Loss before tax	**(316,590)**	(379,459)
Tax PRC EIT rate at 25%	**(79,147)**	(94,865)
Tax effect of expenses that are not deductible for tax purpose	**192**	258
Tax effect of super deduction on research and development expenses	**(29,440)**	(45,409)
Tax effect of tax losses not recognized	**85,609**	120,612
Tax effect of deductible temporary differences not recognized	**26,960**	22,910
Utilisation of deductible temporary differences previously not recognized	**(4,174)**	(3,506)
Income tax expense	**—**	—

As at December 31, 2024, the Group has unused tax losses of RMB1,811,969,000 (2023: RMB1,446,377,000) and deductible temporary differences of RMB322,048,000 (2023: RMB231,500,000). No deferred tax asset has been recognized in respect of the tax losses or temporary differences due to the unpredictability of future profit streams.

11. INCOME TAX EXPENSE *(Continued)*

The unused tax losses will be carried forward and expire in years as follows:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
2024	**—**	1
2025	**398**	398
2026	**11,590**	11,590
2027	**22,163**	22,163
2028	**34,368**	34,368
2029	**78,770**	49,233
2030	**127,109**	127,109
2031	**312,658**	312,658
2032	**405,642**	405,718
2033	**505,759**	482,574
2034	**312,823**	—
2035 and later	**689**	565
	1,811,969	1,446,377

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

(a) Executive and non-executive directors and supervisors

	Date of appointment	Director fees RMB'000	Salaries, allowances and other benefits RMB'000	Discretionary bonuses RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000	Total RMB'000
For the year ended December 31, 2024							
Executive director and chief executive officer:							
Dr. Tian Wenzhi	June 18, 2015	–	2,939	660	87	21,969	25,655
Executive directors:							
Mr. Li Song	December 15, 2015	–	832	120	71	–	1,023
Ms. Song Ziyi *(Note v)*	January 17, 2022	–	376	167	3	(3,102)	(2,556)
Ms. Guan Mei	May 28, 2024	–	632	97	71	14	814
Non-Executive directors:							
Mr. Yu Xiaoyong *(Note vi)*	December 15, 2015	–	–	–	–	–	–
Mr. Yu Zhihua *(Note vi)*	March 30, 2018	–	–	–	–	–	–
Dr. Xu Cong	October 14, 2020	–	–	–	–	–	–
Independent non-executive directors:							
Dr. Zhenping Zhu	August 3, 2016	–	–	–	–	–	–
Dr. Kendall A. Smith	June 14, 2022	356	–	–	–	–	356
Mr. Yeung Chi Tat	June 14, 2022	274	–	–	–	–	274
Supervisors:							
Mr. Gu Jiefeng *(Note vi)*	March 1, 2016	–	–	–	–	–	–
Ms. Tian Miao	July 24, 2017	–	398	52	56	21	527
Mr. Zhao Zimeng	January 17, 2022	–	395	51	56	18	520
Ms. Zhang Wei	July 29, 2024	–	582	79	70	26	757
		630	6,154	1,226	414	18,946	27,370

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS *(Continued)*

(a) Executive and non-executive directors and supervisors *(Continued)*

	Date of appointment	Director fees RMB'000	Salaries, allowances and other benefits RMB'000	Discretionary bonuses RMB'000	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000	Total RMB'000
For the year ended December 31, 2023							
Executive director and chief executive officer:							
Dr. Tian Wenzhi	June 18, 2015	–	2,913	660	84	40,201	43,858
Executive directors:							
Mr. Li Song	December 15, 2015	–	801	120	68	3	992
Ms. Song Ziyi	January 17, 2022	–	2,142	275	16	3,032	5,465
Non-Executive directors:							
Mr. Yu Xiaoyong	December 15, 2015	–	–	–	–	–	–
Mr. Yu Zhihua	March 30, 2018	–	–	–	–	–	–
Dr. Xu Cong	October 14, 2020	–	–	–	–	–	–
Independent non-executive directors:							
Dr. Zhenping Zhu	August 3, 2016	–	–	–	–	–	–
Dr. Kendall A. Smith	June 14, 2022	353	–	–	–	–	353
Mr. Yeung Chi Tat	June 14, 2022	270	–	–	–	–	270
Supervisors:							
Mr. Gu Jiefeng	March 1, 2016	–	–	–	–	–	–
Ms. Tian Miao	July 24, 2017	–	372	52	46	301	771
Mr. Zhao Zimeng	January 17, 2022	–	371	51	47	251	720
		623	6,599	1,158	261	43,788	52,429

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS *(Continued)*

(a) Executive and non-executive directors and supervisors *(Continued)*

Notes:

(i) None of the directors or supervisors of the Company waived or agreed to waive any emoluments during the years.

(ii) During the year, no emoluments were paid by the Group to any of the directors or supervisors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

(iii) The executive directors', non-executive directors' and supervisors' emoluments shown above were for their services in connection with the management of the affairs of the Group and the Company, respectively.

(iv) The discretionary bonuses were determined with reference to their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

(v) Ms. Song Ziyi resigned as executive director of the Company with effect from March 2, 2024.

(vi) Mr. Gu Jiefeng resigned as supervisor of the Company with effect from July 29, 2024. Mr. Yu Xiaoyong resigned as non-executive director of the Company with effect from September 30, 2024. Mr. Yu Zhihua resigned as non-executive director of the Company with effect from October 14, 2024.

(b) Five highest paid individuals

The five highest paid individuals of the Group during the year included one (2023: two) director(s) details of whose remuneration are set out above. Details of the remuneration for the year of the remaining four (2023: three) highest paid individuals who are neither a director nor chief executive of the Company are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Salaries and other benefits	**8,683**	7,181
Discretionary bonus *(Note)*	**1,329**	1,112
Retirement benefit scheme contributions	**212**	350
Share-based payments	**11,983**	17,412
	22,207	26,055

Note:

Discretionary bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS *(Continued)*

(b) Five highest paid individuals *(Continued)*

The emoluments of the five highest paid employees are within the following bands:

	Year ended December 31,	
	2024	2023
	No. of employees	No. of employees
RMB4,000,001 to RMB4,500,000	**1**	—
RMB4,500,001 to RMB5,000,000	**1**	—
RMB5,000,001 to RMB5,500,000	**1**	1
RMB7,000,001 to RMB7,500,000	**—**	2
RMB7,500,001 to RMB8,000,000	**1**	—
RMB11,000,001 to RMB11,500,000	**—**	1
RMB25,500,001 to RMB26,000,000	**1**	—
RMB43,500,001 to RMB44,000,000	**—**	1
	5	5

During the year, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

13. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

	Year ended December 31,	
	2024	2023
Loss for the purpose of calculating basic and diluted loss per share:		
Loss for the year attributable to the owners of the Company (RMB'000)	**(315,855)**	(379,459)
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**377,155**	361,810
Basic and diluted loss per share (RMB yuan) *(Note)*	**(0.84)**	(1.05)

Note:

No adjustment has been made to the basic loss per share presented for the year ended December 31, 2024 and 2023 as the Group had no potentially dilutive ordinary shares in issue during the year.

14. DIVIDENDS

No dividend was paid or declared by the Company for ordinary shareholders of the Company during 2024 (2023: nil), nor has any dividend been proposed since the end of the reporting period.

15. PROPERTY AND EQUIPMENT

	Leasehold improvements RMB'000	Machinery and equipment RMB'000	Office equipment and fixtures RMB'000	Vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST						
As at January 1, 2023	22,491	48,643	937	345	22,460	94,876
Additions	–	1,033	41	442	225	1,741
As at December 31, 2023 and January 1, 2024	**22,491**	**49,676**	**978**	**787**	**22,685**	**96,617**
Additions	**–**	**1,337**	**114**	**–**	**4,713**	**6,164**
As at December 31, 2024	**22,491**	**51,013**	**1,092**	**787**	**27,398**	**102,781**
DEPRECIATION AND IMPAIRMENT						
As at January 1, 2023	9,085	15,296	343	322	–	25,046
Provided for the year	5,717	6,538	152	7	–	12,414
As at December 31, 2023 and January 1, 2024	**14,802**	**21,834**	**495**	**329**	**–**	**37,460**
Provided for the year	**3,481**	**6,570**	**155**	**71**	**–**	**10,277**
Impairment loss recognised in profit or loss *(Note 23)*	**–**	**–**	**–**	**–**	**27,398**	**27,398**
As at December 31, 2024	**18,283**	**28,404**	**650**	**400**	**27,398**	**75,135**
CARRYING AMOUNT						
As at December 31, 2023	7,689	27,842	483	458	22,685	59,157
As at December 31, 2024	**4,208**	**22,609**	**442**	**387**	**–**	**27,646**

The above items of property and equipment, other than construction in progress, are depreciated on a straight-line basis, after taking into account of the residual value, over the following period:

Leasehold improvements	Over the shorter of the relevant lease terms or 6 years
Machinery and equipment	7 years
Office equipment and fixtures	5 years
Vehicles	6 years

16. RIGHT-OF-USE ASSETS

	Leased properties RMB'000	Land use right RMB'000	Total RMB'000
Carrying amount			
As at January 1, 2023	14,089	79,973	94,062
Lease modification	6,337	—	6,337
Depreciation charge for the year	(5,941)	(4,228)	(10,169)
As at December 31, 2023 and January 1, 2024	**14,485**	**75,745**	**90,230**
Additions	**11,756**	**—**	**11,756**
Depreciation charge for the year	**(6,176)**	**(4,228)**	**(10,404)**
Reclassified as held for sale (Note 23)	**—**	**(71,517)**	**(71,517)**
As at December 31, 2024	**20,065**	**—**	**20,065**

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Total cash outflow for leases	**6,249**	6,802

The Group leases various properties for its operations. Lease contracts are entered into for fixed term of 3 to 6 years (2023: 3 to 6 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. There were no extension options in the lease contracts. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group's interests in land use right represent prepaid operating lease payments for land located in the PRC and the remaining lease term is 20 years.

As at December 31, 2024, the Group's lease liabilities of RMB20,970,000 (2023: RMB14,793,000) are recognized with related right-of-use assets of RMB20,065,000 (2023: RMB14,485,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17. OTHER NON-CURRENT ASSETS

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Value-added tax recoverable	**4,469**	26,350
Rental deposits	**1,878**	1,872
Deposits for plant construction	**—**	9,851
Prepayments for property and equipment	**—**	430
	6,347	38,503

18. TRADE RECEIVABLES

The following is an aged analysis of trade receivable net of allowance for credit losses presented based on the date of completion of service or delivery of goods at the end of the reporting period:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Within 30 days	**6**	35
31–60 days	**7**	2
61–120 days	**–**	2
121–180 days	**3**	–
	16	39

The Group normally grants a credit period of 30 days or a particular period agreed with customers effective from the date when the services have been completed or control of goods has been transferred to the customer and billed to the customer.

Details of the assessment on the provision of expected credit losses of trade receivables are set out in Note 33.

19. PREPAYMENTS AND OTHER RECEIVABLES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Other receivables:		
Deposits for plant construction	**9,851**	–
Interest receivables	**–**	909
Others	**168**	131
Prepayments for:		
Purchasing goods and research and development services	**24,543**	76,769
Others	**1,042**	288
	35,604	78,097

20. FINANCIAL ASSETS AT FVTPL

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Wealth management products *(Note)*	**274,521**	259,085

Note:

In 2024 and 2023, the Group subscribed for structured notes and a cash management fund issued by financial institutions. These wealth management products were unguaranteed by the relevant financial institutions, and these investments were classified as financial assets measured at FVTPL as at December 31, 2024 and 2023.

21. TERM DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Term deposits with original maturity over three months *(Note)*	**–**	42,496

Note:

The term deposits are under the Group's rights of early redemption at its principal before the maturity date. In the event of early withdrawal prior to maturity, a prevailing current account interest rate would be offered instead of the term deposits interest rate without any penalty. As at December 31, 2023, these term deposits were classified as current assets and redeemed in 2024.

22. CASH AND CASH EQUIVALENTS

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Cash at bank	**477,601**	306,983

The carrying amounts of the Group's cash and cash equivalents denominated in currencies other than functional currencies of the relevant group entities at the end of the reporting period are as follows:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
US$	**91,395**	124,856
HK$	**214,227**	15,702

Cash and cash equivalents held by the Group carry interests at market rates ranging from 0.01% to 4.66% as at December 31, 2024 (2023: 0.01% to 5.40%).

23. ASSETS CLASSIFIED AS HELD FOR SALE

In December 2024, the Company entered into a sale agreement with an independent third party to dispose of a subsidiary (the "**Disposal**"), Shanghai Zhangtou Yaoxin Technology Development Co., Ltd. ("**Zhangtou Yaoxin**"), which was established in July 2024 and does not have any substantial operation or business since its establishment other than holding land use right and certain construction in progress conducted by the Group (the "**Property**"). The Property was initially owned by the Company and transferred to Zhangtou Yaoxin in September 2024. By entering into the agreement for the Disposal, the Company aims to achieve a more balanced and strategically aligned asset portfolio, improve capital utilization, and enhance overall financial health. The Disposal, when materialized, will strengthen the cash flow of the Group and allow the Group to improve its liquidity and to reallocate its resources for future development.

The maximum transaction amount of the sale agreement is RMB98,189,000, which shall be adjusted with reference to (a) the value of the unusable portion of the pile foundation in connection with the Property and (b) third-party engineering costs potentially to be incurred in relation to pile foundation modification or removal works.

The assets and liabilities attributable to Zhangtou Yaoxin, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

The major classes of assets and liabilities of Zhangtou Yaoxin as at December 31, 2024, which have been presented separately in the consolidated statement of financial position, are as follows:

	As at December 31, 2024 RMB'000
Cash and cash equivalents	**9**
Land use right	**71,517**
Construction in progress	**27,398**
Value-added tax recoverable	**8,670**
	107,594
Less: impairment	**27,398**
Total assets classified as held for sale	**80,196**

During the current year, the directors of the Company performed impairment assessment of the construction in progress and land use right and consequently provided for an impairment of RMB27,398,000 (2023: nil) for construction in progress in accordance with IAS 36 *Impairment of Assets*. The impairment loss was recorded in other gains and losses, net in profit or loss (Note 8).

The Company has received the first two installments of RMB66,179,000 and the equity transfer was completed in the first quarter of 2025, by when the control of Zhangtou Yaoxin was passed to the independent third party. The Company expects to receive the third and final installment from the independent third party within ten business days from the date on which the adjusted amount is determined according to the sale agreement.

24. TRADE AND OTHER PAYABLES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Trade payables for research and development expenses	**43,244**	10,804
Accrued outsourcing research and development expenses	**10,985**	14,191
Accrued staff costs and benefits	**15,903**	14,163
Accrued research and development materials and consumables	**1,149**	942
Accrued issue costs	**287**	299
Accrued listing expenses	**—**	3,440
Payables for property and equipment	**515**	5,185
Legal and professional fees	**549**	1,560
Other tax payables	**1,114**	765
Others	**685**	181
	74,431	51,530

The average credit period on purchases of goods/services of the Group is 45 days.

The following is an aged analysis of trade payables presented based on the invoice dates at the end of the reporting period:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
0–30 days	**42,792**	10,746
31–90 days	**—**	42
91–180 days	**452**	16
	43,244	10,804

25. CONTRACT LIABILITIES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Collaboration development *(Note 5)*	**32,900**	—

Contract liabilities are presented as current in the consolidated statement of financial position because they will be realised or settled in the Group's normal operating cycle.

26. BORROWINGS

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Fixed-rate borrowings at amortised cost	**115,390**	59,980
Unsecured bank borrowings	**115,390**	59,980
The carrying amounts of the above borrowings are repayable:		
Within one year	**100,890**	59,980
Within a period of more than one year but not exceeding two years	**14,500**	—
	115,390	59,980
Less: Amount due within one year shown under current liabilities	**100,890**	59,980
Amounts shown under non-current liabilities	**14,500**	—

Note:

The interest rate of bank borrowings ranged from 2.95% to 3.60% per annum as of December 31, 2024 (2023: 3.0% to 3.35%).

27. LEASE LIABILITIES

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Lease liabilities payable:		
Within one year	**6,421**	4,398
Within a period of more than one year but not exceeding two years	**6,787**	4,260
Within a period of more than two years but not exceeding five years	**7,762**	6,135
	20,970	14,793
Less: Amount due for settlement within one year shown as current liabilities	**(6,421)**	(4,398)
Amount due for settlement after one year shown as non-current liabilities	**14,549**	10,395

The weighted average incremental borrowing rates applied to the lease liabilities is 4.75% per annum as at December 31, 2024 (December 31, 2023: 4.75%).

28. SHARE CAPITAL

	Number of shares	**Share capital** RMB'000
Ordinary shares of RMB1 each		
Authorized and issued		
As at January 1, 2023	356,092,695	356,093
Issue of ordinary shares upon the Listing and exercising over-allotment option *(Note i)*	18,065,000	18,065
As at December 31, 2023 and January 1, 2024	**374,157,695**	**374,158**
Issuance of ordinary shares *(Note ii)*	**33,150,000**	**33,150**
As at December 31, 2024	**407,307,695**	**407,308**

Notes:

(i) In connection with the Listing, 17,147,200 and 917,800 ordinary shares of RMB1 par value each were issued at HK$18.60 per share for the Company's global offering and the over-allotment of shares on September 5, 2023 and October 4, 2023 for gross cash proceeds of HK$318,938,000 and HK$17,071,000 (equivalent to RMB292,128,000 and RMB15,665,000), respectively.

(ii) On November 28, 2024, the Company issued 33,150,000 shares to certain investors at the placing price of HK$7.05 per share and raised gross proceeds of approximately HKD233,708,000 (equivalent to approximately RMB215,941,000). The respective share capital amount was approximately RMB33,150,000 and share premium arising from the issuance was approximately RMB182,791,000. Share issuance costs that are directly attributable to the issue of the new shares amounting to approximately RMB3,673,000 which were accounted for a deduction against the share premium arising from the issuance.

29. SHARE-BASED PAYMENT TRANSACTIONS

RS scheme

In recognition of the contributions of certain eligible employees, directors and consultants, the founder of the Company established an employee stock ownership platform, namely Jiaxing Changxian Enterprise Management Center ("**Jiaxing Changxian**") in April 2016, to hold the Company's then paid-in capital of RMB345,000 (representing share capital of RMB15,525,000 upon conversion to joint stock company in June 2022, which was transferred from the founder, to implement RS scheme ("**Jiaxing Changxian RS Scheme**").

In March 2021, the founder of the Company established an employee stock ownership platform, namely Jiaxing Changyu Enterprise Management Center ("**Jiaxing Changyu**"), to hold the Company's then paid-in capital of RMB330,000 (representing share capital of RMB14,850,000 upon conversion to joint stock company in June 2022, to implement RS scheme ("**Jiaxing Changyu RS Scheme**").

In October 2021, the founder of the Company established an employee stock ownership platform, namely Halo Investment II Limited ("**Halo Investment II**"), to hold the Company's then paid-in capital of RMB400,000 (representing share capital of RMB18,000,000 upon conversion to joint stock company in June 2022).

Details of the restricted shares issued as at December 31, 2024 under the Jiaxing Changxian RS Scheme, Jiaxing Changyu RS Scheme and Halo Investment II are as follows:

RS platform	Grant date	Amount of share capital RMB'000	Grantee	Vesting schedule defined in contract term
Jiaxing Changxian RS Scheme	February 3, 2020	1,552	An employee	50% on the grant date; 50% five years after grant date, and the latter 50% with the achievement of certain performance conditions
	January 31, 2021	4,872	Employees	40% one year after grant date; 30% two year after grant date; 30% three year after grant date, with the achievement of certain performance conditions
Jiaxing Changyu RS Scheme	June 29, 2021	7,862	Directors, employees	25% at 22 months after grant date; 25% at 34 months after grant date; 25% at 46 months after grant date; 25% at 58 months after grant date; with the achievement of certain performance conditions
	April 29, 2022	6,978	Directors, employees	25% at 12 months after grant date; 25% at 24 months after grant date; 25% at 36 months after grant date; 25% at 48 months after grant date, with the achievement of certain performance conditions
	September 8, 2022	338	A director	
	September 28, 2022	270	A director	
	December 31, 2022	54	A director	
	May 31, 2023	202	An employee	
	August 1, 2023	202	A director	
	January 2, 2024 *(Note b)*	458	Employees	

29. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

RS scheme *(Continued)*

RS platform	Grant date	Amount of share capital RMB'000	Grantee	Vesting schedule defined in contract term
Halo Investment II	June 29, 2021	3,007	Dr. Yumei Ding *(Note a)*	50% upon the successful of IPO; 12.5% at 19 months after grant date; 12.5% at 31 months after grant date; 12.5% at 43 months after grant date; 12.5% at 55 months after grant date
	June 20, 2021	1,159	Consultants	25% at 19 months after grant date; 25% at 31 months after grant date; 25% at 43 months after grant date; 25% at 55 months after grant date
	July 26, 2021	3,007	A director	50% upon the successful of IPO; 12.5% at 18 months after grant date; 12.5% at 30 months after grant date; 12.5% at 42 months after grant date; 12.5% at 54 months after grant date
	January 14, 2022	534	A director	50% upon the successful of IPO; 12.5% at 12 months after grant date; 12.5% at 24 months after grant date; 12.5% at 36 months after grant date; 12.5% at 48 months after grant date
	January 14, 2022	10,293	A director and an employee	25% at 12 months after grant date; 25% at 24 months after grant date; 25% at 36 months after grant date; 25% at 48 months after grant date
	January 24, 2024	81	An employee	

Notes:

(a) These RSs were granted to Dr. Yumei Ding, spouse of Dr. Tian Wenzhi, for her consultation services provided to the Company, which constituted a related party transaction. The expenses recognized for the share-based payment transaction for the year ended December 31, 2024 was RMB999,000 (2023: RMB1,964,000). In recognition of Dr. Yumei Ding's contribution, the Company appointed Dr. Yumei Ding as the director of Macroimmune Inc., an U.S. subsidiary of the Company in June 2023, upon which Dr. Yumei Ding ceased to be a consultant of the Group. The RSs granted to her continue to vest in the vesting period during which she serves as director of Macroimmune Inc.

(b) In January 2024, Dr. Tian Wenzhi, executive director and chief executive officer of the Company, transferred part of his vested RSs in Jiaxing Changyu, which represents RMB450,000 share capital of the Company, to certain employees and the RSs are subject to vesting conditions to be fulfilled by these employees.

29. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

RS scheme *(Continued)*

	Unvested restricted shares	Weighted average grant date fair value per restricted shares
	'000	RMB
Unvested as at January 1, 2023	40,365	6.77
Granted	405	13.54
Vested	(16,380)	5.71
Forfeited	(360)	10.15
Unvested as at December 31, 2023 and January 1, 2024	**24,030**	**6.64**
Granted	**540**	**23.92**
Vested	**(8,955)**	**7.26**
Forfeit	**(1,395)**	**9.81**
Unvested as at December 31, 2024	**14,220**	**8.16**

Fair value of RS

During the current reporting period, the Group used the closing price at grant date to determine the underlying equity fair value of the Company. The fair values of RS at grant date in the current reporting period were determined to be RMB22.45 and RMB24.18 per RMB1 share capital, by referring to the equity fair value of the Company.

The Group has recognized share-based payment expenses of RMB34,210,000 for the year ended December 31, 2024 (2023: RMB71,642,000).

30. RELATED PARTY TRANSACTIONS

Except for the disclosed services with Dr. Yumei Ding in Note 29, the Group has the following transactions with its related parties during the reporting period.

Compensation of key management personnel

The remuneration of members of key management of the Group during the year were as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Salaries and other benefits	**13,179**	14,374
Discretionary bonus *(Note)*	**2,271**	2,381
Retirement benefits scheme contribution	**722**	586
Share-based payments	**32,223**	61,685
	48,395	79,026

Note:

Discretionary bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

31. CAPITAL COMMITMENTS

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
— acquisition of property and equipment	**—**	6,002

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to investors through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the reporting period.

The capital structure of the Group consists of net debts, which includes the borrowings and lease liabilities disclosed in Notes 26 and 27 respectively, net of term deposits disclosed in Note 21 and cash and cash equivalents disclosed in Note 22 and equity of the Group, comprising issued share capital, accumulated losses, reserves and non-controlling interests.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendation of the management of the Group, the Group will balance its overall capital structure through the new share issues or borrowing new debt.

33. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Financial assets		
Amortised cost	**487,636**	350,558
Financial assets at FVTPL	**274,521**	259,085
Financial liabilities		
Amortised cost	**171,655**	95,640
Lease liabilities	**20,970**	14,793

(b) Financial risk management objectives and policies

The Group's major financial assets and liabilities include trade receivables, other receivables, financial assets at FVTPL, term deposits, cash and cash equivalents, trade and other payables, lease liabilities and borrowings. Details of these financial assets and liabilities are disclosed in respective notes.

The risks associated with these financial assets and liabilities include market risks, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risks

The Group's activities expose it primarily to currency risk, interest rate risk and other price risk. There has been no change in the Group's exposure to these risks or the manner in which it manages and measures the risks.

(i) Currency risk

Certain financial assets and liabilities are denominated in foreign currency of respective group entities which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Assets		
US$	**89,528**	124,880
HK$	**488,686**	272,639

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risks *(Continued)*

(i) Currency risk (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2023: 5%) increase and decrease in RMB against the relevant foreign currencies. 5% (2023: 5%) is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and uses outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2023: 5%) change in foreign currency rates. A negative/positive number below indicates an increase/decrease in loss where RMB strengthens 5% against the relevant foreign currencies. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on loss for the year.

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Impact on profit or loss		
US$	**(4,476)**	(6,244)
HK$	**(24,434)**	(13,632)

(ii) Interest rate risk

The Group are primarily exposed to fair value interest rate risk in relation to term deposits, lease liabilities and fixed-rate bank borrowings and cash flow interest rate risk in relation to cash and cash equivalents. The Group currently does not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

The Group considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant because the current market interest rates are relatively low and stable.

Credit risk

The carrying amounts of trade receivables, other receivables, term deposits and cash and cash equivalents included in the consolidated statements of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

Trade receivables

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The ECL on trade receivables are assessed individually, based on the past default experience of the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forward-looking information that is available without undue cost or effort at the end of the reporting period. The expected credit loss rate of trade receivables was insignificant. Management considered the ECL provision of trade receivables is insignificant.

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

Other receivables

For other receivables, the Group has applied 12m ECL in IFRS 9 to measure the loss allowance. The ECL on other receivables are assessed individually based on historical settlement records and past default experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period. The expected credit loss rate of other receivables was insignificant. Management considered the ECL provision of other receivables is insignificant.

Cash and cash equivalents

The credit risk on term deposits and cash and cash equivalents are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL — not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL — not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

Cash and cash equivalents (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	**Internal credit rating**	**12m or lifetime ECL**	**As at December 31, 2024 Gross carrying amount RMB'000**	As at December 31, 2023 Gross carrying amount RMB'000
Financial assets at amortised cost					
Trade receivables	*18*	Low risk	Lifetime ECL-not credit-impaired	**16**	39
Other receivables	*19*	Low risk	12m ECL	**10,019**	1,040
Term deposits	*21*	N/A	12m ECL	**–**	42,496
Cash and cash equivalents	*22*	N/A	12m ECL	**477,601**	306,983

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on issuance of ordinary shares and bank borrowings as significant sources of liquidity. The directors of the Company are satisfied that the Group will have sufficient financial resource to meet its financial obligation as they fall due and to sustain its operations for the foreseeable future.

The following table details the Group's remaining contractual maturity for its financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

33. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

	Weighted Average effective interest rate	Within 1 year and on demand	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
The Group							
As at December 31, 2024							
Trade and other payables	**–**	**56,265**	**–**	**–**	**–**	**56,265**	**56,265**
Borrowings	**3.20**	**102,179**	**15,528**	**–**	**–**	**117,707**	**115,390**
Lease liabilities	**4.75**	**7,254**	**7,313**	**8,411**	**–**	**22,978**	**20,970**
		165,698	**22,841**	**8,411**	**–**	**196,950**	**192,625**
As at December 31, 2023							
Trade and other payables	–	35,660	–	–	–	35,660	35,660
Borrowings	3.26	60,542	–	–	–	60,542	59,980
Lease liabilities	4.75	5,649	4,647	6,384	–	16,680	14,793
		101,851	4,647	6,384	–	112,882	110,433

(c) Fair value measurements of financial instruments

The fair value of financial assets and financial liabilities (except for those set out below) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

(i) Financial assets and liabilities measured at fair values on a recurring basis

The Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of those financial assets are determined (in particular, the valuation techniques and inputs used).

	Note	Fair value as at December 31, 2024 RMB'000	2023 RMB'000	Fair value hierarchy	Valuation techniques and key inputs
Financial assets at FVTPL	*20*	**274,521**	259,085	Level 2	Income approach — the discounted cash flow method was used to estimate the return from underlying assets.

There were no transfers between different levels during both years.

33. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value measurements of financial instruments *(Continued)*

(i) Financial assets and liabilities measured at fair values on a recurring basis (Continued)

The directors of the Company consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

34. RETIREMENT BENEFIT PLANS

The employees of the Group's subsidiaries in the PRC are members of the state-sponsored retirement benefit scheme organized by the relevant local government authority in the PRC. The subsidiary is required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The total amount provided by the Group to the scheme in the PRC and charged to profit or loss are RMB6,343,000 for the years ended December 31, 2024 (2023: RMB4,137,000). During the reporting period, no forfeited contributions had been used by the Group to reduce the existing level of contributions.

35. PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly held by the Company at the end of the reporting period are set out below:

Name of subsidiaries	Place/country and date of establishment/ incorporation	Issued and fully paid in/registered capital	Equity interest attributable to the Company As at December 31, 2024	2023	Principal activities
Macroimmune Inc.	USA/January 6, 2014	US$20,000	**100%**	100%	Research, development and commercialization of innovative therapies
宜明探科生物醫藥技術 (上海) 有限公司 (ImmuneTank Biopharmaceuticals (Shanghai) Co., Ltd). *	The PRC/ February 5, 2018 Limited liability company	–	**100%**	100%	Research, development and commercialization of innovative therapies
ImmuneOnco Hong Kong Limited	Hong Kong/ September 15, 2021	HKD5,000,000	**100%**	100%	Research, development and commercialization of innovative therapies
宜明昂科生物藥業 (上海)有限公司 (ImmuneOnco Pharmaceutical Biological (Shanghai) Co., Ltd). *	The PRC/ September 28, 2021 Limited liability company	–	**100%**	100%	Research, development and commercialization of pharmaceutical drug
宜明凱爾生物醫藥技術(上海)有限公司 (ImmuneCare Biopharmaceutical (Shanghai) Co., Ltd.)*	The PRC/ January 4, 2024 Limited liability company	RMB2,000,000	**93%**	N/A	Research, development and commercialization of innovative therapies
ImmuneOnco Holdings Limited	BVI/June 7, 2024	US$1	**100%**	N/A	Investment holding
上海張投堯新科技發展有限公司 (Shanghai Zhangtou Yaoxin Technology Development Co., Ltd.) *	The PRC/ July 31, 2024 Limited liability company	RMB10,000,000	**100%**	N/A	Investment holding

* *The English names are for identification purpose only*

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities RMB'000	**Accrued issue costs** RMB'000	**Borrowings** RMB'000	**Total** RMB'000
As at January 1, 2023	14,619	2,165	–	16,784
Issue cost accrued	–	28,537	–	28,537
Financing cash flow	(6,802)	(28,989)	59,033	23,242
Reversal of accrued issue costs	–	(1,414)	–	(1,414)
Finance costs	577	–	947	1,524
Lease modification	6,399	–	–	6,399
As at December 31, 2023 and January 1, 2024	**14,793**	**299**	**59,980**	**75,072**
Issue cost accrued	**–**	**3,673**	**–**	**3,673**
Financing cash flow	**(6,249)**	**(3,685)**	**52,778**	**42,844**
Finance costs	**817**	**–**	**2,632**	**3,449**
New leases entered	**11,609**	**–**	**–**	**11,609**
As at December 31, 2024	**20,970**	**287**	**115,390**	**136,647**

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	As at December 31,	
	2024	2023
	RMB'000	RMB'000
Non-current assets		
Property and equipment	**27,280**	58,722
Right-of-use assets	**20,065**	90,230
Investments in subsidiaries	**6,641**	4,781
Other non-current assets	**5,913**	38,503
	59,899	192,236
Current assets		
Trade receivables	**16**	39
Prepayments and other receivables	**35,516**	78,014
Amounts due from subsidiaries	**88,136**	44,043
Financial assets at FVTPL	**274,521**	213,936
Term deposits with original maturity over three months	**—**	42,496
Cash and cash equivalents	**467,264**	303,482
	865,453	682,010
Assets classified as held for sale	**10,000**	—
	875,453	682,010
Current liabilities		
Trade and other payables	**66,170**	50,421
Contract liabilities	**32,900**	—
Borrowings	**100,890**	59,980
Lease liabilities	**6,421**	4,398
	206,381	114,799
Net current assets	**669,072**	567,211
Total assets less current liabilities	**728,971**	759,447
Non-current liabilities		
Borrowings	**14,500**	—
Lease liabilities	**14,549**	10,395
	29,049	10,395
Net assets	**699,922**	749,052
Capital and reserves		
Share capital	**407,308**	374,158
Reserves	**292,614**	374,894
Total equity	**699,922**	749,052

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(Continued)*

	Share premium RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
As at January 1, 2023	654,470	99,476	(330,100)	423,846
Loss and total comprehensive expenses for the year	—	—	(379,584)	(379,584)
H shares issued upon initial public offering	289,728	—	—	289,728
Transaction costs attributable to issue issuance of H shares	(30,738)	—	—	(30,738)
Recognition of equity-settled share-based payments	—	71,642	—	71,642
As at December 31, 2023 and January 1, 2024	**913,460**	**171,118**	**(709,684)**	**374,894**
Loss and total comprehensive expenses for the year	**—**	**—**	**(295,608)**	**(295,608)**
Issuance of ordinary shares	**182,791**	**—**	**—**	**182,791**
Share issuance costs	**(3,673)**	**—**	**—**	**(3,673)**
Recognition of equity-settled share-based payments	**—**	**34,210**	**—**	**34,210**
As at December 31, 2024	**1,092,578**	**205,328**	**(1,005,292)**	**292,614**

38. SUBSEQUENT EVENTS

Other than the subsequent event disclosed in Note 23, there has been no other significant event since the end of the reporting period.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last four financial years*, as extracted from the audited financial information and financial statements, is set out below.

	For the year ended December 31,			
	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**74,149**	386	538	5,067
Other income	**11,763**	18,245	14,657	10,381
Other gains and losses, net	**(11,474)**	1,778	(29,436)	(518,347)
Research and development expenses	**(322,759)**	(291,944)	(277,346)	(175,954)
Administrative expenses	**(64,820)**	(80,424)	(92,796)	(48,319)
Listing expenses	**—**	(25,976)	(17,724)	(4,886)
Finance costs	**(3,449)**	(1,524)	(787)	(891)
Loss before tax	**(316,590)**	(379,459)	(402,894)	(732,949)
Income tax expense	**—**	—	—	—
Loss for the year	**(316,590)**	(379,459)	(402,894)	(732,949)

	As of December 31,			
	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	2023
Non-current assets	**54,058**	187,890	188,107	188,737
Current assets	**867,938**	686,700	651,871	704,098
Current liabilities	**214,642**	115,908	51,737	2,477,831
Net current assets (liabilities)	**653,296**	570,792	600,134	(1,773,733)
Total assets less current liabilities	**707,354**	758,682	788,241	(1,584,996)
Non-current liabilities	**29,049**	10,395	9,020	13,443
Net assets (liabilities)	**678,305**	748,287	779,221	(1,598,439)
Total equity (deficit)	**678,305**	748,287	779,221	(1,598,439)

* The H Shares of the Company were listed on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on September 5, 2023.

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

"AGM"	the forthcoming annual general meeting of the Company
"Articles of Association" or "Articles"	the articles of association of our Company, as amended, supplemented or otherwise modified from time to time
"Audit Committee"	the audit committee of our Board
"Board" or "Board of Directors"	the board of Directors of our Company
"CDMO(s)"	contract development and manufacturing organization, which is a pharmaceutical company that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
"China" or "PRC"	the People's Republic of China and, for the purpose of this annual report, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan, China; "Chinese" shall be construed accordingly
"Company," "our Company" or "the "Company"	ImmuneOnco Biopharmaceuticals (Shanghai) Inc. (宜明昂科生物醫藥技術(上海)股份有限公司), a joint stock company incorporated in the PRC with limited liability on June 14, 2022, or, where the context requires (as the case may be), its predecessor, ImmuneOnco Biopharmaceuticals (Shanghai) Co., Ltd. (宜明昂科生物醫藥技術(上海)有限公司), a limited liability company established in the PRC on June 18, 2015
"Compliance Advisor"	Rainbow Capital (HK) Limited
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholders"	refer to Dr. Tian, Jiaxing Changxian, Jiaxing Changyu and Halo Investment II
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Core Product"	IMM01 (Timdarpacept), the designated "core product" as defined under Chapter 18A of the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CRO(s)"	contract research organization, a company provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research and development services outsourced on a contract basis
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)" or "our Director(s)"	the director(s) of our Company

Definitions and Glossary

"Dr. Tian"	Dr. Tian Wenzhi (田文志), the chairman of the Board, the chief executive officer, the chief scientific officer and the executive Director of our Company, and one of our Controlling Shareholders
"Employee Shareholding Platforms"	the Onshore Employee Shareholding Platforms and the Offshore Employee Shareholding Platform
"FDA"	the Food and Drug Administration of the United States
"Global Offering"	the global offering of the Company's H Shares on the Stock Exchange
"Group", "our Group", "we", "us" or "our"	our Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"H Share(s)"	overseas listed foreign share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
"Halo Investment II" or "Offshore Employee Shareholding Platform"	Halo Biomedical Investment II Limited, a business company incorporated in the British Virgin Islands on October 20, 2021, one of our Employee Shareholding Platforms, and one of our Controlling Shareholders
"Halo LP"	Halo Biomedical LP, a limited partnership established under the laws of the British Virgin Islands on October 19, 2021, the sole shareholder of Halo Investment II which is ultimately controlled by Dr. Tian
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Huabo Biopharm"	Huabo Biopharm (Shanghai) Co., Ltd. (華博生物醫藥技術(上海)有限公司), a limited company established under the laws of the PRC
"IFRSs"	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretations issued by the International Accounting Standards Committee
"ImmuneOnco Shanghai"	ImmuneOnco (Shanghai) Biopharma Co., Ltd (宜明昂科生物藥業(上海)有限公司), a limited liability company established under the laws of the PRC on September 28, 2021, which is a wholly-owned subsidiary of our Company
"ImmuneTANK"	ImmuneTANK Biopharmaceuticals (Shanghai) Co., Ltd. (宜明探科生物醫藥技術(上海)有限公司), a limited liability company established under the laws of the PRC on February 5, 2018, which is a wholly-owned subsidiary of our Company

"ImmuneOnco Hong Kong"	ImmuneOnco Hong Kong Limited, a limited liability company established under the laws of Hong Kong on September 15, 2021, which is a wholly-owned subsidiary of our Company
"Jiaxing Changxian"	Jiaxing Changxian Enterprise Management L.P. (Limited Partnership) (嘉興昶咸企業管理合夥企業(有限合夥)), a limited liability partnership incorporated in the PRC on April 29, 2016, one of our Employee Shareholding Platforms, and one of our Controlling Shareholders
"Jiaxing Changyu"	Jiaxing Changyu Enterprise Management L.P. (Limited Partnership) (嘉興昶宇企業管理合夥企業(有限合夥)), a limited liability partnership incorporated in the PRC on March 24, 2021, one of our Employee Shareholding Platforms, and one of our Controlling Shareholders
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange on September 5, 2023
"Listing Date"	September 5, 2023, being the date on which the H Shares were listed and from which dealings therein were permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"Macroimmune"	Macroimmune Inc, a limited liability company established under the laws of Delaware on January 6, 2014, which is a wholly-owned subsidiary of our Company
"Model Code"	the 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 the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
"Nomination Committee"	the nomination committee of our Board
"Onshore Employee Shareholding Platforms"	Jiaxing Changxian and Jiaxing Changyu
"Over-allotment Option"	has the meaning ascribed to it in the Prospectus
"Prospectus"	the prospectus of the Company dated August 24, 2023
"R&D"	research and development
"Remuneration Committee"	the remuneration committee of our Board
"Reporting Period"	the financial year ended December 31, 2024
"RMB"	Renminbi, the lawful currency of the PRC

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising the Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to this term under the Listing Rules
"substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company
"U.S." or "United States"	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 RMB1.00 each, which is/are not listed on any stock exchange
"USD" or "US$"	United States dollars, the lawful currency of the United States
"ZJ Leading Initiating VC"	Shanghai Zhangjiang Leading Initiating Venture Capital (Limited Partnership) (上海張科領弋升帆創業投資中心(有限合夥)), a limited partnership incorporated under the laws of the PRC on September 17, 2015
"ZJ Leading SiQi VC"	Jiaxing Zhangke Lingyi Siqi Equity Investment Partnership (Limited Partnership) (嘉興張科領弋思齊股權投資合夥企業(有限合夥)), a limited partnership incorporated under the laws of the PRC on November 2, 2020
"%"	per cent.