LAEKNA

Laekna, Inc.
來凱醫藥有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2105

2025
INTERIM REPORT

CONTENTS

DEFINITIONS

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

"2024 Share Award Scheme"	the share award scheme adopted by our Company on June 14, 2024, as amended from time to time
"Administrator"	the administrator of the Pre-IPO Share Option Scheme, the Post-IPO Share Option Scheme or the 2024 Share Award Scheme, where the context so requires
"AE"	adverse events, any untoward medical occurrences in a patient or clinical investigation subject administered a drug or other pharmaceutical product during clinical trials and which do not necessarily have a causal relationship with the treatment
"Afuresertib" or "afuresertib"	an adenosine triphosphate competitive AKT inhibitor
"aHSC"	activated hepatic stellate cells
"AKT"	a serine/threonine protein kinase with 3 isoforms (AKT1, AKT2 and AKT3) that participate in multiple pathways regulating several cellular processes, including survival, proliferation, tissue invasion, and metabolism
"Articles of Association"	the articles of association of the Company, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of our Company
"CDE"	the center for drug evaluation of China's National Medical Products Administration
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chief Executive Officer"	the chief executive officer of our Company
"China" or "PRC"	the People's Republic of China, but for the purpose of this report and for geographical reference only and except where the context requires otherwise, references in this report to "China" and the "PRC" do not apply to Hong Kong Special Administrative Region of the People's Republic of China, Macau Special Administrative Region of the People's Republic of China and Taiwan, China
"CMC"	chemistry, manufacture and control
"Company" or "Our Company"	Laekna, Inc. (來凱醫藥有限公司), an exempted company incorporated in the Cayman Islands with limited liability on July 29, 2016
"date of this report"	August 13, 2025

DEFINITIONS

"Director(s)" or "our Director(s)"	the directors of the Company
"ESOP Trusts"	Laekna Halley Trust and Laekna Wonderland Trust, being the trusts set up by the Company to facilitate the administration of the Pre-IPO Share Option Scheme
"Family Trust"	Ealex LLC, a trust set up by Dr. Lu as settlor, The Bryn Mawr Trust Company of Delaware as trustee and Dr. Lu's certain family members as the beneficiaries
"FDA"	the United States Food and Drug Administration
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company that provides market survey and consulting services
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "we", "us" or "our"	our Company and its subsidiaries
"HK$" or "HKD"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"HR+/HER2-breast cancer"	the most common type of breast cancer with overexpression of HR and without overexpression of HER2
"IHC"	immunohistochemistry, a test that uses a chemical dye to stain and measure specific proteins
"IND"	investigational new drug, the application for which is the first step in the drug review process by regulatory authorities to decide whether to permit clinical trials; also known as clinical trial application, or CTA, in China
"Laekna HK"	Laekna Limited, a limited liability company incorporated in Hong Kong on August 26, 2016 and one of our Company's subsidiaries
"Laekna Ningbo"	Laekna Pharmaceutical Ningbo Co., Ltd. (來凱製藥(寧波)有限公司), a limited liability company established under the laws of the PRC on June 29, 2023 and one of our Company's subsidiaries
"Laekna Therapeutics"	Laekna Therapeutics Shanghai Co., Ltd. (來凱醫藥科技(上海)有限公司), a limited liability company established under the laws of the PRC on December 28, 2016 and one of our Company's subsidiaries
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange

DEFINITIONS

"Listing Date"	June 29, 2023
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"mCRPC"	metastatic castration resistant prostate cancer
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"MRCT"	multi-regional clinical trials
"NDA"	new drug application
"NMPA"	China's National Medical Products Administration (中國國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (中國國家食品藥品監督管理總局)
"Nomination and Corporate Governance Committee"	the nomination and corporate governance committee of the Board
"Novartis"	Novartis Pharma AG, a company organized under the laws of Switzerland and one of our Pre-IPO Investors
"Paclitaxel"	a chemotherapy medication used to treat a number of types of cancer, includes ovarian cancer, esophageal cancer, breast cancer, lung cancer, Kaposi's sarcoma, cervical cancer, and pancreatic cancer
"PCC"	pre-clinical candidate
"PD-1"	programmed cell death protein 1
"PD-L1"	programmed cell death ligand 1
"PFS"	progression-free survival, the length of time during and after the treatment of a disease, such as cancer, that a patient lives without the disease getting worse. In a clinical trial, measuring the progression-free survival is one way to see how well a new treatment works
"Placee(s)"	any individuals, corporate, institutional or other investor(s) procured by the Sole Placing Agent or their respective agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
"Placing"	the placing of 17,636,000 Placing Shares pursuant to the terms of the Placing Agreement
"Placing Agreement"	the conditional placing agreement entered into between the Company and the Sole Placing Agent dated November 21, 2024 in relation to the Placing

DEFINITIONS

"Placing Shares"	17,636,000 shares placed pursuant to the Placing Agreement
"Post-IPO Share Option Scheme"	the share option scheme adopted by our Company on June 9, 2023, as amended from time to time
"Post-IPO Share Schemes"	the 2024 Share Award Scheme and the Post-IPO Share Option Scheme
"Pre-IPO Share Option Scheme"	the share option scheme adopted by our Company on April 11, 2018 and amended on October 30, 2019, April 20, 2021 and March 31, 2022, as amended from time to time
"PROC"	platinum resistant ovarian cancer
"Prospectus"	the prospectus of the Company dated June 16, 2023
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the six months ended June 30, 2025
"RMB"	Renminbi, the lawful currency of China
"rPFS"	radiographic progression free survival
"RP2D"	recommended Phase II dose
"SAE"	serious AE, any medical occurrence in human drug trials that at any dose: results in death; is life-threatening; requires inpatient hospitalization or causes prolongation of existing hospitalization; results in persistent or significant disability/incapacity; may have caused a congenital anomaly/birth defect, or requires intervention to prevent permanent impairment or damage
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company with a par value of US$0.00001 each
"Shareholder(s)"	holder(s) of Shares
"Share Option(s)"	the share option(s) granted or to be granted pursuant to the terms and conditions of the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme
"SOC"	treatment that is accepted by medical experts as a proper treatment for a certain type of disease and that is widely used by healthcare professionals

DEFINITIONS

"Sole Placing Agent"	CLSA Limited, being the sole placing agent and sole overall coordinator of the Placing
"South Korea"	the Republic of Korea
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TEAE"	adverse events not present prior to medical treatment, or an already present event that worsens either in intensity or frequency following the treatment
"TNBC"	triple-negative breast cancer, any breast cancer that tests negative for estrogen receptors, progesterone receptors, and excess HER2
"treasury shares"	has the meaning as defined under the Listing Rules
"United States", "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "USD"	United States dollars, the lawful currency of the United States
"%"	per cent

CORPORATE INFORMATION

COMPANY NAME

Laekna, Inc. (來凱醫藥有限公司)

DIRECTORS

Executive Directors

Dr. LU Chris Xiangyang
(Chairman and Chief Executive Officer)
Ms. XIE Ling (謝玲)
Dr. GU Xiang-Ju Justin

Non-executive Directors

Dr. WANG David Guowei
Mr. SUN Yuan (孫淵)

Independent Non-executive Directors

Dr. YIN Xudong
Dr. LI Min
Mr. ZHOU Jian (周健)

AUDIT COMMITTEE

Mr. ZHOU Jian (周健) *(Chairperson)*
Dr. WANG David Guowei
Dr. LI Min

REMUNERATION COMMITTEE

Dr. YIN Xudong *(Chairperson)*
Ms. XIE Ling (謝玲)
Mr. ZHOU Jian (周健)

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Dr. LU Chris Xiangyang *(Chairperson)*
Dr. YIN Xudong
Dr. LI Min

JOINT COMPANY SECRETARIES

Mr. KE Chenyu (柯晨煜)
Ms. HO Wing Nga (何詠雅)

AUTHORIZED REPRESENTATIVES

Ms. XIE Ling (謝玲)
Ms. HO Wing Nga (何詠雅)

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

LEGAL ADVISER

As to Hong Kong law:
Davis Polk & Wardwell
10th Floor
The Hong Kong Club Building
3A Chater Road
Hong Kong

REGISTERED OFFICE

4th Floor
Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman
KY1-1002
Cayman Islands

CORPORATE INFORMATION

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

3-2-467, 5 Xingbin Road (Lin Li Center)
Sino-Italy Ningbo Ecological Park
Yuyao
Zhejiang Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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183 Queen's Road East
Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

PRINCIPAL BANKS

Bank of Ningbo Shanghai Zhangjiang Branch
No. 350 Chunxiao Road
Pudong New District
Shanghai
PRC

China Merchants Bank Shanghai Zhangjiang Branch
1/F, Building 1
German Center
No. 88 Keyuan Road
Pudong New District
Shanghai
PRC

Agricultural Bank of China Ningbo Branch
No. 518 Zhongshan East Road
Ningbo
PRC

Industrial and Commercial Bank of China (Asia) Limited
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3 Garden Road
Central, Hong Kong

STOCK CODE

2105

COMPANY WEBSITE

www.laekna.com

BUSINESS HIGHLIGHTS

We have made significant progress with respect to our clinical and pre-clinical candidate development and expansion of our product pipeline. For the six months ended June 30, 2025, we made the following milestones and achievements:

ADVANCING THE CLINICAL TRIALS

LAE102 in Obesity, Phase I

LAE102 is our internally discovered monoclonal antibody against ActRIIA. Blocking Activin-ActRII pathway could promote muscle regeneration and fat mass reduction, this positions LAE102 as a promising drug candidate for achieving muscle preserving weight control. By the end of December 2024, the Group successfully completed the single ascending dose part of the Phase I clinical study (the "**SAD Study**") of LAE102 in China for the treatment of obesity.

A total of 40 participants were enrolled in Part A (IV) and 24 participants in Part B (SC). All participants completed the study as designed. The mean age was 29.0 years and 31.2 years, with the mean BMI 23.32 kg/m^2 and 23.08 kg/m^2 in Part A and Part B, respectively. Baseline demographic and clinical characteristics were generally balanced across the intravenous ("**IV**") and subcutaneous ("**SC**") cohorts of the study. Overall, LAE102 was well tolerated following a single IV or SC dose. No serious adverse events or treatment emergent adverse events ("**TEAEs**") leading to discontinuation of treatment were reported. The majority of the TEAEs were mild laboratory test abnormalities, which were asymptomatic and did not require medical intervention. There was no reported case of diarrhea. Activin A was significantly increased in 24 hours following a single intravenous or subcutaneous dose of LAE102. The duration of Activin A elevation was dose-dependent. The high-dose groups (8 mg/kg IV group, 16 mg/kg IV group, and 8 mg/kg SC group) maintained 2-to-3-fold increases above the baseline level through 28 days post-administration, indicating prolonged pathway blocking. The robust PK/PD correlation suggests potential efficacy and supports further clinical development of LAE102 in overweight and obese populations, which established a solid foundation for the Phase I multiple ascending dose study (the "**MAD Study**"). The detailed study results were presented at the 85th scientific sessions of the American Diabetes Association ("**ADA**") in June 2025.

The Group commenced study recruitment in the Phase I MAD Study of LAE102 in China by the end of March 2025. The Phase I MAD Study in China is a randomized, double-blind, placebo-controlled study to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics of LAE102, administered subcutaneously, in 60 overweight/obese subjects. The Group aims to bring this precision therapy to overweight and obese patients who are in need of novel treatment options for achieving quality weight control.

In November 2024, the Group entered into a clinical collaboration agreement with Eli Lilly and Company ("**Lilly**") (NYSE: LLY) to support and accelerate global clinical development of LAE102 for the treatment of obesity. Lilly will be responsible for the execution and funding of a Phase I study in the U.S. (the "**U.S. Phase 1 Clinical Trial**"). The Group retains global rights for LAE102. The Group submitted an Investigational New Drug (the "**IND**") amendment to the U.S. Food and Drug Administration (the "**U.S. FDA**") for LAE102 for the treatment of obesity in March 2025 and dosed the first subject in May 2025. The Group targets to achieve primary completion of the U.S. Phase I Clinical Trial in Q4 2025.

Laekna team has accumulated tremendous experience and extensive knowhow in this specific field and is developing, in addition to LAE102, more drug candidates to maximize the value of targeting ActRII receptors. LAE103 is an ActRIIB-selective antibody and LAE123 is an ActRIIA/IIB dual antagonistic monoclonal antibody. Both are our internally discovered antibodies for muscle and other disease indications. IND-enabling studies of both antibodies have been initiated in 2024.

BUSINESS HIGHLIGHTS

The results of the pre-clinical study of LAE102, LAE103 (an ActRIIB selective antibody) and LAE123 (an ActRIIA/IIB dual antagonistic monoclonal antibody) as therapeutics for muscle growth and fat reduction were presented at the 85th scientific sessions of ADA. LAE102, LAE103, and LAE123 are high-affinity functional antagonists. They can completely inhibit the signaling transduced by ligands such as activin A, B, AB, and MSTN, all of which are known to contribute to muscle atrophy. In addition, they also inhibit activin E and GDF3, which promote lipid accumulation of adipose tissue. In mouse models, LAE102 alone significantly induced muscle growth and reduced fat mass. Notably, a synergistic effect on muscle increase and fat loss was observed when combining LAE102 with LAE103, achieving the maximal effect comparable to the ActRIIA/IIB dual antagonistic monoclonal antibody LAE123. The findings indicate that ActRIIA is a major regulator of muscle growth and fat loss in mice. LAE102 shows great potential as muscle preserving weight loss management with a favorable safety profile. On the other hand, LAE123 could be utilized to treat diseases requiring complete inhibition of both ActRIIA and ActRIIB, such as spinal muscle atrophy.

We submitted IND application to the U.S. FDA for LAE103 by the end of June 2025 and obtained IND approval in July 2025. The Group targets to initiate phase I clinical study of LAE103 in the second half of 2025. In addition to LAE102, the phase I clinical studies of LAE103 enable us to separately evaluate the efficacy and safety of monoclonal antibodies targeting at ActRIIA and ActRIIB in humans. The Group also targets to advance LAE123 to phase I clinical studies in 2026. The Group has established a comprehensive ActRII portfolio and is actively advancing these drug candidates to clinical studies as novel therapies for muscle and other disease indications. We are in discussions with potential partners for strategic cooperations to accelerate development and commercialization of our ActRII portfolio.

LAE002 (afuresertib) + Fulvestrant in HR+/HER2-breast cancer, Phase III

The Group commenced the Phase III clinical trial AFFIRM-205 in China for LAE002 (afuresertib, an oral AKT inhibitor) plus fulvestrant in patients with PIK3CA/AKT1/PTEN alterations and HR+/HER2- locally advanced or metastatic breast cancer ("**LA/mBC**") (the "**Phase III Clinical Trial AFFIRM-205**") in May 2024. The Phase III Clinical Trial AFFIRM-205 is a multi- center, randomized, double-blind, placebo-controlled pivotal study to further assess the anti-tumor efficacy and safety of the combination therapy. Study recruitment is on track. The Group targets to complete subject enrollment in the fourth quarter of 2025 and to submit new drug application ("**NDA**") to CDE in the first half of 2026. We are in discussions with potential partners for strategic cooperations to accelerate regulatory approval and commercialization of LAE002 (afuresertib).

LAE002 (afuresertib) +LAE001/prednisone in mCRPC, Phase II

We completed a Phase II multi-region clinical trial of the study of LAE002 (afuresertib, an AKT inhibitor) plus LAE001 (CYP17A1/CYP11B2 dual inhibitor) ("**LAE201**") in 40 patients with metastatic castration-resistant prostate cancer ("**mCRPC**") following standard of care ("**SOC**") treatment in 2024. The trial is an open-label, dose-escalation and dose expansion study to assess the efficacy and safety of the combination candidate. The study demonstrated promising treatment benefit for mCRPC patients. The median rPFS was 8.1 months. This is a significant improvement compared to the median rPFS of 2 to 4 months of mCRPC patients under the standard treatments historically. The combination therapy was generally tolerable with manageable treatment emergent adverse events and recoverable after routine treatments.

Design of the Phase III pivotal trial of LAE201 in patients with mCRPC following SOC treatment has been discussed with FDA. In May 2024, the Group has obtained approval from FDA for the protocol of this phase III clinical trial. We plan to pursue strategic partnerships to accelerate the development and commercialization of LAE002 (afuresertib) and LAE001 to address the great unmet medical need of the cancer therapeutic area.

BUSINESS HIGHLIGHTS

PRE-CLINICAL CANDIDATES (PCC)

For the six months ended June 30, 2025, IND application was submitted for LAE103 to the U.S. FDA by end of June 2025. The Group targets to initiate phase I clinical study of LAE103 in the second half of 2025. In addition to LAE102, the phase I clinical studies of LAE103 enable us to separately evaluate the efficacy and safety of monoclonal antibodies targeting at ActRIIA and ActRIIB in humans. We also target to advance LAE123 to phase I clinical study in 2026.

In the oncology area, LAE118, a PI3Kα mutant-selective inhibitor, has advanced to IND-enabling study in the fourth quarter of 2024. IND application for LAE120, an USP1 inhibitor, was filed with FDA in January 2025 and we received SMP (Study May Proceed) from FDA in February 2025. PCC declaration for LAE122, a WRN mutant-selective inhibitor, was also completed in March 2025.

Expected Upcoming Milestones in Second Half of 2025

About LAE102

- Preliminary results of Phase I MAD Study in China
- Preliminary results of U.S. Phase 1 Clinical Trial

About AFFIRM-205

- To complete subject enrollment of AFFIRM-205 Phase III China trial

Other Targeting ActRII Receptors

- To initiate phase I clinical study of LAE103

FINANCIAL HIGHLIGHTS

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Research and development expenses	**105,192**	126,148
Administrative expenses	**42,321**	30,380
Loss for the period	**129,637**	143,706
Total comprehensive loss for the period	**133,399**	138,548

Our research and development expenses decreased by RMB20.9 million or 16.6% from RMB126.1 million for the six months ended June 30, 2024 to RMB105.2 million for the six months ended June 30, 2025. Such decrease was primarily attributable to the milestone payment of RMB17.8 million incurred during the first half of 2024 relating to Phase III Clinical Trial AFFIRM-205, while no such expense was incurred during the Reporting Period.

Our administrative expenses increased by RMB11.9 million or 39.1% from RMB30.4 million for the six months ended June 30, 2024 to RMB42.3 million for the six months ended June 30, 2025, which was primarily attributable to increased equity settled share-based payment expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a science-driven, clinical-stage biotechnology company committed to bringing novel therapeutics to patients with metabolic diseases, cancer and liver fibrosis around the world. We focus on specific fields where we have accumulated tremendous experience and extensive know-how. As of June 30, 2025, we have initiated seven clinical trials for LAE102, LAE002 (afuresertib), LAE001 and LAE005 to address unmet medical needs in obesity and cancers.

We have assembled a seasoned management team with extensive experience and expertise covering the full cycle of drug discovery and development process, from pre-clinical asset discovery, clinical trial design and execution to regulatory process management and drug manufacturing. As of June 30, 2025, we were supported by a talented R&D team consisting of 60 employees, with 11 holding doctorate degrees and 33 holding master's degrees. Our core management team has established a long track record of accomplishment, leadership and deep knowledge in their respective fields.

Blocking Activin-ActRII pathway could promote muscle regeneration and fat mass reduction, this positions LAE102 as a promising drug candidate for achieving muscle preserving weight control. Laekna team has accumulated tremendous experience and extensive knowhow in this specific field and is developing, in addition to LAE102, more drug candidates to maximize the value of targeting ActRII receptors. LAE103 is an ActRIIB-selective antibody and LAE123 is an ActRIIA/IIB dual antagonistic monoclonal antibody. Both of them are our internally discovered antibodies for muscle and other disease indications. We have established a comprehensive ActRII portfolio.

In the cancer area, we have built a comprehensive portfolio of drug candidates, including LAE002 (afuresertib), LAE001 and other seven pre-clinical drug candidates. LAE002 (afuresertib) is a potent AKT inhibitor that inhibits all three AKT isoforms (AKT1, AKT2 and AKT3) as well as one of the two AKT inhibitors in late-stage development for breast and prostate cancer globally. LAE002 (afuresertib) has demonstrated several superior features compared to other AKT inhibitors, including higher efficacy, better potency, more significant tumor inhibition exposure and a better safety profile, based on the public data. Capivasertib is the first approved AKT inhibitor from AstraZeneca, which FDA approved for HR+/HER2- breast cancer in November 2023. With the promising efficacy data from our LAE002 (afuresertib) Phase Ib study for HR+/HER2- breast cancer, the Group has initiated the Phase III pivotal study in China. The first subject in this Phase III study was enrolled in May 2024. The Group plans to bring this precision therapy to HR+/HER2- LA/mBC patients who are in need of novel treatment options.

We plan to pursue strategic partnerships to accelerate the development and commercialization of our drug candidates to address the great unmet medical needs.

MANAGEMENT DISCUSSION AND ANALYSIS

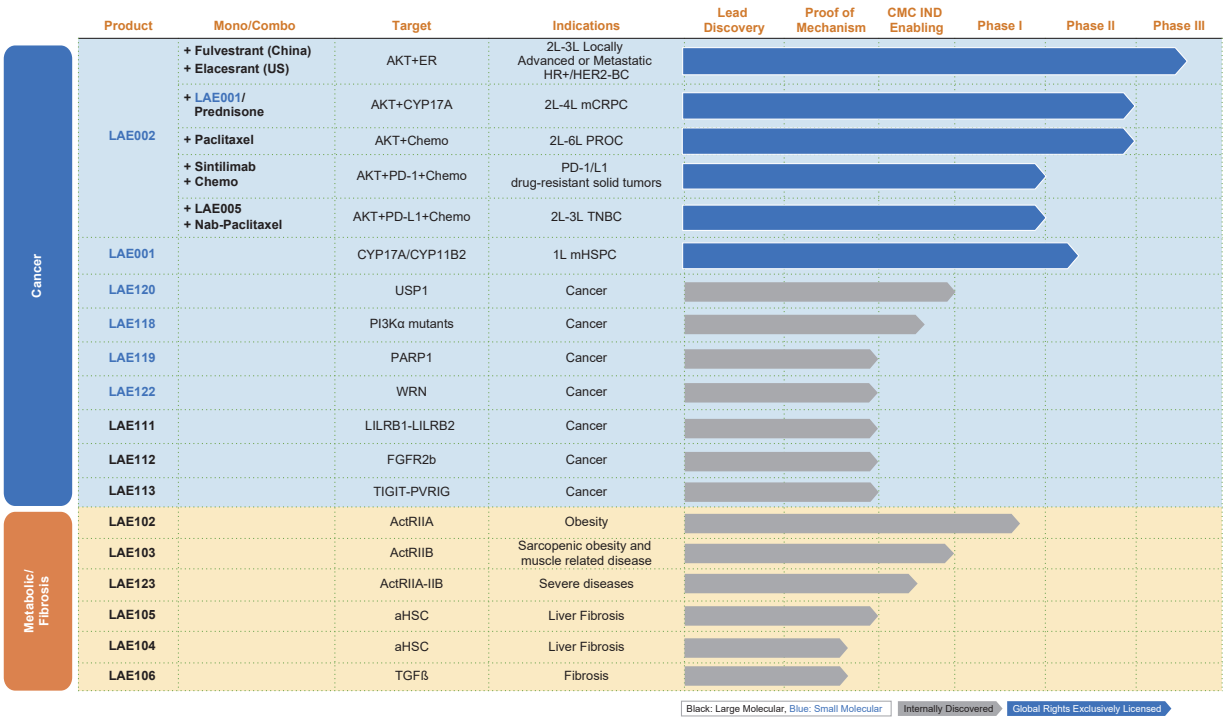
MARKET OPPORTUNITIES IN OBESITY AND CANCER TREATMENTS

Globally, the number of people living with obesity is set to reach over 1.2 billion by 2030[1]. The causes of obesity are complex and, so often, it puts people on a path to other diseases — not only diabetes, but also heart and liver diseases, cancers and many more. There are growing understandings of the critical need to treat obesity among both the medical community and the public, while an increasing number of people living with such disease are actively seeking support.

Although the field of cancer treatment has progressed significantly in the past decade, a significant proportion of cancer patients find themselves in the absence of effective or safe treatments. The quality of life of those patients is severely affected, primarily attributable to SOC treatment resistance and/or intolerable toxicity, resulting in a large unmet medical need and a socioeconomic burden. Among those cancers of unmet medical need, HR+/HER2- metastatic breast cancer (HR+/HER2- mBC), mCRPC, PROC and triple negative breast cancer (TNBC) are some of the diseases with limited SOC options and unsatisfactory treatment outcomes.

PIPELINE

The following chart summarizes the development status of our clinical and pre-clinical stage drug candidates as of the date of this report:



[1] (World Obesity Federation, 2023b)

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company has made significant progress during the six months ended June 30, 2025 with respect to its drug candidate pipeline and business operations, including the following milestones and achievements.

LAE102 in Obesity, Phase I

LAE102 is our internally discovered monoclonal antibody against ActRIIA. Blocking Activin-ActRII pathway could promote muscle regeneration and fat mass reduction, this positions LAE102 as a promising drug candidate for achieving muscle preserving weight control. By the end of December 2024, the Group successfully completed the SAD Study of LAE102 in China for the treatment of obesity.

A total of 40 participants were enrolled in Part A (IV) and 24 participants in Part B (SC). All participants completed the study as designed. The mean age was 29.0 years and 31.2 years, with the mean BMI 23.32 kg/m^2 and 23.08 kg/m^2 in Part A and Part B, respectively. Baseline demographic and clinical characteristics were generally balanced across the IV and SC cohorts of the study. Overall, LAE102 was well tolerated following a single IV or SC dose. No serious adverse events or TEAEs leading to discontinuation of treatment were reported. The majority of the TEAEs were mild laboratory test abnormalities, which were asymptomatic and did not require medical intervention. There was no reported case of diarrhea. Activin A was significantly increased in 24 hours following a single intravenous or subcutaneous dose of LAE102. The duration of Activin A elevation was dose-dependent. The high-dose groups (8 mg/kg IV group, 16 mg/kg IV group, and 8 mg/kg SC group) maintained 2-to-3-fold increases above the baseline level through 28 days post-administration, indicating prolonged pathway blocking. The robust PK/PD correlation suggests potential efficacy and supports further clinical development of LAE102 in overweight and obese populations, which established a solid foundation for the Phase I MAD Study. The detailed study results were presented at the 85th scientific sessions of the ADA in June 2025.

The Group commenced study recruitment in the Phase I MAD Study of LAE102 in China by the end of March 2025. The Phase I MAD Study in China is a randomized, double-blind, placebo-controlled study to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics of LAE102, administered subcutaneously, in 60 overweight/obese subjects. The Group aims to bring this precision therapy to overweight and obese patients who are in need of novel treatment options for achieving quality weight control.

In November 2024, the Group entered into a clinical collaboration agreement with Lilly to support and accelerate global clinical development of LAE102 for the treatment of obesity. Lilly will be responsible for the execution and funding of the U.S. Phase 1 Clinical Trial. The Group retains global rights for LAE102. The Group submitted an IND amendment to the U.S. FDA for LAE102 for the treatment of obesity in March 2025 and dosed the first subject in May 2025. The Group targets to achieve primary completion of the U.S. Phase I Clinical Trial in Q4 2025.

Laekna team has accumulated tremendous experience and extensive knowhow in this specific field and is developing, in addition to LAE102, more drug candidates to maximize the value of targeting ActRII receptors. LAE103 is an ActRIIB-selective antibody and LAE123 is an ActRIIA/IIB dual antagonistic monoclonal antibody. Both are our internally discovered antibodies for muscle and other disease indications. IND-enabling studies of both antibodies have been initiated in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The results of the pre-clinical study of LAE102, LAE103 (an ActRIIB selective antibody) and LAE123 (an ActRIIA/IIB dual antagonistic monoclonal antibody) as therapeutics for muscle growth and fat reduction were presented at the 85th scientific sessions of ADA. LAE102, LAE103, and LAE123 are high-affinity functional antagonists. They can completely inhibit the signaling transduced by ligands such as activin A, B, AB, and MSTN, all of which are known to contribute to muscle atrophy. In addition, they also inhibit activin E and GDF3, which promote lipid accumulation of adipose tissue. In mouse models, LAE102 alone significantly induced muscle growth and reduced fat mass. Notably, a synergistic effect on muscle increase and fat loss was observed when combining LAE102 with LAE103, achieving the maximal effect comparable to the ActRIIA/IIB dual antagonistic monoclonal antibody. The findings indicate that ActRIIA is a major regulator of muscle growth and fat loss in mice. LAE102 shows great potential as muscle preserving weight loss management with a favorable safety profile. On the other hand, LAE123 could be utilized to treat diseases requiring complete inhibition of both ActRIIA and ActRIIB, such as spinal muscle atrophy.

We submitted IND application to the U.S. FDA for LAE103 by the end of June 2025 and obtained IND approval in July 2025. The Group targets to initiate phase I clinical study of LAE103 in the second half of 2025. In addition to LAE102, the phase I clinical studies of LAE103 enable us to separately evaluate the efficacy and safety of monoclonal antibodies targeting at ActRIIA and ActRIIB in humans. The Group also targets to advance LAE123 to phase I clinical studies in 2026. The Group has established a comprehensive ActRII portfolio and is actively advancing these drug candidates to clinical studies as novel therapies for muscle and other disease indications. We are in discussions with potential partners for strategic cooperations to accelerate development and commercialization of our ActRII portfolio.

LAE002 (afuresertib)

Afuresertib is an adenosine triphosphate (ATP) competitive AKT inhibitor. We in-licensed Afuresertib from Novartis in 2018. Prior to our in-licensing, 11 clinical trials had been conducted to demonstrate the safety and efficacy profiles of Afuresertib by Novartis and GSK.

LAE002 (afuresertib) + Fulvestrant in HR+/HER2-breast cancer, Phase III

The Group commenced the Phase III Clinical Trial AFFIRM-205 in China for LAE002 (afuresertib, an oral AKT inhibitor) plus fulvestrant in patients with PIK3CA/AKT1/PTEN alterations and HR+/HER2-LA/mBC in May 2024. The Phase III Clinical Trial AFFIRM-205 is a multi-center, randomized, double-blind, placebo-controlled pivotal study to further assess the anti-tumor efficacy and safety of the combination therapy. Study recruitment is on track. The Group targets to complete subject enrollment in the fourth quarter of 2025 and to submit NDA to CDE in the first half of 2026. We are in discussions with potential partners for strategic cooperations to accelerate regulatory approval and commercialization of LAE002 (afuresertib).

LAE002 (afuresertib) +LAE001/prednisone in mCRPC, Phase II

We completed a Phase II multi-region clinical trial of the study of LAE002 (afuresertib, an AKT inhibitor) plus LAE001 (CYP17A1/CYP11B2 dual inhibitor) ("**LAE201**") in 40 patients with mCRPC following SOC treatment in 2024. The trial is an open-label, dose-escalation and dose expansion study to assess the efficacy and safety of the combination candidate. The study demonstrated promising treatment benefit for mCRPC patients. The median rPFS was 8.1 months. This is a significant improvement compared to the median rPFS of 2 to 4 months of mCRPC patients under the standard treatments historically. The combination therapy was generally tolerable with manageable treatment emergent adverse events and recoverable after routine treatments.

Design of the Phase III pivotal trial of LAE201 in patients with mCRPC following SOC treatment has been discussed with FDA. In May 2024, the Group has obtained approval from FDA for the protocol of this phase III clinical trial. We plan to pursue strategic partnerships to accelerate the development and commercialization of LAE002 (afuresertib) and LAE001 to address the great unmet medical need of the cancer therapeutic area.

MANAGEMENT DISCUSSION AND ANALYSIS

LAE002 (afuresertib) +Paclitaxel for PROC (PROFECTA-II), Phase II

We have initiated a global MRCT Phase II trial (PROFECTA-II) in both the U.S. and China to treat PROC patients with LAE002 (afuresertib) plus paclitaxel. It was a Phase II, randomized, open-label, active-controlled study evaluating the efficacy and safety of LAE002 (afuresertib) in combination with paclitaxel versus paclitaxel in 150 subjects with PROC. In January 2024, we had achieved database lock and announced the top- line data. The study showed reduced risk of disease progression or death (progression- free survival; PFS) with a HR of 0.744 (95% CI: 0.502–1.102) but missed statistical significance. For biomarker subgroup with phospho-AKT positive, IHC>1, (37%), the study data demonstrated that LAE002 (afuresertib) combination arm significantly improved PFS, and the median PFS is 5.4m vs 2.9m with HR of 0.352 (95% CI: 0.125–0.997). The trial has shown a manageable and tolerable safety profile and adverse events were consistent with the known safety profiles of the individual treatments. We plan to pursue strategic partnerships to support further development of this program.

Subject to the research and development progress of LAE002, it is expected that LAE002 will reach commercialization within next three years.

LAE001

LAE001 is an androgen synthesis inhibitor that inhibits both CYP17A1 and CYP11B2. We in-licensed LAE001 from Novartis in 2017. According to Frost & Sullivan, LAE001 is the only dual CYP17A1/CYP11B2 inhibitor in clinical trials for the treatment of prostate cancer globally. As a dual CYP17A1/CYP11B2 inhibitor, LAE001 can block both androgen and aldosterone synthesis and potentially be administrated without prednisone, the short-term high dose or long-term exposure of which can lead to a variety of adverse events.

We completed a Phase I clinical trial of LAE001 as a monotherapy and a Phase II clinical trial of LAE001 plus LAE002 (afuresertib) in patients with mCRPC to assess the safety and efficacy of the therapies. Design of the Phase III pivotal trial of LAE201 in patients with mCRPC following SOC treatment has been discussed with FDA and approval of the same was obtained in May 2024. We plan to pursue strategic partnerships to accelerate the development and commercialization of LAE001 to address the unmet medical need for cancer therapies.

Subject to the research and development progress of LAE001, it is expected that LAE001 will reach commercialization within next six years.

LAE005

LAE005 is a high-affinity, ligand-blocking, humanized anti-PD-L1 IgG4 antibody. In pre-clinical and clinical studies, LAE005 demonstrated its strong binding avidity to PD- L1 and compelling anti-tumor activities. Specifically, we are evaluating the therapeutic potential of the combination therapy of LAE002 (afuresertib) and LAE005 in patients with TNBC. We believe LAE005 has the potential to serve as an effective therapy for the treatment of TNBC when combined with other synergistic mechanisms.

The results of our Phase I clinical trial of LAE002 (afuresertib) in combination with LAE005 (anti-PDL1 mAb) plus nab-paclitaxel for the treatment of triple-negative breast cancer (TNBC) were presented at the 2024 Annual Meeting of the American Association for Cancer Research (AACR) in April 2024. A total of 22 subjects with advanced solid tumors were enrolled and dosed in this Phase I study, among which there were 14 TNBC subjects who completed at least 2 cycles of treatment and had at least 1 tumor assessment. The median value of previous treatment lines of these 14 subjects was 1.5 (0-3). Among them, five showed confirmed partial response (ORR 35.7%), four had stable disease (28.6%), resulting in a disease control rate (DCR) of 64.3% in the best response assessment. The median duration of response (DOR) was 9.26 months. Five TNBC subjects were treated for more than 32 weeks, with one subject reaching a duration of 73 weeks. This case study has been selected for the “Chinese Clinical Case Achievement Database” (with the PFS of this case being 16 months as of September 28, 2023). We plan to pursue strategic partnerships to accelerate the development and commercialization of LAE005 to address the unmet medical need for cancer therapies.

CAUTIONARY STATEMENT: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP OR MARKET THE RELEVANT PRODUCTS, OR ANY OF OUR PIPELINE PRODUCTS, SUCCESSFULLY.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The following discussion is based on, and should be read in conjunction with, the financial information and notes included elsewhere in this report.

Other Income

Our other income increased by RMB5.8 million or 41.1% from RMB14.1 million for the six months ended June 30, 2024 to RMB19.9 million for the six months ended June 30, 2025, which was primarily attributable to the increase in government grants.

Administrative Expenses

Our administrative expenses increased by RMB11.9 million or 39.1% from RMB30.4 million for the six months ended June 30, 2024 to RMB42.3 million for the six months ended June 30, 2025. Such increase was primarily attributable to the increase in equity settled share-based payment expenses.

Research and Development Expenses

Our research and development expenses decreased by RMB20.9 million or 16.6% from RMB126.1 million for the six months ended June 30, 2024 to RMB105.2 million for the six months ended June 30, 2025. Such decrease was primarily attributable to the milestone payment of RMB17.8 million incurred during the first half of 2024 relating to Phase III Clinical Trial AFFIRM-205, while no such expense was incurred during the Reporting Period.

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Staff costs	**41,806**	34,580
Discovery research expenses	**30,392**	13,140
Clinical development expenses	**28,052**	54,417
Clinical trial milestone payment	**–**	17,758
Others	**4,942**	6,253
Total	**105,192**	126,148

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Financial Resource

As of June 30, 2025, the current assets of the Group were RMB762.4 million, including cash and cash equivalents of RMB676.6 million, time deposits with an original maturity over three months of RMB67.2 million and other current assets of RMB18.6 million. Among them, the Group's cash and cash equivalents increased by RMB40.2 million or 6.3% to RMB676.6 million as of June 30, 2025 from RMB636.4 million as of December 31, 2024. The Group's time deposits decreased to RMB67.2 million as of June 30, 2025 from RMB163.6 million as of December 31, 2024. As of June 30, 2025, the current liabilities of the Group were RMB194.7 million, including other payables of RMB82.7 million, interest-bearing bank loans of RMB110.0 million and current lease liabilities of RMB2.0 million.

Our cash and bank balances (including cash and cash equivalents and time deposits) as of June 30, 2025 were RMB743.8 million, of which RMB91.7 million, RMB647.4 million and RMB4.7 million were denominated in RMB, USD, and HKD, respectively representing a decrease of 7.0% as compared to the cash and bank balances of RMB800.0 million as of December 31, 2024. The decrease was primarily attributable to the net cash used in operating activities.

Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy, aiming to maintain an optimal financial position and minimal financial risks. We have formulated internal control measures to control our process of investment in wealth management products. Prior to making an investment, we ensure that there remains sufficient working capital for our operations, R&D activities and capital expenditures. For the six months ended June 30, 2025, we funded our operations primarily through equity financing and bank loans. With the continuing expansion of our business and development of new drug candidates, we will use the net proceeds raised from the Global Offering and the Placing and may require further funding through public or private equity offerings, debt financing and other sources.

Bank Loans

Our bank loans as of June 30, 2025 were RMB110.0 million (December 31, 2024: RMB99.0 million), all of which were denominated in RMB and carried interest rates ranging from 2.37% to 3.85% per annum.

Advance to Entity Provided by the Company

During the six months ended June 30, 2025, the Company had not provided any advance to an entity which is subject to disclosure requirement under Rule 13.20 of the Listing Rules.

Financial Assistance and Guarantees to Affiliated Companies by the Company

During the six months ended June 30, 2025, the Company had not provided any financial assistance and guarantees to affiliated companies of the Company which is subject to disclosure requirements under Rule 13.22 of the Listing Rules.

Current ratio

Current ratio (calculated by current assets divided by current liabilities) of the Group as of June 30, 2025, was 3.92 (December 31, 2024: 5.48).

Gearing ratio

Gearing ratio is calculated by using interest-bearing borrowings and lease liabilities less cash and cash equivalents, divided by total equity and multiplied by 100%. As of June 30, 2025, the Group was in a net cash position and thus, gearing ratio is not applicable.

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign Currency Risk

We have transactional currency exposures. Certain of our cash and bank balances, time deposits, prepayments, other receivables and other payables are denominated in non-functional currencies and 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.

Contingent Liabilities

As of June 30, 2025, we did not have any material contingent liabilities.

Significant Investments Held

As of June 30, 2025, the Group did not hold any significant investments. Save as disclosed in this report, as of June 30, 2025, the Group did not have future plans for material investments and capital assets.

Pledge of Assets

As of June 30, 2025, deposits of RMB4.0 million were pledged to secure issuance of a bank letter of guarantee.

Employees and Remuneration Policies

As of June 30, 2025, the Group had 84 employees. The total employee benefit expenses for the six months ended June 30, 2025, including share-based payment expenses, were RMB77.1 million, as compared to RMB57.3 million for the six months ended June 30, 2024.

Our employees' remuneration comprises salaries, bonuses, provident funds, social security contributions and other welfare payments. We have made contributions to our employees' social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds pursuant to applicable laws and regulations.

We adopted the Post-IPO Share Option Scheme on June 9, 2023, which was immediately prior to Listing. We further adopted the 2024 Share Award Scheme on June 14, 2024. Each of the schemes constitutes a share scheme governed by Chapter 17 of the Listing Rules.

Material Acquisitions and Disposals

During the Reporting Period, the Group did not have any material acquisition or disposal of its subsidiaries, associates and joint ventures.

Use of Net Proceeds from the Global Offering

On June 29, 2023, 63,728,000 shares of US$0.00001 each were issued at a price of HK$12.41 per share in connection with the Company's listing on the Main Board of the Stock Exchange. We intend to apply the net proceeds of HK$724.4 million from the Global Offering as set out in the Prospectus (after deduction of the underwriting fees and commissions and other estimated expenses payable by the Company in connection with the Global Offering).

MANAGEMENT DISCUSSION AND ANALYSIS

The below table sets out the proposed and actual applications of the net proceeds from the Listing Date to June 30, 2025.

Intended use of Net Proceeds	Net Proceeds from the Global Offering *(HK$ million)*	Approximate % of total Net Proceeds	Unutilized Net Proceeds from the Global Offering as of January 1, 2025 *(HK$ million)*	Utilized Net Proceeds from the Global Offering during the six months ended June 30, 2025 *(HK$ million)*	Utilized Net Proceeds from the Global Offering as of June 30, 2025 *(HK$ million)*	Unutilized Net Proceeds from the Global Offering as of June 30, 2025 *(HK$ million)*	Expected timeline of full utilization of the unutilized Net Proceeds[1]
For rapidly advancing the clinical development and approval of our Core Products, i.e. LAE001 and LAE002 (afuresertib)	407.8	56.3%	181.0	42.9	269.7	138.1	Before December 31, 2026
For accelerating the research and development of other existing pipeline products and continuously advancing and improving our pipeline products	150.7	20.8%	35.6	29.3	144.4	6.3	Before December 31, 2025
For improving our production capabilities and developing our manufacturing capacities	71.7	9.9%	66.8	–	4.9	66.8	Before December 31, 2027
For business development activities and enhancing our global reach	55.1	7.6%	34.7	6.3	26.7	28.4	Before December 31, 2027
For working capital and other general corporate purposes	39.1	5.4%	–	–	39.1	–	

Note:

(1) The expected timeline is based on the best estimation made by the Group on future market condition and may change with the future market condition and future development.

MANAGEMENT DISCUSSION AND ANALYSIS

Use of Net Proceeds from the Placing

On November 27, 2024, the Company completed a placing of an aggregate of 17,636,000 Placing Shares by the Sole Placing Agent to not less than six Placees at a price of HK$13.36 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The gross proceeds from the Placing were approximately HK$235.6 million. The Company received net proceeds from the Placing, after deducting the placing commission and other related expenses and professional fees, of approximately HK$230.4 million. The net proceeds from the Placing were used during the Reporting Period, and the unutilized net proceeds are intended to be used, in accordance with the intended use of proceeds as previously set out in the announcement of the Company dated November 21, 2024.

The below table sets out the proposed and actual applications of the net proceeds during the Reporting Period:

Intended use of Net Proceeds	Net Proceeds from the Placing *(HK$ million)*	Approximate % of total Net Proceeds	Unutilized Net Proceeds from the Placing as of January 1, 2025 *(HK$ million)*	Utilized Net Proceeds from the Placing during the six months ended June 30, 2025 *(HK$ million)*	Utilized Net Proceeds from the Placing as of June 30, 2025 *(HK$ million)*	Unutilized Net Proceeds from the Placing as of June 30, 2025 *(HK$ million)*	Expected timeline of full utilization of the unutilized Net Proceeds[(1)]
For accelerating research and development of LAE102 and other drug assets targeting ActRII receptors	230.4	100%	228.3	49.6	51.6	178.7	Before December 31, 2026

Note:

(1) The expected timeline is based on the best estimation made by the Group on future market condition and may change with the future market condition and future development.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE DEVELOPMENT

We will continue to advance and expand our product portfolio in the therapeutic areas where we have accumulated tremendous experience and extensive know-how.

LAE102 is our internally discovered monoclonal antibody against ActRIIA. Blocking Activin-ActRII pathway could promote skeletal muscle regeneration and fat mass reduction, and this positions LAE102 as a promising drug candidate for achieving muscle preserving weight control. LAE103 is an ActRIIB-selective antibody and LAE123 is an ActRIIA/IIB dual antagonistic monoclonal antibody. Both are our internally discovered antibodies for muscle and other disease indications. The Group has established a comprehensive ActRII portfolio and strives to maximize the value of targeting ActRII receptors.

We are in the process of developing multiple innovative drug candidates, including small molecules, bispecific antibodies, and bifunctional NK engagers against various diseases. We aim to advance our pipeline to address the unmet medical need of underserved patients and target to have one drug candidate entering the clinical stage each year.

The Group also actively explores potential combination therapy opportunities among our pipeline and with existing approved drugs as well as conventional therapies. Our LAE002 (afuresertib) combination trial with Fulvestrant has demonstrated remarkable clinical value to treat HR+/HER2- breast cancer patients who have failed previous standard of care treatments of endocrine/anti-estrogen therapies, including CDK4/6 inhibitors which represent a big unmet medical need with huge market potential. Our combination therapy of LAE002 (afuresertib) plus LAE001 to treat the second- generation A/AR drug-resistant mCRPC also demonstrated promising treatment benefits to mCRPC patients. We are committed to unleashing the clinical values of our drug candidates.

During the Reporting Period, the Group was working together with Lilly to accelerate global clinical development of LAE102 for the treatment of obesity. We plan to pursue more strategic partnerships with global leading pharmaceutical companies to accelerate clinical development and commercialization of our drug candidate assets. We keep advancing and expanding our pipeline and are committed to bringing life-changing medicines to more people around the world.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As far as the Company is aware, as at June 30, 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long Positions in the Company

Name of Director	Nature of Interest	Number of Shares held	Approximate percentage of interest in our Company[1]
Dr. LU Chris Xiangyang ("**Dr. Lu**")	Beneficial interest	32,518,890[2]	7.98%
	Founder of a discretionary trust	20,000,000[2]	4.91%
Ms. XIE Ling (謝玲) ("**Ms. Xie**")	Interest in controlled corporation	8,342,240[3]	2.05%
	Beneficial interest	3,770,510[3]	0.92%
Dr. GU Xiang-Ju Justin ("**Dr. Gu**")	Beneficial interest	8,700,500[4]	2.13%

Notes:

(1) The calculation is based on the total number of 407,736,350 Shares in issue as at June 30, 2025.

(2) Includes (i) Shares held by Dr. Lu beneficially under his own name, Shares underlying the Share Options granted to him pursuant to the Pre-IPO Share Option Scheme and Shares underlying the restricted share units granted to him pursuant to the 2024 Share Award Scheme; and (ii) Shares held by the Family Trust of which Dr. Lu is the settlor. Accordingly, Dr. Lu is deemed to be interested in the Shares held by the Family Trust.

(3) Includes (i) Shares held by Ms. Xie through Linbell Technology Holdings Limited, a limited liability company incorporated in the BVI wholly-owned by her; and (ii) Shares underlying the Share Options granted to Ms. Xie pursuant to the Pre-IPO Share Option Scheme and Shares underlying the restricted share units granted to her under the 2024 Share Award Scheme.

(4) Includes the Shares underlying the Share Options granted to Dr. Gu pursuant to the Pre-IPO Share Option Scheme and the Shares underlying the restricted share units granted to him under the 2024 Share Award Scheme.

Save as disclosed above and to the best knowledge of our Directors, as of June 30, 2025, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at June 30, 2025, to the best of the knowledge of the Company and the Directors or the chief executive of our Company, the followings are the persons, other than the Directors or chief executive of the Company, who had interests or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO.

Name of Shareholder	Capacity/Nature of Interest	Number of Shares held	Approximate percentage of interests in our Company[1]
OrbiMed Asia Partners III, L.P.[2]	Investment manager	44,649,500	10.95%
OrbiMed Asia GP III, L.P.[2]	Investment manager	44,649,500	10.95%
OrbiMed Advisors III Limited[2]	Investment manager	44,649,500	10.95%
Sino-Italy Ningbo Ecological Park Holding Group Co., Ltd. (中意寧波生態園控股集團有限公司)[3]	Interest in controlled corporation	28,345,500	6.95%
Yuyao Yangming Equity Investment Fund Co., Ltd. (余姚陽明股權投資基金有限公司)[3]	Beneficial interest	28,345,500	6.95%
Futu Trustee Limited[4]	Trustee	28,222,830	6.92%
Future Industry Investment Fund II (先進製造產業投資基金二期(有限合夥))[5]	Beneficial interest	28,519,030	6.99%
CS Capital Co., Ltd. (國投招商投資管理有限公司)[5]	Interest in controlled corporation	28,519,030	6.99%

Notes:

(1) The calculation is based on the total number of 407,736,350 Shares in issue as at June 30, 2025.

(2) OrbiMed Asia Partners III, L.P. is a venture capital fund operated by OrbiMed and registered as exempted limited partnerships in the Cayman Islands. The general partner of OrbiMed Asia Partners III, L.P., is OrbiMed Asia GP III, L.P., whose general partner is OrbiMed Advisors III Limited. Accordingly, each of OrbiMed Asia GP III, L.P. and OrbiMed Advisors III Limited is deemed to be interested in the Shares held by OrbiMed Asia Partners III, L.P. under the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(3) Yuyao Yangming Equity Investment Fund Co., Ltd. (余姚陽明股權投資基金有限公司) is interested in 28,345,500 Shares, and is wholly-owned by Sino-Italy Ningbo Ecological Park Holding Group Co., Ltd. (中意寧波生態園控股集團有限公司). It is held indirectly as to 86.79% by Sino-Italy Ningbo Ecological Park Administration Committee (中意寧波生態園管理委員會).

(4) Futu Trustee Limited is the trustee of Laekna Wonderland Trust and Laekna Halley Trust which were set up to facilitate the administration of the Pre-IPO Share Option Scheme.

(5) Future Industry Investment Fund II (先進製造產業投資基金二期(有限合夥)) ("**FIIF**") is interested in 28,519,030 Shares, and the general partner of FIIF is CS Capital Co., Ltd. (國投招商投資管理有限公司).

Save as disclosed above and to the best knowledge of our Directors, as at June 30, 2025, no person (other than the Directors and chief executive of the Company) had or was deemed to have any interests or short positions in the shares, underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company or the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, during the Reporting Period and up to the date of this report, none of the Company or any of its subsidiaries were a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

SHARE INCENTIVE PLANS

Pre-IPO Share Option Scheme

We adopted the Pre-IPO Share Option Scheme on April 11, 2018, and amended it on October 30, 2019, April 20, 2021 and March 31, 2022. The scheme is not subject to Chapter 17 of the Listing Rules and will not involve the grant of options by our Company to subscribe for new Shares after Listing. As at the date of this report, nil Shares underlying the Share Options are available for issue under the Pre-IPO Share Option Scheme. Upon Listing, we have not made and will not make any new grants of options under the Pre-IPO Share Option Scheme. As such, no Share Option was available for grant at the beginning of the Reporting Period (i.e. January 1, 2025), and no Share Option remains available for grant under the Pre-IPO Share Option Scheme as of June 30, 2025.

As at June 30, 2025, the number of Share Options outstanding under the Pre-IPO Share Option Scheme is 24,934,130.

1. Summary of Terms

(a) Purpose

The purpose of the Pre-IPO Share Option Scheme is to incentivize and reward the eligible persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

(b) Eligible Participants

We may grant Share Options to employees, officers, directors, contractors, advisors or consultants of the Group (the "**Eligible Participant(s)**").

CORPORATE GOVERNANCE AND OTHER INFORMATION

(c) Maximum Number of Shares

There will be no more new grants of awards under the Pre-IPO Share Option Scheme upon the Listing. The maximum aggregate number of Shares in respect of the Share Options which may be issued pursuant to the Pre-IPO Share Option Scheme shall not exceed 56,999,430 Shares (subject to adjustment to reflect any rights issue, consolidation, share splits, or similar transactions).

(d) Maximum Entitlement of a Participant

No Eligible Participant shall be granted in aggregate Share Options which exceeds ten percent (10%) of the aggregate number of Shares for the time being issued and issuable under the Pre-IPO Share Option Scheme.

The Pre-IPO Share Option Scheme has no service provider sublimit under Chapter 17 of the Listing Rules.

(e) Exercise Period

Except as otherwise provided in an offer letter, any Share Option shall become exercisable upon vesting until the tenth anniversary of the adoption date thereof. Notwithstanding the foregoing, the exercise shall be conditional upon full compliance of the grantee and the Company with all applicable laws and regulations. In the event the grantee ceases to be an employee by reason of his/her death, disability or for any other reason that the Board or the Administrator considers valid, before exercising the Share Option in full, the grantee's vested Share Option may be assigned to its representative (to the extent not already exercised).

(f) Vesting Schedule

Unless otherwise approved by the Administrator and set forth in an offer letter, the vesting schedule of the Share Options granted shall be a 60-month vesting schedule consisting of a cliff vesting of forty percent (40%) after twenty-four (24) months from the commencement date as indicated in the offer letter and, thereafter, quarterly vesting of equal installments over the remaining twelve (12) quarters.

(g) Duration and Remaining Life

The Pre-IPO Share Option Scheme shall automatically terminate on the expiration of the 10-year period measured from the date the Pre-IPO Share Option Scheme was adopted by the Board. Therefore, as at the date of this report, the remaining life of the Pre-IPO Share Option Scheme was approximately two years and eight months.

(h) Exercise Price

The exercise price of the Share Options granted shall be approved by the Administrator from time to time and shall be set out in the offer letter. The basis of determining the exercise price is, among others, service term and work performance.

(i) Amount Payable on Application or Acceptance of the Option

No cash consideration was paid by the grantees for the outstanding options granted.

CORPORATE GOVERNANCE AND OTHER INFORMATION

2. Options Granted

Movements of the outstanding options granted under the Pre-IPO Share Option Scheme during the Reporting Period are set out below:

Name or category of grantee	Outstanding as at January 1, 2025	Granted during the Reporting Period[1]	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Exercised during the Reporting Period[2]	Outstanding as at the end of the Reporting Period	Date of Grant	Exercise price (US$ per share)	Vesting period	Exercise period
DIRECTORS AND SENIOR MANAGEMENT										
Dr. Lu (Director)	2,635,520	–	–	–	–	2,635,520	February 15, 2023	0.452	Note 3	Note 6
Ms. Xie (Director)	1,640,510	–	–	–	970,000	670,510	March 1, 2021, June 15, 2021, and March 31, 2022	0.05	Note 3	Note 6
Dr. Gu (Director)	5,500,000	–	–	–	899,500	4,600,500	January 4, 2020, March 2, 2020, and June 15, 2021	0.234	Note 3	Note 6
	1,000,000	–	–	–	–	1,000,000	March 31, 2022 and February 15, 2023	0.452	Note 3	Note 6
Subtotal	**10,776,030**	**–**	**–**	**–**	**1,869,500**	**8,906,530**				
Consultants (including former consultants) of the Group	252,500	–	–	–	85,000	167,500	July 16, 2018, March 31, 2022, and October 1, 2022	0.234, 0.452	Note 4	Note 6
Other grantees (including employees and former employees)	21,528,050	–	408,750	–	5,259,200	15,860,100	April 11, 2018 to January 31, 2023	0.03 to 0.452	Note 5	Note 6

Notes:

(1) Closing price of Shares immediately before the date on which the Share Options were granted and the fair value of Share Options at the date of grant are not applicable as no Share Option was granted during the Reporting Period. No grant was made under the Pre-IPO Share Option Scheme which requires review by the Remuneration Committee during the Reporting Period.

(2) The weighted average closing price of the Shares immediately before the dates on which the Share Options were exercised is HK$19.30.

(3) The vesting schedule for these Share Options is: (i) 40% to be vested two years from the commencement date as indicated in the relevant offer letters signed between the grantees and the Company (the "**Vesting Commencement Date**"); and (ii) 5% to be vested every quarter thereafter.

(4) Among the 167,500 Share Options to the external consultants of our Group, the vesting schedule for 50,000 Share Options is: (i) 40% to be vested two years from the Vesting Commencement Date; and (ii) 5% to be vested every quarter thereafter; and the vesting schedule for 117,500 Share Options is: (i) 20% to be vested one year from the Vesting Commencement Date; and (ii) 5% to be vested every quarter thereafter.

(5) Among the 15,860,100 Share Options to other grantees, the vesting schedule for 9,145,100 Share Options is: (i) 40% to be vested two years from the Vesting Commencement Date; and (ii) 5% to be vested every quarter thereafter; and the vesting schedule for 6,715,000 Share Options is: (i) 20% to be vested one year from the Vesting Commencement Date; and (ii) 5% to be vested every quarter thereafter.

(6) All the Share Options granted are exercisable upon vesting and after the Listing of the Shares unless otherwise approved by the Board, and will expire on or before the latter of (1) the third anniversary after the Listing Date, and (2) the tenth anniversary after the Vesting Commencement Date.

(7) All of the grants under the Pre-IPO Share Option Scheme were made without any performance targets.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Post-IPO Share Schemes

We adopted the Post-IPO Share Option Scheme on June 9, 2023, which was immediately prior to Listing. We further adopted the 2024 Share Award Scheme on June 14, 2024. Each of the schemes constitutes a share scheme governed by Chapter 17 of the Listing Rules.

The number of Share Options available for grant under the Post-IPO Share Option Scheme at the beginning and at the end of the Reporting Period was 27,770,035 and 16,610,035, respectively, representing 6.81% and 4.07% of the total number of Shares in issue as of June 30, 2025. The number of awards available for grant under the 2024 Share Award Scheme at the beginning and at the end of the Reporting Period was 27,770,035 and 16,610,035, respectively, representing 6.81% and 4.07% of the total number of shares in issue as of June 30, 2025. The number of Awards available for grant to eligible consultants under the Service Provider Sublimit (as defined below) at the beginning and at the end of the Reporting Period was 3,901,003 and 3,901,003, respectively, representing 0.96% and 0.96% of the total number of Shares in issue as of June 30, 2025. As at the date of this report, 39,010,035 Shares are available for issue under the Post-IPO Share Option Scheme and 2024 Share Award Scheme, representing 9.57% of the total number of Shares in issue (excluding treasury shares) as at the date of this report.

During the Reporting Period, 11,460,000 restricted share units ("**RSUs**") (representing an aggregate of 11,460,000 Shares) were granted under the 2024 Share Award Scheme, among which 6,660,000 RSUs were granted to employee participants of the Group (representing an aggregate of 6,660,000 Shares), and 1,600,000 RSUs were granted to each of Dr. Lu, Ms. Xie and Dr. Gu (representing 1,600,000 Shares to each of Dr. Lu, Ms. Xie and Dr. Gu). The Remuneration Committee reviewed and approved such grant to employees of the Group including Dr. Lu, Ms. Xie, and Dr. Gu.

No Share Option was granted under the Post-IPO Share Option Scheme during the Reporting Period. Accordingly, no grant of Share Option was made under the Post-IPO Share Option Scheme during the Reporting Period which requires review by the Remuneration Committee.

1. Terms of the Post-IPO Share Option Scheme

(a) Purpose

The purpose of the Post-IPO Share Option Scheme is to incentivize and reward the eligible persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

(b) Eligible Participants

We may grant Share Options to (a) an employee (whether full time or part-time) or a director of the Company or any of its subsidiaries and (b) a consultant who provides services to the Group (such as in respect of research and development, product commercialization, marketing and investor relations in investment environment of the Group) on a continuing and recurring basis in its ordinary and usual course of business which are material to the long term growth of the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(c) Maximum Number of Shares

Scheme mandate limit

The total number of Shares which may be issued upon exercise of all options and awards to be granted under the share scheme(s) adopted by the Company involving issue of new Shares (the "**Awards**") shall not in aggregate exceed 39,010,035 Shares, which also represents 9.57% of the issued Shares as at the end of the Reporting Period.

Eligible consultant sublimit

The total number of Shares which may be issued upon exercise of all Awards to be granted to eligible consultants shall not exceed 3,901,003 Shares.

The above limits may be refreshed by Shareholders at general meeting in accordance with Rule 17.03C of Chapter 17 of the Listing Rules.

(d) Maximum Entitlement of a Participant

Except with the approval of Shareholders in general meeting with such participant and his/her close associates (or his/her associates if the participant is a connected person) abstaining from voting, no option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of all Awards granted to such person in any 12-month period up to and including the date of the latest grant exceeds 1% of the Shares in issue from time to time.

(e) Exercise Period

An option may be exercised in accordance with the terms of the Post-IPO Share Option Scheme at any time during a period to be determined and notified by the Administrator to each grantee, which may commence on any day after the date upon which the offer for the grant of options is accepted or deemed to be accepted but shall end in any event not later than 10 years from the date on which an option is offered to a participant, subject to the provisions for early termination under the Post-IPO Share Option Scheme or the relevant document of grant or other notification issued by the Administrator. In any event, the minimum period for which an option must be held before it can be exercised shall be 12 months, subject to a shorter vesting period otherwise permitted under the Listing Rules.

(f) Vesting Period

The vesting period shall be determined by the Administrator thereof in an offer letter from time to time, subject to any acceleration of the vesting schedule at the Administrator's discretion, provided that any acceleration shall be subject to the minimum vesting period of 12 months, as well as a shorter vesting period as permitted under the Listing Rules.

(g) Duration and Remaining Life

The Post-IPO Share Option Scheme shall automatically terminate on the expiration of the 10-year period measured from the Listing Date. Therefore, as at the date of this report, the remaining life of the Post-IPO Share Option Scheme was approximately seven years and ten months.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(h) Subscription Price

The amount payable for each Share to be subscribed for under an option in the event of the option being exercised shall be determined by the Administrator and notified to any eligible participant, which shall be not less than the highest of: (i) the nominal value of a Share; (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which an option is offered to the participant, which must be a business day; and (iii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which an option is offered to the participant.

(i) Amount Payable on Application or Acceptance of the Option

An option shall be deemed to have been granted and accepted and to have taken effect when the duplicate letter comprising acceptance of the offer of the grant of the option duly signed by the grantee together with a payment to the Company and/or any of its subsidiaries of HK$1 (or the equivalent of HK$1 in the local currency of any jurisdiction where the Company and/or its subsidiaries operate, as the Administrator thereof may in its absolute discretion determine) by way of consideration for the grant thereof is received by the Company within 28 days after the date on which an option is offered to the grantee, or the time period specified in the offer of the grant of the option. Such remittance shall not be refundable.

2. Terms of the 2024 Share Award Scheme

(a) Purpose

The purpose of the 2024 Share Award Scheme is to attract and retain participants whose contributions are important to the long-term growth and success of the Group, to recognize and reward participants for their past contribution to the Group, to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The 2024 Share Award Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to participants.

(b) Duration and Remaining Life

The 2024 Share Award Scheme shall be valid and effective for ten years commencing on the adoption date (i.e. June 14, 2024) (the "**Adoption Date**"). Therefore, the remaining life of the 2024 Share Award Scheme was approximately eight years and ten months.

(c) Eligibility

The participants who may be selected are any individual or corporate entity (as the case may be), being any of (i) employee participant(s); or (ii) service provider(s) as defined in the 2024 Share Award Scheme, who the Administrator considers, in its sole discretion, have contributed or will contribute to the Group. For details of the factors in assessing the eligibility of the participants that the Administrator will consider, please refer to the announcement of the Company dated May 21, 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(d) Maximum Entitlement of a Participant

Unless approved by the Shareholders, the total number of Shares issued and to be issued in respect of all Awards granted to each participant in any 12-month period shall not exceed 1% of the total number of Shares in issue (excluding treasury shares) (the "**Individual Limit**"). Where any grant of Awards under the 2024 Share Award Scheme to a participant would result in the aggregate number of Shares issued and to be issued in respect of all Awards granted to such participant (excluding any Awards lapsed in accordance with the terms of the share scheme(s) of the Company) in the 12-month period up to and including the date of such grant exceeding such Individual Limit, such grant shall be subject to separate approval of the Shareholders in general meeting with such participant and his/her close associates (or his/her associates if the participant is a connected person of the Company) abstaining from voting.

In addition, subject to the Individual Limit, where any grant of awards (excluding grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company (or any of their associates) would result in the number of Shares issued and to be issued in respect of all awards granted (excluding grant of options) under the 2024 Share Award Scheme and any other share scheme(s) of the Company (excluding awards lapsed in accordance with relevant schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of Shares in issue as at the date of grant (excluding treasury shares), such further grant of awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting with the grantees, their associates and all core connected persons (as defined under the Listing Rules) of the Company abstaining from voting in favour. Where any grant of Awards to an independent non-executive Director or substantial Shareholder of the Company or any of their respective associates would result in the number of Shares issued and to be issued in respect of all Awards granted under the share scheme(s) of the Company (excluding Awards lapsed in accordance with the relevant schemes) to such person in the 12-month period up to and including the date of grant representing in aggregate over 0.1% of the total number of Shares in issue as at the date of grant (excluding treasury shares), such further grant of Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting with the grantees, their associates and all core connected persons (as defined under the Listing Rules) of the Company abstaining from voting in favour.

(e) Maximum number of Shares

The total number of Shares which may be issued in respect of all Awards that may be granted under the share scheme(s) adopted by the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (excluding treasury shares), being 39,010,035 Shares (the "**Scheme Mandate Limit**"), unless otherwise permitted by the Listing Rules or the Company obtains the approval of its Shareholders to refresh the Scheme Mandate Limit. Within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Awards that may be granted under the share scheme(s) of the Company to each participant who is a service provider must not in aggregate exceed 3,901,003 Shares, representing 1% of the total number of Shares in issue as at the Adoption Date (excluding treasury shares) (the "**Service Provider Sublimit**"). Awards which have lapsed in accordance with the terms of the share scheme(s) of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit or the Service Provider Sublimit.

(f) Purchase Price

Unless otherwise determined by the Administrator at its sole discretion or as required by applicable law in respect of the purchase price (if any) of any particular award on a case-by-case basis which shall be stated in the offer documentation, the grantee is not required to pay any purchase price to the Company to purchase any restricted share unit underlying an award granted under the 2024 Share Award Scheme. The grantee is not required to pay any consideration to the Company on acceptance of an offer.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(g) Vesting of Awards

The Administrator may determine the vesting period of the awards, provided that the vesting period in respect of any award shall be no less than 12 months from (and including) the date of the grant, except with respect to awards granted to an employee participant, for which a shorter vesting period may be permitted under specified circumstances pursuant to the 2024 Share Award Scheme. According to the 2024 Share Award Scheme, upon vesting of the awards granted to the grantee, such awards shall be satisfied by (i) existing Shares as may be purchased by the relevant trustee on the Stock Exchange or off the market; or (ii) new Shares to be allotted and issued (or treasury shares to be transferred) to the grantee directly or (iii) payment to the grantee of an amount equivalent to the market value of the Shares underlying the awards in cash.

3. Awards Granted under the 2024 Share Award Scheme

No Share Option was granted under the Post-IPO Share Option Scheme during the Reporting Period. Movements of the RSUs granted under the 2024 Share Award Scheme during the Reporting Period are set out below:

			Number of RSUs									
Name or category of grantee	Date of Grant	Closing price immediately before the date of grant made during the Reporting Period (HK$ per Share)	Outstanding as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at the end of the Reporting Period	Purchase price per RSU granted[1]	Vesting period	Performance targets	Fair value of RSUs granted during the Reporting Period at the date of grant[2] (HK$)
DIRECTORS AND SENIOR MANAGEMENT												
Dr. Lu *(Director)*	September 5, 2024	N/A	1,500,000	–	–	–	–	1,500,000	–	Note 3	Note 4	N/A
	May 8, 2025[5]	13.82	–	1,600,000	–	–	–	1,600,000	–	Note 3	Note 4	32,160,000
Ms. Xie *(Director)*	September 5, 2024	N/A	1,500,000	–	–	–	–	1,500,000	–	Note 3	Note 4	N/A
	May 8, 2025[5]	13.82	–	1,600,000	–	–	–	1,600,000	–	Note 3	Note 4	32,160,000
Dr. Gu *(Director)*	September 5, 2024	N/A	1,500,000	–	–	–	–	1,500,000	–	Note 3	Note 4	N/A
	May 8, 2025[5]	13.82	–	1,600,000	–	–	–	1,600,000	–	Note 3	Note 4	32,160,000
OTHER EMPLOYEE PARTICIPANTS												
	September 5, 2024	N/A	6,740,000	–	–	300,000	–	6,440,000	–	Note 3	Note 4	N/A
	May 8, 2025	13.82	–	6,660,000	–	–	–	6,660,000	–	Note 3	Note 4	95,238,000
Total:			11,240,000	11,460,000	–	300,000	–	22,400,000				

Notes:

(1) The RSUs granted during the Reporting Period had no exercise period or purchase price.

(2) Details of the fair value of RSUs granted at the date of grant and the accounting standard and policy adopted are set out in Note 16 to the financial statements in this report. The fair value of RSUs granted during the Reporting Period at the date of grant was HK$191,718,000.

(3) The vesting period for these RSUs is 25% shall vest on each anniversary of the date of the grant of the RSUs for the next four years, subject to satisfaction (or waiver, as applicable) of the vesting conditions stipulated in the respective grant letters.

(4) The vesting of the RSUs granted are not subject to any performance targets.

(5) The RSUs granted to Dr. Lu, Ms. Xie and Dr. Gu were approved by the independent Shareholders at the annual general meeting held on June 3, 2025.

(6) None of the participants has been granted with options and awards in excess of the 1% Individual Limit.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company (i.e. the Pre-IPO Share Option Scheme, the Post-IPO Share Option Scheme, and the 2024 Share Award Scheme) during the Reporting Period divided by the weighted average number of Shares in issue during the Reporting Period is 0.03.

CHANGE IN DIRECTOR'S BIOGRAPHICAL DETAILS UNDER RULE 13.51B OF THE LISTING RULES

Dr. WANG David Guowei resigned as a director of Sinovac Biotech Ltd., a company listed on NASDAQ Global Market (stock code: SVA), in June 2025.

Save as disclosed above, as at the date of this report, there has been no change in the information of the Directors as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the CG Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance. The Directors are of the view that during the Reporting Period, the Company has complied with all applicable code provisions of the CG Code save and except for the following deviation from code provision C.2.1 of the CG Code.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. LU Chris Xiangyang ("**Dr. Lu**") has served as our chairman since May 2018 and chief executive officer since April 2017. Dr. Lu is the founder of our Group and has extensive experience in the business operations and management of our Group. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned, Dr. Lu is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our chief executive officer. Our Board also believes that the combined role of chairman and chief executive officer can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. Our Directors consider that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and three independent non-executive Directors.

The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman and the chief executive officer is necessary.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the employees of the Company who are likely to be in possession of inside information of the Company during the Reporting Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

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

CONTRACTS WITH CONTROLLING SHAREHOLDERS AND PLEDGING OF SHARES BY CONTROLLING SHAREHOLDERS

As of June 30, 2025, the Company had no controlling Shareholder and therefore (i) pledge of Shares by controlling Shareholder to secure the Company's debts or to secure guarantees or other support of their obligations, (ii) loan agreement with covenants relating to specific performance of controlling Shareholder, and (iii) contract of significance entered into among the Company or any of its subsidiaries and the controlling Shareholders during the six months ended June 30, 2025 or subsisted at the end of the Reporting Period are not applicable.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board. The Audit Committee currently consists of two independent non-executive Directors being Mr. ZHOU Jian and Dr. LI Min, and one non-executive Director being Dr. WANG David Guowei. The chairperson of the Audit Committee is Mr. ZHOU Jian. Mr. ZHOU Jian holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing rules.

The Audit Committee had reviewed, together with the management, the accounting principles and policies adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim financial information of the Group for the Reporting Period.

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

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report and as at the date of this report, there were no material subsequent events after the Reporting Period.

INTERIM DIVIDEND

The Board does not declare the payment of an interim dividend to the Shareholders for the Reporting Period.

On behalf of the Board
Laekna, Inc.
Dr. LU Chris Xiangyang
Chairman and executive Director

Hong Kong, August 13, 2025

INDEPENDENT REVIEW REPORT

Review report to the board of directors of Laekna, Inc.
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 37 to 51, which comprises the consolidated statement of financial position of Laekna, Inc. (the "Company") as of 30 June 2025 and the related consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of this interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

13 August 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 — unaudited

	Note	Six months ended 30 June	
		2025	2024
		RMB'000	*RMB'000*
Other income	4	**19,908**	14,149
Other losses		**–**	(4)
Administrative expenses		**(42,321)**	(30,380)
Research and development expenses		**(105,192)**	(126,148)
Loss from operations		**(127,605)**	(142,383)
Finance costs	5(a)	**(2,032)**	(1,323)
Loss before taxation	5	**(129,637)**	(143,706)
Income tax	6	**–**	–
Loss for the period		**(129,637)**	(143,706)
Other comprehensive income for the period (after tax and reclassification adjustments)			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation of financial statements of the Company		**(9,216)**	11,962
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign subsidiaries		**5,454**	(6,804)
Total comprehensive income for the period		**(133,399)**	(138,548)
Loss per share	7		
Basic and diluted (RMB)		**(0.35)**	(0.40)

The notes on pages 41 to 51 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 — unaudited

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment		**2,207**	2,686
Intangible assets	8	**123,725**	125,108
Right-of-use assets		**3,906**	4,774
Pledged deposits	9	**4,000**	–
Other non-current assets	10	**17,210**	14,068
		151,048	146,636
Current assets			
Prepayments and other receivables	11	**18,641**	13,368
Time deposits	12	**67,159**	163,611
Cash and cash equivalents	13	**676,562**	636,422
		762,362	813,401
Current liabilities			
Bank loans	14	**109,993**	99,010
Other payables	15	**82,667**	47,418
Lease liabilities		**2,045**	2,045
		194,705	148,473
Net current assets		**567,657**	664,928
Total assets less current liabilities		**718,705**	811,564
Non-current liabilities			
Lease liabilities		**2,349**	3,272
Deferred income		**3,500**	3,500
		5,849	6,772
NET ASSETS		**712,856**	804,792
CAPITAL AND RESERVES	17		
Share capital		**28**	28
Treasury shares		**(2)**	(2)
Reserves		**712,830**	804,766
TOTAL EQUITY		**712,856**	804,792

Approved and authorised for issue by the board of directors on 13 August 2025.

LU Chris Xiangyang

Directors

XIE Ling

The notes on pages 41 to 51 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 — unaudited

	Note	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium *RMB'000*	Capital reserve *RMB'000*	Exchange reserve *RMB'000*	Accumulated losses *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2024		27	(2)	3,232,626	76,300	(168,438)	(2,336,541)	803,972
Changes in equity for the six months ended 30 June 2024								
Loss for the period		–	–	–	–	–	(143,706)	(143,706)
Other comprehensive income		–	–	–	–	5,158	–	5,158
Total comprehensive income		–	–	–	–	5,158	(143,706)	(138,548)
Equity settled share-based payment	16	–	–	–	10,797	–	–	10,797
Balance at 30 June 2024 and 1 July 2024		27	(2)	3,232,626	87,097	(163,280)	(2,480,247)	676,221
Changes in equity for the six months ended 31 December 2024								
Loss for the period		–	–	–	–	–	(110,590)	(110,590)
Other comprehensive income		–	–	–	–	6,189	–	6,189
Total comprehensive income		–	–	–	–	6,189	(110,590)	(104,401)
Equity settled share-based payment	16	–	–	–	19,510	–	–	19,510
Exercise of share options	17(a)	–	–*	3,437	(3,134)	–	–	303
Share issued by placing, net of issuance costs	17(a)	1	–	213,158	–	–	–	213,159
Balance at 31 December 2024		28	(2)	3,449,221	103,473	(157,091)	(2,590,837)	804,792

* The balance represents an amount less than RMB1,000.

	Note	**Share capital** ***RMB'000***	**Treasury shares** ***RMB'000***	**Share premium** ***RMB'000***	**Capital reserve** ***RMB'000***	**Exchange reserve** ***RMB'000***	**Accumulated losses** ***RMB'000***	**Total equity** ***RMB'000***
Balance at 1 January 2025		28	(2)	3,449,221	103,473	(157,091)	(2,590,837)	804,792
Changes in equity for the six months ended 30 June 2025								
Loss for the period		–	–	–	–	–	(129,637)	(129,637)
Other comprehensive income		–	–	–	–	(3,762)	–	(3,762)
Total comprehensive income		–	–	–	–	(3,762)	(129,637)	(133,399)
Equity settled share-based payment	16	–	–	–	35,863	–	–	35,863
Exercise of share options	17(a)	–	–*	29,768	(24,168)	–	–	5,600
Balance at 30 June 2025		28	(2)	3,478,989	115,168	(160,853)	(2,720,474)	712,856

* The balance represents an amount less than RMB1,000.

The notes on pages 41 to 51 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2025 — unaudited

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Operating activities		
Cash used in operations	**(74,149)**	(143,382)
Net cash used in operating activities	**(74,149)**	(143,382)
Investing activities		
Payment for purchase of property, plant and equipment	**(71)**	(245)
Proceeds from sale of property, plant and equipment	**3**	4
Payment for purchase of intangible assets	**(440)**	(392)
Increase in pledged deposits	**(4,000)**	–
Decrease in time deposits with original maturity over three months	**95,437**	89,150
Interest received from bank deposits	**14,997**	13,318
Net cash generated from investing activities	**105,926**	101,835
Financing activities		
Proceeds from bank loans	**62,493**	42,290
Repayment of bank loans	**(51,510)**	(34,600)
Interest paid for bank loans	**(1,918)**	(1,167)
Proceeds from exercise of share options	**2,813**	–
Payment for capital element of lease liabilities	**(923)**	(792)
Payment for interest element of lease liabilities	**(114)**	(156)
Net cash generated from financing activities	**10,841**	5,575
Net increase/(decrease) in cash and cash equivalents	**42,618**	(35,972)
Cash and cash equivalents at 1 January	**634,323**	440,815
Effect of foreign exchange rate changes	**(2,399)**	2,488
Cash and cash equivalents at 30 June	**674,542**	407,331

The notes on pages 41 to 51 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1 GENERAL INFORMATION

Laekna, Inc. (the "Company") was incorporated in the Cayman Islands on 29 July 2016 as an exempted company with limited liability under the law of the Cayman Islands.

The Company is an investing holding company. The Company and its subsidiaries (together, the "Group") are principally engaged in discovering, developing and commercialising innovative therapies to patients with metabolic diseases, cancer and liver fibrosis around the world.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing") on 29 June 2023.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 13 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). KPMG's independent review report to the Board of Directors is included on page 36.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the IASB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Interest income from bank deposits	**13,903**	13,318
Government grants	**4,509**	406
Net foreign exchange gains	**1,496**	425
	19,908	14,149

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Interest on bank loans	**1,918**	1,167
Interest on lease liabilities	**114**	156
	2,032	1,323

(b) Staff costs

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**38,201**	43,935
Contributions to defined contribution retirement plan	**3,040**	2,580
Equity settled share-based payment expenses	**35,863**	10,797
	77,104	57,312

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

5 LOSS BEFORE TAXATION (Continued)

(c) Other items

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Amortisation of intangible assets	**1,098**	1,035
Depreciation charge		
— property, plant and equipment	**511**	708
— right-of-use assets	**868**	868
	1,379	1,576
Research and development expenses (i)	**105,192**	126,148
Net foreign exchange gains	**(1,496)**	(425)

(i) During the six months ended 30 June 2025, research and development expenses included RMB44,023,000 (six months ended 30 June 2024: RMB36,992,000) relating to staff costs and depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above or in Note 5(b) for each of these types of expenses.

6 INCOME TAX

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

(i) The Cayman Islands

Pursuant to the rules and regulations of the Cayman Islands, the Company is currently not subject to income tax.

(ii) Hong Kong, China

The Company's subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at 16.5% of the estimated assessable profits. No provision for Hong Kong profits tax had been made for the six months ended 30 June 2025 and 2024 as there were no assessable profits.

(iii) The USA

The Company's subsidiary incorporated in the USA is subject to Federal Tax at a rate of 21% and State Profits Tax at a rate of 0.75%–9.00% (2024: 0.75%–9.50%). Operations in the USA have incurred net accumulated operating losses for income tax purposes, and no income tax provisions had been made for the six months ended 30 June 2025 and 2024.

(iv) Chinese Mainland

Pursuant to the Corporate Income Tax Law of Chinese Mainland (the "CIT"), the Company's Chinese Mainland subsidiaries are subject to the CIT at a rate of 25%.

According to the new tax incentive policies promulgated by the State Tax Bureau of Chinese Mainland in March 2023, effective from 1 January 2023, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

7 LOSS PER SHARE

The calculation of basic loss per share for the six months ended 30 June 2025 is based on the loss attributable to ordinary equity shareholders of the Company of RMB129,637,000 (six months ended 30 June 2024: RMB143,706,000) and the weighted average of 375,387,000 ordinary shares (six months ended 30 June 2024: 355,981,000 ordinary shares) in issue during the interim period.

The calculation of diluted loss per share for the six months ended 30 June 2025 and 2024 has not included the potential effects of share options and restricted share units issued by the Company, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended 30 June 2025 and 2024 are the same as basic loss per share.

8 INTANGIBLE ASSETS

	In-licensed rights *RMB'000*	Software *RMB'000*	Total *RMB'000*
Cost:			
At 1 January 2025	**122,512**	**7,807**	**130,319**
Additions	**–**	**223**	**223**
Exchange adjustments	**(508)**	**–**	**(508)**
At 30 June 2025	**122,004**	**8,030**	**130,034**
Accumulated amortisation:			
At 1 January 2025	**–**	**(5,211)**	**(5,211)**
Charge for the period	**–**	**(1,098)**	**(1,098)**
At 30 June 2025	**–**	**(6,309)**	**(6,309)**
Net book value:			
At 30 June 2025	**122,004**	**1,721**	**123,725**
At 1 January 2025	**122,512**	**2,596**	**125,108**
Cost:			
At 1 January 2024	120,711	6,602	127,313
Exchange adjustments	752	–	752
At 30 June 2024	121,463	6,602	128,065
Accumulated amortisation:			
At 1 January 2024	–	(3,084)	(3,084)
Charge for the period	–	(1,035)	(1,035)
At 30 June 2024	–	(4,119)	(4,119)
Net book value:			
At 30 June 2024	121,463	2,483	123,946
At 1 January 2024	120,711	3,518	124,229

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

8 INTANGIBLE ASSETS (Continued)

(a) In-licensed rights

The balance of in-licensed rights represents payments made to acquire development and commercialisation rights of drug products from third parties and are not ready for commercial use. Due to the inherent uncertainties in the research and development processes, these assets are particularly at risk of impairment if the projects are not expected to result in commercialised products. Key terms of these licenses are set out below:

(i) LAE001

On 30 June 2017, the Group entered into a license agreement with Novartis Pharma AG ("Novartis"), pursuant to which Novartis granted the Group an exclusive license to develop, manufacture and commercialise the licensed product LAE001 world widely.

Under the terms of the agreement, the Group made an one-time and non-refundable upfront payment of USD1 million (equivalent to RMB6.6 million) and granted 776,437 ordinary shares of the Company to Novartis (equaling to 7,764,370 shares after adjusting for the effect of the share subdivision upon the Listing). The Group capitalised an amount of USD1.8 million (equivalent to RMB12.2 million) in total. The Group also agreed to make regulatory milestone payments, as well as royalty payments on net sales to Novartis.

(ii) LAE002 & LAE003

On 9 May 2018, the Group entered into a license agreement with Novartis, pursuant to which Novartis granted the Group an exclusive license to develop, manufacture and commercialise the licensed products LAE002 and LAE003 world widely.

Under the terms of the agreement, the Group made an one-time and non-refundable upfront payment of USD5 million (equivalent to RMB31.9 million) and granted 165,200 ordinary shares of the Company to Novartis (equaling to 1,652,000 shares after adjusting for the effect of the share subdivision upon the Listing). The Group capitalised an amount of USD5.2 million (equivalent to RMB33.5 million) in total. The Group also agreed to make clinical trial milestone payments, regulatory milestone payments, sales milestone payments, as well as royalty payments on net sales to Novartis.

(iii) LAE005

On 4 February 2020, the Group entered into a license agreement with Novartis, pursuant to which Novartis granted the Group an exclusive license to develop, manufacture and commercialise the products LAE005 world widely.

Under the terms of the agreement, the Group made an one-time and non-refundable upfront payment of USD10 million (equivalent to RMB69.4 million) to Novartis and capitalised such payment. The Group also agreed to make clinical trial milestone payments, regulatory milestone payments, sales milestone payments, as well as royalty payments on net sales to Novartis.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

9 PLEDGED DEPOSITS

As at 30 June 2025, deposits of RMB4,000,000 were pledged to secure issuance of a bank letter of guarantee related to a future lease commitment with original maturity over one year and therefore classified as non-current assets.

10 OTHER NON-CURRENT ASSETS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Value-add tax recoverable	**14,696**	11,475
Prepayments for equipment	**1,754**	1,754
Long-term rental deposits	**615**	615
Others	**145**	224
	17,210	14,068

11 PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Prepayments to suppliers	**8,580**	7,907
Other debtors and deposits	**10,061**	5,461
	18,641	13,368

12 TIME DEPOSITS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Bank deposits with original maturity over three months	**65,721**	161,158
Accrued interest	**1,438**	2,453
	67,159	163,611

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

13 CASH AND CASH EQUIVALENTS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Cash at banks	**204,070**	194,172
Deposits with banks	**470,472**	440,151
	674,542	634,323
Accrued interest	**2,020**	2,099
	676,562	636,422

As at 30 June 2025, cash and cash equivalents of the Group situated in Chinese Mainland amounted to RMB350,980,000 (2024: RMB259,738,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

14 BANK LOANS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Unsecured bank loans due within 1 year	**109,993**	99,010

As at 30 June 2025, unsecured bank loans carried interest at annual rates ranging from 2.37% to 3.85% (2024: 3.20% to 4.10%) per annum and were all repayable within one year.

15 OTHER PAYABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Payroll payables	**798**	13,456
Payables to grantees for exercise of share options (i)	**48,548**	–
Accrued research and development expenses	**28,991**	29,048
Other payables and accrued charges	**4,330**	4,914
	82,667	47,418

(i) As at 30 June 2025, the Group received payment of RMB48,548,000 through the trusts for and on behalf of certain grantees, being proceeds of the exercise of share options granted under the pre-IPO share option scheme (see Note 16(a)) and on-market sales of underlying shares of such share options exercised, including payables to the Company's key management personnel amounted to RMB20,237,000. Up to the date of this report, the balance had been fully settled by the Group.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

16 EQUITY SETTLED SHARE-BASED PAYMENT

(a) Share options

The Company adopted an employee share option scheme ("Pre-IPO Share Option Scheme") on 11 April 2018 (which was subsequently amended on 30 October 2019, 20 April 2021 and 31 March 2022), pursuant to which, the directors of the Company are authorised to issue share options to employees, directors, and advisors of the Group. Each option gives the holder the right to subscribe for one ordinary share of the Company.

(i) The terms and conditions of the grants are as follows:

	Number of instruments	Contractual life of options
Options granted to directors	19,953,020	10 years
Options granted to employees	26,600,000	10 years
Options granted to advisors	500,000	10 years
Total share options granted	47,053,020	

Unless otherwise approved by the Board of Directors, the Company adopted three vesting conditions for the above share options granted:

- 20% of the share options are expected to vest after twelve months of the grant date, and the remaining are expected to vest ratably over the following sixteen quarters;
- 40% of the share options are expected to vest after twenty-four months of the grant date, and the remaining are expected to vest ratably over the following twelve quarters; or
- 100% of the share options are expected to vest upon the grant date.

(ii) The movement of the number of share options are as follows:

	Six months ended 30 June	
	2025	2024
	'000	*'000*
Outstanding at the beginning of the period	**32,557**	33,957
Exercised during the period	**(7,214)**	–
Forfeited during the period	**(409)**	(338)
Outstanding at the end of the period	**24,934**	33,619
Exercisable at the end of the period	**19,566**	21,980

All the share options granted are exercisable upon vesting and after the occurrence of an initial public offering ("IPO") of the Company's shares unless otherwise approved by the Board of Directors, and will expire on or before the latter of (1) the third anniversary after the aforementioned occurrence of IPO, and (2) the tenth anniversary after the commencement date as indicated in the relevant offer letters signed between the grantees and the Company. The share options outstanding at 30 June 2025 had a weighted average exercise price of USD0.20 (31 December 2024: USD0.18), and an weighted average remaining contractual life of 5.2 years (31 December 2024: 5.7 years).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

16 EQUITY SETTLED SHARE-BASED PAYMENT (Continued)

(a) Share options (Continued)

(iii) Fair value of share options

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial lattice model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial lattice model.

During the six months ended 30 June 2025, total expenses recognised in the consolidated statement of profit or loss and other comprehensive income for the above transactions were RMB4,437,000 (six months ended 30 June 2024: RMB10,797,000).

(b) Restricted share units

The Company further adopted a post-IPO share award scheme ("Share Award Scheme"), as approved by the resolution of shareholders on 14 June 2024, pursuant to which, maximum number of 39,010,035 ordinary shares are authorised for issuance of restricted share units ("RSUs") to employees, directors and service providers of the Group. The Share Award Scheme shall be effective for 10 years commencing on 14 June 2024. As at 30 June 2025, 22,700,000 RSUs were granted by the Company to directors and employees of the Group under the Share Award Scheme.

(i) The terms and conditions of the grants are as follows:

	Number of RSUs	Vesting conditions	Price per RSUs *RMB*
RSUs granted to directors	9,300,000	Graded vest of one fourth per year over four years from announcement date	Nil
RSUs granted to employees	13,400,000	Graded vest of one fourth per year over four years from announcement date	Nil
Total RSUs granted	22,700,000		

(ii) The movement of the number of RSUs are as follows:

	Six months ended 30 June	
	2025 ***'000***	2024 *'000*
Balance at the beginning of the period	**11,240**	–
Granted during the period	**11,460**	–
Forfeited during the period	**(300)**	–
Balance at the end of the period	**22,400**	–

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

16 EQUITY SETTLED SHARE-BASED PAYMENT (Continued)

(b) Restricted share units (Continued)

(iii) Fair value of restricted shares granted

The grant-date fair value of the RSUs granted is measured based on the closing price of the Company's shares at the respective grant date.

During the six months ended 30 June 2025, total expenses recognised in the consolidated statement of profit or loss and other comprehensive income for the above transactions were RMB31,426,000 (six months ended 30 June 2024: nil).

17 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital and share premium

As at 30 June 2025, the authorised share capital of the Company was USD50,000 divided into 5,000,000,000 ordinary shares with par value of USD0.00001 each.

Details of the movement of the issued and fully paid share capital of the Company are as follows:

	No. of shares *'000*	Share capital *RMB'000*	Treasury shares *RMB'000*
Ordinary shares, issued and fully paid:			
At 1 January 2024 and 30 June 2024	390,100	27	(2)
Shares issued by placing (i)	17,636	1	–
Exercise of share options (ii)	–	–	–*
At 31 December 2024	407,736	28	(2)
Exercise of share options (iii)	–	–	–*
At 30 June 2025	407,736	28	(2)

* The balances represent amounts less than RMB1,000.

(i) On 27 November 2024, the Company issued 17,636,000 ordinary shares at an offer price of HK$13.36 per share. Net proceeds from the placing amounted to RMB213,159,000 equivalent, after deducting issuance costs. Out of the net proceeds, RMB1,000 and RMB213,158,000 were credited to the Company's share capital and share premium account, respectively.

(ii) On 30 December 2024, 842,240 vested share options were exercised and accordingly, 842,240 ordinary shares with a par value of USD0.00001 were deducted from the treasury shares.

(iii) During the six months ended 30 June 2025, 7,213,700 vested share options were exercised and accordingly, 7,213,700 ordinary shares with a par value of USD0.00001 were deducted from the treasury shares.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

17 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Dividends

The directors of the Company did not propose any dividend during the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

As at 30 June 2025 and 31 December 2024, the Group does not have any financial assets or liabilities measured at fair value. The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 30 June 2025 and 31 December 2024.

19 COMMITMENTS

Commitments outstanding at 30 June 2025 not provided for in the interim financial report:

	At 30 June 2025 ***RMB'000***	At 31 December 2024 *RMB'000*
Contracted for acquisition of property, machinery, and equipment and intangible assets	**4,921**	4,045
Authorised but not contracted for acquisition of property, machinery, and equipment	**–**	3,031
	4,921	7,076

In addition, as at 30 June 2025 and 31 December 2024, the Group was committed to enter into a new lease that is not yet commenced, and the lease payments under which amounted to RMB1,296,000 per annum for the first three years and RMB1,692,000 per annum for the fourth and fifth years.