德琪醫藥有限公司
Antengene Corporation Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 6996

2024
ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Jay Mei *(Chairman and Chief Executive Officer)*
Mr. John F. Chin *(Chief Business Officer)*
(Resigned with effect from August 1, 2024)
Mr. Donald Andrew Lung *(Chief Financial Officer)*

Non-executive Directors

Dr. Kan Chen *(Retired on June 14, 2024)*

Independent Non-executive Directors

Ms. Jing Qian
Mr. Sheng Tang
Dr. Rafael Fonseca

AUDIT COMMITTEE

Mr. Sheng Tang *(Chairman)*
Dr. Rafael Fonseca
Ms. Jing Qian

REMUNERATION COMMITTEE

Ms. Jing Qian *(Chairwoman)*
Dr. Jay Mei
Mr. Sheng Tang

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Dr. Jay Mei *(Chairman)*
Dr. Rafael Fonseca
Ms. Jing Qian

SCIENTIFIC COMMITTEE

Dr. Rafael Fonseca *(Chairman)*
Dr. Jay Mei
Dr. Kan Chen *(Retired on June 14, 2024)*

AUTHORIZED REPRESENTATIVES

Dr. Jay Mei
Mr. Donald Andrew Lung

JOINT COMPANY SECRETARIES

Mr. Yang Cao
Mr. Wai Chiu Wong

REGISTERED OFFICE

The offices of Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEAD OFFICES AND PRINCIPAL PLACES OF BUSINESS IN CHINA

Suites 1206-1209, Block B
Zhongshan SOHO Plaza
1065 West Zhongshan Road
Changning District
Shanghai
PRC

Building 10, Life Science Industrial Park
1 Yunhai Road
Lihai Town, Binhai New City
Shaoxing, Zhejiang Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room No. 901, 9th Floor, Nan Fung Tower
88 Connaught Road Central and
173 Des Voeux Road Central
Hong Kong

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
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

HONG KONG LEGAL ADVISER

Sidley Austin
39/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

COMPLIANCE ADVISOR

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

PRINCIPAL BANKERS

China Merchants Bank Shanghai Branch
No.161, Lu Jia Zui Dong Rd
Pudong New District, Shanghai
PRC

Citibank N.A., Hong Kong Branch
3 Garden Road
Central
Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

STOCK CODE

6996

COMPANY WEBSITES

www.antengene.com
www.antengene.cn

KEY DATE

Date of Listing
November 20, 2020

Annual General Meeting
June 13, 2025

FINANCIAL HIGHLIGHTS

A summary of the results and of the assets and liabilities of Antengene Corporation Limited (the "**Company**" or "**Antengene**") and its subsidiaries (together, the "**Group**", "**we**", "**us**" or "**our**") for the last five financial years, as extracted from the audited financial information and financial statements, is set out below:

	Year ended December 31,				
	2020	2021	2022	2023	**2024**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Revenue	–	28,769	160,135	67,305	**91,950**
Other income and gains	26,834	42,567	293,904	115,786	**48,870**
Research and development costs	(347,655)	(405,029)	(488,491)	(405,669)	**(258,912)**
Selling and distribution expenses	(455)	(67,941)	(355,391)	(192,739)	**(73,730)**
– Milestone payments related to APAC commercialization	–	–	(136,564)	(57,432)	**–**
Administrative expenses	(154,221)	(169,463)	(167,055)	(148,056)	**(106,263)**
Fair value loss on convertible redeemable preferred shares*	(2,356,271)	–	–	–	**–**
Loss for the year	(2,928,921)	(655,529)	(601,488)	(581,183)	**(319,250)**
Adjusted loss for the year**	(454,958)	(613,444)	(550,184)	(533,904)	**(304,572)**

* This represents the loss on the fair value changes of convertible redeemable preferred shares, a non-cash and one-time adjustment recognized upon listing as required under the International Financial Reporting Standards ("**IFRS**").

** Adjusted loss for the year is not defined under the IFRS. It represents the loss for the year excluding the effect brought by equity-settled share-based payment expense, share issue expenses and fair value loss on convertible redeemable preferred shares.

	As at December 31,				
	2020	2021	2022	2023	**2024**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Total current assets	3,128,023	2,412,568	1,896,080	1,241,824	**956,155**
Total non-current assets	66,378	145,040	246,080	376,763	**388,577**
Total current liabilities	150,601	159,362	381,797	190,888	**146,325**
Total non-current liabilities	5,992	3,933	47,041	280,315	**347,606**
Total equity	3,037,808	2,394,313	1,713,322	1,147,384	**850,801**

FINANCIAL HIGHLIGHTS

IFRS MEASURES:

Our revenue increased by RMB24.7 million from RMB67.3 million for the year ended December 31, 2023 to RMB92.0 million for the year ended December 31, 2024, marking a significant increase of 36.7%. This increase was fueled by accelerated contributions from Mainland China, where revenue grew by 27.4%, driven by a substantial rise in sales volume. This strong sales performance was achieved despite a significant price reduction following the National Reimbursement Drug List ("**NRDL**") inclusion of XPOVIO® (selinexor) in December 2023.

Our other income and gains decreased by RMB66.9 million from RMB115.8 million for the year ended December 31, 2023 to RMB48.9 million for the year ended December 31, 2024, primarily attributable to the decreased net foreign exchange gain.

Our research and development ("**R&D**") costs decreased by RMB146.8 million from RMB405.7 million for the year ended December 31, 2023 to RMB258.9 million for the year ended December 31, 2024, primarily attributable to our decreased drug development expenses and R&D employee costs as a result of enhanced R&D efficiency, and our decreased licensing fees.

Our selling and distribution expenses decreased by RMB119.0 million from RMB192.7 million for the year ended December 31, 2023 to RMB73.7 million for the year ended December 31, 2024, primarily attributable to the absence of milestone payments related to Asia-Pacific ("**APAC**") commercialization of XPOVIO® (selinexor) in 2024 and the decreased employee costs due to the commercialization partnership with Hansoh Pharmaceutical Group Company Limited ("**Hansoh Pharma**", SEHK: 3692.HK).

Our administrative expenses decreased by RMB41.8 million from RMB148.1 million for the year ended December 31, 2023 to RMB106.3 million for the year ended December 31, 2024, primarily attributable to the decreased employee costs.

As a result of the foregoing, the loss for the year decreased by RMB261.9 million from RMB581.2 million for the year ended December 31, 2023 to RMB319.3 million for the year ended December 31, 2024.

NON-IFRS MEASURES:

Adjusted loss decreased by RMB229.3 million from RMB533.9 million for the year ended December 31, 2023 to RMB304.6 million for the year ended December 31, 2024, representing a considerable reduction of 42.9%, which was largely due to our well-performed cost efficiency strategy resulting in the decrease in our research and development costs, selling and distribution expenses and administrative expenses (each excluding the effect brought by equity-settled share-based payment expense).

BUSINESS HIGHLIGHTS

During the year ended December 31, 2024 (the "**Reporting Period**"), and as at the date of this report, significant advancement has been made with respect to our product pipeline and business operations:

COMMERCIALIZED ASSET:

- Selinexor (ATG-010, XPOVIO®, Greater China brand name 希維奧®, first-in-class XPO1 inhibitor)
    - In June 2024, South Korea's National Health Insurance Service (NHIS) has approved the reimbursement of XPOVIO® (selinexor) for the treatment of adult patients with relapsed or refractory multiple myeloma (rrMM). XPOVIO® has officially been included into the national reimbursed drugs list of South Korea since July 1, 2024.
    - In July 2024, China National Medical Products Administration (NMPA) has approved a new indication of XPOVIO® (selinexor) as a monotherapy for the treatment of adult patients with relapsed/refractory diffuse large B-cell lymphoma (rrDLBCL) after at least two lines of systemic therapy.
    - In August 2024, Malaysian National Pharmaceutical Regulatory Agency has approved a New Drug Application (NDA) for XPOVIO® (selinexor) for two indications: (1) in combination with bortezomib and dexamethasone for the treatment of adult patients with multiple myeloma (MM) who have received at least one prior therapy; and (2) in combination with dexamethasone for the treatment of adult patients with MM who have received at least four prior therapies and whose disease is refractory to at least two proteasome inhibitors (PIs), two immunomodulatory agents (IMiDs) and an anti-CD38 (mAb), and who have demonstrated disease progression on the last therapy.
    - In September 2024, the Thailand Food and Drug Administration has approved a NDA for XPOVIO® (selinexor) for two indications: (1) in combination with bortezomib and dexamethasone for the treatment of adult patients with MM who have received at least one prior therapy; and (2) in combination with dexamethasone for the treatment of adult patients with MM who have received at least four prior therapies and whose disease is refractory to at least two PIs, two IMiDs and an anti-CD38 mAb, and who have demonstrated disease progression on the last therapy.
    - In October 2024, the South Korean Ministry of Food and Drug Safety (MFDS) has approved a supplemental New Drug Application (sNDA) for XPOVIO® (selinexor) in combination with bortezomib and dexamethasone for the treatment of adult patients with MM who have received at least one prior therapy.
    - In November 2024, the new indication of XPOVIO® (selinexor) in adult patients with rrDLBCL who have received at least two lines of systematic therapy, has been included into the 2024 China National Reimbursement Drug List (2024 NRDL) which officially took effect on January 1, 2025.

BUSINESS HIGHLIGHTS

LATE-STAGE ASSET:

Onatasertib (ATG-008, mTORC1/2 inhibitor)

- In May 2024, we announced the latest results from the Phase I/II TORCH-2 study. The results were subsequently presented in an oral presentation session at the 2024 American Society for Clinical Oncology Annual Meeting (ASCO 2024). ATG-008 combined with toripalimab (anti-PD-1 antibody) showed promising anti-tumor activity and acceptable tolerability in checkpoint inhibitor (CPI)-naïve cervical cancer patients, achieving an overall response rate (ORR) of 53.3% and a disease control rate (DCR) of 86.7%. In general, ATG-008 in combination with toripalimab are very well tolerated.

OTHER CLINICAL STAGE ASSETS:

ATG-022 (Claudin 18.2 antibody-drug conjugate)

- In March 2024, we initiated the Phase II part of CLINCH study of ATG-022 in China and Australia.

- We announced the latest results from the Phase I/II CLINCH study ongoing in China and Australia evaluating ATG-022 in patients with advanced or metastatic gastric cancer at the American Society of Clinical Oncology Gastrointestinal Cancers Symposium 2025 (ASCO GI 2025) in January 2025. Details of the results are listed under the section headed "EVENTS AFTER THE REPORTING PERIOD".

ATG-031 (anti-CD24 monoclonal antibody)

- The Phase I trial of ATG-031 for the treatment of advanced solid tumors (the "**PERFORM trial**") is ongoing in the United States.

- In June 2024, we announced the latest results from the Phase I PERFORM study. The results were subsequently presented as a poster at the ASCO 2024.

ATG-037 (CD73 inhibitor)

- The Phase I trial of ATG-037 for the treatment of locally advanced or metastatic solid tumors (the "**STAMINA trial**") is completed in Mainland China and Australia.

ATG-101 (PD-L1/4-1BB bispecific antibody)

- The Phase I trial of ATG-101 for the treatment of advanced/metastatic solid tumors and B-cell non-Hodgkin lymphoma (B-NHL) (the "**PROBE-CN trial**" and the "**PROBE trial**") are ongoing in Mainland China, Australia, and the United States, respectively.

- In March 2024, the preclinical studies on ATG-101 were published in Cancer Research in a paper titled "ATG-101 is a tetravalent PD-L1×4-1BB bispecific antibody that stimulates anti-tumor immunity through PD-L1 blockade and PD-L1-directed 4-1BB activation".

BUSINESS HIGHLIGHTS

Pre-clinical stage assets:

We made steady progress in our pre-clinical pipeline assets – ATG-042 (PRMT5-MTA inhibitor); ATG-201 (CD19 x CD3 T cell engager); ATG-102, (LILRB4 x CD3 T cell engager), ATG-106 (CDH6 x CD3 T cell engager); ATG-107 (FLT3 x CD3 T cell engager) and ATG-110 (LY6G6D x CD3 T cell engager).

Technology Platform:

We made steady progress in our novel "2+1" T cell engager platform AnTenGager™, which enables enhanced efficacy and conditional T cell activation with reduced risk of cytokine release syndrome (CRS).

We plan to expand our investment and consolidate resources to establish a dedicated artificial intelligence ("**AI**") department. This initiative includes the on-site deployment of DeepSeek to accelerate the development of its next-generation proprietary T-cell engager (TCE) pipeline, which features a steric hindrance-masking technology.

BUSINESS DEVELOPMENT AND OTHER KEY ACTIVITIES:

- Leveraging our combinatory and complementary R&D strategy and through our strong R&D capabilities and strategic approach in developing novel therapies, we continue to realize our vision of treating patients beyond borders and improving their lives in discovering, developing and commercializing global first-in-class, only-in-class and/or best-in-class therapies.

- During the Reporting Period, we did not engage in any new business development activities. This decision was strategically aligned with our focus on advancing our core research and development initiatives. We continue to seek research collaboration, clinical collaboration and development as well as commercialization partnership to execute our corporate strategy and vision.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of the Company, I am pleased to present the Group's annual report for the year ended December 31, 2024.

2024 was a year of both formidable challenges and meaningful progress for Antengene. Amidst a dynamic and evolving external environment, we made important strides across both R&D and commercial operations – advances that have strengthened our position as a global innovator for novel therapeutics. As we look ahead to 2025, I am pleased to share a high-level overview of the milestones we achieved and the path forward, as we remain steadfast in our mission to delivering transformative medicines to patients worldwide.

Clinical Pipeline: ATG-022 Leads the Way

The continued advancement of our clinical pipeline reflects the ingenuity of our R&D team and the strength of our global development strategy. We are actively conducting studies across leading oncology centers in China, Australia, and the United States.

One of the most exciting developments in 2024 was the progress of ATG-022, our Claudin 18.2-targeting antibody-drug conjugate (ADC). Clinical data presented at the ASCO GI 2025 in January 2025, underscored ATG-022's potential to be a best-in-class therapy. Notably, ATG-022 demonstrated robust antitumor efficacy across the full spectrum of Claudin 18.2 expression levels, including moderate-to-high expressors, as well as low and ultra-low expressors. This sets ATG-022 apart from current treatments that primarily benefit patients with high expression levels. Additionally, ATG-022 has shown a better safety profile without accumulative systemic toxicities, and much fewer dose-limiting toxicities and lower high grade adverse events compared to other Claudin 18.2 ADCs in similar clinical development stages. This broadened activity profile and favourable safety profile positions ATG-022 as a safe therapeutic option to address critical unmet medical need in patients with limited or no existing targeted treatment options, expanding the potential addressable population and underscoring the clinical and commercial significance of this program. In 2025, we anticipate completing further dose expansion cohorts, with early proof-of-concept data that could support its transition to pivotal-stage development. We believe ATG-022 is emerging as a standout program in the Claudin 18.2 space, and we are investing accordingly in its advancement.

We also made progress with two other global rights programs showing encouraging early signals:

- **ATG-037**, our oral CD73 inhibitor, demonstrated synergy in combination with pembrolizumab in a Phase I/II study presented at European Society for Medical Oncology (ESMO) 2024. These data support its potential role in overcoming immune checkpoint resistance, with additional readouts expected in 2025.

- **ATG-031**, a first-in-class anti-CD24 monoclonal antibody, has shown early evidence of tumor shrinkage and favorable safety at initial dose levels. By blocking CD24-Siglec10, ATG-031 enhances macrophage-mediated phagocytosis – a promising new approach in innate immune activation.

CHAIRMAN'S STATEMENT

The Exciting Proprietary AnTenGager™ TCE 2.0 with Steric Hindrance-masking Technology

2024 also marked a breakthrough year for our AnTenGager™ Platform, a proprietary "2+1" T-Cell Engager (TCE) 2.0 platform, featuring a steric hindrance-masking technology. While TCEs have shown great therapeutic promise, their development has been hindered by challenges such as cytokine release syndrome (CRS) and limited efficacy in tumors with low antigen expression. Our AnTenGager™ platform addresses these limitations by ensuring CD3 engagement occurs only when the TCE binds to disease-associated antigens. This minimizes the risk of systemic T cell activation and CRS, enabling the development of more potent and safer therapies. Furthermore, its bivalent tumor antigen binding increases binding affinity and allows for effective binding to low-expressing targets – unlocking treatment possibilities for hard-to-treat cancers and autoimmune diseases.

Importantly, AnTenGager™ TCEs incorporates patented, proprietary CD3 sequences, offering Antengene strategic exclusivity and potential long-term competitive edge. In 2025, we plan to advance ATG-201 (CD19 x CD3), our first clinical candidate, from the AnTenGager™ platform into human trials, marking a new chapter in Antengene's evolution as a leader in bispecific T cell engagers

Commercial Business: Expanding Access, Driving Growth

Our commercial business delivered strong results in 2024, most notably with the approval of XPOVIO® for a second indication and its inclusion in China's National Reimbursement Drug List (NRDL). These milestones significantly expand patient access and strengthen our foundation for long-term growth. We also continued to broaden XPOVIO®'s footprint across Asia-Pacific through strategic regulatory and reimbursement efforts.

These achievements demonstrate not only the value of XPOVIO® to patients and physicians, but also the strategic capabilities of our commercial team in navigating complex and diverse markets. With continued multi-market revenue contribution from XPOVIO®, we are well-positioned to support the development of our innovative pipeline programs.

CHAIRMAN'S STATEMENT

Operations and Outlook: A Breakout Year Ahead

Antengene enters 2025 with strong operational fundamentals, a disciplined financial approach, and a clear strategic vision. We maintain a robust cash balance of RMB900 million, which enables us to fund pipeline advancement over the next three years, even without additional financing. Our executive and global teams are aligned in their commitment to high-quality execution, operational excellence, and ESG leadership, as reflected in this year's comprehensive ESG disclosures.

Looking head, 2025 is set to be a critical inflection point for our pipeline. We anticipate important clinical readouts from ATG-022 and other core programs, and plan to move at least one novel candidate from the AnTenGager™ platform into the clinic. We will also continue to explore global partnerships and strategic collaborations to further accelerate progress.

Since our founding in 2017, Antengene's mission has remained the same: to develop and deliver transformative therapies to patients around the world. The progress we made in 2024 – especially with ATG-022 and the AnTenGager™ platform – has brought us closer to that goal. I extend my deepest gratitude to our employees, partners, patients, caregivers, and clinical collaborators for your continued trust and support. We look forward to updating you throughout the year as we continue to advance science and improve the quality of life of patients.

Yours faithfully,
Dr. Jay Mei
Founder, Chairman and Chief Executive Officer
Antengene Corporation Limited

PRC
March 21, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

OUR VISION

Our vision is to treat patients beyond borders and improve their lives by discovering, developing and commercializing global first-in-class, only-in-class and/or best-in-class therapies.

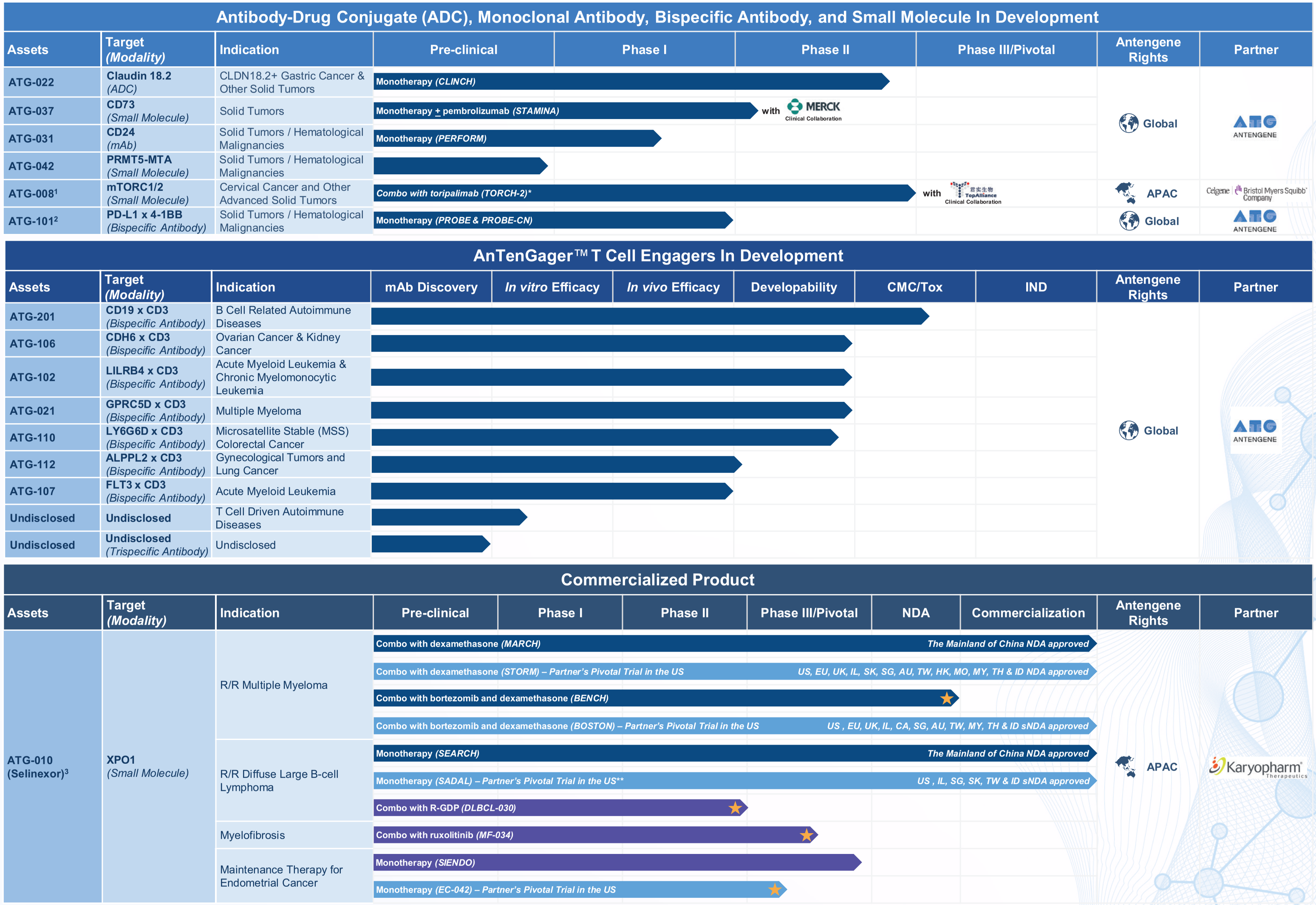
OVERVIEW

Started operations in 2017, we are a commercial-stage APAC biopharmaceutical company focused on innovative oncology medicines. We distinguish ourselves through our strong R&D capabilities and strategic approach to developing novel oncology therapies.

We have strategically designed and built an innovative research pipeline of 1 commercial stage product, 5 clinical and multiple pre-clinical stage programs focused on oncology and immunology. We employ a combinatory and complementary R&D strategy to maximise the potential of our pipeline assets which are synergistic to each other. We have obtained NDA approvals of XPOVIO® (selinexor) in Mainland China, Australia, South Korea, Singapore, Hong Kong China, Taiwan China, Macau China, Malaysia, Thailand and Indonesia.

Product Pipeline

We have a pipeline of 1 commercial stage asset, 5 clinical and multiple pre-clinical stage assets that focus on oncology and autoimmune diseases. The following table summarizes our pipeline and the development status. Each candidate in the regions noted in the chart below in the "Antengene Rights" column:



Antengene Trials[4] Partner Trials[5] Partner Global Trials in Antengene Region Registrational Trial

[1] Licensed from Celgene (BMS) and Antengene has rights for Greater China, South Korea, Singapore, Malaysia, Indonesia, Vietnam, Laos, Cambodia, the Philippines , Thailand and Mongolia;
[2] Licensed from Origincell and Antengene has obtained exclusive global rights to develop, commercialize and manufacture ATG -101;
[3] Licensed from Karyopharm and Antengene has rights for Greater China (Mainland China, Hong Kong, Taiwan, Macau), Australia, New Zealand, South Korea, and the ASEAN Countries;
[4] Most advanced trial status in Antengene territories and the trials are responsible by Antengene
[5] Most advanced trial status in partner territories in the rest of the world and the trials are conducted by our licensing part ners

* Investigator-initiated trials; ** SADAL Study (DLBCL US Trial) approval is under the accelerated approval pathway;
R/R: relapsed/refractory; R-GDP: Rituximab, Gemcitabine, Dexamethasone & Cisplatin; GemOx: Gemcitabine, Oxaliplatin; ICE: Ifosfa mide, Carboplatin, Etoposide
AU: Australia; CA: Canada; EU: Europe; HK: Hong Kong; ID: Indonesia; IL: Israel; MO: Macau; MY: Malaysia; SG: Singapore; SK: South Korea; TH: Thailand; TW: Taiwan; UK: United Kingdom; US: United States;

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We have made steady progress with regards to our pipeline assets in 2024.

Commercial-stage Product

Selinexor (ATG-010, XPOVIO®, Greater China brand name 希維奥®, first-in-class XPO1 inhibitor)

XPOVIO® (selinexor), our first commercial-stage product, orally available selective inhibitor of nuclear export (SINE) compound being developed for the treatment of various hematological malignancies and solid tumors. We obtained exclusive rights from Karyopharm Therapeutics Inc. ("**Karyopharm**") for the development and commercialization of XPOVIO® (selinexor) in Mainland China, Hong Kong China, Taiwan China, Macau China, South Korea, Australia, New Zealand and ASEAN countries.

Our licensing partner, Karyopharm, obtained approval through the U.S. Food and Drug Administration (FDA)'s Accelerated Approval Program on July 3, 2019 for XPOVIO® (selinexor) in combination with low-dose dexamethasone for the treatment of adult patients with rrMM who have received at least four prior therapies and whose disease is refractory to at least two PIs, at least two IMiDs and an anti-CD38 mAb.

On June 22, 2020, XPOVIO® (selinexor) received accelerated approval from the U.S. FDA for the treatment of adult patients with rrDLBCL, not otherwise specified, including DLBCL arising from follicular lymphoma, after at least two lines of systemic therapy. On December 18, 2020, the U.S. FDA approved XPOVIO® (selinexor) in combination with bortezomib and dexamethasone for the treatment of adult patients with MM who have received at least one prior therapy.

In July 2021, through a priority review process, the MFDS of South Korea approved the Company's NDA for XPOVIO® (selinexor) in combination with dexamethasone for the treatment of adult patients with relapsed or refractory multiple myeloma who have received at least four prior therapies and whose disease is refractory to at least two PIs, at least two IMiDs, and an anti-CD38 mAb (penta-refractory); and as a monotherapy for the treatment of adult patients with relapsed/refractory diffuse large B-cell lymphoma who have received at least two prior lines of treatment. In December 2021, we submitted sNDA to MFDS for XPOVIO® (selinexor) in combination with bortezomib and dexamethasone is indicated for the treatment of adult patients with multiple myeloma who have received at least one prior therapy, and MFDS approved the sNDA in October 2024.

In December 2021, XPOVIO® (selinexor) received conditional approval for marketing by the NMPA, in combination with dexamethasone for the treatment of adults with rrMM who have received prior therapy including a PI, an IMiDs and an anti-CD38 mAb.

In June 2023, XPOVIO® (selinexor) in combination with bortezomib and dexamethasone (XVd) has been listed on the Pharmaceutical Benefits Scheme (PBS) for the treatment of adult patients with rrMM who have received at least one prior therapy.

In July 2023, the Department of Health, the Government of the HKSAR has approved an NDA for XPOVIO® (selinexor), in combination with dexamethasone (Xd), for the treatment of adult patients with rrMM who have received at least four prior therapies and whose disease is refractory to at least two PIs, two IMiDs, an anti-CD38 monoclonal antibody, and who have demonstrated disease progression on the last therapy.

In August 2023, Antengene and Hansoh Pharma entered into a collaboration agreement for the commercialization of XPOVIO® (selinexor) in Mainland China. Under the terms of the agreement, Antengene will continue to be responsible for research and development, regulatory approvals and affairs, product supply, and distribution of XPOVIO® (selinexor), while Hansoh Pharma will be exclusively responsible for commercialization of XPOVIO® (selinexor) in Mainland China. Antengene will receive up to RMB200 million of upfront payments, RMB100 million of which shall be received upon signing, and pursuant to the agreement and subject to the terms and conditions thereof, Antengene shall be eligible to receive up to RMB100 million of the remaining upfront payments, and up to RMB535 million in milestone payments from Hansoh Pharma. Antengene will continue to record revenues from sales of XPOVIO® (selinexor) in Mainland China and Hansoh Pharma will charge a service fee to Antengene.

In December 2023, the Pharmaceutical Administration Bureau of Macau has approved an NDA for XPOVIO® (selinexor), in combination with dexamethasone (Xd), for the treatment of adult patients with rrMM who have received at least four prior therapies and whose disease is refractory to at least two PIs, two IMiDs, an anti-CD38 mAb, and who have demonstrated disease progression on the last therapy.

In December 2023, XPOVIO® (selinexor) has been added to the NRDL for the treatment of adult patients with rrMM whose disease is refractory to at least one PIs, one IMiD, and an anti-CD38 mAb, which officially took effect on January 1, 2024. In November 2024, the new indication of XPOVIO® (selinexor) in adult patients with rrDLBCL who have received at least two lines of systematic therapy, has also been included into the 2024 NRDL, which officially took effect on January 1, 2025.

In June 2024, South Korea's National Health Insurance Service (NHIS) has approved the reimbursement of XPOVIO® (selinexor) for the treatment of adult patients with rrMM. XPOVIO® has officially been included into the national reimbursed drugs list of South Korea since July 1, 2024.

In July 2024, NMPA has approved a new indication of XPOVIO® (selinexor) as a monotherapy for the treatment of adult patients with rrDLBCL after at least 2 lines of systemic therapy.

In August and September 2024, Malaysian National Pharmaceutical Regulatory Agency and Thailand Food and Drug Administration have approved NDA for XPOVIO® (selinexor) for two indications for the treatment of adult patients with MM, respectively.

As of December 31, 2024 and as at the date of this report, we have obtained NDA approvals of XPOVIO® (selinexor) in Mainland China, South Korea, Singapore, Australia, Malaysia, Thailand, Taiwan China, Hong Kong China, Macau China and Indonesia. XPOVIO® (selinexor) in combination with dexamethasone (Xd) and in combination with bortezomib and dexamethasone (XVd) are listed on the PBS in Australia for the treatment of adult patients with rrMM who have received at least four prior line of therapy and at least one prior line of therapy respectively. Moreover, XPOVIO® (selinexor) in combination with dexamethasone (Xd) for the treatment of adult patients with rrMM is included in the national reimbursed drugs list of South Korea.

Several late-stage clinical studies are underway for XPOVIO® (selinexor) in Mainland China:

- A Phase III registrational clinical trial in combination with bortezomib and low-dose dexamethasone in rrMM (the "**BENCH trial**"), and

- A Phase II/III registrational clinical trial in combination with rituximab, gemcitabine dexamethasone cisplatin ("**R-GDP**") in rrDLBCL, which is part of the global pivotal trial (XPORT-DLBCL-030) led by Karyopharm, is ongoing in Mainland China.

Late-stage Product Candidates

ATG-008 (onatasertib, mTORC1/2 inhibitor)

ATG-008 (onatasertib) – We obtained an exclusive license from Celgene Corporation for the development and commercialization of onatasertib in Mainland China and selected APAC markets. We initiated a Phase I/II study of onatasertib in combination with toripalimab (anti-PD-1 antibody) in Mainland China (TORCH-2 study).

In May 2024, we announced the latest results from the Phase I/II TORCH-2 study. The results were subsequently presented in an oral presentation session at ASCO 2024.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ATG-008 (ONATASERTIB) SUCCESSFULLY.

Other Clinical Candidates

ATG-022 (Claudin 18.2 antibody-drug conjugate) – We received approval from the HREC in Australia to initiate a Phase I trial of ATG-022 in patients with advanced or metastatic solid tumors in December 2022 and dosed the first patient in March 2023 in Australia. We also received IND approval from the NMPA in March 2023 in patients with advanced or metastatic solid tumors and dosed the first patient in May 2023. In May 2023, ATG-022 has been granted two ODDs consecutively by the U.S. FDA for the treatment of gastric cancer and pancreatic cancer. The dose-expansion studies are ongoing in Australia and China. We have initiated the Phase II trial of ATG-022 in 2024.

ATG-037 (CD73 inhibitor) – We received the approval from the Human Research Ethics Committees (HREC) in Australia for the Phase I trial in February 2022 and dosed the first patient in June 2022. The NMPA has approved a Phase I trial of ATG-037 in November 2022 and dosed the first patient in July 2023. As of December 31, 2024, we have completed dose finding of the STAMINA trial.

ATG-031 (CD24 antibody) – We received IND clearance from the U.S. FDA to initiate the Phase I PERFORM trial in patients with advanced solid tumors or B-NHL in May 2023 and dosed the first patient in December 2023. As of December 31, 2024, the dose escalation study is still ongoing.

ATG-101 (PD-L1/4-1BB bispecific antibody) – We received Investigational New Drug (IND) approval from the NMPA for a Phase I study of ATG-101 in March 2022 and we dosed the first patient in August 2022 in Mainland China. The dose-escalation studies are ongoing in Australia, China and the United States. In September 2022, ATG-101 has been granted an Orphan Drug Designation (ODD) by the U.S. FDA for the treatment of pancreatic cancer.

Pre-clinical Candidates

ATG-042 (PRMT5-MTA inhibitor) – We are conducting pre-clinical studies to support IND/Clinical Trial Authorisation (CTA) applications of ATG-042.

ATG-201 (CD19 x CD3 T cell engager) – We are conducting pre-clinical studies to support IND/CTA applications of ATG-201.

Technology Platform

AnTenGager™ (T cell engager platform) – We are conducting pre-clinical studies for multiple AnTenGager-based T cell engagers.

We plan to expand our investment and consolidate resources to establish a dedicated AI department. This initiative includes the on-site deployment of DeepSeek to accelerate the development of its next-generation proprietary TCE pipeline, which features a steric hindrance-masking technology.

RESEARCH AND DEVELOPMENT

We focus on R&D of therapeutic strategies for the treatment of cancer. We seek to optimize the drug development process of each of our assets to fully unlock their therapeutic potential and maximise their clinical and commercial value. We have adopted a differentiated combinatory and complementary R&D approach to build a pipeline of first/best-in-class assets with synergistic profiles.

As at December 31, 2024, we had 9 ongoing clinical studies in Mainland China, the United States and Australia with 9 of our pipeline assets, including ATG-010 (selinexor, XPO1 inhibitor), ATG-008 (onatasertib, mTORC1/2 inhibitor), ATG-101 (PD-L1/4-1BB bispecific antibody), ATG-037 (CD73 inhibitor), ATG-022 (Claudin 18.2 antibody-drug conjugate) and ATG-031 (CD24 antibody). XPOVIO® (selinexor) has been added to the 2023 NRDL for the treatment of adult patients with rrMM whose disease is refractory to at least one PIs, one IMiD, and an anti-CD38 mAb. The 2023 NRDL has officially taken effect from January 1, 2024. NMPA has also approved a new indication of XPOVIO® (selinexor) as a monotherapy for the treatment of adult patients with rrDLBCL after at least 2 lines of systemic therapy in June 2024. The new indication was added to the 2024 NRDL, which has officially taken effect from January 1, 2025.

Our research and development costs (excluding the effect brought by equity-settled share-based payment expense) were approximately RMB249.6 million and RMB374.6 million for the year ended December 31, 2024 and December 31, 2023 respectively. As at December 31, 2024, we had filed 3 new PCT international applications under the Patent Cooperation Treaty (PCT) for material intellectual properties. Among the pending PCT applications, 3 have entered the national/regional phases in major markets globally.

BUSINESS DEVELOPMENT

During the Reporting Period, we did not engage in any new business development activities. This decision was strategically aligned with our focus on advancing our core research and development initiatives. Our primary objective remains the progression of our existing pipeline of innovative therapies and the enhancement of our technological capabilities. We have allocated our resources and efforts towards critical projects that are pivotal to our long-term growth and success. This approach ensures that we maintain our commitment to delivering cutting-edge solutions in the biotech sector.

We believe that by concentrating on these priorities, we will be better positioned to achieve significant milestones and create value for our stakeholders. We remain vigilant and open to future business development opportunities that align with our strategic vision and objectives.

EVENTS AFTER THE REPORTING PERIOD

In January 2025, we announced the presentation of latest data from our Phase I/II CLINCH study ongoing in China and Australia evaluating ATG-022 in patients with advanced or metastatic gastric cancer at the ASCO GI 2025. As of November 22, 2024, among 21 gastric cancer patients in dose expansion phase with Claudin 18.2 (CLDN 18.2) expression of immunohistochemistry (IHC) 2+ ≥ 20% who had at least 1 tumor evaluation, the ORR was 42.9%, and the DCR was 95.2%. Among 10 gastric cancer patients with CLDN 18.2 expression of IHC 2+ < 20% treated at efficacious doses of 1.8 – 2.4 mg/kg, the ORR was 30.0%, and the DCR was 50.0%.

In February 2025, XPOVIO® (selinexor) in combination with bortezomib and dexamethasone (XVd) for the treatment of adult patients with rrMM who have received at least two prior therapies, has been approved for reimbursement in Taiwan China. Starting from March 1, 2025, XPOVIO® is officially included in the National Health Insurance drug reimbursement scheme.

In March 2025, the Indonesia National Agency of Drug and Food Control (BPOM) has approved a NDA for XPOVIO® (selinexor) for three indications: (1) in combination with bortezomib and dexamethasone for the treatment of adult patients with MM who have received at least one prior therapy; (2) in combination with dexamethasone for the treatment of adult patients with rrMM who have received at least four prior therapies and whose disease is refractory to at least two PIs, at least two IMiDs, and an anti-CD38 mAb; and (3) as a monotherapy for the treatment of adult patients with rrDLBCL, not otherwise specified, including DLBCL arising from follicular lymphoma, after at least two lines of systemic therapy who are not eligible for haematopoietic cell transplant.

Save as disclosed above, there have been no other significant events subsequent to the Reporting Period and up to the date of this report.

FUTURE AND OUTLOOK

Leveraging our combinatory and complementary R&D strategy and through our strong R&D capabilities and strategic approach in developing novel therapies, we continue to realize our vision of treating patients beyond borders and improving their lives by discovering, developing and commercializing global first-in-class, only-in-class and/or best-in-class therapies.

We will continue to advance the clinical development of our 9 clinical stage products in multiple therapeutic areas, and continue to implement our dual-engine approach of external partnerships and internal discovery to build up a pipeline focusing on the key autoimmune diseases, oncogenic pathways, tumor microenvironment and tumor associated antigens globally and across the APAC region.

MANAGEMENT DISCUSSION AND ANALYSIS

We have received NDA approvals for XPOVIO® (selinexor, ATG-010) in South Korea and Mainland China in 2021, Singapore, Australia and Taiwan China in 2022, Macau China and Hong Kong China in 2023, Malysia and Thailand in 2024, and Indonesia in 2025. We have also received NDA approval for additional indication of DLBCL in China in 2024.

With the expected NDA approvals mentioned above and building upon our core commercial leadership team with experience in multiple successful launches of top hematology products globally, in APAC region and China in the past, we will continue to build out our commercial team in preparation for a first-in-class launch of XPOVIO® (selinexor) in APAC region to address unmet medical needs in our territories.

FINANCIAL REVIEW

The Board announces the consolidated results of the Group for the year ended December 31, 2024, with comparative figures for the corresponding period in the previous year as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
REVENUE	**91,950**	67,305
Cost of sales	**(16,686)**	(12,293)
Gross profit	**75,264**	55,012
Other income and gains	**48,870**	115,786
Research and development costs	**(258,912)**	(405,669)
Selling and distribution expenses	**(73,730)**	(192,739)
Administrative expenses	**(106,263)**	(148,056)
Other expenses	**(3,837)**	(4,619)
Finance costs	**(642)**	(898)
LOSS BEFORE TAX	**(319,250)**	(581,183)
Income tax expense	**–**	–
LOSS FOR THE YEAR	**(319,250)**	(581,183)
Non-IFRS measures:		
Adjusted loss for the year	**(304,572)**	(533,904)

Revenue. Our revenue increased by RMB24.7 million from RMB67.3 million for the year ended December 31, 2023 to RMB92.0 million for the year ended December 31, 2024, marking a significant increase of 36.7%. This increase was fueled by accelerated contributions from Mainland China, where revenue grew by 27.4% compared to that for the year ended December 31, 2023, driven by a substantial rise in sales volume. Notably, this strong sales performance was achieved despite a significant price reduction following the NRDL inclusion of XPOVIO® (selinexor) in December 2023. Furthermore, revenue from other countries and regions also demonstrated exceptional momentum, soaring 85.7% compared to that for the year ended December 31, 2023, and underscoring the great potential of our product.

Other Income and Gains. Our other income and gains decreased by RMB66.9 million from RMB115.8 million for the year ended December 31, 2023 to RMB48.9 million for the year ended December 31, 2024, primarily attributable to the decreased net foreign exchange gain in connection with lower bank balances dominated in USD and the relatively lower appreciation of the USD against the RMB for the year ended December 3l, 2024 compared to that for the year ended December 3l, 2023.

Research and Development Costs. Our research and development costs decreased by RMB146.8 million from RMB405.7 million for the year ended December 31, 2023 to RMB258.9 million for the year ended December 31, 2024. This decrease was primarily attributable to the combined impact of (i) a decrease of RMB97.3 million in drug development expenses and R&D employee costs as a result of enhanced R&D efficiency, which reflected the strategic optimization of our R&D team and the streamlining of our pipeline, enabling us to concentrate investments on the assets with the greatest potential; and (ii) a decrease in licensing fees as we made no payments for the year ended December 31, 2024, as compared to RMB42.2 million for the year ended December 31, 2023.

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Employee costs	**93,568**	151,674
– *Equity-settled share-based payment expense*	**9,316**	31,108
Depreciation and amortization	**11,917**	13,120
Licensing fees	**–**	42,188
Drug development expenses	**144,084**	183,269
Professional fees	**4,495**	6,934
Others	**4,848**	8,484
Total	**258,912**	405,669

Selling and Distribution Expenses. Our selling and distribution expenses decreased by RMB119.0 million from RMB192.7 million for the year ended December 31, 2023 to RMB73.7 million for the year ended December 31, 2024, primarily attributable to the combined impact of (i) the absence of milestone payments related to APAC commercialization for the year ended December 31, 2024, resulting in a RMB57.4 million decrease; and (ii) a decrease of RMB57.0 million in employee costs primarily due to the commercialization partnership with Hansoh Pharma, initiated in August 2023, which allowed us to leverage their market development expertise rather than maintaining our own sales force.

The table below sets forth the components of our selling and distribution expenses by nature for the periods indicated:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Milestone payments related to APAC commercialization	**–**	57,432
Subtotal	**–**	57,432
Employee costs	**20,514**	77,536
– *Equity-settled share-based payment expense*	**1,231**	2,168
Market development expenses	**49,386**	37,597
Depreciation and amortization	**1,315**	1,869
Others	**2,515**	18,305
Subtotal	**73,730**	135,307
Total	**73,730**	192,739

Administrative Expenses. Our administrative expenses decreased by RMB41.8 million from RMB148.1 million for the year ended December 31, 2023 to RMB106.3 million for the year ended December 31, 2024. This decrease was primarily attributable to the decreased employee costs as a result of our ongoing cost control efforts and the improved operation efficiency.

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Employee costs	**51,406**	83,284
– *Equity-settled share-based payment expense*	**4,131**	14,003
Professional fees	**25,504**	29,424
Depreciation and amortization	**13,577**	14,985
Others	**15,776**	20,363
Total	**106,263**	148,056

NON-IFRS MEASURES

To supplement the Group's consolidated financial statements, which are presented in accordance with the IFRS, the Company also uses adjusted loss for the year as additional financial measure, which is not required by, or presented in accordance with, the IFRS. The Company believes that such adjusted measure provides useful information to shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations in the same manner as they help the Company's management.

Adjusted loss for the year represents the loss for the year excluding the effect of equity-settled share-based payment expense. The term adjusted loss for the year is not defined under the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS. The Company's presentation of such adjusted figure does not have a standardized meaning prescribed by IFRS and may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that such non-IFRS measure reflects the Group's normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance, and thus, facilitates comparisons of operating performance from year to year and company to company to the extent applicable.

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

	Year ended December 31,	
	2024	**2023**
	RMB'000	**RMB'000**
Loss for the year	**(319,250)**	**(581,183)**
Added:		
Equity-settled share-based payment expense	**14,678**	**47,279**
Adjusted loss for the year	**(304,572)**	**(533,904)**

Employees and Remuneration Policies

The following table sets forth a breakdown of our employees as at December 31, 2024 by function:

Function	**Number of employees**	**% of total number of employees**
General and Administrative	45	26.6
Research and Development	84	49.7
Commercialization	17	10.1
Manufacturing	23	13.6
Total	169	100.0

As at December 31, 2024, we had 142 employees in China and 27 employees in overseas. Our employees' remuneration comprises salaries, bonuses, employee provident fund and social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees.

The Company has adopted equity incentive plans and restricted share unit scheme under which the directors, officers, employees of the Group are eligible to participate, in order to recognize their contributions and to provide them with incentives to retain them for the continual operation and development of the Group. Further, training and development programs are provided to employees to improve their technical skills and ensure their awareness and compliance with various policies and procedures.

LIQUIDITY AND FINANCIAL RESOURCES

As at December 31, 2024, our cash and bank balances were RMB900.1 million, as compared to RMB1,187.7 million as of December 31, 2023. The decrease was mainly due to expenses associated with our operating activities.

As at December 31, 2024, the Group's cash and bank balances were held mainly in RMB and USD.

As at December 31, 2024, the current assets of the Group were RMB956.2 million, including cash and bank balances of RMB900.1 million and other current assets of RMB56.1 million. As at December 31, 2024, the current liabilities of the Group were RMB146.3 million, including other payables and accruals of RMB119.0 million, interest-bearing bank borrowings of RMB20.0 million and other current liabilities of RMB7.3 million.

Current Ratio

Current ratio is calculated using current assets divided by current liabilities and multiplied by 100%. As at December 31, 2024, our current ratio was 653.4% (as at December 31, 2023: 650.6%).

Gearing Ratio

Gearing ratio is calculated using total liabilities divided by total assets and multiplied by 100%. As at December 31, 2024, our gearing ratio was 36.7% (as at December 31, 2023: 29.1%).

OTHER FINANCIAL INFORMATION

Significant Investments, Material Acquisitions and Disposals

As at December 31, 2024, we did not hold any significant investments. For the year ended December 31, 2024, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

Future Plans for Material Investments or Capital Assets

We did not have any concrete plans for material investments or capital assets as at December 31, 2024.

Foreign Exchange Risk

We have transactional currency exposures. The majority of our bank balances and interest receivables are denominated in foreign currencies and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Contingent Liabilities

As at December 31, 2024, we did not have any material contingent liabilities.

Pledge of assets

As at December 31, 2024, the Group had a total of RMB42.5 million of the leasehold land pledged to secure its bank facilities.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Dr. Jay Mei (梅建明), M.D., Ph.D., aged 60, was appointed as a Director on August 28, 2018. He was redesignated as an Executive Director and appointed as the Chairman of the Board and the Chief Executive Officer of the Company (the "**CEO**") on August 18, 2020. Dr. Mei has been one of the key management members of the Group and has been actively involved in the business, strategy and operational management of the Group since its establishment.

Dr. Mei has over 30 years of experience in clinical research and development of oncology therapeutics globally and has successfully led the development of multiple oncology products. He has published over 70 publications and holds multiple patents jointly with other investors.

Before joining the industry in 2001, Dr. Mei spent 8 years at the National Cancer Institute (part of the NIH) as a Senior Cancer Researcher. Prior to founding Antengene, in February 2001, Dr. Mei joined as a Principal Scientist in the oncology team in the drug discovery division and an Associate Director at Johnson & Johnson Pharmaceutical Research & Development, L.L.C.. From April 2006 to October 2008, Dr. Mei worked as a Senior Director at Novartis Oncology, part of the Innovative Medicines division of Novartis AG (a company listed on the SIX Swiss Exchange and the New York Stock Exchange with stock codes NOVN.SIX and NVS.NYSE, respectively). Dr. Mei served as an Executive Director of the clinical development department at Celgene (now part of Bristol-Myers Squibb (a company listed on the New York Stock Exchange with stock code BMY.NYSE)) from October 2008 to March 2017 and was one of the leading members in the clinical development of multiple blockbuster drugs including REVLIMID®, which is among the best-selling oncology therapies worldwide. Dr. Mei was also involved in the clinical development of POMALYST®, another one of the best-selling oncology drugs worldwide, and IDHIFA®, a first-in-class drug for the treatment of acute myeloid leukemia (AML). Dr. Mei was a Director of Jiangsu Asieris Pharmaceuticals Co., Ltd. (江蘇亞虹醫藥科技有限公司) from November 2014 to December 2020. Dr. Mei has been leading the management of Antengene Zhejiang Corporation Co., Ltd. (德琪(浙江)醫藥科技有限公司) ("**Antengene Zhejiang**") since April 2017. Dr. Mei was appointed as an Independent Director of SanReno Therapeutics Holding Limited on February 24, 2022.

Dr. Mei received his Doctor of Medicine degree in medicine from Hunan Medical University (湖南醫科大學) (now XiangYa School of Medicine of Central South University (中南大學湘雅醫學院)) in July 1989. Dr. Mei obtained his Doctor of Philosophy degree in pharmacology and toxicology from the University of Maryland in January 1994. Dr. Mei was a member of the American Society of Clinical Oncology and has also been a member of the American Society of Hematology since 2006. In addition, Dr. Mei currently holds an adjunct professorship at the Baruch S. Blumberg Institute.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Donald Andrew Lung (龍振國), J.D., MBA, aged 43, was appointed as the Chief Financial Officer (CFO) of the Company on June 8, 2020 and an Executive Director on June 18, 2021. Mr. Lung has been in charge of the overall finance of the Group since he joined us in June 2020.

Mr. Lung has over 20 years of experience in investment banking and public equities. From June 2004 to November 2008, Mr. Lung worked at Goldman Sachs (Asia) L.L.C. He was then engaged in the asset management business at Pine River Capital Management from August 2012 to June 2017 and at Myriad Asset Management Limited from August 2017 to August 2019. From October 2019 to June 2020, Mr. Lung worked as a Portfolio Manager at BFAM Partners (Hong Kong) Limited.

Mr. Lung received his Bachelor of Arts degree in economics and political science from Yale University in May 2004. He also obtained a Master's degree in business administration and a Juris Doctor degree from The Chinese University of Hong Kong, both in November 2015.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Jing Qian (錢晶), MBA, aged 50, was appointed as an Independent Non-executive Director effective as of November 9, 2020.

From July 1999 to July 2002, Ms. Qian served as an Associate at The Boston Consulting Group. From March 2005 to December 2008, she served as a Project Manager at McKinsey & Company. From January 2009 to March 2010, Ms. Qian was appointed as a Director responsible for business development and strategic planning for the Asia-Pacific region at Baxter (China) Investment Co., Ltd. From April 2010 to January 2012, she was appointed as a Vice President in charge of business development and New Product Planning at Boehringer Ingelheim Pharmaceutical Co., Ltd. Ms. Qian served as the Principal at Fidelity Growth Partners Asia from January 2012 to December 2013. From February 2014 to October 2018, she was appointed as an Executive Director at FountainVest Capital. Between October 2018 to December 2023, Ms. Qian was a Partner at Pivotal BioVenture Partners China, a venture capital firm specializing in venture building in the life science industry. Ms. Qian joined Trumed Investment as Partner in 2024.

Ms. Qian obtained her Bachelor's degree in international economics and Master's degree in economics from East China Normal University (華東師範大學) in July 1996 and July 1999, respectively. She received her Master's degree in business administration from The Wharton School, University of Pennsylvania in May 2004.

Mr. Sheng Tang (唐晟), CPA, MBA, aged 42, is appointed as an Independent Non-executive Director effective as of November 9, 2020.

From July 2005 to July 2007, Mr. Tang performed audit and business consulting work at PricewaterhouseCoopers Zhong Tian LLP. He served as a Senior Accountant from July 2007 to September 2011 and as a Manager from October 2011 to May 2012 at Ernst & Young Hua Ming LLP Shanghai Branch. From January 2013 to January 2016, he served as a Financial Manager at CITIC Industrial Investment Group Corp., Ltd. Mr. Tang has been appointed as a Senior Lecturer at Shanghai Gaodun Financial Education Group since 2008 and was seconded to Sun Yat-Sen University and Shanghai University from March 2016 to June 2017. From September 2017 to July 2019, he served as the Chief Financial Officer at Canada Tenkey Holdings. In February 2018, Mr. Tang founded Sheng Qian Plus Corp to provide accounting and tax consulting and education service.

Mr. Tang received his Bachelor's degree in economics from Shanghai Institute of International Business and Economics (上海對外貿易學院) (now Shanghai University of International Business and Economics (上海對外經貿大學)) in July 2005 and obtained his Master's degree in business administration from Fudan University (復旦大學) in January 2015. Mr. Tang became a member of the Chinese Institute of Certified Public Accountants in June 2012. In September 2014, he was admitted as a fellow of the Association of Chartered Certified Accountants. Mr. Tang became a member of the Chartered Professional Accountants Ontario in June 2018 and a member of the Hong Kong Institute of Certified Public Accountants in July 2018.

Dr. Rafael Fonseca, MD, aged 58, is appointed as an Independent Non-executive Director effective as of April 14, 2023.

Dr. Fonseca is the Getz Family Professor of Cancer, Professor of Medicine, Chair of the Department of Internal Medicine, Chief Innovation Officer, at the Mayo Clinic in Arizona and a member of the Mayo Clinic Board of Governors and Board of Trustees. Throughout his training and career, Dr Fonseca has received numerous awards and honors, including the Damon Runyon-Walter Winchell Clinical Investigator Award and the International Waldenström Macroglobulinemia Research Award. He is a Mayo Clinic Distinguished Investigator, the highest academic distinction given to investigators at his institution. He holds memberships and serves in positions for organizations such as the American Society of Clinical Oncology (ASCO), American Society of Hematology (ASH), American Association for Cancer Research, and the International Myeloma Society. His research has been funded by the National Cancer Institute (R01, P01, SPORE), the Leukemia & Lymphoma Society, the Multiple Myeloma Research Fund, and the Damon Runyon Cancer Research Fund. Dr Fonseca serves as a reviewer and in editorial capacities for medical publications including Blood, Lancet, Nature Medicine, Cancer Cell, Leukemia, and the New England Journal of Medicine, among others. He has given many national and international presentations as a visiting professor and has authored over 300 articles, book chapters, editorials, abstracts, and letters.

Dr. Fonseca earned his medical degree at Universidad Anahuac, Mexico in 1991. He completed a residency in Internal Medicine at the University of Miami, Florida in 1994, and a fellowship in Hematology and Oncology at Mayo Clinic Graduate School of Biomedical Sciences, Rochester, Minnesota in 1998. He was named a clinical investigator for the Damon Runyon Cancer Research Fund. He is a visiting healthcare fellow at the Goldwater Institute.

SENIOR MANAGEMENT

Dr. Jay Mei (梅建明), M.D., Ph.D., aged 60, was appointed as a Director on August 28, 2018. He was re-designated as an executive Director and appointed as the Chairman of the Board and the CEO on August 18, 2020. For further details of his biography, please see the sub-section headed "EXECUTIVE DIRECTORS" in this section.

Dr. Xiaojing Zhang (張曉靜), M.D., aged 48, was appointed as the Chief Medical Officer (CMO) of the Company in December 2022 and resigned in March 2025.

Dr. Zhang is a medical oncologist and hematologist with more than 20 years of experience in the field of oncology and pharmaceutical industry, including 7 years of clinical practice in China, nearly 18 years of experience in all phases of clinical development, as well as medical affairs and over 10 years of experience in team management. Dr. Zhang worked for Novartis China and Bayer in both the United States and China for over 12 years during which she was promoted to the position of Global Clinical Leader (GCL)- Oncology, contributing to the approval of Exjade® and Nexavar® and the global development of Xofigo® and Stivarga® and several early phase compounds. Dr. Zhang was most recently the CMO (oncology) and earlier the Vice President, Head of Clinical Development – Oncology, and Corporate Vice President at Jiangsu Hengrui Pharmaceuticals Co., Ltd. (江蘇恆瑞醫藥股份有限公司, a company listed on the Shanghai Stock Exchange with stock code 600276) for nearly 3.5 years. Under her leadership, the full functional clinical development team has accomplished multiple Investigational New Drug (IND) approvals in both China and US and numerous New Drug Application (NDA) approvals in China.

Mr. Donald Andrew Lung (龍振國), J.D., MBA, aged 43, was appointed as the CFO of the Company on June 8, 2020 and an Executive Director on June 18, 2021. For further details of his biography, please see the sub-section headed "EXECUTIVE DIRECTORS" in this section.

Mr. Yiteng Liu (劉翼騰), aged 41, was appointed as the Chief Operation Officer (COO) on August 18, 2020.

Mr. Liu has been one of the key management members of the Group and has been actively involved in our business, strategy and operational management since our establishment.

From February 2008 to May 2009, Mr. Liu served as an engineer at Agilent Technologies Co. Ltd. From October 2010 to May 2011, he served as a research consultant at Frost & Sullivan (Beijing) Inc., Shanghai Branch and worked on the global offering and listing on the Stock Exchange of Samsonite International S.A. From October 2011 to May 2012, Mr. Liu was appointed as a manager at CBRE and was responsible for headquarter site selection and investment consulting for multinational corporations and institutional investors such as Lego, Unilever, BlackStone, etc. From March 2013 to May 2017, he worked at CITIC Industrial Investment Group Corp., Ltd. while serving as the general manager of the strategic development department at CITIC Senior Living Ltd. Mr. Liu was also one of the founding team members of CITIC Senior Living Ltd. Mr. Liu was appointed as a vice president of Shanghai Antengene focusing on business operation and corporate finance on June 1, 2017. Mr.Liu was also involved in the management of Antengene Zhejiang since June 2017.

Mr. Liu received his Bachelor's degree in electronic science and technology from Harbin Institute of Technology (哈爾濱工業大學) in July 2007 and obtained his Master's degree in electronic engineering from The Hong Kong University of Science and Technology in November 2010.

REPORT OF DIRECTORS

PRINCIPAL ACTIVITIES

We are a clinical-stage APAC biopharmaceutical company focused on innovative oncology medicines. We distinguish ourselves through our strong R&D capabilities and strategic approach to developing novel oncology therapies. Our vision is to treat patients beyond borders and transform their lives by discovering, developing and commercializing global first-in-class, only-in-class and/or best-in-class therapies.

There were no significant changes in the nature of the Group's principal activities for the year ended December 31, 2024. Please refer to note 1 to the Consolidated Financial Statements on pages 137 to 141 of this report for details of the principal activities of the principal subsidiaries of the Group.

RESULTS

The results of the Group for the year ended December 31, 2024 are set out in the Consolidated Financial Statements of the Group on pages 131 to 136 of this report.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended December 31, 2024 (2023: Nil).

There are no arrangements under which a shareholder of the Company (the "**Shareholder(s)**") has waived or agreed to waive any dividends.

SHARE CAPITAL

Details of the issued shares of the Company for the year ended December 31, 2024 are set out in note 26 to the Consolidated Financial Statements of this report.

RESERVES

Details of the movements in reserves of the Group for the year ended December 31, 2024 are set out in the Consolidated Statement of Changes in Equity on page 134 of this report.

DISTRIBUTABLE RESERVES

As at December 31, 2024, the Company's reserves available for distribution from share premium less accumulated losses, calculated in accordance with the provisions of Companies Act of the Cayman Islands, amounted to approximately RMB3,755.0 million (2023: RMB3,710.5 million).

FINANCIAL SUMMARY

A summary of the published results and of the assets, liabilities and equity of the Group for the last five financial years, as extracted from the published audited financial information and financial statements, is set out on page 4 of this report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group for the year ended December 31, 2024 are set out in note 13 to the Consolidated Financial Statements of this report.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information available to the Company and to the knowledge of the Directors, the Company's public float complies with the requirements of Rule 8.08 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the articles of association of the Company (the "**Articles of Association**") or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

TAX RELIEF AND EXEMPTION

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

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

Neither the Company nor any of its subsidiaries has entered into any contract of significance with a controlling Shareholder or any of its subsidiaries, nor any contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling Shareholder or any of its subsidiaries.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position for the year ended December 31, 2024. In order to manage the liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at December 31, 2024 are set out in the section headed "MANAGEMENT DISCUSSION AND ANALYSIS" in this report and note 24 to the Consolidated Financial Statements of this report.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group finances its working capital requirements through a combination of funds generated from operations and capital contribution from shareholders.

FOREIGN EXCHANGE EXPOSURE

During the Reporting Period, the Group mainly operated in China and the majority of the transactions were settled in RMB. As at December 31, 2024, except for the bank deposits and intra-group balances denominated in foreign currencies other than the functional currency of the entities which they related to, the Group did not have significant foreign currency exposure from its operations.

The Group currently does not have any foreign currency hedging policies. The management will continue to pay attention to the Group's foreign exchange exposure and consider adopting prudent measures as appropriate.

BENEFIT PLAN

The Group's contributions to the defined contribution schemes vest fully and immediately with the employees. Accordingly, (i) for each of the two years ended December 31, 2024 and December 31, 2023, there was no forfeiture of contributions under the defined contribution schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the defined contribution schemes as at December 31, 2024 and December 31, 2023, respectively.

For each of the two years ended December 31, 2024 and December 31, 2023, the Group did not have any defined benefit plan.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the "**AGM**") will be held on June 13, 2025. The notice of the AGM will be published and dispatched in due course in the manner as required by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, June 10, 2025 to Friday, June 13, 2025, both days inclusive, during which period no share transfers will be registered. To be eligible to attend and vote at the AGM, unregistered holders of shares must lodge all properly completed transfer forms accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, June 9, 2025.

REPORT OF DIRECTORS

BUSINESS REVIEW

Overview and Performance of the Year

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance and an indication of likely future developments in the Group's business is set out in the sections headed "CHAIRMAN'S STATEMENT" and "MANAGEMENT DISCUSSION AND ANALYSIS" of this report. These discussions form part of this report. Events affecting the Company that have occurred since the end of the year ended December 31, 2024 is set out in the section headed "EVENTS AFTER THE END OF THE REPORTING PERIOD" in this report.

Key Relationship with Stakeholders

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

The Group believes that it is vital to attract, recruit and retain quality employees. Based on the strategy of our China-inclusive global development and commercial capabilities, we established our development team for innovative medicines globally and commercialization team in China and the Asia-Pacific region. To maintain the quality, knowledge and skill levels of the Group's workforce, the Group conducts new staff training regularly to guide new employees and help them adapt to the new working environment. In addition, the Group provides online and in-person formal and comprehensive Company-level and department-level training to the employees in addition to on-the-job training. The Group also encourages our employees to attend external seminars and workshops to enrich their technical knowledge and develop competencies and skills. Training and development programs are provided to the employees to improve their technical skills and ensure their awareness and compliance with various policies and procedures. The Group believes that it maintains a good relationship with its employees and the Group did not experience any significant labor disputes or any difficulty in recruiting staff for its operations.

The Group conducts academic marketing activities to establish and maintain relationships with key opinion leaders in the national medical system. The Group provides these experts with detailed information on its products and helps them make independent comparison among competing products in the market. The Group also maintains long term cooperative relationships with medical experts to help raise the Group's profile, enhance awareness of the Group's products in the medical community and among patients, and provide it with valuable clinical data to improve the Group's products.

The details of an account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company are set out in the section headed "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT" in this report.

Environmental Policies and Performance

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to the community and achieving sustainable growth.

Compliance with Relevant Laws and Regulations

The Group has complied with the requirements under the Companies Ordinance, the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules for, among other things, the disclosure of information and corporate governance. For further details, please refer to the sub-section headed "COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE" in this section.

The Group has also complied with other relevant laws and regulations that have a significant impact on the operations of the Group. Please refer to the section headed "REGULATORY ENVIRONMENT" in the prospectus of the Company dated November 9, 2020 (the "**Prospectus**") for details.

Key Risks and Uncertainties

There are certain risks involved in our operations, many of which are beyond our control. Some of the major risks we face include:

- We have incurred significant net losses since our inception, and expect to continue to incur net losses for the foreseeable future and may not be able to generate sufficient revenue to achieve or maintain profitability. Potential investors are at risk of losing substantially all of their investments in our Shares.

- We had net operating cash outflow in the past three financial years.

- We may need additional capital to meet our operating cash requirements, and financing may not be available on terms acceptable to us, or at all.

- We have a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

- We may need additional financing to fund our operations, and if we are unable to obtain such financing, we may be unable to complete the development and commercialization of our drug candidates.

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

- Our business and financial prospects depend substantially on the success of our clinical stage and preclinical stage drug candidates. If we are unable to successfully complete their clinical development, obtain relevant regulatory approvals or achieve their commercialization, or if we experience significant delays in any of the foregoing, our business and profitability may be adversely affected.

- We may not be able to identify, discover or in-license new drug candidates, and may allocate our limited resources to pursue a particular candidate or indication and fail to capitalize drug candidates or indications that may later prove to be more profitable, or for which there is a greater likelihood of success.

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

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

- Our drug development progress may be affected by the clinical development progress of our collaboration partners, including but not limited to Celgene and Karyopharm. If the collaboration partners are unable to successfully complete clinical development, obtain relevant regulatory approvals or achieve commercialization, or if they experience significant delays in any of the foregoing, our business and profitability may be adversely affected.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares. Although our management has proven track record of drug manufacturing and commercialization, we have limited experience in manufacturing pharmaceutical products, which is a highly exacting and complex process, and limited experience in commercialization as we have not yet commercialized any of our drug candidates. Our business could be materially and adversely affected if we encounter problems in the manufacturing process of our future drug products.

PROSPECTS

A description of the future development in the Company's future business is set out in the sections headed "CHAIRMAN'S STATEMENT" and "MANAGEMENT DISCUSSION AND ANALYSIS" of this report.

USE OF PROCEEDS

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on November 20, 2020 (the "**Listing Date**"). The Group received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the IPO and the exercise of over-allotment option of approximately RMB2,274.70 million (the "**Net Proceeds**"). As at December 31, 2024, the total unutilized Net Proceeds amounted to approximately RMB422.90 million.

The net proceeds from the listing (adjusted on a pro rata basis based on the actual net proceeds) have been and will be utilized in accordance with the purposes set out in the prospectus of the Company dated November 9, 2020 (the "**Prospectus**") and subsequently the announcement of the Company dated March 22, 2024 regarding the change in use of proceeds. The table below sets out the original and revised planned allocations of the Net Proceeds, the actual usage during the Reporting Period and the unutilized Net Proceeds as at December 31, 2024:

Function	Original % of use of the Net Proceeds (Approximately)	Original allocation of the Net Proceeds RMB million	Revised % of use of the Net Proceeds[2] (Approximately)	Revised allocation of the Net Proceeds[2] RMB million	Revised allocation of the unutilized Net Proceeds as at December 31, 2023[2] RMB million	Actual usage of the Net Proceeds during the Reporting Period RMB million	Unutilized Net Proceeds as at December 31, 2024 RMB million	Expected timeline for full utilization of the unutilized Net Proceeds
Fund ongoing and planned clinical trials and milestone payments of our two Core Products and commercial launches of ATG-010	41.00%	932.63	41.00%	932.63	–	–	–	N/A
Fund ongoing and planned clinical trials and milestone payments of four other clinical-stage drug candidates in our pipeline	25.00%	568.67	5.16%	117.29	12.04	9.75	2.29	Expected to be fully utilized by December 31, 2026
Fund ongoing pre-clinical studies and planned clinical trials for other preclinical drug candidates in our pipeline	9.00%	204.72	33.35%	758.65	553.93	162.76	391.17	Expected to be fully utilized by December 31, 2026
For expansion of our pipeline, including discovery of new drug candidates and business development activities	14.00%	318.46	9.49%	215.91	36.13	6.69	29.44	Expected to be fully utilized by December 31, 2026
For capital expenditure	1.00%	22.75	1.00%	22.75	–	–	–	N/A
For general corporate purposes	10.00%	227.47	10.00%	227.47	–	–	–	N/A
Total	**100.00%**	**2,274.70**	**100.00%**	**2,274.70**	**602.10**	**179.20**	**422.90**	

Notes:

(1) Net proceeds from the IPO were received in HKD and translated into RMB for the allocation and the utilization calculation, and have been adjusted slightly due to the fluctuation of the foreign exchange rates since the listing.

(2) On March 22, 2024, the Board resolved to reallocate the unutilized Net Proceeds of approximately RMB553.93 million as at December 31, 2023 to "Fund ongoing pre-clinical studies and planned clinical trials for other pre-clinical drug candidates in our pipeline". For more details about the reason of adjustment, please refer to the announcement of the Company dated March 22, 2024.

(3) The expected timeline was based on the Company's estimation of future market conditions and business operations, remains subject to change based on actual R&D progress, market conditions and business needs. As a result of decreased research and development costs, which reflected the corporate strategy optimization of prioritizing the assets with the greatest potential and cost-efficiency strategy by leveraging enhanced in-house R&D capabilities, the expected timeline of fully utilization of unutilized Net Proceeds of RMB422.90 million as at December 31, 2024 are expected to be extended to December 31, 2026.

EVENTS AFTER THE END OF THE REPORTING PERIOD

In January 2025, we announced the presentation of latest data from our Phase I/II CLINCH study ongoing in China and Australia evaluating ATG-022 in patients with advanced or metastatic gastric cancer at the ASCO GI 2025. As of November 22, 2024, among 21 gastric cancer patients in dose expansion phase with Claudin 18.2 (CLDN 18.2) expression of immunohistochemistry (IHC) 2+ ≥ 20% who had at least 1 tumor evaluation, the ORR was 42.9%, and the DCR was 95.2%. Among 10 gastric cancer patients with CLDN 18.2 expression of IHC 2+ < 20% treated at efficacious doses of 1.8 – 2.4 mg/kg, the ORR was 30.0%, and the DCR was 50.0%.

In February 2025, XPOVIO® (selinexor) in combination with bortezomib and dexamethasone (XVd) for the treatment of adult patients with rrMM who have received at least two prior therapies, has been approved for reimbursement in Taiwan China. Starting from March 1, 2025, XPOVIO® is officially included in the National Health Insurance drug reimbursement scheme.

In March 2025, the Indonesia National Agency of Drug and Food Control (BPOM) has approved a NDA for XPOVIO® (selinexor) for three indications: (1) in combination with bortezomib and dexamethasone for the treatment of adult patients with MM who have received at least one prior therapy; (2) in combination with dexamethasone for the treatment of adult patients with rrMM who have received at least four prior therapies and whose disease is refractory to at least two PIs, at least two IMiDs, and an anti-CD38 mAb; and (3) as a monotherapy for the treatment of adult patients with rrDLBCL, not otherwise specified, including DLBCL arising from follicular lymphoma, after at least two lines of systemic therapy who are not eligible for haematopoietic cell transplant.

Save as disclosed above, there have been no other significant events subsequent to the Reporting Period and up to the date of this report.

REPORT OF DIRECTORS

DIRECTORS

The Directors during the year ended December 31, 2024 and up to the date of this report are:

Executive Directors

Dr. Jay Mei (梅建明)
Mr. John F. Chin (Resigned with effect from August 1, 2024)
Mr. Donald Andrew Lung (龍振國)

Non-executive Directors

Dr. Kan Chen (陳侃) (Retired on June 14, 2024)

Independent Non-executive Directors

Ms. Jing Qian (錢晶)
Mr. Sheng Tang (唐晟)
Dr. Rafael Fonseca

Mr. John F. Chin has tendered his resignation as an executive Director with effect from August 1, 2024 due to his own career change.

Dr. Kan Chen has retired as a non-executive Director with effect from June 14, 2024 due to his own business engagement which requires more of his attention and dedication.

RE-ELECTION OF DIRECTORS PURSUANT TO REQUIREMENTS UNDER THE ARTICLE OF ASSOCIATION OF THE COMPANY

In accordance with Article 16.19 of the Articles of Association, at every annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Accordingly, Dr. Rafael Fonseca and Mr. Donald Andrew Lung shall retire from office by rotation. Dr. Rafael Fonseca and Mr. Donald Andrew Lung being eligible, have offered themselves for re-election as the Directors at the AGM.

Details of the Directors to be re-elected at the AGM are set out in the circular to Shareholders to be dispatched in due course in the manner as required by the Listing Rules.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and Senior Management of the Group are set out on pages 26 to 29 of this report. Save as disclosed in this report, there are no other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

Each of our executive Directors has entered into a service contract with us under which the initial term of their service contracts shall be three years commencing from the date of their appointment until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than two months' prior notice. Pursuant to the service contracts entered into with us, none of our executive Directors will receive any remuneration as Director's fee.

Each of our non-executive Directors has entered into a service contract with us under which the initial term of their service contract shall be three years commencing from the date of their appointment until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than one month's prior notice. Pursuant to the service contracts entered into with us, the non-executive Directors will receive no remuneration as Director's fee.

Each of our independent non-executive Directors has entered into an appointment letter with us effective from the Listing Date. The initial term of their appointment letters shall commence from the date of their appointment for a period of three years or until the third annual general meeting of our Company after the Listing Date, whichever is earlier (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing. Under these appointment letters, each of our independent non-executive Directors will receive an annual director's fee ranging from US$25,000 to US$50,000 commencing on the effective date of their appointment.

None of the Directors proposed for re-election at the AGM has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

We have received from each of the independent non-executive Directors, namely Dr. Rafael Fonseca, Ms. Jing Qian and Mr. Sheng Tang, a confirmation of their respective independence pursuant to the factors set out in Rule 3.13 of the Listing Rules. The Company has duly reviewed the confirmation of independence of each of these Directors, and considered that the independent non-executive Directors are independent.

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

As far as the Company is aware, as at December 31, 2024, the interests and short positions of the Directors and chief executives in the shares, underlying shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the 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 for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**"), were as follows:

Name of Director or CEO	Nature of Interest	Total number of shares/ underlying shares	Approximate Percentage of Shareholding Interest[(2)]
Dr. Jay Mei[(3)]	Interest in controlled corporation and beneficial interest	184,267,994(L)[(1)]	27.12%
Mr. Donald Andrew Lung[(4)]	Beneficial interest	4,620,000(L)[(1)]	0.68%
Mr. Jing Qian[(5)]	Beneficial interest	280,000(L)[(1)]	0.04%
Mr. Sheng Tang[(6)]	Beneficial interest	280,000(L)[(1)]	0.04%
Mr. Rafael Fonseca[(7)]	Beneficial interest	200,000(L)[(1)]	0.03%

Notes:

(1) "L" means holding a long position in Shares.

(2) Refers to the percentage of the number of relevant Shares involved divided by the number of Shares in issue of the Company as at December 31, 2024.

(3) Meiland Pharma Tech SPC ("**Meiland**") holds 175,927,994 Shares. Meiland is owned as to 17.76% by Dr. Mei, as to 15.15% by AM & Beyond Trust and as to 67.09% by the JAY MEI 2023 GRAT. Dr. Mei is the grantor and the trustee of the AM & Beyond Trust, and the grantor and the beneficiary of the JAY MEI 2023 GRAT. Accordingly, Dr. Jay Mei is deemed to be interested in the total number of Shares held by Meiland. In addition, Dr. Jay Mei is entitled to (i) acquire up to 5,340,000 Shares pursuant to the share options granted to him; and (ii) 3,000,000 underlying Shares of RSUs granted to him, both subject to the relevant conditions (including the vesting conditions) thereunder.

(4) Mr. Donald Andrew Lung is entitled to (i) acquire up to 4,120,000 Shares pursuant to the share options granted to him; and (ii) 500,000 underlying Shares of RSUs granted to him, both subject to the relevant conditions (including the vesting conditions) thereunder.

(5) Ms. Jing Qian is entitled to (i) acquire up to 230,000 Shares pursuant to the share options granted to her; and (ii) 50,000 underlying Shares of RSUs granted to her, both subject to the relevant conditions (including the vesting conditions) thereunder.

(6) Mr. Sheng Tang is entitled to (i) acquire up to 230,000 Shares pursuant to the share options granted to him; and (ii) 50,000 underlying Shares of RSUs granted to him, both subject to the relevant conditions (including the vesting conditions) thereunder.

(7) Mr. Rafael Fonseca is entitled to acquire up to 200,000 Shares pursuant to the share options granted to him, subject to the relevant conditions (including the vesting conditions) thereunder.

Save as disclosed above, as at December 31, 2024, none of the Directors or chief executives of the Company had or was deemed to have any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the 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 which were required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO; or which were required, pursuant to the Model Code as contained in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

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

As at December 31, 2024, to the best of the knowledge of the Company and the Directors, the following are the persons, other than the Directors or chief executives 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.

Interests in the Shares and Underlying Shares of the Company

Name of Shareholder	Nature of Interest	Total number of shares/ underlying shares	Approximate Percentage of Shareholding Interest[2]
JAY MEI 2023 GRAT	Interest in controlled corporation	175,927,994(L)[1]	25.89%
Meiland Pharma Tech SPC	Beneficial interest	175,927,994(L)[1]	25.89%
Boyu Capital Group Holdings Ltd.[3]	Interest in controlled corporation	73,789,650(L)[1]	10.86%
Boyu Capital General Partner III, Ltd.[3]	Interest in controlled corporation	62,711,436(L)[1]	9.23%
Boyu Capital General Partner III, L.P.[3]	Interest in controlled corporation	62,711,436(L)[1]	9.23%
Boyu Capital Fund III, L.P.[3]	Interest in controlled corporation	62,711,436(L)[1]	9.23%
Active Ambience Limited[3]	Beneficial interest	62,711,436(L)[1]	9.23%
THE CORE TRUST COMPANY LIMITED[4]	Trustee	63,760,332(L)[1]	9.38%
TCT (BVI) Limited[4]	Interest in controlled corporation	63,760,332(L)[1]	9.38%
FountainVest China Capital Partners GP3 Ltd.[5]	Interest in controlled corporation	46,314,396(L)[1]	6.82%
FountainVest China Capital Partners Fund III, L.P.[5]	Interest in controlled corporation	46,314,396(L)[1]	6.82%
Begonia Investment Ltd.[5]	Beneficial interest	46,314,396(L)[1]	6.82%
Qiming Corporate GP V, Ltd.[6]	Interest in controlled corporation	40,170,442(L)[1]	5.91%
Qiming GP V, L.P.[6]	Interest in controlled corporation	38,961,648(L)[1]	5.73%
Qiming Venture Partners V, L.P.[6]	Beneficial interest	38,961,648(L)[1]	5.73%

Notes:

(1) "L" means holding a long position in Shares.

(2) Refers to the percentage of the number of relevant Shares involved divided by the number of Shares in issue of the Company as at December 31, 2024.

(3) Active Ambience Limited ("**Active Ambience**") is wholly-owned by Boyu Capital Fund III, L.P. ("**BCF III**"). Boyu Capital General Partner III, L.P. ("**BCGP III LP**") is the general partner of BCF III. Boyu Capital General Partner III, Ltd. ("**BCGP III Ltd**") is the general partner of BCGP III LP. BCGP III Ltd is wholly-owned by Boyu Capital Group Holdings Ltd. ("**BCGH**"). Accordingly, each of BCF III, BCGP III LP, BCGP III Ltd and BCGH is deemed to be interested in the total number of Shares held by Active Ambience. In addition, Supercluster Universe Limited ("**Supercluster Universe**") holds 3,538,714 Shares immediately following completion of the Capitalization Issue (as defined in the Prospectus) and the Global Offering (as defined in the Prospectus). Supercluster Universe is wholly-owned by Boyu Capital Opportunities Master Fund ("**BCOMF**"), which is in turn wholly-owned by Boyu Capital Investment Management Limited ("**BCIM**"). BCIM is wholly-owned by BCGH. Accordingly, BCGH is also deemed to be interested in the total number of Shares held by Supercluster Universe and 7,539,500 Shares directly held by BCOMF.

(4) THE CORE TRUST COMPANY LIMITED, as a trustee, holds 19,829,500 Shares, 25,553,732 Shares and 18,377,100 shares on trust under certain equity incentive plans through ATG Incentives Holding Limited, ATG Incentives Holding Plus Limited and Antengene Resurrection Limited (each a "**Nominee**" and collectively "**Nominees**"), respectively. Each of the Nominees is wholly-owned by TCT (BVI) Limited, which is in turn wholly-owned by THE CORE TRUST COMPANY LIMITED.

(5) Begonia Investment Ltd. ("**Begonia**") is owned as to 76.25% by FountainVest China Capital Partners Fund III, L.P., which is wholly controlled by FountainVest China Capital Partners GP3 Ltd. Accordingly, each of FountainVest China Capital Partners Fund III, L.P. and FountainVest China Capital Partners GP3 Ltd. is deemed to be interested in the 46,975,396 Shares held by Begonia.

(6) Qiming GP V, L.P. is the general partner of Qiming Venture Partners V, L.P., and Qiming Corporate GP V, Ltd is the general partner of Qiming GP V, L.P. Accordingly, each of Qiming GP V, L.P. and Qiming Corporate GP V, Ltd is deemed to be interested in the total number of Shares held by Qiming Venture Partners V, L.P. In addition, Qiming Managing Directors Fund V, L.P. holds 1,208,794 Shares immediately following completion of the Capitalization Issue and the Global Offering. Qiming Corporate GP V, Ltd is the general partner of Qiming Managing Directors Fund V, L.P. and is deemed to be interested in the total number of Shares held by the latter.

Save as disclosed above, as at December 31, 2024, the Directors and the chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or 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 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, at no time during the year ended December 31, 2024 was the Company or any of its subsidiaries 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 spouse or children under the age of 18 had any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in this report, each of the Directors confirms that during the year ended December 31, 2024, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules. From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these non-executive Directors are not members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which these Directors may hold directorships from time to time.

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

For the year ended December 31, 2024, none of the related parties transactions as disclosed in Note 31 to the Consolidated Financial Statements constitute any non-exempt connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules. For the year ended December 31, 2024, we have not entered into any non-exempt connected transaction or continuing connected transaction which should be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules. During the Reporting Period, the Company has complied with all the disclosure requirements under Chapter 14A of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT AND CONTRACT OF SIGNIFICANCE

Save as disclosed in this report, no Director or an entity connected with a Director was materially interested, either directly or indirectly, in any transaction, arrangement or contract which is significant in relation to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during the year ended December 31, 2024 and up to the date of this report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended December 31, 2024 and up to the date of this report between the Company and a person other than a Director or any person engaged in the full-time employment of the Company.

DIRECTORS' PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, the Company shall indemnify out of the assets of the Company, any Director against all losses or liabilities incurred or sustained by him as a Director of the Company in defending any proceeding, whether civil or criminal, in which judgment is given in his/her favour, or in which he is acquitted. The Company has arranged appropriate directors' liability insurance coverage for the Directors of the Group. Such permitted indemnity provision was in force throughout the Reporting Period and as of the date of this annual report.

STAFF, REMUNERATION POLICY AND DIRECTORS' REMUNERATION

As at December 31, 2024, we had 169 employees (2023: 201 employees). Our employees' remuneration comprises salaries, bonuses, employee provident fund and social security contributions and other welfare payments. In accordance with applicable PRC laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees in the PRC.

Our Directors receive compensation in the form of fees, salaries, bonuses, other allowances, benefits in kind, contribution to the pension scheme and other share-based compensation. We determine the compensation of our Directors based on each Director's responsibilities, qualification, position and seniority. Details of the Directors' remuneration during the year are set out in note 8 to the Consolidated Financial Statements. No amount was paid to any Director or any of the five highest paid individuals disclosed in note 9 to the Consolidated Financial Statements as an inducement to join or upon joining the Company or as a compensation for loss of office. In addition, there was no arrangement under which a Director waived or agreed to waive any remuneration.

EQUITY INCENTIVE PLANS

The 2019 Equity Incentive Plan was adopted and approved by resolutions in writing by the Board on December 30, 2019 and amended by resolutions in writing by the Board on August 18, 2020. The 2020 Equity Incentive Plan (together with the 2019 Equity Incentive Plan, the "**Equity Incentive Plans**") was adopted and approved by resolutions in writing by the Board on August 18, 2020, and amended and approved by the Shareholders at the annual general meeting of the Company held on June 14, 2024. For more details of the terms of the 2019 Equity Incentive Plan, please refer to the section headed "EQUITY INCENTIVE PLANS" in the annual report of the Company for the year ended December 31, 2023; for more details of the terms of the 2020 Equity Incentive Plan, please refer to the circular of the Company dated April 29, 2024.

The following is a summary of the principal terms of the 2019 Equity Incentive Plan and the 2020 Equity Incentive Plan.

- Summary of terms

  Purpose. The purpose of both Equity Incentive Plans is to enhance the long-term Shareholder value of our Company by offering opportunities to employees, Directors and officers of our Group to participate in and benefit from our Company's growth and success, and to secure and retain the services of eligible participants.

Eligible Participants. Any of the following persons shall be eligible to participate in the 2019 Equity Incentive Plan subject to the Board's approval:

- any officer (whether or not a director) or employee of our Company or any of its subsidiaries;
- any director of our Company or any of its subsidiaries; or
- any individual consultant or advisor who renders or has rendered bona fide services to our Company or any of its subsidiaries, each subject to the approval of the Board.

The eligible participants of the 2020 Equity Incentive Plan include:

- employee participant who is a director (including executive, non-executive and independent non-executive directors) or an employee (whether full time or part time) of the Company or any of its subsidiaries (including persons who are granted awards under the 2020 Equity Incentive Plan as an inducement to enter into employment contracts with these companies);
- related entity participant who is any director or employee of a holding company (as defined in the Listing Rules), fellow subsidiary ("subsidiary" as defined in the Listing Rules) or associated company of the Company; and
- service provider who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group or which will contribute significantly to the growth of the Group's financial or business performance, including any independent contractor, consultant, agent and/or advisors who provides advisory services and consultancy services after stepping down from an employment or director position with the Group, as determined by the Board in its sole and absolute discretion, provided that any (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity may not be service providers for the purpose of the 2020 Equity Incentive Plan.

Maximum Number of Shares. Pursuant to the 2019 Equity Incentive Plan, the maximum number of Shares underlying the share options under the 2019 Equity Incentive Plan shall not exceed 20,000,000 Shares, representing approximately 2.94% of the total issued and outstanding Shares as of the date of this annual report. As all Shares underlying the share options which could be granted under the 2019 Equity Incentive Plan have already been issued and allotted to The Core Trust Company Limited (the "**Trustee**") which holds such Shares on trust, no further Shares will be issued under the 2019 Equity Incentive Plan. As at the date of approval of this annual report, the Company does not intend to make any future grant under the 2019 Equity Incentive Plan.

The aggregate number of Shares to be issued by the Company in respect of all grants of options and awards made after June 14, 2024 pursuant to the 2020 Equity Incentive Plan, the 2022 RSU Scheme and any other schemes adopted by the Company (excluding options and/or awards lapsed in accordance with relevant scheme rules) shall not exceed 10% of the total issued and outstanding Shares (excluding any treasury shares) as at June 14, 2024 (the "**Scheme Limit**"), being 67,488,874 Shares, representing approximately 9.93% of the total issued and outstanding Shares as of the date of this annual report.

Within the Scheme Limit, the service provider sublimit (the "**Service Provider Sublimit**") in respect of the aggregate number of Shares to be issued by the Company in respect of all grants of options and awards made to after June 14, 2024 pursuant to the 2020 Equity Incentive Plan, the 2022 RSU Scheme and any other schemes adopted by the Company (excluding options and/or awards lapsed in accordance with relevant scheme rules) shall not exceed 1% of the total issued and outstanding Shares (excluding any treasury shares) as at June 14, 2024, being 6,748,887 Shares, representing approximately 0.99% of the total issued and outstanding Shares as of the date of this annual report.

Maximum Entitlement of a Participant. Pursuant to the terms of the 2019 Equity Incentive Plan, no share option shall be granted to any one person such that the total number of Shares subject to the share options and any other option over the Shares (including exercised, cancelled and outstanding options) granted and to be granted to such person in any 12-month period up to the date of the latest grant exceeds 1% of the Shares in issue from time to time, except with the approval of the Shareholders of the Company with such person and his close associates abstaining from voting.

Pursuant to the terms of the 2020 Equity Incentive Plan, where any grant of option to a participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person, pursuant to the 2020 Equity Incentive Plan and any other schemes adopted by the Company (excluding options or awards lapsed in accordance with relevant scheme rules), in the 12-month period up to and including the date of such grant of option representing in aggregate over 1% of the total issued and outstanding Shares of the Company in issue (excluding any treasury shares) at the relevant time, such grant of option must be separately approved by Shareholders in general meeting with such participant and his/her close associates (or associates if the participant is a connected person) abstain from voting.

Further, any grant of option to a Director, chief executive officer or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee). Where any grant of option to an independent non-executive Directors or a substantial shareholder, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of relevant scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant of option representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares), such further grant of option must be approved by Shareholders in general meeting.

Acceptance of option. No consideration is payable by the grantee upon acceptance of the option pursuant to the terms of the Equity Incentive Plans.

Performance Target. The share options will be allocated and granted subject to the performance criteria as set forth at the sole discretion of the Board.

Exercise Price. The exercise price under each share option granted under the Equity Incentive Plans shall be set forth in the notice of grant. The Board may determine any further discount to the exercise price upon or after the grant of the option, provided that the exercise price in respect of any share option granted shall be not less than the highest of: (i) the nominal value of the Shares; (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the grant date of such share option (the "**Grant Date**"), 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 Grant Date. The tax withholding to be paid for the Shares shall be determined according to the provisions in the Equity Incentive Plans and applicable law.

Duration. Unless otherwise terminated pursuant to the terms of the Equity Incentive Plans, the Equity Incentive Plans will automatically terminate on the tenth anniversary of their respective effective date, after which no share option may be granted. The remaining life of each of the 2019 Equity Incentive Plan and the 2020 Equity Incentive Plan is approximately 4.5 years and approximately 5.5 years, respectively.

Administration. The Equity Incentive Plans shall be subject to the administration of the Trustee (the "**Administrator**") in accordance with the decisions and directions of the Board. Subject to any applicable laws, regulations and rules, the powers and obligations of the Administrator will be limited as set forth in a trust deed entered into between our Company and the Trustee.

Option Agreement and Notice of Grant. Each share option granted under the Equity Incentive Plans shall be evidenced by an option agreement and/or a notice of grant in the specified form between our Company and a participant. Subject to the terms of the Equity Incentive Plans and the terms of the form option agreement attached thereto (if any), each share option may contain additional terms and conditions as the Board deems appropriate.

Options. The Equity Incentive Plans provide for award of options only.

Pursuant to the 2019 Equity Incentive Plan, the CEO is entitled to make proposals (the "**Management Proposals**") to the Board with respect to any and all matters as our Company deems necessary or desirable in connection with the 2019 Equity Incentive Plan or the option agreements, which shall be subject to the Board's further review and approval. Share options may be granted only to those persons whom the Board determined to be eligible recipients based on the Management Proposals at the exercise price determined by the Board and subject to the performance criteria as set forth at the sole discretion of the Board. Each vested share option shall not be exercisable until the later of (i) the date such share option has vested in accordance with the terms of the Equity Incentive Plans or (ii) 30 days after the Listing, but shall be exercised no later than 10 years from the date of grant. The participant must send a written notice of exercise in the specified form to our Company within such exercise period, setting forth the number of Shares with respect to which the share option is being exercised and accompanied by full payment for the Shares.

Pursuant to the 2020 Equity Incentive Plan, the Board may, from time to time, at its absolute discretion select any participant for participation in the 2020 Equity Incentive Plan as a selected participant, and grant such number of options to any selected participant and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine. Each vested option shall not be exercisable until the date such option has vested; but shall be exercised no later than 10 years from the date of grant. The Participant must send a written notice of exercise to the Company within such exercise period, setting forth the number of Shares with respect to which the option is being exercised and accompanied by payment in full as provided in the notice of grant.

Vesting. Subject to other conditions set forth in the 2019 Equity Incentive Plan and the applicable option agreement, a participant's share option shall be vested according to the following schedule: (i) 30% of the share option shall be vested on the second anniversary of the Grant Date, (ii) 30% of the share option shall be vested on the third anniversary of the Grant Date, and (iii) the remaining 40% of the share option shall be vested on the fourth anniversary of the Grant Date. The Board may decide to accelerate the vesting schedule of share options at its sole discretion.

Subject to the terms and conditions of the 2020 Equity Incentive Plan and the fulfillment of all vesting conditions to the vesting of the options on such selected participant and all requirements applicable to such selected participant as specified in the 2020 Equity Incentive Plan and the grant notice (unless waived by the Board), the respective options granted to the selected participant pursuant to the provision thereof shall vest in such selected participant in accordance with the vesting schedule (if any) as set out in the grant notice. The vesting period in respect of an option shall not be less than 12 months, except that at the Board's sole and absolute discretion, the relevant vesting period may be shorter than 12 months, if and only if the relevant option is granted to an employee participant under certain conditions specified under the 2020 Equity Incentive Plan.

- **Outstanding share options granted under the Equity Incentive Plans**

  During the Reporting Period, 15,220,000 share options were granted under the 2020 Equity Incentive Plan, of which, 4,557,888 share options were satisfied by the issue and allotment of new Shares to the trustee of the 2020 Equity Incentive Plan, representing approximately 0.73% of the weighted average number of Shares in issue for the year. Save as disclosed, there was no other grant of options or awards under the share schemes of the Company during the Reporting Period.

  The total number of underlying Shares of all outstanding share options under the Equity Incentive Plans as at January 1, 2024 and December 31, 2024 was 32,456,266 and 42,814,766 respectively, which represented about 4.81% and 6.30% of the issued share capital of the Company as of December 31, 2024 respectively.

  As of January 1, 2024, the number of share options available for grant under the scheme mandate limit of the Equity Incentive Plans was 12,926,966. No service provider sub-limit has been set for the Equity Incentive Plans as of January 1, 2024. Following the amendments to the 2020 Equity Incentive Plan which took effect from June 14, 2024, (i) the number of share options and awards available for grant under the scheme mandate limit and service provider sublimit (as defined in Chapter 17 of the Listing Rules) as of December 31, 2024 were 52,716,874 and 6,748,887, respectively; and (ii) no future grant is to be made under the 2019 Equity Incentive Plan.

The share options have been granted based on the performance, length of service and significance of the grantees who have made important contributions to and are important to the long-term growth and success of our Group. As at December 31, 2024, the grantees under the Equity Incentive Plans include 6 Directors, 4 members of the senior management and 113 other employees of our Group. Details of the share options granted under the Equity Incentive Plans as at December 31, 2024 are set out below:

Name or category of grantee	Outstanding As at January 1, 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at December 31, 2024	Date of Grant	Exercise Price	Vesting Period	Exercise Period	Share closing price immediately before the date of grant of share options	Weighted average share closing price immediately before the exercise dates	Fair value of options at the date of grant
Directors													
Dr. Jay Mei	4,000,000	-	-	-	-	4,000,000	23-Aug-20	US$0.92	Note 1	Note 5	N/A (Note 2)	N/A	US$1.84
	670,000	-	-	-	-	670,000	27-Aug-21	HK$12.56	Note 3	Note 5	HK$12.94	N/A	US$0.88-0.91
	-	670,000	-	-	-	670,000	2-Oct-24	HK$0.86	Note 6	Note 5	HK$0.78	N/A	US$0.05-0.06
	4,670,000	670,000	-	-	-	5,340,000							
Mr. John F. Chin (Note 8)	1,000,000	-	-	-	-	1,000,000	23-Aug-20	US$0.92	Note 3	Note 5	N/A (Note 2)	N/A	US$1.92-2.00
	300,000	-	-	-	-	300,000	19-Jan-21	HK$20.65	Note 3	Note 5	HK$20.9	N/A	US$1.31-1.39
	80,000	-	-	-	-	80,000	27-Aug-21	HK$12.56	Note 3	Note 5	HK$12.94	N/A	US$0.88-0.91
	1,380,000	-	-	-	-	1,380,000							
Mr. Donald Andrew Lung	3,200,000	-	-	480,000	-	2,720,000	23-Aug-20	US$1.42	Note 3	Note 5	N/A (Note 2)	N/A	US$1.67-1.77
	300,000	-	-	-	-	300,000	19-Jan-21	HK$20.65	Note 3	Note 5	HK$20.9	N/A	US$1.31-1.39
	100,000	-	-	-	-	100,000	27-Aug-21	HK$12.56	Note 3	Note 5	HK$12.94	N/A	US$0.88-0.91
	-	1,000,000	-	-	-	1,000,000	2-Oct-24	HK$0.86	Note 6	Note 5	HK$0.78	N/A	US$0.05-0.06
	3,600,000	1,000,000	-	480,000	-	4,120,000							

Name or category of grantee	Outstanding As at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at December 31, 2023	Date of Grant	Exercise Price	Vesting Period	Exercise Period	Share closing price immediately before the date of grant of share options	Weighted average share closing price immediately before the exercise dates	Fair value of options at the date of grant
Mr. Rafael Fonseca	–	200,000	–	–	–	200,000	2-Oct-24	HK$0.86	Note 6	Note 5	HK$0.78	N/A	US$0.05-0.06
	–	200,000	–	–	–	200,000							
Ms. Jing Qian	20,000	–	–	–	–	20,000	23-Aug-20	US$0.92	Note 3	Note 5	N/A (Note 2)	N/A	US$1.92-2.00
	10,000	–	–	–	–	10,000	27-Aug-21	HK$12.56	Note 3	Note 5	HK$12.94	N/A	US$0.88-0.91
	–	200,000	–	–	–	200,000	2-Oct-24	HK$0.86	Note 6	Note 5	HK$0.78	N/A	US$0.05-0.06
	30,000	200,000	–	–	–	230,000							
Mr. Sheng Tang	20,000	–	–	–	–	20,000	23-Aug-20	US$0.92	Note 3	Note 5	N/A (Note 2)	N/A	US$1.92-2.00
	10,000	–	–	–	–	10,000	27-Aug-21	HK$12.56	Note 3	Note 5	HK$12.94	N/A	US$0.88-0.91
	–	200,000	–	–	–	200,000	2-Oct-24	HK$0.86	Note 6	Note 5	HK$0.78	N/A	US$0.05-0.06
	30,000	200,000	–	–	–	230,000							
Senior management													
Ms. Xiaojing Zhang	–	2,000,000	–	–	–	2,000,000	2-Oct-24	HK$0.86	Note 6	Note 5	HK$0.78	N/A	US$0.05-0.06
	–	2,000,000	–	–	–	2,000,000							
Mr. Yiteng Liu	1,851,500	–	–	–	–	1,851,500	23-Aug-20	US$0.92	Note 1	Note 5	N/A (Note 2)	N/A	US$1.84
	400,000	–	–	–	–	400,000	30-Oct-20	US$0.92	Note 1	Note 5	N/A (Note 2)	N/A	US$1.84
	300,000	–	–	–	–	300,000	19-Jan-21	HK$20.65	Note 3	Note 5	HK$20.9	N/A	US$1.31-1.39
	100,000	–	–	–	–	100,000	27-Aug-21	HK$12.56	Note 3	Note 5	HK$12.94	N/A	US$0.88-0.91
	2,651,500	–	–	–	–	2,651,500							
Mr. Bo Shan (Note 9)	1,020,000	–	–	1,020,000	–	0	1-Nov-19	US$0.88	Note 4	Note 5	N/A (Note 2)	N/A	US$1.84-1.99
	600,000	–	–	600,000	–	0	23-Aug-20	US$1.06	Note 3	Note 5	N/A (Note 2)	N/A	US$1.84-1.92
	400,000	–	–	400,000	–	0	19-Jan-21	HK$20.65	Note 3	Note 5	HK$20.9	N/A	US$1.25-1.35
	150,000	–	–	150,000	–	0	27-Aug-21	HK$12.56	Note 3	Note 5	HK$12.94	N/A	US$0.88-0.91
	2,170,000	–	–	2,170,000	–	0							
Ms. Rui Guo	1,750,456		–	–	–	1,750,456	1-Nov-19	US$0.88	Note 7	Note 5	N/A (Note 2)	N/A	US$1.84-1.99
	300,000		–	–	–	300,000	19-Jan-21	HK$20.65	Note 3	Note 5	HK$20.9	N/A	US$1.25-1.35
	63,000		–	–	–	63,000	27-Aug-21	HK$12.56	Note 3	Note 5	HK$12.94	N/A	US$0.75-0.83
	400,000		–	–	–	400,000	23-Aug-20	US$0.92	Note 3	Note 5	N/A (Note 2)	N/A	US$1.92-2.00
	–	1,000,000	–	–	–	1,000,000	2-Oct-24	HK$0.86	Note 6	Note 5	HK$0.78	N/A	US$0.05-0.06
	2,513,456	1,000,000	–	–	–	3,513,456							
Subtotal	17,044,956	5,270,000	–	2,650,000	–	19,664,956							

Name or category of grantee	Outstanding As at January 1, 2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at December 31, 2023	Date of Grant	Exercise Price	Vesting Period	Exercise Period	Share closing price immediately before the date of grant of share options	Weighted average share closing price immediately before the exercise dates	Fair value of options at the date of grant
Employee participants (Note 11)													
113 other employees	262,000	–	–	28,000	–	234,000	November	US$0.88	Note 3	Note 5	N/A (Note 2)	N/A	US$1.87-1.96
of the Company	5,816,068	–	–	–	–	5,816,068	1, 2019	US$0.88	Note 4	Note 5	N/A (Note 2)	N/A	US$1.91-1.99
	1,122,000	–	–	60,000	–	1,062,000	to	US$0.92	Note 3	Note 5	N/A (Note 2)	N/A	US$1.89-1.98
	1,258,000	–	–	24,000	–	1,234,000	October	US$1.06	Note 3	Note 5	N/A (Note 2)	N/A	US$1.81-1.91
	542,000	–	–	30,000	–	512,000	30, 2020	US$1.21	Note 3	Note 5	N/A (Note 2)	N/A	US$1.71-1.82
	1,280,000	–	–	800,000	–	480,000		US$1.42	Note 3	Note 5	N/A (Note 2)	N/A	US$1.62-1.73
	2,914,000	–	–	484,600	–	2,429,400	19-Jan-21	HK$20.65	Note 3	Note 5	HK$20.9	N/A	US$1.25-1.35
	2,039,242	–	–	318,900	–	1,720,342	27-Aug-21	HK$12.56	Note 3	Note 5	HK$12.94	N/A	US$0.75-0.83
	178,000	–	–	18,000	–	160,000	20-Dec-21	HK$10.29	Note 3	Note 5	HK$10.1	N/A	US$0.54-0.61
	–	9,950,000		448,000		9,502,000	2-Oct-24	HK$0.86	Note 6	Note 5	HK$0.78	N/A	US$0.05-0.06
Subtotal	15,411,310	9,950,000	–	2,211,500	–	23,149,810							
Total	**32,456,266**	**15,220,000**	**–**	**4,861,500**	**–**	**42,814,766**							

Notes:

1. All of such options are to be vested six months after the Listing Date.

2. Such share options were granted before the Listing Date and therefore the share closing price immediately before the date of grant of the share options is not applicable.

3. 30% of such share options are to be vested two years from the date of grant; 30% of such options are to be vested three years from the date of grant; 40% of such options are to vested four years from the date of grant.

4. 15% of such share options were vested upon the Listing Date; 15% of such options are to be vested two years from the date of grant; 30% of such options are to be vested three years from the date of grant; 40% of such options are to vested four years from the date of grant.

5. The exercise period of the share options granted under the Equity Incentive Plans is 10 years from the date of grant (subject to vesting).

6. 25% shall vest on the first anniversary of the date of grant; 25% shall vest on the second anniversary of the date of grant; 25% shall vest on the third anniversary of the date of grant; 25% shall vest on the fourth anniversary of the date of grant.

7. 15 % of such share options were vested upon the Listing Date; 85% of such options are to be vested two years from the date of grant.

8. Mr. John F. Chin has resigned with effect from August 1, 2024.

9. Dr. Bo Shan has resigned on January 31, 2024.

10. The share options granted under the Equity Incentive Plans are not subject to any performance targets.

11. Employee participants include employees of the Company and its subsidiaries.

12. No participant has been granted with options and awards in excess of the 1% individual limit.

13. No option has been granted under the Equity Incentive Plans to related entity participant or service provider.

For further details of the Equity Incentive Plans, including the fair value of the options granted under the Equity Incentive Plans, please refer to note 2.4 and note 28 to the Consolidated Financial Statements of this report.

2022 RSU SCHEME

On January 21, 2022, the Board has resolved to adopt the 2022 RSU Scheme and it has been amended and approved by the Shareholders at the annual general meeting of the Company held on June 14, 2024, which is in parallel with other share incentive schemes which have been or may be adopted by the Company.

The following is a summary of the principal terms of the 2022 RSU Scheme.

- Summary of terms

  Purpose. The purpose of the 2022 RSU Scheme is to recognize the contributions by certain eligible participants, to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

  Eligible Participants. The eligible participants of the 2022 RSU Scheme include:

  - employee participant who is a director (including executive, non-executive and independent non-executive directors) or an employee (whether full time or part time) of any the Company or any of its subsidiaries (including persons who are granted awards under the 2022 RSU Scheme as an inducement to enter into employment contracts with these companies);

  - related entity participant who is a director or employee of a holding company (as defined in the Listing Rules), fellow subsidiary ("subsidiary" as defined in the Listing Rules) or associated company of the Company; and

  - service provider who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group or which will contribute significantly to the growth of the Group's financial or business performance, including any independent contractor, consultant, agent and/or advisors who provides advisory services and consultancy services after stepping down from an employment or director position with the Group, as determined by the Board in its sole and absolute discretion, provided that any (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity may not be service providers for the purpose of the 2022 RSU Scheme.

Administration. The 2022 RSU Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules relating to the 2022 RSU Scheme (the "**Scheme Rules**") and the trust deed.

Scheme Limit. The aggregate number of Shares to be issued by the Company in respect of all grants of options and awards made after June 14, 2024 pursuant to the 2020 Equity Incentive Plan, the 2022 RSU Scheme and any other schemes adopted by the Company (excluding options and/or awards lapsed in accordance with relevant scheme rules) shall not exceed 10% of the total issued and outstanding Shares (excluding any treasury shares) as at June 14, 2024 (the "**Scheme Limit**"), being 67,488,874 Shares, representing approximately 9.93% of the total issued and outstanding Shares as of the date of this annual report.

Within the Scheme Limit, the service provider sublimit (the "**Service Provider Sublimit**") in respect of the aggregate number of Shares to be issued by the Company in respect of all grants of options and awards made to after June 14, 2024 pursuant to the 2020 Equity Incentive Plan, the 2022 RSU Scheme and any other schemes adopted by the Company (excluding options and/or awards lapsed in accordance with relevant scheme rules) shall not exceed 1% of the total issued and outstanding Shares (excluding any treasury shares) as at June 14, 2024, being 6,748,887 Shares, representing approximately 0.99% of the total issued and outstanding Shares as of the date of this annual report.

Maximum Entitlement of a Participant. Where any grant of award to a participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person, pursuant to the 2022 RSU Scheme and any other schemes adopted by the Company (excluding options or awards lapsed in accordance with relevant scheme rules), in the 12-month period up to and including the date of such grant of award representing in aggregate over 1% of the total issued and outstanding Shares of the Company in issue (excluding any treasury shares) at the relevant time, such grant of award must be separately approved by Shareholders in general meeting with such participant and his/her close associates (or associates if the participant is a connected person) abstain from voting.

Any grant of award to a Director, chief executive officer or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee). Where any grant of awards to a Director (other than an independent non-executive Director) or chief executive officer, or any of their associates would result in the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the relevant scheme(s) of the Company) to such person in the 12-month period up to and including the date of such award, representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares), such further grant of award must be approved by Shareholders in general meeting in the manner set out in Listing Rule 17.04(4). Where any grant of award to an independent non-executive Director or a substantial shareholder, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of relevant scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant of award representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares), such further grant of award must be approved by Shareholders in general meeting.

Acceptance of Award. The selected participant shall confirm acceptance of the award being granted to him by signing and returning to the Board the acceptance form attached to the grant notice within five (5) business days after the date of the grant notice. No consideration is payable upon acceptance of the award granted.

Operation. Any awarded shares shall either be (i) existing Shares transferred, gifted, assigned, or conveyed to the trust or as may be purchased by the trustee on the Stock Exchange or off the market; or (ii) treasury shares transferred out of treasury; or (iii) new Shares to be allotted and issued to the trustee by the Company pursuant to mandate granted by Shareholders at general meeting(s) of the Company from time to time. The Board may from time to time instruct the trustee in writing to purchase the Shares on the Stock Exchange and to hold them in trust for the benefit of the selected participants under the trust on and subject to the terms and conditions of the 2022 RSU Scheme and the trust deed.

Grant. Subject to the provisions of the 2022 RSU Scheme, the Board may, from time to time, at its absolute discretion select any participant for participation in the 2022 RSU Scheme as a selected participant, and grant such number of RSUs to any selected participant at such consideration (the "**Purchase Price**") and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine. In determining the number of restricted share units (the "**RSU(s)**") to be granted to any selected participant, the Board shall take into consideration matters including, but without limitation: (i) the present contribution and expected contribution of the relevant Selected Participant to the profits of the Group; (ii) the general financial condition of the Group; (iii) the Group's overall business objectives and future development plan; and (iv) any other matter which the Board considers relevant. In determining the Purchase Price, the Board shall take into account factors including the historical trend of the Share price of the Company and the actual circumstances of the Company, with reference to market comparables.

Vesting. The Board is entitled to impose any conditions (including a period of continued service within the Group after the award), as it deems appropriate in its absolute discretion with respect to the vesting of the RSUs on the selected participant. Subject to applicable laws and regulations, the Board shall be at liberty to waive any vesting conditions. Shares underlying any RSUs granted under the Scheme that lapse for any reason without having been exercised and Shares underlying the unexercised portion of any RSUs in case of partial exercise will, to the extent not prohibited by applicable laws and regulations, be available for subsequent award grants under the Scheme.

Subject to the terms and condition of the 2022 RSU Scheme and the fulfillment of all vesting conditions to the vesting of the RSUs on the selected participant and all requirements applicable to such selected participant as specified in the 2022 RSU Scheme and the grant notice (unless waived by the Board), the respective RSUs granted to the selected participant pursuant to the provision thereof shall vest in such selected participant in accordance with the vesting schedule (if any) as set out in the grant notice. The vesting period in respect of an award for new Shares and treasury shares shall not be less than 12 months, except that at the Board's sole and absolute discretion, the relevant vesting period may be shorter than 12 months, if and only if the relevant award is granted to an employee participant under certain conditions specified in the 2022 RSU Scheme

Duration. Unless terminated earlier by the Board pursuant to the Scheme Rules, the 2022 RSU Scheme shall be valid and effective for ten years commencing from the adoption date, after which period no further awards will be granted. The remaining life of the 2022 RSU Scheme is around 6.5 years.

- Outstanding RSUs granted under the 2022 RSU Scheme

The total number of underlying Shares of all outstanding RSUs under the 2022 RSU Scheme as at January 1, 2024, and December 31, 2024 were 8,569,075 and 4,986,330 respectively, which represented about 1.27% and 0.73% of the issued share capital of the Company as of December 31, 2024, respectively.

As of January 1, 2024, the number of RSUs available for grant under the scheme mandate limit of the 2022 RSU Scheme was 16,869,432. No service provider sub-limit has been set for the 2022 RSU Scheme as of January 1, 2024. Following the amendments to the 2022 RSU Scheme which took effect from June 14, 2024, the number of share options and awards available for grant under the scheme mandate limit and service provider sublimit (as defined in Chapter 17 of the Listing Rules) as of December 31, 2024 were 52,716,874 and 6,748,887, respectively.

The RSUs have been granted based on the performance, length of service and significance of the grantees who have made important contributions to and are important to the long-term growth and success of our Group. As at December 31, 2024, the grantees under the RSUs include 5 Directors, and 155 other employees of our Group. All underlying Shares of the RSUs granted under the 2022 RSU Scheme have already been allotted and issued to the trustee which holds such Shares on trust. Given that there has not been any grant of RSU during the Reporting Period, the number of Shares that may be issued in respect of RSUs granted under the 2022 RSU Scheme during the financial year divided by the weighted average number of Shares in issue during the Reporting Period is nil.

Details of the RSUs granted under the 2022 RSU Scheme as at December 31, 2024 are set out below:

			Number of shares underlying awards (with existing Shares as underlying Shares)								
Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the awards were granted	Outstanding as of the beginning of the Reporting Period	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as of the end of the Reporting Period	Vesting Period	Weighted average closing price of the shares immediately before the dates on which the awards were vested	Fair value of awards at the date of grant
Directors											
Dr. Jay Mei	1-Nov-22	HK$3.33	1,500,000	–	498,000	–	–	1,002,000	Note 1	HK$0.89	HK$3.73
Mr. John F. Chin (Note 3)	1-Nov-22	HK$3.33	155,000	–	51,460	–	–	103,540	Note 1	HK$0.89	HK$3.73
Mr. Donald Andrew Lung	1-Nov-22	HK$3.33	250,000	–	83,000	–	–	167,000	Note 1	HK$0.89	HK$3.73
Ms. Jing Qian	1-Nov-22	HK$3.33	25,000	–	8,300	–	–	16,700	Note 1	HK$0.89	HK$3.73
Mr. Sheng Tang	1-Nov-22	HK$3.33	25,000	–	8,300	–	–	16,700	Note 1	HK$0.89	HK$3.73
Other 1 employee participant											
Kevin P. Lynch (Note 4)	1-Nov-22	HK$3.33	375,000	–	125,000	–	–	250,000	Note 2	HK$0.89	HK$3.73
Subtotal			**2,330,000**	**–**	**774,060**	**–**	**–**	**1,555,940**			

Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the awards were granted	Outstanding as of the beginning of the Reporting Period	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as of the end of the Reporting Period	Vesting Period	Weighted average closing price of the shares immediately before the dates on which the awards were vested	Fair value of awards at the date of grant
			Number of shares underlying awards (with newly issued Shares as underlying Shares)								
Other 155 employee participants (Note 8)	1-Nov-22	HK$3.33	5,085,500	–	1,406,850	919,810	–	2,758,840	Note 1	HK$1.55	HK$3.73
	1-Nov-22	HK$3.33	1,153,575	–	356,275	125,750	–	671,550	Note 2	HK$1.55	HK$3.73
Subtotal			**6,239,075**	**–**	**1,763,125**	**1,045,560**	**–**	**3,430,390**			
Total			**8,569,075**	**–**	**2,537,185**	**1,045,560**	**–**	**4,986,330**			

Notes:

1. The RSUs to grantees who joined the Group prior or on the listing date of the Group shall be vested in the portions of 25%, 25%, 16.6%, 16.7% and 16.7% on the grant date, the first, second, third and fourth anniversaries of the grant date of the RSUs, respectively.

2. The RSUs to grantees who joined the Group after the listing date of the Group shall be vested in the portions of 25%, 25%, 25% and 25% on the first, second, third and fourth anniversaries of the grant date of the RSUs, respectively.

3. Mr. John F. Chin has resigned with effect from August 1, 2024.

4. Mr. Kevin P. Lynch has resigned as a Director with effect from December 16, 2022.

5. The RSUs granted under the 2022 RSU Scheme are not subject to any performance target.

6. None of the five highest paid individuals has been granted with RSUs with existing Shares as underlying Shares under the 2022 RSU Scheme.

7. The purchase price of all RSUs mentioned in the table above is nil. No consideration or any form of purchase price is payable by the grantee upon acceptance or vesting of the RSU.

8. Employee participants include employees of the Company and its subsidiaries.

9. The fair value of awards granted during the Reporting Period at the date of grant is N/A, since there was no grant of RSU under the 2022 RSU Scheme during the Reporting Period.

10. Save as disclosed above, there is no RSU granted under the 2022 RSU Scheme to any Director, chief executive of the Company or substantial Shareholder, or their respective associates.

11. No participant has been granted with RSUs in excess of the 1% individual limit.

12. No RSU has been granted under the 2022 RSU Scheme to related entity participant or service provider.

The total number of Shares that may be issued in respect of options and awards granted under the 2019 Equity Incentive Plan, 2020 Equity Incentive Plan, and the 2022 RSU Scheme during the Reporting Period divided by the weighted average number of Shares in issue for the Reporting Period is 8.72%.

EQUITY-LINKED AGREEMENT

Save as disclosed in this report, there was no equity-linked agreement entered into by the Company during the year ended December 31, 2024.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended December 31, 2024, the respective percentage of revenue attributable to the Group's largest customer and five largest customers in aggregate was 78.6% and 99.8%, respectively.

During the year ended December 31, 2024, the respective percentage of purchases attributable to the Group's largest supplier and five largest suppliers in aggregate was 16.7% and 51.4%, respectively.

None of our Directors or any of their close associates or any Shareholder (which to the best knowledge of our Directors owned more than 5% of the Company's issued share capital) had any interest in any of our five largest customers or five largest suppliers.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (or sale of treasury shares) during the Reporting Period. As at 31 December 2024, the Company did not hold any treasury shares (within the meaning of the Listing Rules).

Details of the shares held by the trustee for the purposes of the Company's equity incentive plans are set out in note 26 to the Consolidated Financial Statements of this report.

CHARITABLE CONTRIBUTIONS

During the year ended December 31, 2024, the Group did not make any charitable contribution.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and complied with the principles and code provisions as set out in the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the "**CG Code**") for the year ended December 31, 2024 and up to the date of this report, save for the deviation from code provision C.2.1 as disclosed below.

Code provision C.2.1 of the CG Code provides that the roles of the chairman of the Board (the "**Chairman**") and CEO should be separated and should not be performed by the same individual. During the Reporting Period and as at the date of this this report, the roles of the Chairman and CEO of the Company are held by Dr. Jay Mei who is a founder of the Company.

The Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Dr. Jay Mei is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our CEO. The Board also believes that the combined role of Chairman of the Board and CEO can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board.

Further, the decisions to be made by the Board require approval by at least a majority of the Directors. The Board comprises one non-executive Director and three independent non-executive Directors, which the Company believes that there are sufficient checks and balances in the Board. Dr. Mei and other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they shall act for the benefit and in the best interest of the Company and the Shareholders as a whole and will make decisions for the Group accordingly.

Our Board will continue to review and consider splitting the roles of Chairman and the CEO at a time when it is appropriate by taking into account the circumstances of our Group as a whole.

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

AUDITOR

The consolidated financial statements of the Group for the year ended December 31, 2024 have been audited by Ernst & Young. There was no change in auditors of the Company in the preceding three years.

Ernst & Young shall retire and, being eligible, offer itself for re-appointment, and a resolution to this effect shall be proposed at the AGM.

By order of the Board of Directors
Antengene Corporation Limited
Dr. Jay Mei
Chairman

Hong Kong, March 21, 2025

CORPORATE GOVERNANCE REPORT

CULTURE AND VALUES

A healthy corporate culture is crucial for achieving the Group's vision and strategy. The Board is responsible for nurturing a corporate culture rooted in core principles and ensuring that the Company's vision, values, and business strategies align with this culture.

Integrity and Code of Conduct

The Group is dedicated to upholding high standards of business ethics and corporate governance across all activities and operations. Directors, management, and employees are expected to act in a lawful, ethical, and responsible manner. The standards and codes are clearly outlined in training materials for all new employees and are incorporated into various policies, such as the Group's Employee Handbook, which includes the Group's Code of Conduct, and the Group's Anti-Corruption Policy and Whistleblowing Policy. The Company regularly conducts training to reinforce the required standards of ethics and integrity.

Integrity, Responsibility, Innovation and Dedication

The Group believes in fostering a culture that emphasizes employee development, workplace safety and health, diversity, and sustainability. This culture cultivates a sense of commitment and dedication among the workforce, establishing a strong and productive workforce capable of attracting, developing, and retaining top talent. It also bolsters innovative thinking and dedication among employees, thus enhancing the Company's efficiency. Furthermore, the Company's strategies in business development and management are designed to achieve long-term, stable, and sustainable growth. These strategies also pay attention to environmental, social, and governance aspects to a certain degree.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving good corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate our business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices.

In the opinion of the Directors, for the year ended December 31, 2024 and to the date of this report, the Company has complied with all the code provisions as set out in the CG Code, except for the deviation from code provision C.2.1 of the CG Code, details of which are set out on page 61 under the section headed "REPORT OF DIRECTORS – COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE" of this Report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its code of conduct regarding the Directors' securities transactions.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with required standard set forth in the Model Code during the Reporting Period.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code. No incident of non-compliance with the required standard set out in the Model Code by the employees was noted by the Company during the Reporting Period.

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and makes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing such responsibilities.

Board Composition

The Board currently comprises five Directors, consisting of two Executive Directors, and three Independent Non-executive Directors.

Executive Directors

Dr. Jay Mei *(Chairman and Chief Executive Officer)*
Mr. John F. Chin *(Chief Business Officer)* (Resigned with effect from August 1, 2024)
Mr. Donald Andrew Lung *(Chief Financial Officer)*

Non-executive Directors
Dr. Kan Chen (Retired on June 14, 2024)

Independent Non-executive Directors

Ms. Jing Qian
Mr. Sheng Tang
Dr. Rafael Fonseca

The biographical information of the Directors is set out in the section headed "DIRECTORS AND SENIOR MANAGEMENT" on pages 26 to 29 of this report.

To the best knowledge of the Company, there has been no other financial, business, family, or other material/relevant relationships among members of the Board.

Chairman and CEO

The roles of the Chairman and CEO of the Company are held by Dr. Jay Mei who is the founder of the Company.

Independent Non-executive Directors

For the year ended December 31, 2024 and to the date of this report, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing at least one-third of the board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

Directors' Service Contracts

Each of the executive Directors has entered into a service contract with the Company under which the initial term of their service contract shall be three years commencing from the date of their appointment until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than two months' prior notice.

Each of the non-executive Directors has entered into a service contract with the Company under which the initial term of their service contract shall be three years commencing from the date of their appointment until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than one month's prior notice.

Each of the independent non-executive Directors has entered into an appointment letter with the Company effective from the Listing Date. The initial term of their appointment letters shall commence from the date of their appointment for a period of three years or until the third annual general meeting of the Company after the Listing Date, whichever is earlier (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing.

Responsibilities, Accountabilities and Contributions of the Board and Management

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

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

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

All Directors have full and timely access to all the information of the Company. Also, The Company believes that the independence of the Board is an essential component of a sound corporate governance. The Company has effective mechanisms in place, including but not limited, that Board and its committees may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses to ensure that independent views and input are available to the Board. Such mechanisms shall be reviewed by the Board annually.

During the Reporting Period, the Board has reviewed the implementation and effectiveness of the above mechanisms and considered that the mechanisms were effective in ensuring that independent views and input are available to the Board.

The Directors shall disclose to the Company details of other offices held by them.

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

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

Continuous Professional Development of Directors

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

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of a Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by regular meetings with senior management of the Company to understand the Group's businesses, governance policies and regulatory environment.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

According to the records maintained by the Company, the current Directors participated in appropriate continuous professional development to comply with C.1.4 of the CG Code during the year ended December 31, 2024:

Directors	Participated in continuous professional development[Note]
Executive Directors	
Dr. Jay Mei *(Chairman and CEO)*	√
Mr. Donald Andrew Lung *(Chief Financial Officer)*	√
Independent Non-executive Directors	
Ms. Jing Qian	√
Mr. Sheng Tang	√
Dr. Rafael Fonseca	√

Note: Attended training/seminar/conference arranged by the Company or other external parties or read relevant materials.

BOARD COMMITTEES

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

The list of the chairman and members of each Board committee is set out under the section headed "CORPORATE INFORMATION" on pages 2 to 3 of this report.

Audit Committee

During the year ended December 31, 2024, the Audit Committee consisted of three members, including three independent non-executive Directors, namely Mr. Sheng Tang, Dr. Rafael Fonseca and Ms. Jing Qian. Mr. Sheng Tang, being the Chairman of the Audit Committee, holds the appropriate professional qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board 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 has reviewed the financial results and report for the Reporting Period and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors, engagement of non-audit services and relevant scope of works and arrangements for employees to raise concerns about possible improprieties. The risk management and internal control systems are reviewed on an annual basis by the Audit Committee.

For the year ended December 31, 2024, the chairman of the Audit Committee held four meetings with the external auditors, one of which was conducted without the presence of the Executive Directors.

Remuneration Committee

During the year ended December 31, 2024, the Remuneration Committee consisted of three members, including one executive Director, namely, Dr. Jay Mei, and two independent non-executive Directors, namely, Ms. Jing Qian and Mr. Sheng Tang. Ms. Jing Qian is the Chairwoman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include, without limitation, (i) making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing the policy on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

During the year ended December 31, 2024, the Remuneration Committee has performed the aforesaid functions and has accomplished the following:

- making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management;

- determining specific remuneration packages of directors who were elected during the year; and

- reviewing and approving proposed grant of share option and RSUs as long term incentives.

During the year ended December 31, 2024, the Remuneration Committee considered, approved and made recommendation to the Board in relation to the grant of awards to grantees. For details of the awards granted during the Financial Year, please refer to the section headed "Equity Incentive Plans" in this Annual Report.

There is no performance target attached to the awards granted to the grantees. The Remuneration Committee considered (1) the grantees' experiences in the Group's business, length of service to the Group and contribution and dedication to the promotion of the Group's business; (2) the grantees are employees of the Group who will directly contribute to the overall business performance, sustainable development and/or good corporate governance of the Group; (3) the awards will give the grantees an opportunity to have a personal stake in the Company; and (4) the value of the awards shall be subject to the market performance of the Shares, which in turn depends on the performance of the Group, to which the grantees would directly contribute. Therefore, the Remuneration Committee was of the view that notwithstanding the absence of performance target, the grant of the awards aligns with the purpose of the Equity Incentive Plans.

The remuneration payable to the senior management of the Company (who are not the Directors) is shown in the following table by band:

	For the year ended December 31,	
	2024	2023
	Number of Individual(s)	Number of Individual(s)
HKD4,000,001 to HKD4,500,000	**1**	–
HKD4,500,001 to HKD5,000,000	**–**	–
HKD5,000,001 to HKD5,500,000	**–**	–
HKD5,500,001 to HKD6,000,000	**–**	–
HKD6,000,001 to HKD6,500,000	**1**	–
HKD6,500,001 to HKD7,000,000	**–**	1
HKD7,000,001 to HKD7,500,000	**–**	–
HKD7,500,001 to HKD8,000,000	**–**	1
	2	2

Further details of the remuneration payable to the Directors and the five highest paid individuals for the year ended December 31, 2024 are set out in note 8 and note 9, respectively, to the Consolidated Financial Statements in this report.

Nomination and Corporate Governance Committee

During the year ended December 31, 2024, the Nomination and Corporate Governance Committee consisted of three members, including one executive Director, namely, Dr. Jay Mei, and two independent non-executive Directors, namely, Dr. Rafael Fonseca and Ms. Jing Qian.

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

The principal duties of the Nomination and Corporate Governance Committee include, without limitation, reviewing the structure, size and composition of the Board, assessing the independence of independent non-executive Directors and making recommendations to the Board on matters relating to the appointment of Directors, developing, reviewing and assessing the adequacy of the Company's policies and practices on corporate governance and reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report.

During the year ended December 31, 2024, the Nomination and Corporate Governance Committee has performed the aforesaid functions.

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

In identifying and selecting suitable candidates for directorships, the Nomination and Corporate Governance Committee would consider the candidate's relevant criteria as set out in the Company's director nomination policy (the "**Director Nomination Policy**") that are necessary to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board.

The structure, size and composition of the Board and the independence of the independent non-executive Directors have been reviewed by the Board and the Board considered that an appropriate balance of diversity perspectives of the Board was maintained for the year ended December 31, 2024.

Board Diversity Policy

The Company has adopted the Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company embraces the benefits of having a diverse Board to enhance the quality of its performance.

Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. Our Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of business management, biotech, clinical research, life science, finance, investment, auditing and accounting. They obtained degrees in various areas including medicine, immunology, chemistry, chemical physics, chemical engineering, pharmaceutical analysis, economics and accounting. At present, the Board considered an appropriate balance of diversity perspectives of the Board is maintained and the Nomination Committee has set measurable objectives (in terms of professional experience, skills, knowledge, gender, age and length of service etc.) to implement the Board Diversity Policy. Such objectives will be reviewed from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained.

As at the date of this report, the Board comprises five members, including one female Director. Pursuant to the Board Diversity Policy, we aim to maintain at least 10% female representation in the Board and the composition of the Board satisfies this target gender ratio. We will implement policies to ensure gender diversity when recruiting staff to develop a pipeline of female senior management and potential successors to the Board. We will strive to enhance our female representation and achieve appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices. Furthermore, we will implement comprehensive programs aimed at identifying and training our female staff who display leadership and potential, with the goal of promoting them to the senior management or the Board.

As of December 31, 2024, we had 169 full-time employees, of which 70 were male and 99 were female. The gender ratio in the workforce (including senior management) was approximately 2 males to 3 females. The Company is aiming to achieve a more balanced gender ratio in the workforce. The Company will continue to monitor and evaluate the Board Diversity Policy from time to time to ensure its continued effectiveness. The Company is not aware of any mitigating factor or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

During the year ended December 31, 2024, the Nomination Committee has reviewed the diversity of the Board and considered that the Group has achieved the measurable objectives of the Board Diversity Policy in terms of professional experience, skills, knowledge, gender, age and length of service etc.

We are also committed to adopting a similar approach to promote diversity of the management (including but not limited to the senior management) of the Company to enhance the effectiveness of corporate governance of the Company as a whole.

The Nomination Committee is delegated by the Board to be responsible for compliance with relevant codes governing board diversity under the Corporate Governance Code. The Board reviews the Board Diversity Policy annually to ensure its continued implementation and effectiveness.

Measurable Objectives

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

(i) Independence: The Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong element of independence in the Board. The independent non-executive Directors shall be of sufficient caliber and stature for their views to carry weight.

(ii) Skills and experience: The Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors have a mix of finance, academic and management backgrounds that taken together provide the Company with considerable experience in a range of activities.

(iii) Gender equality: The Board consists of a female director.

Apart from the above objectives, the Board Diversity Policy has complied with the following objectives with the Listing Rules:

1. at least one third of the members of the Board shall be independent non-executive Directors;

2. at least three of the members of the Board shall be independent non-executive Directors; and

3. at least one of the members of the Board shall have obtained appropriate professional qualifications or accounting or related financial management expertise.

The Board considers that it has achieved the measurable objectives set out in the Board Diversity Policy.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination and Corporate Governance Committee.

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

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Reputation for integrity;
- Commitment in respect of available time and relevant interest; and
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings. The Nomination and Corporate Governance Committee will recommend to the Board for the appointment of a Director including an independent non-executive Director in accordance with the following selection criteria and nomination procedures:

- identify individuals who are suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, having due regard to the Company's Board diversity policy, the requirements in the Company's constitution, the Listing Rules and applicable laws and regulations, and the relevant candidates' contributions to the Board in terms of qualifications, skills, experiences, independence and gender diversity;
- assess the independence of independent non-executive Directors to determine their eligibility with reference to the factors set out in Rule 3.13 of the Listing Rules and any other factors deemed appropriate by the Nomination and Corporate Governance Committee or the Board. If a proposed independent non-executive Director will be holding their seventh (or more) listed company directorship, to assess his/her ability to devote sufficient time to the Board matters; and
- develop the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship, including but not limited to evaluating the balance of skills, knowledge and experience on the Board, and in the light of this evaluation prepared a description of the role and capabilities required for a particular appointment.

The Nomination and Corporate Governance Committee will review the Director Nomination Policy, from time to time and as appropriate, to ensure its effectiveness.

Corporate Governance Functions

The Board is responsible for performing the functions set out in Principle A.2.1 of the CG Code.

For the year ended December 31, 2024 and to the date of this report, the Board together with the Nomination and Corporate Governance Committee had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and the disclosure in this Corporate Governance Report.

ATTENDANCE RECORDS OF DIRECTORS

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

For the year ended December 31, 2024, the Board has held five meetings. The Company expects to continue to convene at least four regular meetings in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of the CG Code. The Company will also arrange for the Chairman to have meetings with the independent non-executive Directors without the presence of other directors so as to comply with the requirement of code provision C.2.7 of the CG Code.

For the year ended December 31, 2024, the Company has held one general meeting (i.e. the annual general meeting).

The attendance record of each Director at the Board meetings, Board committee meetings and shareholders meeting of the Company held for the year ended December 31, 2024 is set out in the table below:

	Number of meeting attended/number of meeting held during the tenure of office				
Name of Directors	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination and Corporate Governance Committee**	**Annual General Meeting**
Executive Directors					
Dr. Jay Mei *(Chairman and Chief Executive Officer)*	5/5	N/A	2/2	2/2	1/1
Mr. John F. Chin *(Chief Business Officer)* (resigned with effect from August 1, 2024)	3/3	N/A	N/A	N/A	1/1
Mr. Donald Andrew Lung *(Chief Financial Officer)*	5/5	N/A	N/A	N/A	1/1
Non-executive Directors					
Dr. Kan Chen (retired on June 14, 2024)	3/3	N/A	N/A	N/A	1/1
Independent Non-executive Directors					
Ms. Jing Qian	5/5	2/2	2/2	2/2	1/1
Mr. Sheng Tang	5/5	2/2	2/2	N/A	1/1
Dr. Rafael Fonseca	5/5	2/2	N/A	2/2	1/1

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk Management

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

The Company has adopted a comprehensive set of risk management policies, which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with its strategic objectives on an ongoing basis. Our senior management, and ultimately our Directors, supervise the implementation of our risk management policies. Risks identified by management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by our Group and reported to our Directors.

The following key principles outline the Company's approach to risk management:

(a) The Audit Committee oversees and manages the overall risks associated with the Company's business operations, including (i) reviewing and approving the Company's risk management policies to ensure that it is consistent with its corporate objectives; (ii) monitoring the most significant risks associated with the Company's business operations and its management's handling of such risks; and (iii) ensuring the appropriate application of our risk management framework across the Group.

(b) The relevant departments, including but not limited to the business operations department, finance department and general administration department, are responsible for developing and implementing our risk management policy and carrying out our day-to-day risk management practice, such as assessing risks on key business operations, advising risk responses and optimizing risk management policies. In order to formalize risk management across our Group and set a common level of transparency and risk management performance, the relevant departments will (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect their objectives; (iii) continuously monitor the key risks relating to their operation or function; (iv) implement appropriate risk responses where necessary; and (v) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework.

We consider that the Directors and members of the Company's senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control. No significant area of concern that may affect the financial, operational, compliance, control and risk management of the Group has been identified by the Company during the Reporting Period.

Internal Control

The Board is responsible for establishing and ensuring effective internal controls to safeguard the Shareholder's investment at all times. The Company's internal control policies set out a framework to identify, assess, evaluate and monitor key risks associated with its strategic objectives on an ongoing basis.

The Company has adopted various measures and procedures regarding each aspect of its business operation. The Company provides training about these measures and procedures to new employees. The Company also constantly monitors the implementation of those measures and procedures.

The Company maintains strict anti-corruption policies on personnel with external communication functions. The Company will also ensure that its commercialization team complies with applicable promotion and advertising requirements, which include restrictions on promoting drugs for unapproved uses or patient populations and limitations on industry-sponsored scientific and educational activities.

The Directors (who are responsible for monitoring the corporate governance of the Group), with help from the Company's legal advisors, will also periodically review its compliance status with all relevant laws and regulations. The Audit Committee will (i) make recommendations to the Directors on the appointment and removal of external auditors; and (ii) review the financial statements and render advice in respect of financial reporting as well as oversee internal control procedures of the Group.

The Company has engaged Rainbow Capital (HK) Limited as its compliance advisor to provide advice to the Directors and management team regarding matters relating to the Listing Rules. The Company's compliance advisor is expected to ensure the Company's use of funding complies with the sections titled "USE OF PROCEEDS" in the Prospectus, as well as to provide support and advice regarding requirements of relevant regulatory authorities in a timely fashion.

The Company has established internal audit function and risk management and internal control systems with relevant policies and procedures that we believe are appropriate for our business operations.

The Company has regularly reviewed and enhanced its risk management and internal control systems and such review will be conducted at least annually. We believe that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control. During the Reporting Period, the Board has conducted a review of the implementation and effectiveness of the risk management and internal control systems and considers these systems effective and adequate.

The Company has established procedures for identifying, handling and disseminating inside information in compliance with the SFO, including the issue of an inside information disclosure policy, the annual review and update (if necessary) of such inside information disclosure policy, preclearance on dealing in Company's securities by Directors and designated members of the management, notification of regular blackout period and securities dealing restrictions to relevant Directors and employees have been implemented by the Company to guard against possible mishandling of inside information within the Group.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2024.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 126 to 130 of this report.

AUDITOR'S REMUNERATION

The remuneration paid to the external auditors of the Company, Ernst & Young, in respect of audit services and non-audit services for the year ended December 31, 2024 is set out below:

Service Category	Fees Paid/Payable RMB'000
Audit services:	
Annual audit services	2,100
Non-audit services:	
Interim review services	400
Total	2,500

JOINT COMPANY SECRETARIES

Mr. Yang Cao, the joint company secretary of the Company, is responsible for advising the Board on corporate governance matters and ensuring that the Board's policies and procedures, as well as the applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engaged Mr. Wai Chiu Wong as the other joint company secretary of the Company to assist Mr. Yang Cao in discharging his duties as company secretary of the Company. Mr. Wai Chiu Wong currently serves as an associate director of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specialising in corporate services. Mr. Wai Chiu Wong's primary contact person at the Company is Mr. Yang Cao, who is also the Corporate Vice President and Board Secretary of the Company.

For the year ended December 31, 2024, each of Mr. Yang Cao and Mr. Wai Chiu Wong has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

The Company engages with the Shareholders through various communication channels.

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

Shareholders' Communication Policy

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

(a) *Corporate Communication*

Corporate Communication will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding. Shareholders are encouraged to provide, amongst other things, in particular, their email addresses to the Company in order to facilitate timely and effective communications.

(b) *Corporate Website*

A dedicated "Investor Relations" section is available on the Company website (www.antengene.com). Information on the Company website is updated on a regular basis. Information released by the Company to the Stock Exchange is also posted on the Company website immediately thereafter. Such information includes financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents, other announcements, monthly returns on movements in the Company's securities for each month and next day disclosure returns, etc.

(c) *Shareholders' Meetings*

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Appropriate arrangements for the annual general meetings shall be in place to encourage Shareholders' participation. The process of the Company's general meeting will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served. Board members, in particular, either the chairman of Board committees or their delegates, appropriate management executives and external auditors will attend annual general meetings to answer Shareholders' questions.

The implementation and effectiveness of the Communication Policy has been reviewed by the Board during the year ended December 31, 2024. Having considered the communication channels in place provided the Shareholders and investment community with information about the latest development of the Group in a timely manner, and the Company has established a range of communication channels between itself and the Shareholders, investors and other stakeholders to allow the Company to receive feedback effectively, the Board considered that the Communication Policy was adequate and effective.

Convening an Extraordinary General Meeting

Pursuant to Article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members to the Board or the secretary of the Company, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s), provided that any one or more members hold together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves may convene the general meeting in the same manner and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Putting Forward Proposals at General Meetings

There are no provisions under the Articles of Association or the Companies Act of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as a Director.

Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

For proposal of a person for election as Director, pursuant to Article 16.4 of the Articles of Association, no person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless during the period, which shall be at least seven days, commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the company secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

Putting Forward Enquiries to the Board

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

Contact Details

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

Address: Suites 1206-1209, Block B
Zhongshan SOHO Plaza
1065 West Zhongshan Road
Changning District
Shanghai
PRC

Email: ir@antengene.com

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

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

The AGM will be held on Friday, June 13, 2025. The notice of the AGM will be published and dispatched in due course in the manner as required by the Listing Rules.

Dividend Policy

The Company has adopted a dividend policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. In accordance with the dividend policy, in deciding whether to propose the payment of dividends and the amount of dividend payable, the Board will take into consideration the financial conditions of the Group and the conditions and factors including, among others, financial results, cash flow situation, business conditions and strategies and future operations and earnings.

As set out in the dividend policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to Shareholders' approval.

CONSTITUTIONAL DOCUMENTS

The memorandum of association and the articles of association of the Company have been amended and restated on June 14, 2024 to incorporate the amendments for the purpose of, among others, aligning with the Listing Rules in respect of the electronic dissemination of corporate communications by listed issuers, and the updated version is available on the websites of the Company and the Stock Exchange. Save for the aforesaid, there had been no change in the memorandum of association and the articles of association of the Company during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

Antengene Corporation Limited and its subsidiaries ("**Antengene**", the "**Company**", the "**Group**" or "**we**") are pleased to release the environmental, social and governance ("**ESG**") report (the "**Report**") to disclose the Group's ESG strategy and performance regarding corporate social responsibility and sustainable development.

PREPARATION BASIS

The Report is compiled concerning the Environmental, Social and Governance Reporting Guide (the "**Guide**") as set out in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Additionally, the Report is written in accordance with mandatory disclosure requirements, "comply or explain" provisions and the requirements of the reporting principles (namely: materiality, quantitative, balance and consistency) of the Guide as stated below:

- **Materiality** The process for identifying material ESG factors, selection criteria and the description of material stakeholders as well as the process and results of stakeholder engagement is disclosed in the Report.

- **Quantitative** The Report embodies the quantitative principle by disclosing the measurable key performance indicator(s) ("**KPI**" or "**KPIs**") and quantitative information has been accompanied by a narrative, explaining its purpose and impacts and giving comparative data where appropriate. Information on the standards, methodologies, assumptions and/or calculation tools and source of conversion factors used for the reporting of emissions (where applicable) have been disclosed.

- **Balance** The Report provides an unbiased picture of the Group's performance during the Reporting Period as well as avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

- **Consistency** A consistent approach to data disclosure and comparison has been adopted compared with last year. A clear explanation will be set out in the Report if there are any changes to the statistical methods, KPIs, or any other relevant factors that will affect a meaningful comparison.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SCOPE OF THE REPORT

The Report covers the period from January 1, 2024, to December 31, 2024 (the "**Year**" or the "**Reporting Period**"). Unless otherwise stated, the scope of the Report is consistent with the scope covered by the Group's annual report during the Reporting Period. The reporting boundary of environmental KPIs covers the Group's major business operation places, including the head offices in Shanghai and Shaoxing, Shanghai Antengene Corporation Limited, Antengene Corporation Co., Ltd., Antengene (Hangzhou) Biologics Co., Ltd. and Antengene Corporation (Hong Kong) Limited.

LANGUAGE OF THE REPORT

The Report is published in both Chinese and English. The English version shall prevail in case of inconsistency.

APPROVAL OF THE REPORT

The Report has been approved by the board of directors of the Group (the "**Board**") on March 21, 2025.

PUBLICATION OF THE REPORT

The electronic version of the Report is published on the Group's official website (www.antengene.com) and the website of the Stock Exchange (www.hkex.com.hk).

FEEDBACK ON THE REPORT

The Group values your opinions on the Report. If you have any inquiries or suggestions, please feel free to contact us through the following methods:

- Address: Suites 1206-1209, Block B, Zhongshan SOHO Plaza, 1065 West Zhongshan Road, Changning District, Shanghai, the People's Republic of China (the "**PRC**")
- E-mail: ir@antengene.com

1. AWARDS AND HONORS

Started operations in 2017, Antengene is a commercial-stage Asia-Pacific biopharmaceutical company focused on innovative oncology medicines. The Group distinguishes itself through its strong research and development ("**R&D**") capabilities and strategic approach to developing novel oncology therapies. During the Reporting Period, Antengene has been awarded the following awards and honours. These awards are designed to recognize the most breakthrough and innovative companies that are committed to exploring cutting-edge technologies, leading the industry forward, which signify the industry and capital market's recognition of the Group's comprehensive strength and innovative achievements, as well as their expectations for the Group's future development.

"2024 Top 100 Chinese Pharmaceutical Innovative Enterprises" awarded by Healthcare Executive

"Best Quality Communication Award" – 2024 BioSeedin Awards by BioSeedin and ACROBiosystems

"Most Valuable Pharmaceutical and Healthcare Company" – The 9th Zhitong Finance Listed Company Selection by Zhitong Finance

"Annual Innovation Award" – The 6th Golden Grid Award Annual Outstanding Company Selection by Gelonghui

"China First-in-class" Special Award – The First Chinese Biopharmaceutical Association CBA-China Conference in 2024

2. SUSTAINABILITY GOVERNANCE

As a leading global clinical-stage R&D driven innovative biopharmaceutical company emphasizing the development of first-in-class, only-in-class and/or best-in-class therapies, Antengene strives to benefit patients worldwide by providing the most cutting-edge medicines. By leveraging our industry-leading R&D capabilities, we fulfil our corporate social responsibility by innovating novel oncology therapies for cancer patients and commercializing our products. The concept of ESG is deeply integrated into our business operations to continuously improve the health and well-being of patients worldwide.

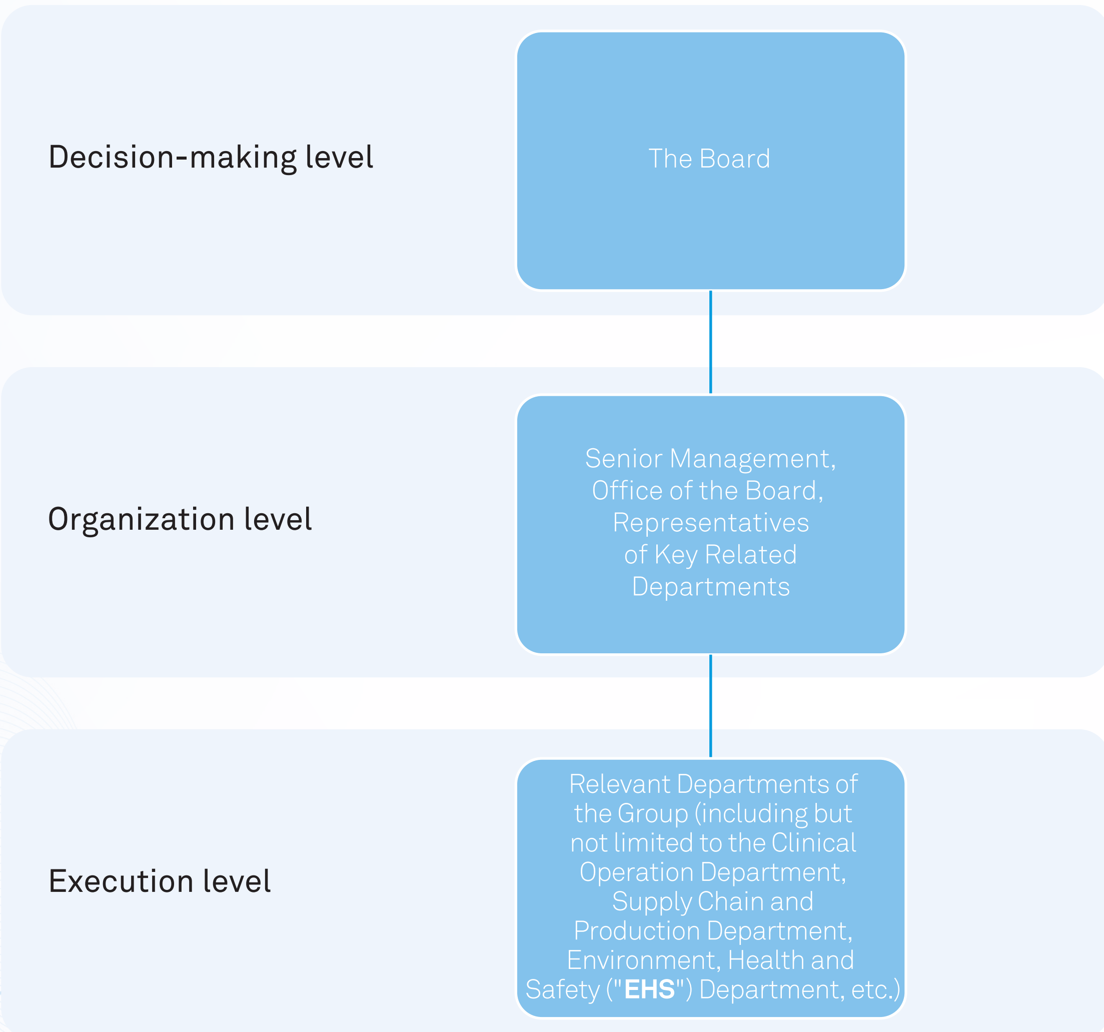
2.1 Board Statement

To take full consideration of governance and the aim of achieving sustainable development as one of our fundamental business concepts, Antengene has established an ESG management structure. The Board is fully responsible for the Group's sustainable development strategy and reporting. The main responsibilities of the Board are to review and approve the ESG strategies, targets, works and results of materiality assessment. With the Board's authorization, the ESG Working Group formulates ESG management policies and strategies by conducting materiality analysis based on the concerns and interests of different stakeholders. Recognizing the importance of aligning our ESG initiatives with our operational realities, the Company has determined that setting meaningful ESG-related targets will be most effective once our manufacturing facility becomes operational. Following the commencement of factory operations, we plan to establish a set of ESG targets that are closely integrated with our corporate strategy and long-term business objectives. These targets will be subject to regular progress reviews to ensure accountability and continuous improvement, supporting our commitment to the sustainable development of our business.

2.2 ESG Governance

To better integrate the concept of ESG into our management policies, group policies, and business plans, and to actively fulfill corporate social responsibilities, the Group has established an ESG management structure covering all levels of the Group, including the decision-making level, the organizational level (ESG Working Group) and the execution level. To ensure our commitment to comply with ESG strategies, goals and operations, the responsibilities of each level in the ESG management structure is specified as follows:

ESG Management Structure



Decision-making Level: The Board

The Board is at the decision-making level, which is the highest authority in the Group's ESG management structure. Its responsibilities are as follows:

(a) Taking full responsibility for the formation of ESG strategies and reporting;

(b) Guiding the ESG Working Group to carry out ESG tasks and understand relevant reports;

(c) Determining and approving the Group's ESG management policies, strategies, plans, targets and annual work, including identifying, evaluating, managing and responding to major ESG issues, risks and opportunities; and

(d) Reviewing and monitoring ESG performance and the progress of targets achieved on a regular basis.

Organizational Level: ESG Working Group

The ESG Working Group is led by the senior management of the Group, while the members of the Working Group are composed of several departments, such as the Office of the Board and representatives of key departments, such as the Administrative Department, Human Resources Department, Legal Department and Compliance Department, etc.

The ESG Working Group is the second layer of the ESG management framework, and its responsibilities are as follows:

(a) Reporting to the Board on a regular basis (e.g. through meetings or in written form, at least once a year);

(b) Formulating ESG management policies, strategies, plans, annual work and goals, and submitting them to the Board for approval; and

(c) Conducting effective communication and promoting the specific implementation of relevant according to the goals approved by the Board.

Execution level: Relevant departments of the Group

The execution layer is composed of relevant departments of the Group, including but not limited to Clinical Operations Department, Supply Chain and Production Department, EHS Department, Quality Assurance Department, Procurement Department, Administration Department, Finance Department, Compliance Department, Human Resources Department, Legal Department, Customer Service Department and other departments.

The execution level is the third layer of the ESG management framework, and its responsibilities are as follows:

(a) Organizing, promoting, and executing ESG-related work in accordance with the Group's ESG management policy, strategy, planning, annual work, and target deployment, requirements and division of labour;

(b) Complying with various ESG related policies and systems; and

(c) Reporting regularly to the ESG Working Group on the implementation of the Group's ESG work during the Year.

2.3 Sustainability Strategies

As the Group's vision is "treating patients beyond borders and improving their lives by discovering, developing and commercializing globally first-in-class, only-in-class and/or best-in-class therapies", we strive to align our sustainable development direction with this vision by integrating the concept of sustainable development into our daily business operations and decision-making processes. We also put great emphasis on "Upholding Quality and Innovation", "Responsible Operation", "Talent Care and Development", "Green Operations" and "Giving Back to the Society" in the formulation of internal control systems, policies, and guidelines to safeguard quality compliant operations, and to create an environmentally friendly and fair workplace. Assessment of related ESG issues and the impact on the Group's business operations are conducted in a timely manner. In addition, to advance the ESG process and properly attend to ESG risks and issues, we will review our ESG governance and strengthen the role of the Board in the identification and management of ESG risks and issues, as well as boosting ESG awareness throughout the Group.

Moreover, Antengene is committed to promoting environmental sustainability and continues to provide support to various green projects. During the Year, an amount of HKD 5 million has been deposited into the Bank of Communications (Hong Kong) as Green Deposit to fund the development of eligible green projects covering the themes of green buildings, sustainable water and wastewater management and renewable energy projects, in order to support sustainable management on the environment.

2.4 Stakeholders Engagement

The expectations and feedback of our stakeholders, including shareholders/investors, employees, patients, the Government and regulatory bodies, suppliers/business partners, the community and the media, are of great importance to us. We have various communication channels open to facilitate continuous and effective communication with our stakeholders. Through these channels, we aim to enhance the implementation and effectiveness of our sustainability practices in addressing our stakeholders' key concerns.

Stakeholders	Major Communication Channels
Shareholders/Investors	• Annual General Meeting and other general meetings • Interim reports and annual reports • Corporate communications • Regular announcements • Company website
Employees	• Interviews and performance appraisals • Staff communication meetings • Publications for staff communication • Staff activities • Townhall meetings
Patients	• Satisfaction survey and opinion form • Quality management system • Methods to monitor the safety of marketed products, including telephone hotline, email and fax
Suppliers/Business partners	• Suppliers' management procedure • Suppliers/Contractors evaluation system
Government and regulatory bodies	• Policy documents and guidelines • Information submission • Information disclosure (e.g. release of clinical trial documents) • Seminars
Community/Non-governmental organization	• Charitable activities • Company website • WeChat public account
Media	• Press release conferences • Press releases • Interviews with senior management

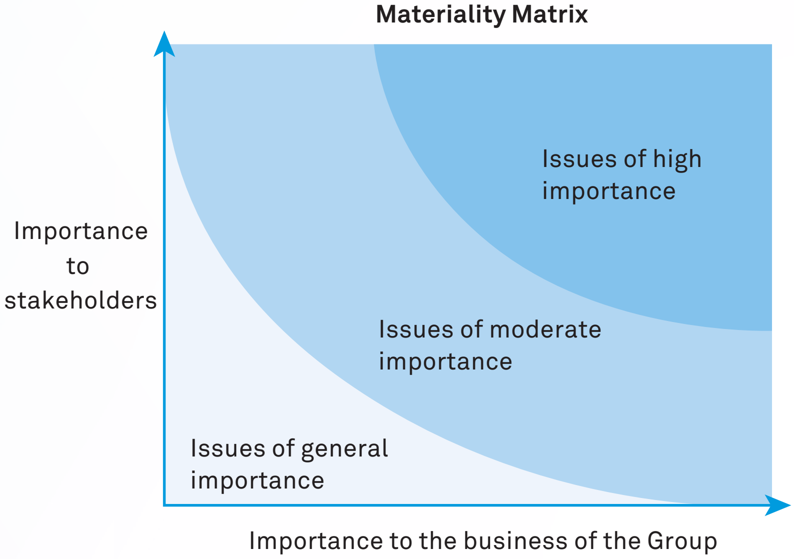
2.5 Materiality Assessment

The Group conducted a materiality assessment to identify issues potentially material to Antengene and our stakeholders. A wide range of sources including the Guide of the Stock Exchange, the materiality map of the Sustainability Accounting Standards Board ("**SASB**"), and industry peers' ESG reports were reviewed to assess ESG issues for our business and stakeholders.

Previously, we have conducted online survey by inviting stakeholders to fill in the questionnaires to prioritise the 21 material issues that were shortlisted. Based on the survey results, a materiality matrix was developed. 10 issues of high importance, 9 issues of moderate importance and 2 issues of general importance were identified.

The ESG Working Group and the management confirmed that the previous results are still applicable for the Year, as (1) there has been no material change to our business and operating environment for the Year, (2) the previous outcomes of the materiality assessment are still applicable to our stakeholders' expectations. The materiality results have been approved by the Board. Based on the reporting principle of materiality, the Report will disclose the performance based on the areas identified below.

Materiality Matrix



The Importance of the Issue	Topics	Material Issues
Issues of high importance	1.	Compliant operations
	2.	Business ethics
	3.	Quality control and safety of products
	4.	Technology development and product innovation
	5.	Intellectual property protection
	6.	Privacy and data protection
	7.	Safety of and communication with clinical trial participants
	8.	Employees' health and safety
	9.	Emissions control (including exhaust emissions, greenhouse gases emissions and wastewater discharge)
	10.	Waste disposal and management
Issues of moderate importance	11.	International strategic cooperation
	12.	Improving corporate governance
	13.	Responsible procurement and supply chain management
	14.	Training and development of employees
	15.	Employee welfare
	16.	Employee rights/Labour standards
	17.	Employee diversity and equal opportunities
	18.	Water consumption and efficiency
	19.	Energy consumption and efficiency
Issues of general importance	20.	Mitigation and adaptation of climate change
	21.	Community charity

3. PRODUCT QUALITY AND INNOVATION

3.1 Product Quality Management

As an R&D driven biopharmaceutical company that values product quality and to ensure the quality of products and services provided to customers and also product-related activities, a quality management system applicable to all production facilities that are affiliated with Antengene has been established to ensure that the quality system and product quality meet relevant law, regulations and requirements including the Drug Administration Law of the PRC, and the Measures for the Supervision and Administration of Drug Production and Good Manufacture Practice of Pharmaceutical Products.

In order to control the quality of products, eight sub-systems have been established under the Quality Management System to ensure the overall quality from the perspectives of R&D, production, sales, equipment management, marketing, etc. Details are as shown below. With the help of the appropriate human resources, facilities, management systems, and operating procedures, these eight sub-systems work well simultaneously to maintain optimal quality management.

Product Development System

This system is composed of the drug development stage and the technology transfer stage.

- *Drug Development Stage*

  In the drug development stage, a management procedure was established to regulate decision-making processes in research projects, including the selection and initiation of research topics, R&D implementation and delivery of research results, and documentation management, etc.

- *Technology Transfer Stage*

  The technology transfer stage refers to the execution of pilot-scale and commercial-scale production by either applying our technology developed during drug development and expanding R&D projects in our factory, or the transfer of the products of other companies to Antengene's production.

  To ensure complete and accurate transfer of documents and research data for the quality management of the trial commercial scale-up production, transfer plans and protocol which state the content of the transfer, the responsibilities of both parties, and the acceptance criteria of transfer are adopted. In addition, requirements of Good Manufacturing Practices for Drugs Used for Clinical Trails should be met to ensure the safety and regulatory compliance of clinical drugs.

Quality Assurance System

Quality Assurance System is the most important of the eight subsystems in that it plays a role in supervising and managing other systems and ensures the entire system is in compliance and under control. This subsystem consists of various management systems including document management, personnel training and post-qualification management, quality risk management, deviation management, corrective and preventive actions ("**CAPA**") management, change management, internal self-inspection management, and internal audit to ensure the product quality throughout operations.

- **Personnel Training and Qualification**

Antengene recruits qualified pharmaceutical technicians, engineers, relevant skilled workers, and talented staff to ensure effective quality management and quality assurance on drugs. Antengene supports its employees by providing management procedures for functional departments, specifying responsibilities, posts, and personnel training, and qualification requirements. We also organize quality-management-related training including good manufacturing practice ("**GMP**") training, and training on new knowledge and technology to raise employee awareness on quality control, thereby enhancing work skills and improving the production process and product quality.

- **Internal Audit Management**

The Quality Assurance Department sets up the annual GMP self-inspection plans and self-inspection working groups for the inspections of institutions and personnel, premises and facilities, equipment, materials, and products. Self-inspection working groups perform self-inspections on relevant regions and projects, report the findings on defects, and compile self-inspection reports. Responsible departments are required to set up CAPA for correction and prevention based on these reports.

- **Quality Control of the Submission Dossier**

To ensure the quality of submission dossiers is well controlled before being submitted to regulatory agencies in China and USA, we have established a standard operating procedure ("**SOP**"), namely Quality Control of the Submission Dossier, to regulate the quality control procedures of submission dossiers release for drug registrations including investigational new drug application ("**IND**"), new drug application ("**NDA**"), supplementary applications, re-registration and filing.

Facilities and Equipment Quality Management System

This system ensures suitable production conditions, in terms of environment and equipment. The main activities for managing the quality of the facilities and equipment in this system include calibration of instruments and meters, management of computerized systems, management of facilities, equipment qualification, computerized system validation and preventive maintenance of facilities and equipment. Under this subsystem, life cycle management of the production facilities and equipment is carried out through three stages:

(1) the project stage,

(2) the operation stage, and

(3) the decommissioning stage.

The objective of these processes is to ensure good quality equipment throughout its life cycle, from procurement, planning, acceptance and operation to decommissioning of the facilities and equipment.

Logistics Quality Management System

This system controls the logistics of raw materials and products to ensure that the processes involved are of good quality. Categories under control include inventory, flow, and record management of raw materials and products, such as

(a) the management of material suppliers and subcontractors;

(b) acceptance, storage, and delivery management of materials and products; and

(c) the management of returned goods and unqualified products. For instance, incoming materials are subject to a sampling inspection and only those materials that meet the quality standard will be accepted.

Quality Management System on Production, Packaging, and Labelling

These systems ensure the compliance of the production and packaging processes with GMP, document control and internal operation procedures, which then ensure that management, during production and labelling, can meet quality standards. The main management activities within these systems include label management, product manufacturing controls, process validation and packaging validation, cleaning and product clearance management and product release.

Laboratory Control Quality System

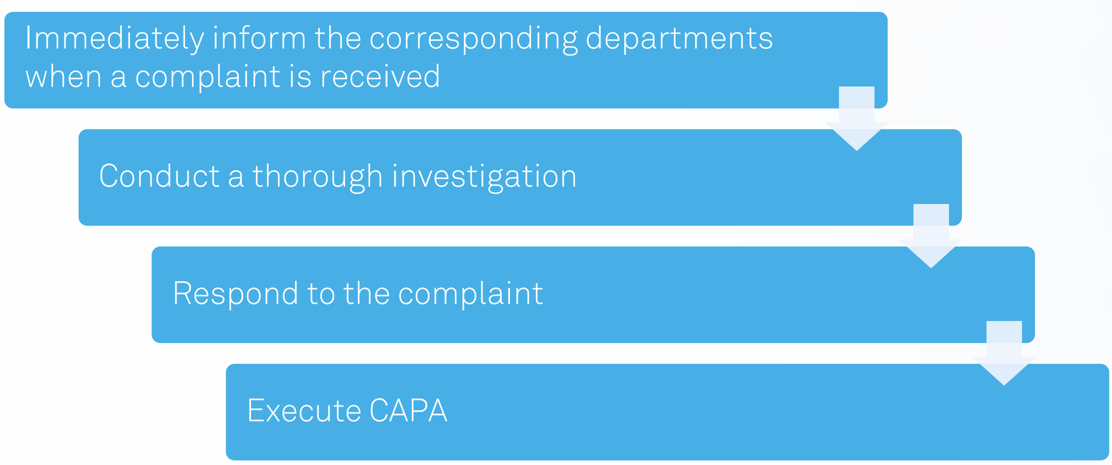
This system requires the adoption of appropriate analytical methods and testing procedures to monitor the release and stability of products. For example, equipment and instruments in the laboratory have met the product and material analysis testing requirements and our employees are trained to complete quality control-related activities reliably. In addition, an inspection of our products and materials, with respect to approved quality standards and analysis, is conducted in the quality control laboratory.

Quality Management System for Marketed Products

As Antengene places great emphasis on the rights of patients and physicians, this system helps to ensure suitable methods are used to monitor the safety of marketed products after launch. This system includes customer complaint, consultation management, marketed product pharmacovigilance, adverse reaction reporting, and product recall management. In addition to providing various complaint channels such as a telephone hotline, email, and fax, we have also established a standard procedure to handle product complaints. For instance, once upon receiving a potential safety hazard report for a product, a thorough investigation and evaluation process will be carried out promptly and we will respond to the complaint as soon as possible. During the Reporting Period, the Group did not receive any complaints regarding its products or services.

We have also established the Administrative Measures for Drug Recalls by the Medicinal Product Administration Law of the PRC, the Vaccine Administration Law of the PRC and the Regulations for the Implementation of the Drug Administration Law of the PRC. In cases where product recalls are necessary, we will implement the product recall procedures and formulate CAPA to safeguard the health and safety of the involved consumers. During the Reporting Period, the Company did not have any customer recalls regarding any product quality issues.

Product Recall Management Procedure



3.2 Research Development and Product Innovation

We focus on R&D of therapeutic strategies for the treatment of cancer and other life-threatening disease. We seek to optimize the drug development process for each of our assets to fully unlock their therapeutic potential and maximize their clinical and commercial value. We have adopted a differentiated combinatory and complementary R&D approach to build a pipeline of first-in-class, only-in-class and/or best-in-class assets with synergistic profiles.

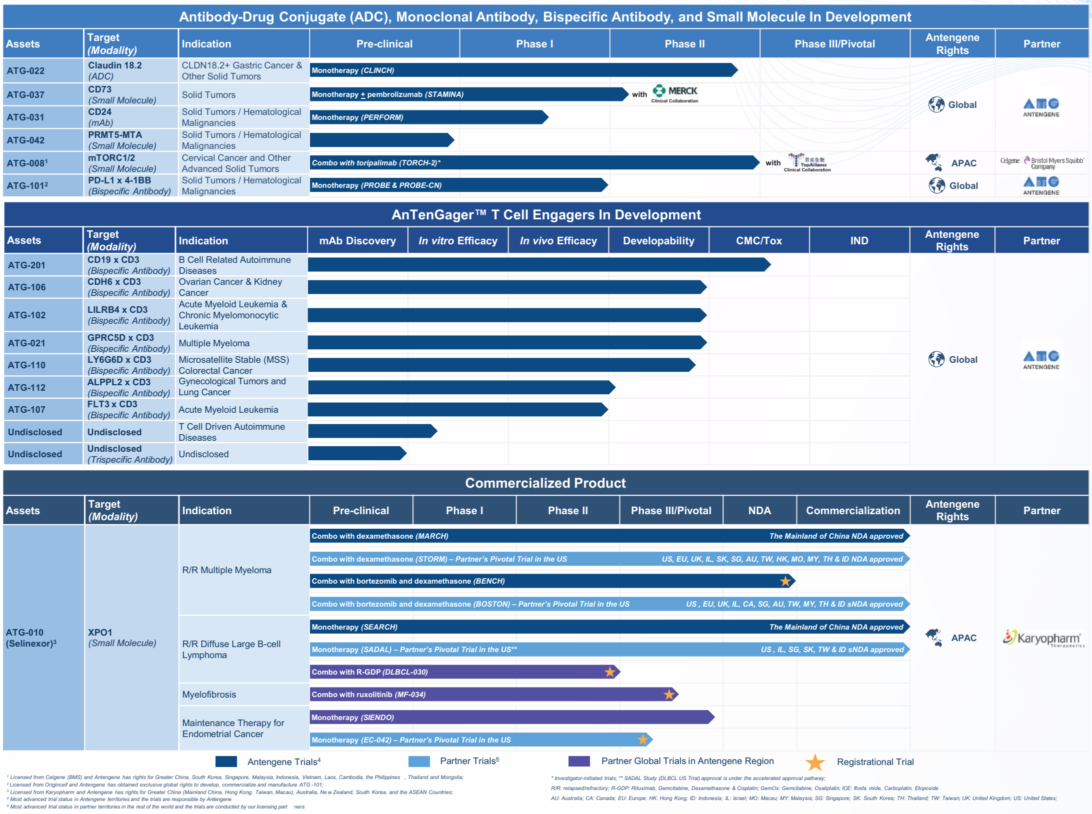
We have strategically designed and built an innovative research pipeline of 1 commercial stage product, 5 clinical and multiple pre-clinical stage programs focused on oncology and immunology. As a global enterprise with a strong presence across the Asia Pacific regions, Antengene has been expanding its business around the world. At present, we have our global R&D and manufacturing factories in Hangzhou and Shaoxing, China, respectively. We also have one R&D center in Shanghai, China. In addition, Antengene has already set up branch offices across eight locations around the world including Melbourne in Australia, Singapore, Seoul in South Korea, Hong Kong and Beijing in China.

The R&D center in Hangzhou is equipped with advanced systems and instruments such as a cell-screening system, a high throughput drug screen platform, an antibody discovery platform, high-speed cell sorters, spectral cell analyzers, high-definition fluorescent microscopes, all-purpose imaging systems, multi-mode microplate readers, and fluorescent quantitative PCR systems, etc. The New Drug Discovery Center in Philadelphia was opened/first utilized at the end of 2021. It is dedicated to the discovery of new antibodies, development of methodologies for the screening of small molecule compounds, and supporting future collaborations in new biotechnologies. The research team there works closely with Antengene R&D teams around the world to continuously enrich Antengene's portfolio of innovative drugs.

Our clinical development team consists of industry experts, many with more than 15 years of global clinical development experiences, with a focus in mainland China and APAC. The team has a track record of navigating the complex regulatory landscape in these markets while securing novel drug approvals.

Product Pipeline

We have a pipeline of 1 commercial stage product, 5 clinical and multiple pre-clinical stage programs with focuses on oncology and autoimmune diseases. The following table summarizes our pipeline and the development status. Each candidate in the regions noted in the chart below in the "Antengene Rights" column:



3.3 Business and Product Progress

In the first half of 2024, Antengene has made steady progress regarding to its pipeline assets. In June 2024, South Korea's National Health Insurance Service ("**NHIS**") has approved the reimbursement of XPOVIO® (selinexor) for the treatment of adult patients with rrMM XPOVIO® has been officially included into the national reimbursed drugs list of South Korea since July 1, 2024. China National Medical Products Administration ("**NMPA**") has approved a new indication of XPOVIO® (selinexor) as a monotherapy for the treatment of adult patients with rrDLBCL after at least 2 lines of systemic therapy in June 2024.

During the Reporting Period, the Group mainly focused on advancing its core R&D initiatives. The primary objective remains the progression of its existing pipeline of innovative therapies and the enhancement of its technological capabilities. We have allocated our resources and efforts towards critical projects that are pivotal to our long-term growth and success. This approach ensures that we maintain our commitment to delivering cutting-edge solutions in the biotech sector and creating value for our stakeholders.

4. OPERATIONAL COMPLIANCE AND BUSINESS ETHICS

4.1 Responsible Operation

Antengene believes that compliance with laws and regulations and upholding the values of business ethics, honesty, integrity, and compliance are the basic requirements for the stability of business operations. We strictly comply with relevant laws and regulations in places of our operation, including but not limited to the Prevention of Unfair Competition Law, Criminal Law and Company Law of the PRC, the Prevention of Bribery Ordinance of Hong Kong, the Criminal Code Act of Australia, Improper Solicitation and Graft Act of South Korea and the Foreign Corrupt Practices Act of the United States. The Group has not been involved in any bribery or corruption lawsuits throughout the Year.

Antengene formalized an Anti-Bribery and Corruption Prevention Policy that applies to all directors, officers, employees, dispatched labourers, external consultants and third-party representatives of Antengene. This policy was set up to provide guidelines on conduct to ensure compliance with all applicable anti-corruption laws, reinforce the internal controls and guarantee the validity, rationality and compliance of business operations of Antengene.

A Whistle Blowing Policy was also established to provide guidelines for our employees and business partners to submit their concerns regarding violations of conduct. The Corporate Compliance Committee and Compliance Investigation Team were set up under the policy to carry out reviews, and investigations and provide CAPA on whistle-blowing cases. To protect the legitimate rights and interests of the Group, maintain the internal fairness and prevent any improper behaviors, we implemented the Conflict of Interest Policy. This policy provides the basic principles for Antengene's personnel to identify and avoid actual or potential conflict of interest, as well as the management procedures such as the declaration of conflict of interest that our personnel are required to follow.

Prevention of Bribery, Fraud and Money Laundering

The purpose of formulating an Anti-fraud, Anti-money laundering and Anti-bribery Management System ("**Anti-Fraud**") is to regulate the behavior of all employees of the Company, especially Directors, Supervisors, Managers, and Employees in key positions. Antengene has strengthened the anti-bribery, anti-fraud and corruption prevention education for those in high-risk positions in business units, promotes regular job rotations and executes the separation of powers and responsibilities to reduce the risk of fraud and corruption.

We aim to establish a working environment with integrity, diligence, dedication, and compliance with relevant laws, regulations, and business ethics to prevent any violations which can harm the interests of the Company, Shareholders, and Employees. We have also established the Enterprise Resource Planning system and applications to digitalize the segregation of duties, authorizations and review and approval flows to enforce these policies and mitigate the risks effectively. It is comprised of three elements:

1. Establish Anti-Fraud Work Structure

Antengene's Anti-Fraud work structure is comprised of three working groups:

- **The Board's Audit Committee**: Provides direction and assists the Internal Control, Compliance and Internal Audit function in its efforts to design, implement and continuously improve the anti-bribery and anti-fraud programs to help prevent and/or detect violations of the law, regulation and industry code
- **Company Management**: Is vigilant to avoid/reduce the risk of fraudulent acts, build and ensure an effective Anti-Fraud internal control system and take appropriate and effective remedial measures in case of any fraudulent behavior
- **The Audit Department**: Implements continuous monitoring over the execution of internal audit

2. Reporting Channels

- Formulate the Misconduct Reporting Mechanism and Handling Methods to regulate reporting procedures and handling of any misconduct
- Establish various reporting channels including email, telephone, letter, or interview
- Adopt strict confidentiality measures for a potential whistle-blower's identity and report to effectively protect the legal rights of the whistle-blower
- Set up a compliance committee to review the case reports and decide the next steps
- Clearly define the investigational procedure and document any feedback of the investigation and its results

3. Strengthen Prevention and Control of Anti-fraud

- Strengthen the training of staff on ethics and compliance, with the identification of law and regulations basics, honesty and integrity, legal and illegal activities, ethical and unethical conducts, as well as the recommended practices for their daily work
- Provide compliance guidelines and monitoring methods for company activities
- Establish internal control guiding rules in crucial business areas and emphasize the check points to function heads and leaders in their review and approvals of business transactions
- Set up risk-based internal audit program to capture potential unethical and fraudulent risks
- Conduct internal audit work to identify compliance issues and fraud risks on a regular basis
- Adopt various strategies and digital solutions to promote the anti-fraud system and reporting channels
- Disclose the investigation procedures and handling methods of major fraud incidents if any, to ensure employees are aware of the consequences

Anti-bribery and Anti-Corruption Training

To foster an environment of integrity and improve compliance knowledge and self-discipline, we have organised anti-bribery and anti-corruption training during the Reporting Period. The training covered anti-corruption case studies, anti-corruption related laws, law enforcement trends and practical analysis, typical behaviours, warnings and prevention, as well as other key behavioural tips. All employees have participated in the training. All five directors have also undertaken courses on the Anti-Bribery and Corruption Prevention and have passed the one-hour anti-corruption training.

Responsible Promotion and Labelling

Antengene strives to fulfill its corporate social responsibility and puts great emphasis on compliance with promotion-and-labelling related laws and regulations including the Advertising Law of the PRC, the Anti-Unfair Competition Law of the PRC and the Interim Measures for the Administration of Censorship of Advertisements on Drugs, Medical Devices, Dietary Supplements and Formula Foods for Special Medical Purposes.

Antengene has zero-tolerance on off-label promotion such that only information stated in the approved drug labelling and insert will be used to prepare drug promotional materials. We have established a Quality Self-Check Form for Promotional Materials to ensure that the contents in product manuals and promotional materials are true, fair, accurate, supported by sufficient references, and complied with laws and regulations. In addition, the Packaging Component Artwork Design and Approval Management Procedure for Local Manufacture and Repackaging Product and the Packaging Component Artwork Design and Approval Management Procedure for Imported Products are designed to ensure that the contents on the packaging materials are in accordance with relevant laws and regulations. Any new or amended packaging component artwork design is required to be approved and reviewed carefully before printing on the packaging component.

4.2 Protection in Intellectual Property Rights

Intellectual property ("**IP**") protection is the foundation of the success of our business. The facilitation of technology innovation that is a key part of our success is attributed to our possession and maintenance of patents and other IP and proprietary protection for commercially important technologies, inventions and know-how related to our business, as well as the defence and enforcement of our patents and the preservation of confidentiality and our trade secrets. Antengene also values and respects the efforts of every R&D employee such that the Group formulated and revised relevant policies and company regulations, such as the Assets Management Policy and the R&D Confidentiality Policy, in strict compliance with the Trademark Law of the PRC, the Patent Law of the PRC, and other IP related laws and regulations, as updated from time to time, to prevent IP infringement.

To safeguard trade secrets and motivate our employees to uphold the attitude of "innovation and improvement", Antengene has established and implemented the Patent Application and Inventor Reward System to encourage inventors to convert research accomplishments to patents. After the patent is granted, we will provide incentives and monetary compensation to the named inventor in the patent application according to the class of invention as listed in the system, and the ownership of the employment invention will be established to safeguard our IP rights.

The Intellectual Property Management System and the Intangible Asset Management System are employed to protect our IP rights and those of third parties. The IP Department has put in place several measures to oversee IP management, safeguard our IP rights as well as the legal standing of the IP of the Group via the development of the application and registration procedure of a patent. According to these procedures, a written request clarifying the nature of the invention (i.e., employment invention, along with other information relating to the invention before filing) must be signed and the inventors must sign an inventor assignment of the patent rights to the Company after filing.

All persons having access to the patented and non-patented technologies of the Group shall execute a confidentiality agreement. A team will be assembled to expedite countermeasures for IP rights protection should there be accusations or problems involving IP rights infringement.

Antengene also established the Measures for Disputes Arising from the Infringement of IP Rights of the Third Parties, Measures for the Management of Drug Inspection, and Formulation of Measures for the Reduction of IP Rights Infringement Risk and the Difficulty of Enforcing IP Rights.

The Group was not subjected to any IP lawsuits throughout the Year.

4.3 Respecting Ethics for Clinical Trials

Antengene puts great emphasis on the ethics of clinical trials and intends to strictly abide by related laws, regulations, management norms and medical ethics principles including ICH1 guidelines (e.g., ICH-E6 GCP R2), FDA regulations, the Drug Administration Law of the PRC and the Declaration of Helsinki. In order to safeguard the rights and safety of clinical trial participants, various measures have been implemented.

In order to ensure the safety and efficiency of our clinical trial program, we have implemented Clinical Project Management, which clearly delineates the responsibilities of project-related personnel and provides detailed regulations for compliance at all stages of the project process.

The Clinical Trial Agreement, which covers terms such as the study plan, duration, record keeping, inspection, confidentiality, and protection of IP rights, will be signed with the study sites and principal investigators for clinical trials prior to initiating/conducting the trials. Contract terms, including the risk of breach and the cure/remediation processes, for agreements with external service providers, including but not limited to Contract Research Organizations, Clinical Research Organizations and Contract Manufacturing Organizations, have been stated clearly in the contract.

A SOP of Informed Consent Form Development and Management which states the process of Informed Consent Form ("**ICF**") development and revision for Antengene sponsored trials has been established, to ensure all our ICFs are developed under proper scientific considerations and applicable regulatory requirements. Every clinical participant is required to sign an ICF before enrollment in a clinical study. Clinical trial monitoring should also be conducted according to the protocols, operation agreements and documents related to the clinical trials. All serious adverse events ("**SAE**") that occur during the clinical trials should be recorded accurately and immediately in the SAE report form. Clinical Trial Liability insurance should be purchased by the sponsor of the clinical trial. In case there are any negative events caused by the clinical trials, the cost of the treatment and reasonable stipend should be provided by the sponsor in accordance with relevant laws and regulations.

We have developed a SOP of External Service Provider Management for Clinical Trials to regulate the process for assessment, selection, and management of External Service Providers performing GxP (including GCP, GVP, etc.) and relevant services. We have also formulated a SOP of Protocol Development Process for Antengene Sponsored Trials to the process of our sponsored trial protocol development, which aims to ensure all our sponsored protocols are developed under proper scientific considerations and regulatory requirements.

4.4 Data Privacy and Protection

Information security and privacy protection are always important to operational compliance and a core competency of a modern enterprise. Antengene prioritizes privacy protection, data and personal information protection for clinical trial participants, customers, suppliers, and other parties. We handle personal data regarding the laws, regulations and, ethics of the region where our business operates including but not limited to the Good Clinical Practice of Pharmaceutical Products and Cybersecurity Law of the PRC.

To safeguard the security of confidential clinical development and commercial information, including the information regarding clinical trial participants and customers, personal privacy information, including personal health information ("**PHI**") and financial data, our employees are required to comply with the Company's confidentiality policies. Antengene has zero tolerance for non-compliance with our confidentiality policies.

The Group has formulated the R&D Confidentiality Management Policy to strengthen its R&D information management, protect its R&D results, prevent core trade secrets from being leaked or plagiarized, safeguard the rights and interests of the Group form infringement. This policy applies to all the subsidiaries under the Group, as well as to the information known to or obtained by the Group from third parties who have entrusted their confidential information to the Group. This policy clearly defines the role and responsibility of responsible departments, the management procedure of the confidential information and the confidentiality measures.

We have established a Protecting the Privacy of Personal Information Policy. The Personal Information Owning Department ensures that the processing of personal information strictly adheres to the policy, while the Legal and Compliance teams monitor the legitimate use of personal information and provide regular training on privacy policies across Antengene. Antengene's employees in specific positions are required to sign a confidentiality agreement with the Group. In addition, the confidentiality responsibility is clearly stated in the Clinical Trial Agreement agreed by all parties to protect the privacy of the clinical trial participants concerning related laws and regulations. We have also formulated an Information Security Management System to regulate the management of information systems and enhance information security. An Employees' Information Technology Information Security Policy has been established by the Group. All Antengene's employees are required to review, sign and comply with the Information Technology Security Policy.

Cyber Security Management

In order to secure key corporate information, Antengene has released the Information Security Policy. The policy provides guidance for employees to use personal computers, computer applications, email and process information in a secured and compliant way in their daily work.

- Control the software management of computers, such as software usage, virus prevention, and the installation of fire walls
- Manage the safety of the information system and cloud server system, such as account permission of computer and cloud system access, emergency responses in case of an information system breach, data backup and recovery, a disaster recovery plan, and supervision and inspection of the information security

Physical Security Management

- Regularly check the hardware equipment and facilities of the computer rooms
- Keep good records of entry and exit registration, equipment registration, equipment inspection and major failures
- Monitor closely the operational status of the equipment in the computer room
- Regulate the access permission of the computer room

4.5 Supply Chain Management

Antengene emphasizes the supply chain management is crucial for its sustainable development. We have formulated various measures, including the implementation of the Procurement and Payment Management System and the Supplier Management Process to standardize the assessment, monitoring, and management of suppliers. Doing so ensures the quality of our products and services and facilitates the construction of a sustainable and responsible supply chain.

Antengene has established the Direct Purchasing and GMP Related Services Procurement Policy to reinforce internal controls, as well as to guarantee the validity, rationality, and efficiency of direct material and GMP service procurement activities throughout the Year. This policy applies to purchase requisitions of direct material and GMP services from all divisions in the Group.

Supplier Selection and Evaluation

- New suppliers must be strictly reviewed before being listed in our supplier list, e.g. qualification check, compliance check, and on-site visit
- Establish solid records of supplier qualification and selection
- Selection criteria: evaluate potential suppliers' prices, services, quality, technology, business ethics, compliance, environmental impact, and health and safety

Supplier Monitoring and Appraisal

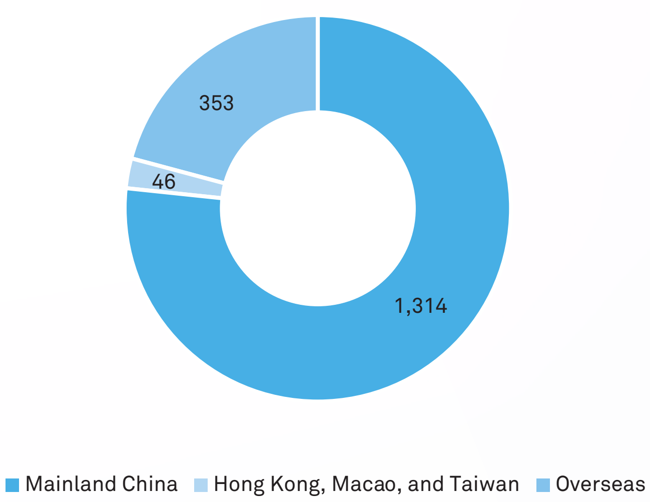
- Require suppliers to sign a letter of commitment to ensure that they comply with the requirements of social corporate responsibility and environmental protection, and promise to meet the standards of conduct such as anti-corruption, protection of employees' health and safety, as well as their social benefits and anti-discrimination, etc
- Classify suppliers into different levels according to their functional strategy, procurement volume, service significance, and impact on our business
- A supply chain management system has been adopted, including supplier qualification evaluation, supplier performance management, supplier contract management, supplier risk management, and supplier due diligence
- Regular reviews of the performance of suppliers, especially strategic and preferred suppliers, are conducted to ensure that the products and services provided by our suppliers are of good quality and able to meet our expectations

In order to create a better environment for the next generation of people, we strive to purchase products and services which are in accordance with relevant environmental laws and regulations. Environmentally friendly products are preferred in terms of materials purchasing, e.g. more environmentally friendly papers.

Moreover, according to Antengene's Anti-Bribery and Corruption Prevention Policy, suppliers will be disqualified and we will terminate all corresponding business dealings with them if they are discovered to be conducting unethical business practices and violating the Group's policies, such as commercial bribery or activities falsification, after investigation and evaluation. Any gifts, entertainment and hospitality expenses and other kinds of expenses of similar nature should be paid directly by Antengene to the relevant suppliers whenever possible to prevent bribery and corruption from happening via third parties.

During the Year, we have 1,713 suppliers providing various products and services, such as laboratory and clinical trial-related products and services, public relations services, and IT services. Supplier practices were being implemented for all of them.

Suppliers by geographic region



5. EMPLOYMENT PRACTICES AND TALENT DEVELOPMENT

Antengene upholds safety as a top priority in its business operation, and particularly respects human rights and fair working practices for its employees. As talent is the key driver for our business growth and the productivity and success of our R&D organization, we follow the principle of "Motivation, Ability, and Potential (MAP)" to explore and nurture our employees' potential talents. Overall, we aim to develop a people-oriented working environment, where our employees can achieve their ambitions, and together with Antengene, have rewarding career paths.

5.1 Occupational Health and Safety

Antengene puts high emphasis on the health and safety of employees. We strictly comply with the Production Safety Law of the PRC, the Fire Control Law of the PRC, the Law of the PRC on the Prevention and Treatment of Occupational Diseases and other relevant laws and regulations. The Group has adopted various measures to protect employees from potential health and safety risks. During the Reporting Period, the Group had no violations of laws or regulations on health and safety matters in the workplace or related to its services.

Based on the principle of "Safety and prevention first, manage in a comprehensive manner", Antengene is committed to creating a healthy and safe workplace for every employee. We have established sound and comprehensive occupational health and safety systems and policies for cross-department operations management. We have developed a Safety Procedure that details the responsibility of each person and department involved in safety work in a top-down manner.

Position/Departments	Responsibilities
Chairman	• Ensure compliance • Receive safety-related training • Report safety-related accidents
CEO	• Receive safety-related training • Plan, manage and monitor the safety measures
Departments	• Execute safety measures • Regularly Monitor and evaluate the performance • Update the safety manual and practices, as necessary

The Staff Health and Safety manual covers detailed responsibilities of relevant departments on safety issues and the procedures for the precautionary, monitoring, evaluation, and reporting stages. At the same time, we have also set up the Health, Safety and Environmental ("**HSE**") Department which is responsible for the establishment, implementation, and maintenance of the procedures for the health and safety of employees. The Environmental Protection and Health manual was launched to prevent, control, and reduce the risk of harmful effects on human health, as well as to prevent occupational diseases. We strive to act in the hope of ensuring that our employees can stay alert to potential health and safety risks that potentially occur in daily operations.

Precaution is the core element to prevent accidents from happening in our business operation. To prevent the occurrence of any potential safety hazard, all projects must be under the "Three simultaneities" procedures, as defined by the Environmental Protection Law of the PRC, such that occupational health protection processes are designed, constructed and used in conjunction with the main projects. Production will only commence after completion of the Occupational Hazard Control Effectiveness Evaluation and approval by the Hygiene Administration Department.

Our Emergency Response Plan for Production Safety Accidents covers a comprehensive emergency plan, various special emergency plans for hazardous chemicals, fire and explosion accidents, special equipment accidents and natural disaster, as well as the on-site disposal plan. This plan helps to ensure production safety accidents can be controlled in a timely manner to prevent the accidents from spreading, effectively organize rescue, and protect the personal safety of employees and company property.

Moreover, we strictly managed our laboratories. Warning signage and laboratory safety notice have been displayed in prominent locations to guide employees in identifying and handling potential hazards. Laboratory staff must equip with personal protective equipment that meets the national occupational health standards and be supervised to properly use the equipment during work. On-site assessment and evaluation of occupational hazards are conducted by qualified third-party inspection institutions commissioned by the HSE Department annually to identify potential risks and rectify hidden dangers to create a healthy and safe workplace.

In order to allow employees to a more comprehensive understanding of their health status, we arranged annual occupational health-related inspections for all of our employees during the Reporting Period. For workers who are exposed to occupational hazards, we specially added screening tests for potential occupational hazardous diseases. The occupational hazards we considered include acetonitrile, isopropyl alcohol, hydrochloric acid, sulfuric acid, phosphoric acid, methanol, nitrogen oxides, pharmaceutical dust and noise. Any detected endangerment will be rectified. Besides, we have provided various vocational health and safety training to our employees, the training contents including:

- Education on self-protection to enhance and familiarize employee knowledge and/or skills on chemical safety such as the toxicity of chemicals, special equipment training, and first-aid training on poisons; and
- Regular on-the-job training on procedures related to occupational health and hazard protection measures periodically.

In response to any natural hazards, our Production Safety Accident and Emergency Management Plan regulates how we control and respond to accidents to minimize loss and damage. We have established an emergency system that assumes and stipulates the react-and-respond responsibilities of the entities involved, including the person in charge and respective departments. In the plan, the source of potential hazards and injuries are classified to risk groups including chemical spills, poisoning, fire, electric shock, and extreme weather (including typhoons and storms, etc). Two alert levels have been designated, with respective response procedures and reporting mechanisms outlined, to ensure that accidents are handled properly. During the Reporting Period, we also provided emergency training to our employees and conducted emergency plan drills at least once a year.

Fire Drill 2024

In order to further enhance the fire safety awareness of all employees in the Shaoxing factory, popularize fire safety knowledge, improve employees' escape and self-rescue emergency response capabilities, and effectively improve the factory's fire safety construction level, we conducted the annual fire drill during the Year, where our employees got the chance to participate in:

- Practical firefighting activities
- Fire hazard self-inspection and self-correction activities
- Fire training

Employees participated in the fire drill in Shaoxing

5.2 Safeguarding Rights and Interests of Employees

Employees are the core of our business operation and are our valuable assets. We are committed to creating a compliant, fair and friendly workplace for employees. The Company strictly follows relevant laws and regulations, including the Labour Law of the PRC and the Labour Contract Law of the PRC, to protect the rights and interests of employees. In order to effectively communicate employees' rights to our staff, the Employee Handbook clearly states and specifies the labour relations, working hours, attendance, and vacation issues, remuneration and benefits, and training and promotion mechanisms. The Handbook also explains the Group's standards and expectations, which includes the performance appraisal process, code of conduct, attendance, and disciplinary mechanisms. Employees are expected to fulfil their obligations to Antengene in accordance with the guidelines set out.

Prohibition of Child Labour and Forced Labour

In strict accordance with relevant laws and regulations such as the Provisions on the Prohibition of Using Child Labour and Law of the PRC on the Protection of Minors, we forbid the employment of child labour and incidents of forced labour. To prevent and eliminate any employment of child labour, we have recruitment guidelines in place such that the Human Resources Department will require every employee to provide documents including their ID card, educational background and work experience to ensure that they have reached the legal working age. For newly recruited employees, they will also be required to sign a legally-binding Labour Contract in accordance with the law within one month of on-boarding. We also seek to protect customers' and our proprietary technology and processes, in part, by signing confidentiality agreements with employees.

During the Reporting Period, no child labour or forced labour was found. If any labour-related violation is found, employees can immediately terminate the labour contract to protect their legal labour rights.

Recruitment and Resignation

We are committed to equal employment opportunities in recruitment, career development, promotion, training and reward, as well as protection of our employees from any form of discrimination such as gender, age, nationality, race and religion, or unfair treatment caused by any non-work-related factors, as stipulated in the Staff Handbook and the Recruitment Management Procedure. We select employees according to the principles of fairness and impartiality during recruitment and appoint them based on corresponding knowledge, skills, and work experience, as defined in the job description. Recruitment channels include websites, social media, job fair, head-hunters, and internal recommendations, etc. The Human Resources Department will select appropriate channels for recruitment according to a specific position and market conditions. Employees are encouraged to recommend suitable candidates and will be awarded a bonus for a successful recommendation.

In principle, the Company does not employ the spouse, children, or immediate family members of its employees to work in the same department and employment candidates will be required to indicate specific family relations with any of the Group's current employees. Candidates applying for senior positions will be invited to attend interviews following the three-level interview system, in which the direct supervisor and head of the hiring department, and the Human Resources Department and CEO are required to sit on group interviews.

Employees can resign at will. Employees can terminate the employment relationship with the Group by themselves given that they agree with and confirm the last working date with their supervisor. The Human Resources Department will also arrange an exit interview with the resigned employee to understand the reasons for their resignation. We will review employee turnover with corporate management and rectify management problems, if any, to retain talent. The Company also has a mechanism to protect employees from unreasonable dismissal. In addition, if the agreement is obtained from both sides and a dismissal complies with relevant labour laws and regulations, employees can terminate the Labour Contract with Antengene at will.

5.3 Remuneration and Benefits of Employees

Antengene has always promised a fair and open career development pathway and attractive remuneration packages, commensurate with employees' contributions to the Group. Our Company conducts performance appraisals with employees twice a year, in January and July, to evaluate and review their working performance. The results of employee performance evaluations, together with the national and local economic conditions and the business performance of the Group, are important factors affecting the adjustment of salary. A Performance Bonus Policy has been introduced to provide employees with incentives to thrive and excel in their careers.

Antengene is committed to providing employees with competitive compensation and benefits to appreciate and recognize employees' outstanding performance and contributions. When hiring, we first consider internal promotion, followed by external recruitment. We provide benefits related to health and wellness and employees can enjoy legal rights and interests, including annual leave, sick leave, marriage leave, maternity leave, funeral leave, and statutory holidays. In accordance with the Social Insurance Law of the PRC, we contribute to the social insurance funds, including the housing provident funds, for our employees.

Moreover, Antengene values the contribution of our employees and encourages long-term joint development for staff. There are rewards designed for promoting collaboration and praising employees' good performance. For instance, we provide service awards by means of a cash prize or gifts at equivalent value to those who have joined Antengene for a constant period of at least 3 years. As a leading corporation in the pharmaceutical industry, we are committed to the health of our employees. We provide an annual physical examination and comprehensive medical examination to all of our employees so that they are aware of their health conditions.

Throughout the Year, for the purpose of promoting the importance of work-life balance, we arranged various activities for our staff. Not only periodic lectures were held to share health knowledge to our employees, but also festival celebrations and team building activities were organised to strengthen the team cohesion and employees' sense of belonging.

Women's Day Activity

On March 8, 2024, we arranged the Women's Day Activity for our female employees. During the activity, we organized several games, and specially prepared holiday flowers, cakes and fruits. We hope to express our love and care for female employees and facilitate a more harmonious working atmosphere.

5.4 Training and Development of Employees

The professional expertise of employees is the key pillar for Antengene to maintain its core competitiveness in the R&D of novel, potentially first-in-class or best-in-class medicines. We have built an experienced management team with a strong track record to lead the end-to-end execution of clinical development, drug registration and commercialization. Moreover, a wide range of on-the-job training and capability-building activities were organized to help all employees develop professional clinical knowledge and strengthen their management skills. To ensure our employees are well-equipped to deliver their work, we help new employees quickly fit into the Company by offering orientation training and on-the-job training from their first day so they can familiarize themselves with Antengene and their work duties. In addition, each new employee will also be assigned a mentor to help them adapt to the new working environment and explore their personal development and career aspirations.

Throughout the Year, we arranged various trainings to our employees. Some key trainings are summaried and a few examples are demonstrated in detail below.

Course	Outcome	Number of participants
2024 GMP Training – Drug Production Supervision and Management Measures	Strengthen employees' understanding of drug production supervision and management measures, and assist in establishing the GMP quality system of Shaoxing factory	21
Introduction to international regulations of PIC/S GMP, FDA, EU regulations, etc	Understand the regulatory requirements of different regions, comprehend and improve relevant processes and systems	22
2024 GMP Annual Training – Clinical Trial Drug Production Management	Strengthen the understanding of production management of clinical trial drugs and improve the production management of clinical trial drugs	23
2024 Antengene Anti-bribery and Anti-corruption Training	Strengthen employees' understanding of the Company's anti-corruption and anti-bribery requirements, and build a healthy working environment	99
2024 Beisen iTalent System Training	Improve our personnel's understanding of the system platform and enhance office efficiency	163
2024 Drug Vigilance Training	Strengthen employees' understanding of the contents and handling methods of adverse drug reaction time	149
Project Management Fundamentals Course	Improve employees' understanding and application of project management theory knowledge	25

Orientation Training

We used a combination of online and offline methods for orientation training, and organized, updated, and optimized online courses. A total of 55 hours of orientation training were conducted through the Taimei E-learning and LearnUpon platform, with each employee receiving approximately 8 hours of training. We classified and updated multiple courseware, including new employee training courseware and full staff courseware, and distributed them to new employees after they completed their onboarding. In addition, our newly developed Antengene Onboarding Guide has helped new employees quickly familiarize themselves with the working environment and processes.

Our progress and outcome during the Year include:

- Updated and organised all the courseware for new employees on the Taimei online platform, forming a five major course system, while ensuring that it meets the needs of different stages and business combinations of the Company to improved training efficiency.
- Updated the onboarding guidance to help employees quickly integrate into the working environment of Antengene. Completed and launched the electronic guidance version to improve accessibility and save printing costs.

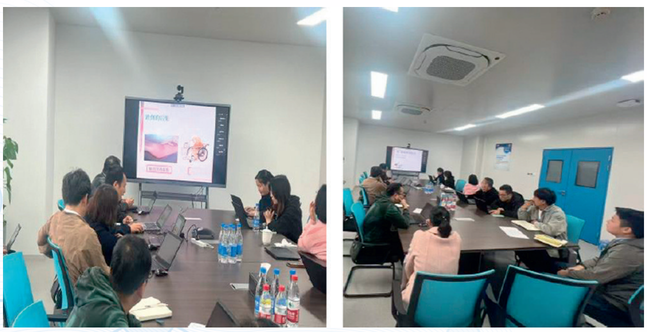
Professional knowledge training of Shaoxing Factory

In 2024, the Shaoxing factory organised the professional knowledge training for employees. The average training time per employee is nearly 80 hours, with 1,717.1 training hours in total. The training covers the following three main themes:

1. EHS
2. Production regulations
3. Production professional knowledge

Our progress and outcome during the Year include:

- Improved the overall GMP level of Shaoxing factory through these multi-dimensional and multi-themed training activities. Shaoxing factory officially obtained the “Drug Production License” in January 2024 and completed production-related audits in December 2024; and
- Improved the overall professional skills and literacy of employees. Employees’ awareness and concept of safety production has been strengthened, and the production process has become more standardized and efficient.



Professional knowledge training for employees in Shaoxing factory

Management Fundamentals Course 2024

In order to further strengthen our knowledge of project management, we have added online projects on top of our offline project management courses. The management fundamentals course helped to develop employees' awareness and skills in project management, as well as risk control in their daily work schedule. The content includes project management initiation, planning and execution, risk management, project quality and cost management, etc.

By sorting out various contents, project members deepen the understanding of various concepts in project management, the risk points that need to be controlled in the process, and developed their project management leadership.

During the Reporting Period, the Group delivered 517 offline training and activities, with a total of 1,915 participants. By combining online and offline learning, we hope to keep our employees informed of the latest relevant policies, regulations, procedures, as well as the professional knowledge and skills they will use in their work. The specific training data for the Year is as follows:

Platform	Course type	Number of courses held	Number of participants
Taimei E-learning	General courses	28	391
	Clinical courses	115	995
LearnUpon	General courses	20	259
	Specialised courses	23	89

6. ENVIRONMENTAL PROTECTION AND CLIMATE CHANGE

Antengene adheres to environmental protection and is in strict accordance with environmental-related laws and regulations in our locations of operation including the Environmental Protection Law of the PRC, the Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste, the Law of the PRC on Prevention and Control of Water Pollution, the Law of the PRC on Prevention and Control of Air Pollution and the Law of the PRC on Energy Conservation. During the Reporting Period, no violation of air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste were found.

Antengene is committed to promoting environmental protection and continues to provide support to social green projects through green investment. For more information regarding our green deposit, please refer to the sub-section of "2.3 Sustainability Strategies" under the chapter of "2 Sustainability Governance". For environmental target setting, the Group did not officially start full production in the Year, and the current environmental data do not reflect the actual situation of the Group's full operation. Therefore, we will set appropriate environmental targets according to the business situation after production is fully underway.

6.1 Environmental Management

During the Reporting Period, our main operations consisted of daily office work and limited laboratory operations. The environmental impacts contributed by the Group mainly include the usage of electricity and water, office waste generation, usage of paper, and air pollutant emissions from vehicles. To alleviate the environmental impacts arising from our factories, an Environmental Protection System was formulated to foster environmental protection and minimize pollution and its adverse impacts caused by pharmaceutical manufacturing. The dimensions of the environmental policy are shown below:

- Compliance with environmental laws and regulations
- Efficient use of energy and natural resources
- Green procurement of "eco-label" products and environmentally friendly materials
- Sorting, minimizing, and recycling of waste
- Chemical management
- Staff training on environmental awareness and knowledge

In order to ensure the safety of national property and employees' lives, improve employees' emergency response capabilities in handling sudden environmental pollution accidents, effectively implement rescue when an accident occurs, minimize property losses and casualties, and protect the environment from pollution, we have implemented the Emergency Response Plan for Environmental Emergencies. This Emergency Response Plan standardizes our Company's emergency response mechanisms for environmental emergencies, provides scientific emergency mechanisms and measures for us to effectively and quickly responds to environmental pollution and ensures regional environmental safety.

The Emergency Response Plan for Environmental Emergencies covers the following:

Environmental risk identification and assessment	Environmental emergency capacity building	Organizational structure and responsibilities
Incident prevention and early warning	Emergency response	Information disclosure
Post-incident handling	Emergency protection measures	Supervision and management of emergency plans for environmental emergencies

6.2 Emissions Control and Waste Management

To reduce pollutant emissions and waste, relevant measures have been taken, and the corresponding details are listed below:

Exhaust and Greenhouse Gas ("GHG") Emissions Management

During the Reporting Period, our direct air pollutants were mainly from our own vehicles. The following are measures that we have adopted to reduce emissions from vehicles:

- Conduct regular maintenance of the Company's vehicles
- Switch off the engines when the vehicles are not in use
- Regularly check and inflate the tires to maintain correct tire pressure

The GHG emissions during the Reporting Period were mainly from direct emissions from our vehicles and indirect emissions from the generation of purchased electricity. In order to reduce GHG emissions, emission reduction measures on vehicle management, mentioned above, and measures on electricity savings have been adopted. In the future, more measures will continue to be adopted to save energy and reduce emissions. For more details on the electricity saving measures, please refer to section of "6.3 Conservation and Protection of Resources".

Waste Management

Regulation on the management of waste collection, management, transportation and treatment has been formulated and adopted for all types of waste at Antengene, including hazardous waste, non-hazardous waste and recyclable waste.

First, wastes are sorted and collected by different departments and transferred to a waste storage room for storage. Different types of waste such as stored waste, recycled waste, and hazardous waste, will be documented. Wastes will then be collected by various qualified third parties for treatment. Hazardous wastes including expired or unqualified drugs, waste oil, substances contaminated with active materials, waste reagent, solvents or paint and waste batteries will undergo specific procedures. In order to reduce waste generation, the following measures are adopted:

- Classify and recycle paper, metal, and plastic
- Reduce the use of disposable and non-recyclable products
- Place discarded batteries in specific recycling bins
- Reuse envelopes, binders, filing cards, and other office stationery

We will endeavour to have continuous improvement on waste reduction and strive to treasure natural resources.

Paper Management

We have conducted the following measures as the paper management in our office:

- Adopt office automation system and electronic communication to reduce paper usage
- Promote a culture of reusing or double-sided use of paper
- Purchase printing paper, toilet paper, and tissues containing recycled materials
- Use wastepaper as draft paper
- Use electronic greeting cards for holiday celebrations
- Adjust to finer fonts and line spacing for files that must be printed
- Use network fax to filter out junk faxes

6.3 Conservation and Protection of Resources

In order to conserve natural resources and minimize the environmental impact, we have adopted various measures for resource conservation, as follows:

Energy Saving

To reduce electricity usage, we conducted monthly electricity usage monitoring and adopted appropriate improvement measures.

Air Conditioning System

- Switch off air conditioning systems when not in use
- Clean the filter screen and the fan coil unit regularly
- Set the minimum temperature of the air conditioning system as 25.5 degree Celsius
- Install sealing strips on doors and windows to prevent indoor air leakage
- Allow employees to have casual wear in hot weather to reduce the need of using air conditioning

Lighting System

- Switch off the lights when not in use
- Keep lighting fixtures and lamps clean to maximize their energy efficiency
- Try to use natural light as much as possible

Electronic and Printing Equipment

- Switch off electronic equipment (i.e., printer, computer) completely during non-working hours and when not in use
- Encourage employees to use energy-efficient devices, such as all-in-one printers and photo copiers
- Turn off the power of electric water heater and microwave before weekends and holidays

Water Saving

During the Reporting Period, we did not encounter any problems in obtaining applicable water sources. We promote environmental-friendly measures in the office, aiming to cultivate employees' awareness and daily habits of water-saving. The water-saving measures we have implemented include:

- Check if the faucets are firmly turned off after use
- Promote water conservation and post reminder signs in relevant places
- Conduct maintenance for dripping faucets

Green Participation by Employees

Our employees have demonstrated their concerns for environmental protection through the following actions:

- Choose direct flights for unavoidable business travel
- Use video conferencing to replace non-essential business trips
- Organise events in locations with convenient transportation

6.4 Response to Climate Change

In response to China's "dual carbon" targets and to help reduce and alleviate climate change, we have identified climate-related risks. Policies and response actions have been formulated to identify and address significant climate related matters that have and may have an impact on the Company:

Types of Climate Risks	Responding Measures
Acute Physical Risk (e.g. typhoon, flood)	• Develop extreme weather contingency plans and disaster response measures • Provide extreme weather-related training and escape drill to staff • Regularly check existing buildings for compliance with the latest local building standards and to repair buildings when necessary • Optimize logistics routes and prioritize the use of local/nearby suppliers to avoid supply chain disruptions due to extreme weather • Explore the possibility of using renewable energy (e.g. considering installing solar, wind energy and other clean energy sources to replace fossil energy in the production plant area)
Chronic Physical Risk (e.g. extreme heat, water scarcity)	• Optimize heating, ventilation, and air conditioning (HVAC) operating efficiency to reduce power consumption despite global warming • Develop emergency response plans for extreme weather, e.g. employees who work outdoors should find suitable places to rest under continuous high temperature weather • Pay attention to changes in the disease spectrum, and plan related product R&D in advance • Actively participate in environmental protection public welfare activities to alleviate global warming
Regulatory Risk	• Track the latest laws and regulations on climate change and integrate them into management strategies • Reduce energy consumption, resulting in the reduction of purchased emission credits and carbon emissions • Reduce reliance on fossil energy by increasing energy efficiency and switching to use more renewable energy/fuels • Incorporate content related to carbon peaking and carbon neutrality into employee training plans
Reputational Risk	• Publicly disclose the Company's efforts in low-carbon operations and other aspects in the ESG report • Actively respond to the national "dual carbon" call, actively communicate with stakeholders, and formulate and disclose emission reduction targets. • Communicate with stakeholders and explain the sustainable development measures implemented by the Group

7. PUBLIC WELFARE AND SOCIAL RESPONSIBILITY

Antengene strives to fulfil its corporate social responsibility and contributes to create a sustainable and healthy society. With a strong focus on developing innovative medicines to treat patients beyond borders, Antengene is committed to fostering innovation that enhances the lives and living standards of individuals by addressing their clinical needs. We actively collaborated with various medical associations and charitable foundations, recognizing the power of partnership in driving medical advancements. These collaborations and sponsorships enabled the Company to collect different resources, share knowledge, and accelerate the development of the medicines. Antengene is devoted to putting more effort on sponsoring charities that align with its mission, providing vital support to organizations that can enhance the healthcare outcomes. Looking ahead, we will be more actively involved in public welfare and community volunteer activities, and strive to contribute more resources to give back to the society.

National Multiple Myeloma Month Hiking Event

In response to the "Myeloma Care Month" initiative of the International Myeloma Foundation, our Australian team participated in the National Multiple Myeloma Month hiking event organised by Myeloma Australia in March, 2024. Through this event, we hope to educate the public about multiple myeloma and call on everyone to give more care to families who are deeply troubled by the disease.

Employees attended the National Multiple Myeloma Month hiking event

APPENDIX I: KPI DATA TABLE

Environmental Area[1]	Unit	2023	2024
Air emissions[2]			
Nitrogen oxides (NO_x)	kg	12.70	1.60
Sulfur oxides (SO_x)	kg	0.25	0.04
Particulate matter (PM)	kg	0.94	0.12
GHG emissions[3,4]			
Direct GHG emissions (Scope 1)[5]	tonnes of CO_2e	45.22	7.61
Indirect GHG emissions (Scope 2)[6]	tonnes of CO_2e	1,124.76	986.87[7]
Total GHG emissions (Scope 1 & 2)	tonnes of CO_2e	1,169.98	994.47
GHG emission intensity (per m^2)	tonnes of CO_2e/m^2	0.05	0.04
GHG emission intensity (per employee)	tonnes of CO_2e/employee	6.43	7.21
Energy consumption[8]			
Total electricity consumption	kWh	1,972,225.40	1,302,538.00
Electricity consumption intensity (per m^2)	kWh/m^2	78.97	57.79
Electricity consumption intensity (per employee)	kWh/employee	10,836.40	9,438.68
Gasoline consumption by vehicles	litre	17,000.00	2,850.00
Water consumption[9]			
Total water consumption	tonnes	9,115.00	7,783.00
Water consumption intensity (per m^2)	tonnes/m^2	0.36	0.35
Water consumption intensity (per employee)	tonnes/employee	50.08	56.40
Hazardous waste generation			
Hazardous waste generation	kg	3,490.00	3,750.00
Used batteries	unit	492	408
Used toner cartridges/ink boxes	unit	54	34
Non-hazardous waste generation			
Non-hazardous waste generation	kg	49,015.00	47,920.00
Non-hazardous waste generation intensity (per employee)	kg/employee	269.31	347.25
Paper consumption			
Paper consumption	kg	1,620.94	1,470.00
Paper consumption intensity (per employee)	kg/employee	8.91	10.65

1 The reporting boundary of environmental data covers the head offices in Shanghai and Shaoxing, Shanghai Antengene Corporation Limited, Antengene Corporation Co., Ltd., Antengene (Hangzhou) Biologics Co., Ltd. and Antengene Corporation (Hong Kong) Limited. As some of the operating locations did not operate at the beginning of the Reporting Period, the data of those operating locations do not cover the time range of the entire Reporting Period.

2 Air emissions arise from the vehicles of the Group.

3 The calculation is based on the "Greenhouse Gas Protocol" issued by the World Resources Institute and the World Business Council on Sustainable Development.

4 GHG emissions have decreased mainly due to decrease in employee number and the use of transportation.

5 Scope 1: Direct GHG emissions from sources owned and controlled by the Group.

6 Scope 2: Indirect GHG emissions from electricity generation, heating and cooling purchased by the Group.

7 This Year, we have included the indirect GHG emissions arising from steam purchased by the Group.

8 Due to the electricity consumption records of our Hong Kong office are directly managed by the property management organisation and does not have separate meter readings, so the electricity consumption calculates the total consumption of our other offices except the Hong Kong office.

9 For water consumption, the consumption in offices in Shanghai, the factory in Shaoxing and laboratory in Hangzhou is calculated. The water consumption in our other locations is managed by a property management organisation and does not have separate meter readings. Therefore, it cannot be separately calculated.

Social Area	Unit	2023	2024
Employment			
Total number of employees	no. of people	201	169
Total number of employees (by gender)			
Female employees	no. of people	121	99
Male employees	no. of people	80	70
Total number of employees (by employment type)			
Full-time junior employees and middle management	no. of people	189	159
Full-time senior management	no. of people	12	10
Total number of employees (by age group)			
Under 30	no. of people	37	28
30 to 50	no. of people	144	126
Above 50	no. of people	20	15
Total number of employees (by geographical region)[10]			
Mainland China	no. of people	162	139
Overseas	no. of people	39	30
Employee turnover rate[11]			
Employee turnover rate (by gender)			
Female employees	%	28.34	12.74
Male employees	%	25.35	7.55
Employee turnover rate (by age group)			
Under 30	%	12.90	2.83
30 to 50	%	38.71	13.68
Above 50	%	2.07	3.77
Employee turnover rate (by geographical region)[12]			
Mainland China	%	N/A[12]	14.62
Overseas	%	3.92[11]	5.66

10 Due to changes in the Group's business structure, the classification of employees by geographical region in this ESG Report has changed from previous years' and will remain consistent with its 2024 Annual Report.

11 Calculation method: number of employee turnover in this category ÷ (number of employee turnover in this category + number of employees in this category at the end of the Year) × 100%.

12 Since the classification of employees by geographical regions has changed from the previous year, the data is not available for the previous year.

Health and Safety			
Number of work-related fatalities in each of the past three years including the Year	no. of people	0	0
Rate of work-related fatalities in each of the past three years including the Year	%	0	0
Lost days due to work injury	days	0	0
Development and Training			
Percentage of employees trained[13] (by gender)			
Female employees	%	60.20	58.58
Male employees	%	39.80	41.42
Percentage of employees trained[13] (by employment type)			
Full-time junior employees and middle management	%	94.03	94.08
Full-time senior management	%	5.97	5.92
Average training hours completed per employee[14] (by gender)			
Female employees	hours	17.20	10.33
Male employees	hours	16.45	26.14
Average training hours completed per employee[14] (by employment type)			
Full-time junior employees and middle management	hours	16.01	16.23
Full-time senior management	hours	16.88	5.32

13 Calculation method: number of employees trained in this category ÷ number of employees trained x 100%.
14 Calculation method: total number of training hours for employees in this category ÷ total number of employees in this category.

APPENDIX II: CONTENT INDEX OF THE GUIDE

Indicator			Related Chapter
A. Environmental			
A1 Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6. Environmental Protection and Climate Change
	A1.1	The types of emissions and respective emissions data.	Appendix I: KPI Data Table
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Appendix I: KPI Data Table
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Appendix I: KPI Data Table
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Appendix I: KPI Data Table
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	6. Environmental Protection and Climate Change 6.2 Emissions Control and Waste Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	6. Environmental Protection and Climate Change 6.2 Emissions Control and Waste Management

Indicator			Related Chapter
A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.3 Conservation and Protection of Resources
	A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total and intensity.	Appendix I: KPI Data Table
	A2.2	Water consumption in total and intensity.	Appendix I: KPI Data Table
	A2.3	Description of energy use efficiency target(s) set and steps are taken to achieve them.	6. Environmental Protection and Climate Change 6.3 Conservation and Protection of Resources
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	6. Environmental Protection and Climate Change 6.3 Conservation and Protection of Resources Our water consumption comes from municipal water supply and there is no issue in sourcing water.
	A2.5	The total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	During the Year, we have no packing material used for finished products.
A3 The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	6. Environmental Protection and Climate Change
	A 3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6. Environmental Protection and Climate Change
A4 Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	6.4 Response to Climate Change
	A 4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	6.4 Response to Climate Change

Indicator			Related Chapter
B. Social			
B1 Employment	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.2 Safeguarding Rights and Interests of Employees
	B 1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix I: KPI Data Table
	B 1.2	Employee turnover rate by gender, age Group and geographical region.	Appendix I: KPI Data Table
B2 Health and Safety	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.1 Occupational Health and Safety
	B 2.1	Number and rate of work-related fatalities that occurred in each of the past three years including the Year.	Appendix I: KPI Data Table
	B 2.2	Lost days due to work injury.	Appendix I: KPI Data Table
	B 2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.1 Occupational Health and Safety
B3 Development and Training	General Disclosure	Policies for improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.4 Training and Development of Employees
	B 3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Appendix I: KPI Data Table
	B 3.2	The average training hours completed per employee by gender and employee category.	Appendix I: KPI Data Table
B4 Labour Standards	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.2 Safeguarding Rights and Interests of Employees
	B 4.1	Description of measures to review employment practices to avoid the child and forced labour.	5.2 Safeguarding Rights and Interests of Employees
	B 4.2	Description of steps taken to eliminate such practices when discovered.	5.2 Safeguarding Rights and Interests of Employees

Indicator			Related Chapter
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.5 Supply Chain Management
	B 5.1	The number of suppliers by geographical region.	4.5 Supply Chain Management
	B 5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	4.5 Supply Chain Management
	B 5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.5 Supply Chain Management
	B 5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.5 Supply Chain Management
B6 Product Responsibility	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.1 Product Quality Management 4.1 Responsible Operation 4.3 Respecting Ethics for Clinical Trials
	B 6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	3.1 Product Quality Management
	B 6.2	The number of products and service-related complaints received and how they are dealt with.	3.1 Product Quality Management
	B 6.3	Description of practices relating to observing and protecting intellectual property rights.	4.2 Protection in Intellectual Property Rights
	B 6.4	Description of quality assurance process and recall procedures.	3.1 Product Quality Management
	B 6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.4 Data Privacy and Protection

Indicator			Related Chapter
B7 Anti-corruption	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	4.1 Responsible Operation
	B 7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	4.1 Responsible Operation
	B 7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	4.1 Responsible Operation
	B 7.3	Description of anti-corruption training provided to directors and staff.	4.1 Responsible Operation
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	7. Public Welfare and Social Responsibility
	B 8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	7. Public Welfare and Social Responsibility
	B 8.2	Resources contributed (e.g., money or time) to the focus area.	7. Public Welfare and Social Responsibility

INDEPENDENT AUDITOR'S REPORT

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To the shareholders of Antengene Corporation Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Antengene Corporation Limited (the "Company") and its subsidiaries (the "Group") set out on pages 131 to 208, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Cut-off of research and development costs	
The Group incurred significant research and development ("R&D") costs of RMB258,912,000 as disclosed in the consolidated statement of profit or loss for the year ended December 31, 2024. A large portion of the Group's R&D costs represented service fees paid to contract research organisations ("CROs"), contract development manufacture organisations ("CDMOs") and clinical site management operators ("SMOs") (collectively referred to as the "Outsourced Service Providers"). The R&D activities with these Outsourced Service Providers are documented in detailed agreements and are typically performed over an extended period. These expenses are charged to the consolidated statement of profit or loss based on the milestones of the R&D projects. We identified the cut-off of R&D costs as a key audit matter due to the significant amount and risk of not accruing R&D costs incurred in the appropriate reporting period.	We obtained an understanding of management's controls in relation to the process of R&D costs, and we evaluated the design of the key controls and tested the implementation effectiveness of the key controls. We, on a sampling basis, reviewed the key terms set out in the agreements with the Outsourced Service Providers and evaluated the completion status of R&D projects based on inquiry with project managers, inspection of supporting documents and by obtaining external confirmations from the Outsourced Service Providers. We evaluated the adequacy of the accrued R&D costs by comparing the subsequent milestone billings and payments with the accrued R&D costs to determine whether these costs were recorded in the appropriate reporting period.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Siu Fung Terence Ho.

Ernst & Young
Certified Public Accountants
Hong Kong
March 21, 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended December 31, 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	5	91,950	67,305
Cost of sales		(16,686)	(12,293)
Gross profit		75,264	55,012
Other income and gains	5	48,870	115,786
Research and development costs		(258,912)	(405,669)
Selling and distribution expenses		(73,730)	(192,739)
Administrative expenses		(106,263)	(148,056)
Other expenses		(3,837)	(4,619)
Finance costs	7	(642)	(898)
LOSS BEFORE TAX	6	(319,250)	(581,183)
Income tax expense	10	–	–
LOSS FOR THE YEAR		(319,250)	(581,183)
Attributable to:			
Owners of the parent		(319,250)	(581,183)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic and diluted			
– For loss for the year		(0.51)	(0.94)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2024

	2024 RMB'000	2023 RMB'000
LOSS FOR THE YEAR	**(319,250)**	(581,183)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**4,454**	(32,034)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**4,454**	(32,034)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(314,796)**	(613,217)
Attributable to:		
Owners of the parent	**(314,796)**	(613,217)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**301,222**	240,091
Right-of-use assets	14	**51,958**	66,493
Other intangible assets	15	**2,793**	3,365
Equity investments designated at fair value through other comprehensive income	16	**5,032**	3,636
Financial assets at fair value through profit or loss	17	**5,258**	5,181
Prepayments and other receivables	18	**22,314**	57,997
Total non-current assets		**388,577**	376,763
CURRENT ASSETS			
Inventories	19	**13,194**	15,266
Trade receivables	20	**18,675**	9,684
Prepayments and other receivables	18	**24,042**	29,066
Financial assets at fair value through profit or loss	17	**106**	105
Cash and bank balances	21	**900,138**	1,187,703
Total current assets		**956,155**	1,241,824
CURRENT LIABILITIES			
Trade payables	22	**3,579**	3,857
Other payables and accruals	23	**119,000**	179,766
Interest-bearing bank borrowings	24	**20,000**	–
Lease liabilities	14	**3,746**	7,265
Total current liabilities		**146,325**	190,888
NET CURRENT ASSETS		**809,830**	1,050,936
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,198,407**	1,427,699
NON-CURRENT LIABILITIES			
Lease liabilities	14	**5,690**	13,755
Interest-bearing bank borrowings	24	**220,000**	180,000
Other non-current liabilities	25	**121,916**	86,560
Total non-current liabilities		**347,606**	280,315
Net assets		**850,801**	1,147,384
EQUITY			
Equity attributable to owners of the parent			
Share capital	26	**454**	451
Treasury shares	26	**(4,771)**	(7,073)
Reserves	27	**855,118**	1,154,006
Total equity		**850,801**	1,147,384

Dr. Jay Mei
Director

Mr. Donald Andrew Lung
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended December 31, 2024

		Attributable to owners of the parent						
	Notes	Share capital (note 26) RMB'000	Treasury shares (note 26) RMB'000	Share-based payment reserve* (note 28) RMB'000	Share premium* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000
At January 1, 2023		451	(10,353)	169,738	6,326,479	(80,938)	(4,692,055)	1,713,322
Loss for the year		–	–	–	–	–	(581,183)	(581,183)
Other comprehensive loss for the year:								
Exchange differences on translation of foreign operations		–	–	–	–	(32,034)	–	(32,034)
Total comprehensive loss for the year		–	–	–	–	(32,034)	(581,183)	(613,217)
Equity-settled share-based payment expense	27	–	–	47,279	–	–	–	47,279
Exercise of restricted share units	27	–	3,280	(13,611)	10,331	–	–	–
At December 31, 2023		451	(7,073)	203,406	6,336,810	(112,972)	(5,273,238)	1,147,384

		Attributable to owners of the parent						
	Notes	Share capital (note 26) RMB'000	Treasury shares (note 26) RMB'000	Share-based payment reserve* (note 28) RMB'000	Share premium* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses * RMB'000	Total RMB'000
At January 1, 2024		451	(7,073)	203,406	6,336,810	(112,972)	(5,273,238)	1,147,384
Loss for the year		–	–	–	–	–	(319,250)	(319,250)
Other comprehensive income for the year:								
Exchange differences on translation of foreign operations		–	–	–	–	4,454	–	4,454
Total comprehensive loss for the year		–	–	–	–	4,454	(319,250)	(314,796)
Issue of shares		3	–	–	3,532	–	–	3,535
Equity-settled share-based payment expense	27	–	–	14,678	–	–	–	14,678
Exercise of restricted share units	27	–	2,302	(10,281)	7,979	–	–	–
At December 31, 2024		454	(4,771)	207,803	6,348,321	(108,518)	(5,592,488)	850,801

* These reserve accounts comprise the consolidated reserves of RMB855,118,000 (2023: RMB1,154,006,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS USED IN OPERATING ACTIVITIES			
Loss before tax		(319,250)	(581,183)
Adjustments for:			
Finance costs	7	642	898
Interest income	5	(32,704)	(38,783)
Depreciation of property, plant and equipment	13	17,628	15,881
Depreciation of right-of-use assets	14	8,692	12,945
Amortisation of other intangible assets	15	577	1,148
Equity-settled share-based payment expense	27	14,678	47,279
(Gain)/loss on disposal of right-of-use assets for early terminated leases	6	(94)	223
Foreign exchange differences, net	5	580	(46,555)
Loss/(gain) on disposal of items of property, plant and equipment	5	39	(5)
Impairment of other intangible assets	6	–	2,226
Write-down of inventories to net realisable value	6	1,097	–
Fair value gain on financial assets at fair value through profit and loss		(77)	(517)
Impairment/(reversal of) impairment on financial assets	20	30	(23)
		(308,162)	(586,466)
Decrease/(increase) in inventories		975	(5,374)
(Increase)/decrease in trade receivables		(9,021)	20,106
Decrease/(increase) in prepayments and other receivables		25,396	(4,817)
Decrease in trade payables		(278)	(3,965)
Decrease in other payables and accruals		(56,502)	(171,817)
Placement of pledged time deposits		(9,729)	–
Increase in other non-current liabilities		35,356	86,560
Net cash flows used in operating activities		(321,965)	(665,773)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(60,610)	(112,941)
Purchases of other intangible assets		–	(156)
Purchases of equity investments designated at fair value through other comprehensive income		(1,396)	–
Proceeds from disposal of items of property, plant and equipment		25	739
Decrease in time deposits with original maturity of more than three months	21	367,024	658,566
Interest received		40,199	41,328
Purchases of financial assets at fair value through profit or loss		–	(469)
Net cash flows from investing activities		345,242	587,067

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal portion of lease payments	14	**(6,707)**	(12,793)
New bank loans		**60,000**	150,000
Interest paid		**(8,127)**	(5,363)
Net cash flows from financing activities	29	**45,166**	131,844
NET INCREASE IN CASH AND CASH EQUIVALENTS		**68,443**	53,138
Cash and cash equivalents at beginning of year		**662,335**	605,771
Effect of foreign exchange rate changes, net		**1,287**	3,426
CASH AND CASH EQUIVALENTS AT END OF YEAR	21	**732,065**	662,335
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	**900,138**	1,187,703
Pledged deposits	21	**(15,603)**	(5,874)
Bank deposits with original maturity of more than three months when acquired	21	**(152,470)**	(519,494)
Cash and cash equivalents as stated in the statement of cash flows		**732,065**	662,335

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on August 28, 2018. The registered address of the Company is the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investing holding company. During the year, the Group was involved in the research, development and commercialisation of pharmaceutical products.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") effective from November 20, 2020.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place and date of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Antengene (BVI) Limited	British Virgin Islands/ British Virgin Islands September 14, 2018	USD50,000	100%	–	Investment holding
Keith Valley Investment Limited	British Virgin Islands/ British Virgin Islands December 19, 2018	USD50,000	100%	–	Investment holding
Brighton Circle Limited	British Virgin Islands/ British Virgin Islands February 26, 2019	USD50,000	100%	–	Investment holding
Sea Quest Limited	British Virgin Islands/ British Virgin Islands October 23, 2019	USD2	100%	–	Investment holding
Antengene (Singapore) Pte. Ltd. (previously as: Boysenberry PTE. LTD)	Singapore/ Singapore November 20, 2019	SGD50,000	100%	–	Trading
Avalon Court Limited (澳郎科泰一人有限公司)	Macau/Macau November 12, 2020	MOP25,000	100%	–	Investment holding

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Name	Place and date of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Antengene Discovery Sciences Limited[2]	British Virgin Islands/ British Virgin Islands May 7, 2021	USD50,000	100%	–	Investment holding
AIM Corporation Limited	Hong Kong/ Hong Kong August 27, 2021	HKD10,000	100%	–	Investment holding
Antengene Biologics Limited (previously as: Antengene Investment Limited)	Hong Kong/ Hong Kong September 20, 2018	HKD1	–	100%	Investment holding
Antengene Corporation (Hong Kong) Limited (德琪控股有限公司)	Hong Kong/ Hong Kong January 21, 2016	HKD10,000	–	100%	Investment holding and trading
Antengene Therapeutics Limited	Hong Kong/ Hong Kong September 19, 2017	USD13,000,000	–	100%	Investment holding
Antengene Corporation Co., Ltd.[1, 2] (德琪(浙江)醫藥科技有限公司)	PRC/ Mainland China June 15, 2016	RMB360,000,000	–	100%	Research and development
Shanghai Antengene Corporation Limited[1] (上海德琪醫藥科技有限公司)	PRC/ Mainland China August 19, 2016	RMB66,000,000	–	100%	Research and development
Zhejiang Defu Biopharmaceutical Co., Ltd.[1] (浙江德復生物醫藥科技有限公司)	PRC/ Mainland China December 22, 2017	RMB10,000,000	–	100%	Research and development

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Name	Place and date of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Antengene (Shanghai) Pharmaceutical Co., Ltd.[1, 2] (德琪醫藥(上海)有限公司)	PRC/ Mainland China December 3, 2019	RMB14,000,000	–	100%	Research and development
ANTENGENE (AUS) PTY. LTD	Australia/Australia December 13, 2019	AUD1,000	–	100%	Research and development and trading
Antengene Biotech LLC	State of Delaware, United States of America ("USA")/ USA March 20, 2019	USD1,500	–	100%	Research and development
Zhejiang Antengene Pharmaceuticals Co., Ltd.[1] (浙江德琪製藥有限公司)	PRC/ Mainland China August 6, 2019	RMB70,000,000	–	100%	Manufacture and trading
Hainan Antengene Pharmaceuticals Co., Ltd.[1] (海南德琪醫藥有限公司)	PRC/ Mainland China December 31, 2020	RMB10,000,000	–	100%	Trading
Antengene Medicine Co., Ltd.	South Korea/ South Korea February 17, 2021	KRW100,000,000	–	100%	Trading
Antengene (Hangzhou) Biologics Co., Ltd.[1, 2] (德琪(杭州)生物有限公司)	PRC/ Mainland China May 25, 2021	USD60,000,000	–	100%	Research and development
Antengene Discovery Limited (德琪研發有限公司)	Hong Kong/ Hong Kong June 18, 2021	HKD10,000	–	100%	Research and development

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Name	Place and date of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Antengene (Zhejiang) Pharmaceutical Co., Ltd.[3] (德麗(浙江)醫藥有限公司)	PRC/ Mainland China September 29, 2021	USD5,000,000	–	100%	Research and development
Defu (Shanghai) Supply Chain Management Co., Ltd.[1] (德複(上海)供應鏈管理有限公司)	PRC/ Mainland China November 23, 2021	RMB5,000,000	–	100%	Manufacture and trading
Taiwan Antengene Pharmaceutical Co., Ltd. (台灣德琪醫藥股份有限公司)	Taiwan/ Taiwan December 20, 2022	NTD15,000,000	–	100%	Trading
Antennova Corporation Limited	Cayman/ Cayman August 15, 2023	USD50,000	–	100%	Investment holding
Antennova LLC	State of Delaware, United States of America ("USA")/ USA September 13, 2023	USD5,000	–	100%	Investment holding
Antennova Therapeutics Inc.	State of Pennsylvania, United States of America ("USA")/ USA September 18, 2023	USD5,000	–	100%	Research and development
Antengene (Cayman) Holdings Limited	Cayman/ Cayman August 21, 2023	USD50,000	–	100%	Investment holding

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Name	Place and date of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Antengene (BVI) Holdings Limited	British Virgin Islands/ British Virgin Islands September 5, 2023	USD50,000	–	100%	Investment holding
Antengene Investment (Hong Kong) Limited	Hong Kong/ Hong Kong October 6, 2023	HKD10,000	–	100%	Investment holding
Antensia PTE. LTD.	Singapore/ Singapore August 7, 2023	SGD50,000	–	100%	Investment holding

1 The English names of these companies represent the best effort made by the directors to translate the Chinese names as these companies have not been registered with any official English names.

2 These subsidiaries were registered as wholly-foreign-owned enterprises under PRC law.

3 Antengene (Zhejiang) Pharmaceutical Co., Ltd. has been deregistered in 2024.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended December 31, 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised IFRSs are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at January 1, 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

Amendments to IAS 21	*Lack of Exchangeability*[1]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[2]
IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 10 and IFRS 28	*Sale or Contribution of Assets between an Investor and its associate or Joint Venture*[4]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

The application of IFRS 18 will have no impact on the consolidated statements of financial position of the Group, but will have impact on the presentation of the consolidated statement of profit or loss and the consolidated statement of other comprehensive income. Except for IFRS 18, the directors of the Company anticipate that the application of these new and revised IFRSs will have no material impact on the Group's financial performance and financial position in the foreseeable future.

2.4 MATERIAL ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (Continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

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

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

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

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (Continued)

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

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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

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

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Related parties

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

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

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

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

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation

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

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

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

Office equipment	19% to 33%
Electronic equipment	19% to 33%
Motor vehicles	19% to 24%
Machinery	10% to 33%
Buildings	5%
Leasehold improvements	20% to 50%

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

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

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill)

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

Intangible assets are amortised on the straight-line basis over the following useful economic lives:

Software	3 to 10 years
Others	5 to 10 years

Research and development costs

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

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

Leases

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

Group as a lessee

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

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Group as a lessee (Continued)

(a) Right-of-use assets

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

Properties and office premises	2 to 5 years
Leasehold land	50 years

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

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

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

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Group as a lessee (Continued)

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

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

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

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

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

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss (Continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

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

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

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

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

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

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

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

General approach

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

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

General approach (Continued)

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

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition as loans and borrowings, or as payables, as appropriate.

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

The Group's financial liabilities include trade payables, other payables and accruals and interest-bearing bank borrowings.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (Continued)

Subsequent measurement

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

Financial liabilities at amortised cost (trade payables, other payables, and borrowings)

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

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Trustees (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

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

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

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

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

Income tax

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

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

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

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

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

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

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

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

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

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

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

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

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

Government grants

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

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

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue from contracts with customers

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

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

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Sale of pharmaceutical products

Revenue from the sale of pharmaceutical products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the pharmaceutical products.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Share-based payments

The Group operates the 2019 and 2020 Equity Incentive Plans and 2022 Restricted Share Unit ("RSU") Scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 28 to the financial statements.

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

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

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

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Share-based payments (Continued)

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

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

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme and forfeited contributions (on behalf of employees who leave the scheme prior to vesting fully in such contributions may not be used to reduce the existing level of contributions).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Research and development costs

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

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred. Determining the amounts of development costs to be capitalised requires the use of judgements and estimation. The Company currently expense all the milestone and upfront payments under the drug license agreements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of unrecognised tax losses at 31 December 2024 was RMB2,160,361,000 (2023: RMB2,494,639,000). Further details are contained in note 10 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 20 to the financial statements.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 33 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments as at December 31, 2024 was RMB5,258,000 (2023: RMB5,181,000). Further details are included in note 17 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Share-based payments

The Group has set up the 2019 and 2020 Equity Incentive Plans and the 2022 Restricted Share Unit Scheme for the Company's directors and the Group's employees. The fair value of the options is determined by the binomial model at the grant dates and the fair value of the shares is determined by the observable market price at the grant dates.

Estimating the fair value for share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share options, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of equity-settled share option arrangements with employees at the grant dates, the Group uses a binomial model. The assumptions and models used for estimating the fair value for share-based payment transactions are disclosed in note 28 to the financial statements.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and the related depreciation charge for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation charge in the future periods.

4. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is the research, development and commercialisation of pharmaceutical products. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	2024 RMB'000	2023 RMB'000
Mainland China	72,258	56,700
Other countries/regions	19,692	10,605
Total revenue	91,950	67,305

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024 RMB'000	2023 RMB'000
Mainland China	371,336	359,242
Other countries/regions	4,651	6,575
Total non-current assets	375,987	365,817

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

Information about major customers

Revenue from each major customer, which accounted for 10% or more of the Group's revenue during the reporting period, is as follows:

	2024 RMB'000	2023 RMB'000
Customer A	72,258	56,700
Customer B	11,598	8,516

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers	**91,950**	67,305

Revenue from contracts with customers

(a) Disaggregated revenue information

	2024 RMB'000	2023 RMB'000
Types of goods		
Sales of pharmaceutical products	**91,950**	67,305
Geographical markets		
Mainland China	**72,258**	56,700
Other countries/regions	**19,692**	10,605
Total	**91,950**	67,305
Timing of revenue recognition		
Goods transferred at a point in time	**91,950**	67,305

(b) Performance obligations

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

Sale of pharmaceutical products

The performance obligation is satisfied upon delivery of the pharmaceutical products and payment is generally due within 60 to 150 days from the date of billing.

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

An analysis of other income and gains is as follows:

	2024 RMB'000	2023 RMB'000
Other income		
Government grants*	15,483	29,881
Bank interest income	32,703	38,688
Other interest income from financial assets at fair value through profit or loss	1	95
Others	512	45
Total other income	48,699	68,709
Gains		
Gain on disposal of items of property, plant and equipment	–	5
Fair value gains on financial assets at fair value through profit and loss	77	517
Gain on disposal of right-of-use assets	94	–
Foreign exchange differences, net	–	46,555
Total gains	171	47,077
Total other income and gains	48,870	115,786

* Government grants include subsidies from the governments which are specifically for (i) other government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs recognised in profit or loss in the period in which they become receivable; and (ii) the capital expenditure incurred for plant and machinery and is recognised over the useful life of the related assets.

6. LOSS BEFORE TAX

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

	Notes	2024 RMB'000	2023 RMB'000
Cost of inventories sold		**16,686**	12,293
Depreciation of property, plant and equipment	13	**17,628**	15,881
Depreciation of right-of-use assets	14	**8,692**	12,945
Amortisation of other intangible assets	15	**577**	1,148
Lease payments not included in the measurement of lease liabilities	14	**946**	2,414
Auditor's remuneration		**2,500**	2,700
Employee benefit expense (excluding directors' and chief executive's remuneration (note 8)):			
Wages and salaries		**114,865**	213,595
Pension scheme contributions (defined contribution scheme)		**16,235**	30,165
Staff welfare expenses		**2,471**	3,184
Equity-settled share-based payment expense		**10,837**	35,493
Total		**144,408**	282,437
Foreign exchange differences, net*		**580**	(46,555)
Impairment of other intangible assets		**–**	2,226
Fair value gain on financial assets at fair value through profit and loss		**(77)**	(517)
(Gain)/loss on disposal of right-of-use assets for early terminated leases		**(94)**	223
Loss/(gain) on disposal of items of property, plant and equipment*		**39**	(5)
Write-down of inventories to net realisable value*		**1,097**	–

* The amount of foreign exchange differences, net, loss on disposal of items of property, plant and equipment and write-down of inventories to net realisable value for the year ended December 31, 2024 are included in "other expenses" in the consolidated statement of profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 RMB'000	2023 RMB'000
Interest on bank borrowings	**7,485**	4,465
Interest on lease liabilities	**642**	898
Total interest expense	**8,127**	5,363
Less: Interest capitalised	**(7,485)**	(4,465)
Total	**642**	898

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 RMB'000	2023 RMB'000
Fees	**1,176**	1,316
Other emoluments:		
Salaries, allowances and benefits in kind	**12,557**	12,980
Performance related bonuses	**3,611**	3,998
Equity-settled share-based payment expense	**3,841**	11,786
Pension scheme contributions	**1,237**	1,293
Subtotal	**21,246**	30,057
Total	**22,422**	31,373

During the year and in prior years, certain directors were granted share options and restricted share units, in respect of their services to the Group, under the 2019 and 2020 Equity Incentive Plans and the 2022 Restricted Share Unit Scheme of the Company, further details of which are set out in note 28 to the financial statements. The fair value of such options and shares, which have been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

	Fees RMB'000	Equity-settled share-based payment expense RMB'000	Total RMB'000
2024			
Ms. Qian Jing	**392**	**43**	**435**
Mr. Tang Sheng	**392**	**43**	**435**
Dr. Rafael Fonseca (i)	**392**	**7**	**399**
Total	**1,176**	**93**	**1,269**
2023			
Mr. Mark J. Alles (ii)	351	–	351
Ms. Qian Jing	386	101	487
Mr. Tang Sheng	386	101	487
Dr. Rafael Fonseca (i)	193	–	193
Total	1,316	202	1,518

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and the chief executive

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Equity-settled share-based payment expense RMB'000	Total RMB'000
2024					
Executive director and the chief executive:					
Dr. Jay Mei	6,441	3,237	816	2,158	12,652
Executive directors:					
Mr. John F. Chin (iv)	3,399	–	405	655	4,459
Mr. Donald Andrew Lung	2,717	374	16	935	4,042
Non-executive director:					
Dr. Kan Chen (v)	–	–	–	–	–
Total	12,557	3,611	1,237	3,748	21,153

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Equity-settled share-based payment expense RMB'000	Total RMB'000
2023					
Executive director and the chief executive:					
Dr. Jay Mei	6,344	3,166	838	6,426	16,774
Executive directors:					
Mr. John F. Chin	3,228	430	439	1,865	5,962
Mr. Donald Andrew Lung	3,408	402	16	3,293	7,119
Non-executive directors:					
Mr. Liu Yilun (iii)	–	–	–	–	–
Dr. Kan Chen	–	–	–	–	–
Total	12,980	3,998	1,293	11,584	29,855

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and the chief executive (Continued)

(i) Dr. Fonseca was appointed as an independent non-executive director on April 14, 2023.

(ii) Mr. Mark J. Alles was appointed as an independent non-executive director on August 18, 2020 and resigned as an independent non-executive director of the Company on April 14, 2023.

(iii) Mr. Liu Yilun was appointed as a non-executive director on December 16, 2021 and resigned as a non-executive director of the Company on April 14, 2023.

(iv) Mr. John F. Chin was appointed as an executive director on August 18, 2020 and resigned as an executive director of the Company with effect from August 1, 2024.

(v) Dr. Kan Chen has retired as a non-executive director with effect from June 14, 2024.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year. No director's termination benefit subsisted at the end of the year or at any time during the year. No consideration provided to or receivable by third parties for making available directors' services subsisted at the end of the year or at any time during the year. No loans, quasi-loans and other dealings in favour of directors, their controlled bodies corporate and connected entities subsisted at the end of the year or at any time during the year. No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2023: three directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2023: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 RMB'000	2023 RMB'000
Salaries, allowances, and benefits in kind	7,380	8,559
Performance related bonuses	497	648
Equity-settled share-based payment expense	997	3,181
Pension scheme contributions	703	792
Total	9,577	13,180

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2024	2023
HKD4,000,001 to HKD4,500,000	1	–
HKD6,000,001 to HKD6,500,000	1	–
HKD6,500,001 to HKD7,000,000	–	1
HKD7,500,001 to HKD8,000,000	–	1
Total	2	2

During the year and in prior years, share options and restricted share units were granted to non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 28 to the financial statements. The fair value of such options and shares, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

During the year, no emoluments were paid by the Group to any of the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office (2023: Nil).

10. 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.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

British Virgin Islands

Under the current laws of the British Virgin Islands ("BVI"), the subsidiaries incorporated in the BVI are not subject to tax on income or capital gains. In addition, upon payments of dividends by these subsidiaries to their shareholders, no BVI withholding tax is imposed.

Hong Kong

The subsidiaries incorporated in Hong Kong were subject to income tax at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HKD2,000,000 (2023: HKD2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

Macau

The subsidiary incorporated in Macau was subject to income tax at the rate of 12% (2023: 12%) on the estimated assessable profits arising in Macau during the year.

10. INCOME TAX (CONTINUED)

Mainland China

Pursuant to the Corporate Income Tax Law of the People's Republic of China and the respective regulations (the "CIT Law"), the subsidiaries which operate in Mainland China were subject to CIT at a rate of 25% (2023: 25%) on the taxable income.

Australia

No provision for Australia profits tax has been made as the Group had no assessable profits derived from or earned in Australia during the year (2023: Nil). The subsidiary incorporated in Australia was subject to income tax at the rate of 25% (2023: 25%) on the estimated assessable profits arising in Australia during the year.

Singapore

No provision for Singapore profits tax has been made as the Group had no assessable profits derived from or earned in Singapore during the year (2023: Nil). The subsidiary incorporated in Singapore was subject to income tax at the rate of 17% (2023: 17%) on the estimated assessable profits arising in Singapore during the year.

South Korea

No provision for South Korea profits tax has been made as the Group had no assessable profits derived from or earned in South Korea during the year (2023: Nil). The subsidiary incorporated in South Korea was subject to income tax at the rate of 10% (2023: 10%) on the estimated assessable profits arising in South Korea during the year.

United States of America

The subsidiary incorporated in Delaware, the United States was subject to statutory federal corporate income tax of the United States at a rate of 21% (2023: 21%). It was also subject to the state income tax in Delaware at a rate of 8.7% (2023: 8.7%) during the year.

10. INCOME TAX (CONTINUED)

Taiwan

No provision for Taiwan profits tax has been made as the Group had no assessable profits derived from or earned in Taiwan during the year. The subsidiary incorporated in Taiwan was subject to income tax at the rate of 20% on the estimated assessable profits arising in Taiwan during the year.

A reconciliation of the tax expense applicable to loss before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2024 **RMB'000**	2023 RMB'000
Loss before tax	**(319,250)**	(581,183)
Tax at the statutory tax rate (25%)	**(79,813)**	(145,296)
Different tax rates for specific jurisdictions or enacted by local authorities	**(8,679)**	(3,990)
Additional deductible allowance for qualified research and development costs	**(32,910)**	(29,356)
Expenses not deductible for tax	**14,968**	16,548
Tax losses utilised from previous periods	**(2,071)**	–
Tax losses and temporary differences not recognised	**108,505**	162,094
Tax charge at the Group's effective rate	**–**	–

The Group has accumulated tax losses in Mainland China of RMB1,689,044,000 and RMB1,939,019,000 as at December 31, 2024 and 2023, respectively, that will expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose.

The Group also has accumulated tax losses in overseas subsidiaries of RMB471,317,000 and RMB537,119,000 in aggregate as at December 31, 2024 and 2023, respectively, that will be carried forward indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in the foreseeable future will be available against which the tax losses can be utilised.

11. DIVIDENDS

No dividend was paid or declared by the Company during the years ended December 31, 2024 and 2023.

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

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 620,441,464 (2023: 615,438,058) outstanding during the year.

No adjustment has been made to the basic loss per share amounts presented for the year ended December 31, 2024 in respect of a dilution as the impact of the share options and restricted share units outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

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

	2024 RMB'000	2023 RMB'000
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	(319,250)	(581,183)

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding* during the year used in the basic and diluted loss per share calculation	620,441,464	615,438,058

* The weighted average number of shares was after taking into account the effect of treasury shares held.

13. PROPERTY, PLANT AND EQUIPMENT

	Office equipment RMB'000	Leasehold Improvements RMB'000	Electronic equipment RMB'000	Motor vehicles RMB'000	Machinery RMB'000	Buildings RMB'000	Construction in progress RMB'000	Total RMB'000
December 31, 2024								
At January 1, 2024								
Cost	7,948	9,794	6,542	2,006	42,713	47,162	157,224	273,389
Accumulated depreciation	(3,445)	(3,520)	(3,993)	(1,216)	(17,017)	(4,107)	–	(33,298)
Net carrying amount	4,503	6,274	2,549	790	25,696	43,055	157,224	240,091
At January 1, 2024, net of accumulated depreciation	4,503	6,274	2,549	790	25,696	43,055	157,224	240,091
Additions	–	–	28	–	541	–	78,203	78,772
Disposals	(64)	–	–	–	–	–	–	(64)
Depreciation provided during the year	(1,457)	(4,435)	(1,478)	(421)	(7,597)	(2,240)		(17,628)
Exchange realignment	51	–	–	–	–	–	–	51
At December 31, 2024, net of accumulated depreciation	3,033	1,839	1,099	369	18,640	40,815	235,427	301,222
At December 31, 2024:								
Cost	7,923	9,794	6,570	2,006	43,254	47,162	235,427	352,136
Accumulated depreciation	(4,890)	(7,955)	(5,471)	(1,637)	(24,614)	(6,347)	–	(50,914)
Net carrying amount	3,033	1,839	1,099	369	18,640	40,815	235,427	301,222
December 31, 2023								
At January 1, 2023								
Cost	8,530	5,789	6,097	2,006	41,539	47,162	60,968	172,091
Accumulated depreciation	(2,044)	(924)	(2,356)	(795)	(9,622)	(1,867)	–	(17,608)
Net carrying amount	6,486	4,865	3,741	1,211	31,917	45,295	60,968	154,483
At January 1, 2023, net of accumulated depreciation	6,486	4,865	3,741	1,211	31,917	45,295	60,968	154,483
Additions	146	4,005	536	–	1,297	–	96,256	102,240
Disposals	(520)	–	(91)	–	(123)	–	–	(734)
Depreciation provided during the year	(1,592)	(2,596)	(1,637)	(421)	(7,395)	(2,240)	–	(15,881)
Exchange realignment	(17)	–	–	–	–	–	–	(17)
At December 31, 2023, net of accumulated depreciation	4,503	6,274	2,549	790	25,696	43,055	157,224	240,091
At December 31, 2023:								
Cost	7,948	9,794	6,542	2,006	42,713	47,162	157,224	273,389
Accumulated depreciation	(3,445)	(3,520)	(3,993)	(1,216)	(17,017)	(4,107)	–	(33,298)
Net carrying amount	4,503	6,274	2,549	790	25,696	43,055	157,224	240,091

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of properties and office premises used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of properties and office premises generally have lease terms between 2 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Properties and office premises	**Leasehold land**	**Total**
	RMB'000	RMB'000	RMB'000
As at January 1, 2023	30,543	44,335	74,878
Additions	6,295	–	6,295
Disposal	(835)	–	(835)
Depreciation charge	(12,945)	(901)	(13,846)
Exchange realignment	1	–	1
As at December 31, 2023 and January 1, 2024	**23,059**	**43,434**	**66,493**
Additions	**2,696**	**–**	**2,696**
Disposal	**(7,527)**	**–**	**(7,527)**
Depreciation charge	**(8,692)**	**(902)**	**(9,594)**
Exchange realignment	**(110)**	**–**	**(110)**
As at December 31, 2024	**9,426**	**42,532**	**51,958**

As at December 31, 2024, the Group's leasehold land with a net carrying amount of approximately RMB42,532,000 (2023: RMB43,434,000) was pledged to secure interest-bearing bank borrowings granted to the Group (note 24).

14. LEASES (CONTINUED)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	2024 RMB'000	2023 RMB'000
Carrying amount at January 1	**21,020**	27,955
New leases	**2,696**	6,295
Accretion of interest recognised during the year	**642**	898
Payments	**(7,349)**	(13,691)
Disposals	**(7,621)**	(612)
Exchange realignment	**48**	175
Carrying amount at December 31	**9,436**	21,020
Analysed into:		
Current portion	**3,746**	7,265
Non-current portion	**5,690**	13,755

The maturity analysis of lease liabilities is disclosed in note 34 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 RMB'000	2023 RMB'000
Interest on lease liabilities	**642**	898
Depreciation charge of right-of-use assets	**9,594**	13,846
Expense relating to leases of short-term and low-value assets	**946**	2,414
Less: capitalised in property, plant and equipment	**(902)**	(901)
Total amount recognised in profit or loss	**10,280**	16,257

(d) The total cash outflow for leases is disclosed in note 29 to the financial statements.

15. OTHER INTANGIBLE ASSETS

	Software RMB'000	Others RMB'000	Total RMB'000
December 31, 2024			
Cost at January 1, 2024, net of accumulated amortisation	3,098	267	3,365
Amortisation provided during the year	(541)	(36)	(577)
Exchange realignment	5	–	5
At December 31, 2024	2,562	231	2,793
At December 31, 2024:			
Cost	7,958	349	8,307
Accumulated amortisation and impairment	(5,396)	(118)	(5,514)
Net carrying amount	2,562	231	2,793
December 31, 2023			
Cost at January 1, 2023, net of accumulated amortisation	6,281	303	6,584
Additions	156	–	156
Amortisation provided during the year	(1,112)	(36)	(1,148)
Impairment during the year	(2,226)	–	(2,226)
Exchange realignment	(1)	–	(1)
At December 31, 2023	3,098	267	3,365
At December 31, 2023:			
Cost	7,953	349	8,302
Accumulated amortisation and impairment	(4,855)	(82)	(4,937)
Net carrying amount	3,098	267	3,365

16. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 RMB'000	2023 RMB'000
Unlisted fund investment, at fair value	5,032	3,636

The above unlisted fund investment was irrevocably designated at fair value through other comprehensive income as the Group considers this investment to be strategic in nature.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RMB'000	2023 RMB'000
Current:		
Wealth management product*	**106**	105
Non current:		
Unlisted equity investment, at fair value**	**5,258**	5,181

* As at December 31, 2024, the above wealth management product was issued by financial institution in Mainland China. It was mandatorily classified as financial assets at fair value through profit or loss as its contractual cash flows is not solely payments of principal and interest.

** The above investment represent the unlisted equity interest in a certain entity which was mainly engaged in drug discovery. This investment was not held for trading but for the long term strategic purpose and measured at fair value through profit or loss.

18. PREPAYMENTS AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Non-current:		
Deposits and other receivables	**2,300**	2,129
Prepayments for purchases of property, plant and equipment*	**–**	6,422
Value-added tax recoverable	**20,014**	49,446
Total	**22,314**	57,997
Current:		
Value-added tax recoverable	**4,146**	2,857
Interest receivables	**6,688**	14,184
Prepayments	**8,241**	7,126
Deposits and other receivables	**4,967**	4,899
Total	**24,042**	29,066

* It mainly represents prepayments for leasehold land in the purpose of Hangzhou production base primarily for industrialisation of antibody drugs and the centre of research and development.

18. PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

The deposits and other receivables had no historical default. The financial assets included in the above balances related to receivables were categorised in stage 1 at the end of each reporting period. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. As at December 31, 2024 and 2023, the loss allowance was minimal.

The balances are interest-free and are not secured with collateral.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. In view of the fact that the Group's deposits and other receivables relate to a large number of diversified counterparties, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its deposits and other receivable balances.

19. INVENTORIES

	2024 RMB'000	2023 RMB'000
Raw materials	6,523	8,699
Finished goods	6,671	6,567
Total	13,194	15,266

20. TRADE RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables	18,727	9,706
Impairment	(52)	(22)
Net carrying amount	18,675	9,684

The Group's trading terms with its customers are mainly on credit. The credit period is generally two to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

20. TRADE RECEIVABLES (CONTINUED)

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

	2024 RMB'000	2023 RMB'000
Within 6 months	18,675	9,625
6 to 12 months	–	59
Total	18,675	9,684

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024 RMB'000	2023 RMB'000
At beginning of year	22	45
Impairment losses, net	30	(23)
At end of year	52	22

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at December 31, 2024	**Current**
Expected credit loss rate	0.28%
Gross carrying amount (RMB'000)	18,727
Expected credit losses (RMB'000)	52

As at December 31, 2023	Current
Expected credit loss rate	0.23%
Gross carrying amount (RMB'000)	9,706
Expected credit losses (RMB'000)	22

21. CASH AND BANK BALANCES

	2024 RMB'000	2023 RMB'000
Cash and bank balances	**900,138**	1,187,703
Less:		
Pledged deposits (i)	**15,603**	5,874
Bank deposits with original maturity of more than three months when acquired (ii)	**152,470**	519,494
Cash and cash equivalents	**732,065**	662,335

(i) They represent pledged deposits in commercial banks primarily for bank overdraft, letters of credit and guarantee. None of these deposits are either past due or impaired.

(ii) They represent time deposits with initial terms of over three months when acquired in commercial banks with annual return rates ranging from 4.99% to 6.10% (2023: 4.97% to 6.00%). None of these deposits are either past due or impaired. None of these deposits are pledged.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB565,197,351 (2023: RMB426,237,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

22. TRADE PAYABLES

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

	2024 RMB'000	2023 RMB'000
Within 3 months	3,579	3,857

The trade payables are non-interest-bearing and are normally settled terms of two to three months.

23. OTHER PAYABLES AND ACCRUALS

	2024 RMB'000	2023 RMB'000
Amounts due to related parties (note 31(a))	–	38
Deferred income*	22,987	24,326
Payroll payable	17,455	31,636
Other tax payables	5,730	13,146
Payables for purchase of property, plant and equipment	368	1,943
Other payables**	72,460	108,677
Total	119,000	179,766

* During the year ended December 31, 2024, deferred income of RMB22,987,000 (2023: RMB24,326,000) represents the government grants related to an asset that will be recognised in profit or loss over the expected useful life of the relevant asset.

** Other payables primarily consist of accrued or invoiced but unpaid fees for services from contract research organisations ("CROs"), contract development manufacture organisations ("CDMOs") and clinical site management operators ("SMOs").

Other payables and accruals are unsecured, non-interest-bearing and repayable on demand. The carrying amounts of financial liabilities included in other payables and accruals as at the end of each reporting period approximate to their fair values due to their short-term maturities.

24. INTEREST-BEARING BANK BORROWINGS

	2024			2023		
	Effective interest rate	Maturity	RMB'000	Effective interest rate	Maturity	RMB'000
Current						
Bank loans – secured (a)	3.1% (b)	2025	20,000	–	–	–
Non-current						
Bank loans – secured (a)	3.1% (b)	2026-2027	220,000	4.35% (b)	2025-2027	180,000
Total			240,000			180,000

	2024 RMB'000	2023 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand	20,000	–
In the second year	60,000	20,000
In the third to fifth years, inclusive	160,000	160,000

Notes:

(a) As at December 31, 2024, these bank loans was pledged by the Group's leasehold land with a carrying amount of RMB42,532,000 (2023: RMB43,434,000) and guaranteed by the Company and one certain subsidiary of the Group.

(b) These bank loans carried an effective interest rate at 4.35% from January to October in 2024, and was reduced to 3.1% since November 2024 (2023:4.35%).

25. OTHER NON-CURRENT LIABILITIES

	2024 RMB'000	2023 RMB'000
Other non-current liabilities	121,916	86,560

Other non-current liabilities include advances received from the commercialisation partnership.

In August 2023, the Group entered into a collaboration agreement with Jiangsu Hansoh Pharmaceutical Group Co., Ltd., a wholly-owned subsidiary of Hansoh Pharmaceutical Group Company Limited ("Hansoh Pharma").

According to the terms of the agreement, Hansoh Pharma was appointed as an exclusive collaborator responsible for the commercialisation of Selinexor in Mainland China, while Antengene continued to be responsible for research and development, regulatory approvals and affairs, product supply, and distribution of XPOVIO® (selinexor) and was entitled to receive an upfront fee for such exclusive collaboration.

25. OTHER NON-CURRENT LIABILITIES (CONTINUED)

During the year ended December 31, 2024, the Group received milestone fee of RMB47,170,000, (exclusive of value-added tax of RMB2,830,000), of which RMB1,665,000 was recognised as a reversal of selling expenses, RMB3,330,000 was recognised as other payables and accruals, and RMB42,175,000 was recognised as other non-current liabilities. During the year ended December 31, 2023, the Group received the upfront fee of RMB94,430,000 (exclusive of value-added tax of RMB5,570,000), of which RMB6,819,000 (2023: RMB1,575,000) was recognised as a reversal of selling expenses, RMB6,295,000 (2023: RMB6,295,000) was recognised as other payables and accruals, and RMB79,741,000 (2023: RMB86,560,000) was recognised as other non-current liabilities in 2024.

26. SHARE CAPITAL AND TREASURY SHARES

Issued and fully paid:

	As at December 31, 2024		
	Number of shares in issue	Share capital USD'000	RMB equivalent RMB'000
Ordinary shares of USD0.0001 each	**679,446,632**	**68**	**454**

	As at December 31, 2023		
	Number of shares in issue	Share capital USD'000	RMB equivalent RMB'000
Ordinary shares of USD0.0001 each	674,888,744	67	451

26. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

A summary of movements in the Company's share capital and treasury shares are as follows:

	Note	Number of shares in issue	Share capital RMB'000	Treasury shares RMB'000
At December 31, 2022 and January 1, 2023		674,888,744	451	(10,353)
Exercise of restricted share units		–	–	3,280
At December 31, 2023 and January 1, 2024		**674,888,744**	**451**	**(7,073)**
Issue of new shares	(a)	**4,557,888**	**3**	**–**
Exercise of restricted share units		**–**	**–**	**2,302**
At December 31, 2024		**679,446,632**	**454**	**(4,771)**

Note:

(a) Pursuant to a resolution dated October 2, 2024, 4,557,888 ordinary shares were allotted and issued, at a total consideration of HKD3,919,784 (equivalent to RMB3,535,000), which were held by the Trustee in trust a through The Core Trust Company Limited as reserve for grant of Employee Stock Ownership Plan ("ESOP") under the 2020 Equity Incentive Plan. Further details are included in note 28 to the financial statements.

27. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 134 of the financial statements.

(i) Share premium

The share premium account represents the amount paid by shareholders for capital injection in excess of the nominal value.

(ii) Share-based payment reserve

The share-based payment reserve comprises the fair value of share options and restricted share units granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements.

(iii) Exchange fluctuation reserve

The exchange fluctuation reserve represents the difference arising from the translation of financial statements of companies within the Group that have functional currencies different from RMB, the presentation currency of the Group, for the financial statements of the Group.

28. SHARE-BASED PAYMENTS

(a) Equity Incentive Plans

The Company adopted the 2019 and 2020 Equity Incentive Plans pursuant to the resolutions passed on December 30, 2019 and August 18, 2020, respectively, for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. Eligible participants of the Equity Incentive Plans may include any officers, directors, employees of the Company.

The maximum aggregate numbers of shares that may be granted were 20,000,000 and 25,702,232, respectively, under the 2019 and 2020 Equity Incentive Plans. Subject to any restriction contained in the Equity Incentive Plans, each vested option shall not be exercisable until the later of: (i) the date such option has vested and (ii) 30 days after the IPO, but shall be exercised within 10 years from the date of grant. The exercise price for each share ranges from USD0.11 to USD2.66 under the 2019 and 2020 Equity Incentive Plans.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Plans as an equity-settled plan.

The following share options were outstanding under the 2019 and 2020 Equity Incentive Plans during the years ended December 31, 2024 and 2023:

	2024		2023	
	Weighted average exercise price USD	Number of options '000	Weighted average exercise price USD	Number of options '000
At January 1	1.30	32,456	1.32	34,490
Granted during the year	0.11	15,220	–	–
Forfeited during the year	0.75	(4,861)	1.56	(2,034)
At December 31	0.94	42,815	1.30	32,456

28. SHARE-BASED PAYMENTS (CONTINUED)

(a) Equity Incentive Plans (Continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2024

Number of options '000	Exercise price USD per share	Exercise period*
767	0.88	Dec 20, 2020 – Oct 31, 2029
223	0.88	Dec 20, 2020 – Aug 22, 2030
5,852	0.92	May 20, 2021 – Aug 22, 2030
400	0.92	May 20, 2021 – Oct 29, 2030
2,233	0.88	Nov 1, 2021 – Oct 31, 2029
223	0.88	Nov 1, 2021 – Aug 22, 2030
2,345	0.92 – 1.42	Aug 23, 2022 – Aug 22, 2030
18	1.42	Oct 19, 2022 – Oct 18, 2030
15	1.06 – 1.42	Oct 30, 2022 – Oct 29, 2030
1,421	0.88	Nov 1, 2022 – Oct 31, 2029
446	0.88	Nov 1, 2022 – Aug 22, 2030
1,096	2.66	Jan 19, 2023 – Jan 18, 2031
1,865	0.92 – 1.42	Aug 23, 2023 – Aug 22, 2030
836	1.61	Aug 27, 2023 – Aug 27, 2031
18	1.42	Oct 19, 2023 – Oct 18, 2030
15	1.06 – 1.42	Oct 30, 2023 – Oct 29, 2030
1,894	0.88	Nov 1, 2023 – Oct 31, 2029
594	0.88	Nov 1, 2023 – Aug 22, 2030
48	1.32	Dec 20, 2023 – Dec 20, 2031
1,097	2.66	Jan 19, 2024 – Jan 18, 2031
3,127	0.92 – 1.42	Aug 23, 2024 – Aug 22, 2030
836	1.61	Aug 27, 2024 – Aug 27, 2031
24	1.42	Oct 19, 2024 – Oct 18, 2030
20	1.06 – 1.42	Oct 30, 2024 – Oct 29, 2030
48	1.32	Dec 20, 2024 – Dec 20, 2031
1,436	2.66	Jan 19, 2025 – Jan 18, 2031
1,082	1.61	Aug 27, 2025 – Aug 27, 2031
64	1.32	Dec 20, 2025 – Dec 20, 2031
3,693	0.11	Oct 2, 2025 – Oct 2, 2034
3,693	0.11	Oct 2, 2026 – Oct 2, 2034
3,693	0.11	Oct 2, 2027 – Oct 2, 2034
3,693	0.11	Oct 2, 2028 – Oct 2, 2034
42,815		

28. SHARE-BASED PAYMENTS (CONTINUED)

(a) Equity Incentive Plans (Continued)

2023

Number of options '000	Exercise price USD per share	Exercise period*
920	0.88	Dec 20, 2020 – Oct 31, 2029
223	0.88	Dec 20, 2020 – Aug 22, 2030
5,851	0.92	May 20, 2021 – Aug 22, 2030
400	0.92	May 20, 2021 – Oct 29, 2030
2,396	0.88	Nov 1, 2021 – Oct 31, 2029
223	0.88	Nov 1, 2021 – Aug 22, 2030
2,758	0.92 – 1.42	Aug 23, 2022 – Aug 22, 2030
24	1.42	Oct 19, 2022 – Oct 18, 2030
50	1.06 – 1.42	Oct 30, 2022 – Oct 29, 2030
1,735	0.88	Nov 1, 2022 – Oct 31, 2029
446	0.88	Nov 1, 2022 – Aug 22, 2030
1,354	2.66	Jan 19, 2023 – Jan 18, 2031
2,758	0.92 – 1.42	Aug 23, 2023 – Aug 22, 2030
967	1.61	Aug 27, 2023 – Aug 27, 2031
24	1.42	Oct 19, 2023 – Oct 18, 2030
50	1.06 – 1.42	Oct 30, 2023 – Oct 29, 2030
2,313	0.88	Nov 1, 2023 – Oct 31, 2029
594	0.88	Nov 1, 2023 – Aug 22, 2030
53	1.32	Dec 20, 2023 – Dec 20, 2031
1,354	2.66	Jan 19, 2024 – Jan 18, 2031
3,678	0.92 – 1.42	Aug 23, 2024 – Aug 22, 2030
967	1.61	Aug 27, 2024 – Aug 27, 2031
32	1.42	Oct 19, 2024 – Oct 18, 2030
67	1.06 – 1.42	Oct 30, 2024 – Oct 29, 2030
53	1.32	Dec 20, 2024 – Dec 20, 2031
1,806	2.66	Jan 19, 2025 – Jan 18, 2031
1,289	1.61	Aug 27, 2025 – Aug 27, 2031
71	1.32	Dec 20, 2025 – Dec 20, 2031
32,456		

* Pursuant to a board resolution dated January 18, 2021, the exercise periods of the share options (including those options which have already been granted) under the 2019 and 2020 Equity Incentive Plans were extended to ten years from the grant date.

On October 2, 2024, 15,220,000 ESOPs were granted to 5 directors and 72 employees.

The Group recognised an equity-settled share-based payment expense of RMB7,057,000 (2023: RMB24,908,000) during the year ended December 31, 2024 under the 2019 and 2020 Equity Incentive Plans.

28. SHARE-BASED PAYMENTS (CONTINUED)

(a) Equity Incentive Plans (Continued)

The fair values of the equity-settled share options granted were estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The fair value of share options at grant date is independently determined using the binomial option-pricing model by taking into account the exercise price, fair value of ordinary shares at the grant date, the term of the option, the expected price volatility, the expected dividend yield, and the risk-free interest rate.

As at December 31, 2024, the Company had 42,815,000 (2023: 32,456,000) share options outstanding under the 2019 and 2020 Equity Incentive Plans. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the additional share premium of RMB279,098,000 (2023: RMB298,960,000).

(b) Restricted Share Unit Scheme

The Company adopted the 2022 Restricted Share Unit ("RSU") Scheme pursuant to the resolutions passed on January 21, 2022, for the purpose of recognising the contributions by the employees, directors, officers, advisors and consultants of any member of the Group providing them with incentives in order to retain them for the continual operation and development of the Group and attracting suitable personnel for further development of the Group. Unless otherwise cancelled or amended, the 2022 RSU Scheme will remain in force for 10 years from the date of adoption.

The maximum aggregate number of shares that may be granted shall be 18,377,100 shares under the 2022 RSU Scheme. The RSUs to grantees who joined the Group prior or on the listing date of the Group shall be vested in the portions of 25%, 25%, 16.6%, 16.7% and 16.7% on the grant date, the first, second, third and fourth anniversaries of the grant date of the RSUs, respectively. The RSUs to grantees who joined the Group after the listing date of the Group shall be vested in the portions of 25%, 25%, 25% and 25% on the first, second, third and fourth anniversaries of the grant date of the RSUs, respectively.

The Group recognised an equity-settled share-based payment expense of RMB7,621,000 (2023: RMB22,371,000) during the year ended December 31, 2024 under the 2022 RSU Scheme.

28. SHARE-BASED PAYMENTS (CONTINUED)

(b) Restricted Share Unit Scheme (Continued)

The following RSUs were outstanding under the Restricted Share Unit Scheme during the years ended December 31, 2024 and 2023:

	2024		2023	
	Weighted average exercise price USD	Number of shares '000	Weighted average exercise price USD	Number of shares '000
At January 1	–	8,569	–	14,608
Forfeited during the year	–	(1,046)	–	(1,942)
Exercised during the year	–	(2,537)	–	(4,097)
At December 31	–	4,986	–	8,569

As at December 31, 2024, the Company had 4,986,000 (2023: 8,569,000) RSUs outstanding under the 2022 Restricted Share Unit Scheme. The exercise in full of the outstanding RSUs would, under the present capital structure of the Company, result in additional share premium of RMB8,889,000 (2023: RMB22,340,000), transferred from treasury shares and share-based payment reserve.

The fair value of the RSUs is measured on the basis of an observable market price as at the grant date.

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,696,000 (2023: RMB6,295,000) and RMB2,696,000 (2023: RMB6,295,000), respectively, in respect of lease arrangements for property and office premises.

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities

	Bank borrowings RMB'000	Lease liabilities RMB'000
At January 1, 2024	**180,000**	**21,020**
Changes from financing cash flows	**52,515**	**(7,349)**
New leases	**–**	**2,696**
Disposals	**–**	**(7,621)**
Foreign exchange movement	**–**	**48**
Accretion of interest recognised during the year	**7,485**	**642**
At December 31, 2024	**240,000**	**9,436**

	Bank borrowings RMB'000	Lease liabilities RMB'000
At January 1, 2023	30,000	27,955
Changes from financing cash flows	145,535	(13,691)
New leases	–	6,295
Disposals	–	(612)
Foreign exchange movement	–	175
Accretion of interest recognised during the year	4,465	898
At December 31, 2023	180,000	21,020

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2024 RMB'000	2023 RMB'000
Within operating activities	**946**	2,414
Within financing activities	**7,349**	13,691
Total	**8,295**	16,105

30. COMMITMENTS

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

	2024 RMB'000	2023 RMB'000
Plant and machinery	**84,726**	135,370

31. RELATED PARTY TRANSACTIONS

(a) Outstanding balances with related parties:

	2024 RMB'000	2023 RMB'000
Other payables:		
Due to related parties	**–**	38

The outstanding balances are unsecured, interest-free and have no fixed terms of repayment.

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

	2024 RMB'000	2023 RMB'000
Short term employee benefits	**29,384**	38,618
Post-employment benefits	**2,342**	3,035
Equity-settled share-based payment expense	**5,058**	24,046
Total compensation paid to key management personnel	**36,784**	65,699

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

32. FINANCIAL INSTRUMENTS BY CATEGORY

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

2024

Financial assets

	Financial assets at fair value through other comprehensive income-designated as such upon initial recognition RMB'000	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Trade receivables	–	–	18,675	18,675
Financial assets included in prepayments and other receivables	–	–	10,420	10,420
Financial assets at fair value through profit or loss	–	5,364	–	5,364
Equity investments designated at fair value through other comprehensive income	5,032	–	–	5,032
Cash and bank balances	–	–	900,138	900,138
Total	5,032	5,364	929,233	939,629

32. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

2024 (Continued)

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables	3,579
Financial liabilities included in other payables and accruals	72,828
Interest-bearing bank borrowings	240,000
Total	316,407

2023

Financial assets

	Financial assets at fair value through other comprehensive income-designated as such upon initial recognition RMB'000	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Trade receivables	–	–	9,684	9,684
Financial assets included in prepayments and other receivables	–	–	21,212	21,212
Financial assets at fair value through profit or loss	–	5,286	–	5,286
Equity investments designated at fair value through other comprehensive income	3,636	–	–	3,636
Cash and bank balances	–	–	1,187,703	1,187,703
Total	3,636	5,286	1,218,599	1,227,521

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables	3,857
Financial liabilities included in other payables and accruals	88,504
Interest-bearing bank borrowings	180,000
Total	272,361

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, pledged deposits, trade receivables, trade payables, financial assets included in prepayments and other receivables, financial liabilities included in other payables and accruals and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

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

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

Below is a summary of significant input to the valuation of financial instruments together with an analysis as at December 31, 2024 and 2023.

Financial assets/ financial liabilities	Fair value hierarchy	Valuation technique	Significant input	Relationship of input to fair value
Wealth management products	Level 2	Net asset value	Based on the net asset value of the investment portfolio	The higher net asset value, the higher the fair value
Unlisted fund investment, at fair value	Level 3	Recent transaction price	N/A	N/A
Unlisted equity investment	Level 3	Recent transaction price	N/A	N/A

33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

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

As at December 31, 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets				
Wealth management products	–	106	–	106
Unlisted equity investment, at fair value	–	–	5,258	5,258
Unlisted fund investment, at fair value	–	–	5,032	5,032
Total	–	106	10,290	10,396

As at December 31, 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets				
Wealth management products	–	105	–	105
Unlisted equity investment, at fair value	–	–	5,181	5,181
Unlisted fund investment, at fair value	–	–	3,636	3,636
Total	–	105	8,817	8,922

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	Increase/ (decrease) in the rate of foreign currency %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity RMB'000
December 31, 2024			
If RMB weakens against USD	5	4,745	16,500
If RMB strengthens against USD	(5)	(4,745)	(16,500)
If RMB weakens against HKD	5	160	151
If RMB strengthens against HKD	(5)	(160)	(151)
December 31, 2023			
If RMB weakens against USD	5	23,131	35,421
If RMB strengthens against USD	(5)	(23,131)	(35,421)
If RMB weakens against HKD	5	358	301
If RMB strengthens against HKD	(5)	(358)	(301)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by analysis by customer/counterparty. At the end of the year, the Group had certain concentrations of credit risk as 31% and 94% (2023: nil and 72%) of the Group's trade receivables were due from the Group's largest customer and the three largest customers, respectively. As the major customers of the Group are all world-famous brand companies, which have established long-term business relationships with the Group, concentrations of credit risk are well managed by the Group.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at December 31. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

At December 31, 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables	–	–	–	18,675	18,675
Financial assets included in prepayments and other receivables					
– Normal*	10,420	–	–	–	10,420
Cash and bank balances					
– Not yet past due	900,138	–	–	–	900,138
Total	910,558	–	–	18,675	929,233

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Maximum exposure and year-end staging (Continued)

At December 31, 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables	–	–	–	9,684	9,684
Financial assets included in prepayments and other receivables					
– Normal*	21,212	–	–	–	21,212
Cash and bank balances					
– Not yet past due	1,187,703	–	–	–	1,187,703
Total	1,208,915	–	–	9,684	1,218,599

* The credit quality of the financial assets included in prepayments and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 20 to the financial statements.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at December 31, 2024				
	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade payables	3,579	–	–	–	3,579
Financial liabilities in other payables and accruals	72,828	–	–	–	72,828
Lease liabilities	–	1,426	4,173	5,700	11,299
Interest-bearing bank borrowings	–	1,835	25,605	231,128	258,568
Total	76,407	3,261	29,778	236,828	346,274

	As at December 31, 2023				
	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade payables	3,857	–	–	–	3,857
Financial liabilities in other payables and accruals	88,504	–	–	–	88,504
Lease liabilities	–	1,312	7,026	14,195	22,533
Interest-bearing bank borrowings	–	1,952	5,899	211,320	219,171
Total	92,361	3,264	12,925	225,515	334,065

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2024 and December 31, 2023.

35. EVENTS AFTER THE REPORTING PERIOD

The Group had no material events after the reporting period up to the date of this report.

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 RMB'000	2023 RMB'000
CURRENT ASSETS		
Prepayments and other receivables	5,386	4,827
Due from subsidiaries	3,709,174	3,521,874
Cash and bank balances	21,114	173,703
Total current assets	3,735,674	3,700,404
NON-CURRENT ASSETS		
Investments in subsidiaries	242,738	228,154
Total non-current assets	242,738	228,154
CURRENT LIABILITIES		
Other payables and accruals	2,468	3,860
Due to shareholders	17,449	17,449
Total current liabilities	19,917	21,309
NET CURRENT ASSETS	3,715,757	3,679,095
TOTAL ASSETS LESS CURRENT LIABILITIES	3,958,495	3,907,249
Net assets	3,958,495	3,907,249
EQUITY		
Share capital	454	451
Treasury shares	(4,771)	(7,073)
Reserves	3,962,812	3,913,871
Total equity	3,958,495	3,907,249

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

A summary of the Company's reserves is as follows:

	Attributable to owners of the parent					
	Share capital RMB'000	Treasury shares RMB'000	Share-based payment reserve RMB'000	Share premium RMB'000	Accumulated losses RMB'000	Total RMB'000
At January 1, 2023	451	(10,353)	169,738	6,175,278	(2,518,123)	3,816,991
Profit and total comprehensive income for the year	–	–	–	–	42,979	42,979
Equity-settled share-based payment expense	–	–	47,279	–	–	47,279
Exercise of restricted share units	–	3,280	(13,611)	10,331	–	–
At December 31, 2023 and January 1, 2024	**451**	**(7,073)**	**203,406**	**6,185,609**	**(2,475,144)**	**3,907,249**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**–**	**33,033**	**33,033**
Issue of shares	**3**	**–**	**–**	**3,532**	**–**	**3,535**
Equity-settled share-based payment expense	**–**	**–**	**14,678**	**–**	**–**	**14,678**
Exercise of restricted share units	**–**	**2,302**	**(10,281)**	**7,979**	**–**	**–**
At December 31, 2024	**454**	**(4,771)**	**207,803**	**6,197,120**	**(2,442,111)**	**3,958,495**

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on March 21, 2025.