



JW (Cayman) Therapeutics Co. Ltd

藥明巨諾(開曼)有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2126

ANNUAL REPORT

2025

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Corporate Information

BOARD OF DIRECTORS

Executive Director⁽¹⁾

Mr. Feng Tian (田豐)⁽²⁾

Non-executive Directors

Dr. Cheng Liu (*Chairman*)⁽³⁾

Dr. Yiping James Li

Ms. Xing Gao (高星)

Dr. Sungwon Song

Independent Non-executive Directors

Mr. Kin Cheong Kelvin Ho (何建昌)

Dr. Debra Yu

Mr. Peng Kuan Chan (陳炳鈞)

AUDIT COMMITTEE

Mr. Kin Cheong Kelvin Ho (何建昌) (*Chairman*)

Ms. Xing Gao (高星)

Mr. Peng Kuan Chan (陳炳鈞)

REMUNERATION COMMITTEE

Dr. Debra Yu (*Chairman*)

Dr. Sungwon Song

Mr. Peng Kuan Chan (陳炳鈞)

NOMINATION COMMITTEE⁽¹⁾

Mr. Kin Cheong Kelvin Ho (何建昌) (*Chairman*)

Mr. Feng Tian (田豐)⁽²⁾

Dr. Debra Yu

BUSINESS DEVELOPMENT AND STRATEGY COMMITTEE⁽¹⁾

Dr. Debra Yu (*Chairperson*)

Mr. Feng Tian (田豐)⁽²⁾

Ms. Xing Gao (高星)

COMPANY SECRETARY

Ms. Ka Man Ng (吳嘉雯)

AUTHORIZED REPRESENTATIVES⁽¹⁾⁽³⁾

Mr. Feng Tian (田豐)⁽²⁾

Ms. Ka Man Ng (吳嘉雯)

HONG KONG LEGAL ADVISORS

Fangda Partners

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8 Connaught Place

Central

Hong Kong

1. Mr. Min Liu has been appointed as the chairman of the Board on March 13, 2025 and has resigned as executive Director, the chairman of the Board, the chief executive officer of the Company, a member of each of the Nomination Committee and the Business Development and Strategy Committee, and the authorized representative of the Company with effect from December 12, 2025.
2. Mr. Feng Tian has been appointed as the chief executive officer of the Company, an executive Director, a member of the Nomination Committee and the Business Development and Strategy Committee, and the authorized representative of the Company with effect from December 29, 2025.
3. Dr. Cheng Liu has been appointed as the chairman of the Board and authorized representative of the Company with effect from December 12, 2025. On December 29, 2025, Mr. Feng Tian has been appointed as the authorized representative of the Company in place of Dr. Cheng Liu with effect from December 29, 2025.

REGISTERED OFFICE

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Cayman Islands

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PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited
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PRINCIPAL BANKER

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AUDITOR

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STOCK CODE

2126

COMPANY'S WEBSITE

www.jwtherapeutics.com

Chairman's Statement

Dear JW Therapeutics Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the 2025 annual report of the Group.

In 2025 we made significant progress on the development of Carteyva[®], JWCAR201 and JWCAR239 for the treatment of hematological malignancies, advanced relmacabtagene autoleucel injection (“**relma-cel**”) as a potential treatment for systemic lupus erythematosus (“**SLE**”), and progressed development of our products for the treatment of solid tumors.

- In the field of hematological oncology, we submitted a supplemental NDA (“**sNDA**”) to the NMPA with respect to Carteyva[®] as a second-line therapy for transplant-ineligible patients with r/r LBCL, and the NMPA accepted this sNDA for review in May 2025. The NMPA had previously granted Breakthrough Therapy Designation to Carteyva[®] for this line of treatment in January 2025. In addition, in October 2025, the NMPA accepted our post-marketing supplementary application for manufacturing of Carteyva[®] using in-house produced lentiviral vector. Moreover, at the annual meeting of the American Society for Hematology in December 2025, we presented data from the IIT of JWCAR201, our dual-targeting (CD19/CD20) autologous CAR-T cell therapy candidate, as a treatment for r/r DLBCL. In the second half of 2025, we initiated a first-in-human IIT of JWCAR239, our dual-targeting CD19/CD20 armored CAR-T therapy designed to enhance CAR-T efficacy and persistence for the treatment of hematologic malignancies. In addition, we also entered into new strategic cooperation transactions with Juno, which demonstrated the world-leading level of our in-house viral vector technology.
- In the field of autoimmune diseases, we submitted to the NMPA the data derived from our Phase I study of relma-cel in adult patients with active SLE in October 2025, and the NMPA accepted these data for review.
- In the field of solid tumors, we entered into an agreement with Regeneron in October 2025 pursuant to which Regeneron has agreed to make milestone payments to us upon achievement of certain milestones in the clinical and regulatory development of our MAGE-A4 TCR-T product in Greater China.

With respect to commercialization, we generated nearly RMB219 million in revenue through sales of Carteyva[®] in 2025, which was increased by 38.4% versus 2024. We believe that we have realized significant benefits in 2025 from the adjustments that we made to our sales team in the second half of 2024. As of year-end 2025, Carteyva[®] has been included in more than 100 commercial insurance products and 105 local governmental complementary medical insurance programs. At the same time, on December 7, 2025, Carteyva successfully listed in the National Commercial Health Insurance Innovative Drug Catalog, increasing patient accessibility of Carteyva in the future market.

Our manufacturing operations continued to perform at a high level. We maintained a manufacturing success rate of 98% for Carteyva[®] in 2025, which compares very favorably to international benchmarks. We have also continued to implement our cost reduction plans, and as a result, our gross margin for 2025 was 50.9%, which is a certain increase versus 2024.

Looking ahead to 2026, we will focus our efforts on driving progress in three main areas:

- *Continued cost reduction.* In 2026, we expect to complete implementation of our plans to establish our own capacity for production of commercial-grade lentiviral vector. This is expected to generate a significant reduction in production costs in the medium-to longer term.
- *R&D.* We will continue to drive development of Carteyva® for treatment of additional hematologic malignancies and for treatment of autoimmune diseases. We will strive to obtain NMPA approval of our sNDA relating to Carteyva® as a treatment for 2L LBCL expeditiously to benefit more patients. JWCAR239, our dual-targeting CD19/CD20 armored CAR-T therapy for hematologic malignancies, is expected to generate clinical insights that will inform further development and support long-term growth. In addition, we look forward to further discussions with the NMPA regarding the Phase II pivotal study of relma-cel as a treatment for SLE, to accelerate the development of this innovative therapy and provide a groundbreaking treatment option for SLE patients.
- *Business cooperation opportunities.* As a leading cell therapy company in China, we will actively seek business cooperation opportunities with domestic and foreign partners in multiple fields, including pipelines and sales. This approach has the potential not only to improve the efficiency of clinical development but also to generate positive cash flows for our Company.

On behalf of the Company's Board, management and employees, I would like to express our sincere appreciation to the Shareholders for your continuous support and trust. We remain fully dedicated to our mission of bringing breakthrough and quality cell immunotherapy products and the hope of a cure to patients in China and worldwide, and to leading the healthy and standardized development of China's cell immunotherapy industry.

Dr. Cheng Liu
Chairman

Financial Highlights

IFRS Measure:

- **Revenue** was RMB283.7 million for the year ended December 31, 2025, representing an increase of 79.3% compared to RMB158.2 million for the year ended December 31, 2024. Revenue was primarily generated from (i) sales of Carteyva®, our product currently under commercialization; and (ii) a non-exclusive license granted to Juno under the JW sLVV Manufacturing Process and related know-how (including patents). **Product revenue** increased by 38.4% to RMB219.0 million for the year ended December 31, 2025, as compared with RMB158.2 million for the year ended December 31, 2024. **Non-exclusive licensing income** of RMB64.5 million was recognized for the year ended December 31, 2025, which contributed to the overall revenue growth during the Reporting Period.
- **Gross profit** was RMB173.1 million for the year ended December 31, 2025, representing an increase of 123.9% from RMB77.3 million for the year ended December 31, 2024. The increase was primarily driven by: (i) contribution from sLVV license of RMB61.5 million; and (ii) contribution from the increase in the sales of Carteyva® of RMB34.2 million. Gross profit margin of product sales was 50.9% for the year ended December 31, 2025, representing an increase from 48.9% for the year ended December 31, 2024. The Company devoted continuous efforts in enhancing the efficiency of manufacturing operations, exploring new technologies for process improvement and implementing our cost reduction plans.
- **Selling expenses** were RMB154.3 million, accounting for 70.5% of product revenue for the year ended December 31, 2025, compared with RMB140.4 million, or 88.7% of product revenue for the year ended December 31, 2024. During the Reporting Period, the Company prioritized the enhancement of commercial sales productivity and operational efficiency. We successfully delivered on our commercialization strategy and expanded our coverage to drive our sales revenue growth.
- **General and administrative expenses** were RMB78.5 million for the year ended December 31, 2025, representing a decrease of 34.6% from RMB120.1 million for the year ended December 31, 2024, primarily attributable to the streamlined organization and continuous operational excellence leading to a decrease in labor cost and office expenses.
- **Research and development (“R&D”) expenses** were RMB188.4 million for the year ended December 31, 2025, representing a decrease of 33.4% from RMB283.0 million for the year ended December 31, 2024. The decrease in R&D expenses was mainly due to: (i) an enhanced operation efficiency and efforts to optimize resource allocation and focus on R&D pipelines with greater potential; and (ii) natural decline of R&D expenses as a number of clinical trials of our core product Carteyva®, successively met the primary endpoints.

- **Other gains and losses** amounted to RMB319.2 million for the year ended December 31, 2025, as compared to RMB147.6 million for the year ended December 31, 2024. This increase was primarily attributable to an increase of RMB222.6 million in impairment loss recognized in respect of intangible assets, partially offset by an increase of RMB52.6 million of net foreign exchange gains. The recognition of impairment of licenses were related to product JWATM203/213/204/214, JWCAR129 and JWTCR001 based on adjustments noted in the valuation report prepared by an independent valuer, which took into account a variety of factors including the level of complexity of R&D pathways, the time and resources that might be required in advancing in-depth analysis with clinical data, and the overall R&D investment efforts required to work toward commercialization. The Company estimated that these factors may eventually result in a delay in commercialization and may affect the revenue growth, which gave rise to a decline in the recoverable amount of the cash-generating unit and caused the recognition of impairment loss of RMB354.9 million.
- **Loss for the year** was RMB555.3 million for the year ended December 31, 2025, as compared to RMB590.6 million for the year ended December 31, 2024. Encouragingly, the recurring operating loss narrowed significantly by RMB216.8 million to RMB242.5 million for the year ended December 31, 2025, representing a decrease of 47.2% from RMB459.3 million for the year ended December 31, 2024. The decrease was offset by an incremental provision of RMB222.6 million for impairment of the license related to product JWATM203/213/204/214, JWCAR129 and JWTCR001, reflecting an adjustment in the independent valuation report.
- **Bank balances and cash** amounted to RMB503.1 million as at December 31, 2025, representing a net cash outflow of RMB254.3 million for the year ended December 31, 2025 compared to RMB757.4 million for the year ended December 31, 2024.

Financial Highlights

	For the year ended December 31,				
	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Operating results					
Revenue	30,797	145,702	173,856	158,218	283,653
Cost of sales	21,752	86,946	85,637	80,902	110,571
Gross profit	9,045	58,756	88,219	77,316	173,082
General and administrative expenses	201,518	179,763	140,048	120,068	78,494
Research and development expenses	414,397	407,818	413,616	282,989	188,375
Selling expenses	170,732	190,877	113,196	140,413	154,345
Other income	6,444	23,380	8,249	6,873	5,622
Other gains/(losses), net	12,075	(159,561)	(219,215)	(147,554)	(319,236)
Loss for the year	(702,328)	(846,135)	(767,996)	(590,624)	(555,292)
Loss per share					
Basic and diluted (RMB Yuan)	(1.76)	(2.06)	(1.87)	(1.43)	(1.34)

	As at December 31,				
	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial position					
Total current assets	1,895,040	1,485,168	1,067,484	808,673	570,300
Total non-current assets	1,221,566	1,306,179	1,078,613	871,691	416,595
Total assets	3,116,606	2,791,347	2,146,097	1,680,364	986,895
Total current liabilities	198,900	310,835	264,469	465,054	394,391
Total non-current liabilities	126,849	126,228	197,790	46,145	36,244
Total liabilities	325,749	437,063	462,259	511,199	430,635
Net current assets/(liabilities)	1,696,140	1,174,333	803,015	343,619	175,909
Total equity/(deficit)	2,790,857	2,354,284	1,683,838	1,169,165	556,260

Non-IFRS Measure:

To supplement the Group's consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted loss for the year as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that these adjusted measures provide useful information to Shareholders and potential investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

Adjusted loss¹ was RMB233.0 million for the year ended December 31, 2025, representing a decrease of RMB172.5 million from RMB405.5 million for the year ended December 31, 2024. The decrease was primarily due to: (i) increased total revenue and gross profit generated from sales uptake of Carteyva® and grant of a license; (ii) decreased general and administrative expenses through enhanced commercial productivity and operational efficiency measures; and (iii) lower R&D expenses attributable to workforce optimization and strategic pipeline prioritization.

Adjusted loss for the year represents the loss for the year excluding the effect of certain non-cash items and one-time events, namely share-based compensation expenses, impairment of license and net foreign exchange losses. The term adjusted loss for the year is not defined under 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, our results of operations or financial condition as reported under IFRS. Our presentation of this adjusted figure may not be comparable to similarly titled measures presented by other companies. However, we believe that this non-IFRS measure reflects our core operating results by eliminating potential impacts of items that our management do not consider to be indicative of our core operating performance, and thus, facilitate comparisons of core operating performance from period to period and company to company to the extent applicable. The table below sets forth a reconciliation of loss to adjusted loss for the years indicated:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
	(Audited)	(Audited)
Loss for the year	(555,292)	(590,624)
Added:		
Share-based compensation expenses	4,445	37,309
Impairment of license	354,857	132,258
Net foreign exchange losses	(36,992)	15,597
Adjusted loss for the year (Non-IFRS)	(232,982)	(405,460)

¹ Adjusted loss for the year is not a financial measure defined under IFRS. It represents the loss for the year excluding the effect of the following non-cash items: (a) share-based compensation expenses; (b) impairment of license; and (c) net foreign exchange losses. It is intended to be used as a supplement to the Group's annual results prepared in accordance with IFRS and is not intended to be considered in isolation or as a substitute for IFRS net loss for the year. For the calculation and reconciliation of this non-IFRS measure, please refer to "Management Discussion and Analysis — Financial Review — 11. Non-IFRS Measure" in this report.

Business Highlights

For the year ended December 31, 2025 and as of the date of this report, as an independent, innovative biotechnology company focused on developing, manufacturing, and commercializing cell immunotherapy products, we have made significant further progress in our business, achieved important milestones, and comprehensively enhanced operation efficiency. For example, the full-year revenue grew by 79.3%, product sales revenue increased by 38.4%, gross profit margin of product sales rose by 2%, and sales expense ratio decreased by 18.2%. We entered into new strategic cooperation transactions with Juno and Regeneron respectively, among which the viral technology cooperation with Juno demonstrated the world-leading level of JW's viral vector technology. We continued to maintain the manufacturing success rate of 98% for Carteyva®. Throughout the year, we concurrently advanced 15 clinical studies in R&D, and completed one sNDA submission and submitted five post-approval supplements. In terms of scientific achievements, a total of five research papers were published in peer-reviewed journals, and five abstracts were presented at international scientific conferences, which further enhanced the Company's scientific influence and industry recognition. Our lead product, Carteyva®, continued to make progress in its commercialization. On December 7, 2025, Carteyva® successfully listed in the National Commercial Health Insurance Innovative Drug Catalog, increasing patient accessibility of Carteyva® in the future market. Additionally, we have completed patient enrollment in a clinical trial evaluating Carteyva® as a second-line therapy for transplant-ineligible patients with relapsed or refractory ("r/r") Large B-Cell Lymphoma ("LBCL"). The National Medical Products Administration ("NMPA") granted Breakthrough Therapy Designation to Carteyva® for this indication in January 2025, and we submitted a supplemental New Drug Application ("sNDA") in May 2025. The sNDA has been accepted and is currently under review by the Center for Drug Evaluation ("CDE"). In parallel, we have advanced our manufacturing platform by developing and successfully producing lentiviral vectors in-house for the manufacture of Carteyva®, resulting in further reductions in product costs. Analytical and clinical studies have demonstrated comparability between these lentiviral vectors and the currently used vectors. Patient enrollment has been completed for the associated investigational new drug ("IND") study, and a supplemental application to use JW's lentiviral vectors for the manufacture of Carteyva® was submitted to the NMPA in September 2025. Moreover, we have made meaningful progress in the development of innovative product candidates with global commercialization potential.

Since the beginning of 2025, we have achieved the following significant milestones in our business:

Commercialization

- We continued to execute our cost reduction plans in 2025, which enabled us to further reduce manufacturing costs of sales per batch and to maintain a relatively stable gross profit margin of 50.9% for product sales for the year ended December 31, 2025.
- For the year ended December 31, 2025, Carteyva® has been listed in more than 100 commercial insurance products and 105 local governmental complementary medical insurance programs. At the same time, on December 7, 2025, Carteyva® successfully listed in the National Commercial Health Insurance Innovative Drug Catalog, increasing patient accessibility of Carteyva® in the future market.
- We enhanced our commercialization strategy, improved efficiency, and expanded our coverage to drive our sales revenue.

Research and Development

Hematologic malignancies

- Regarding our Phase II registrational clinical trial for Carteyva® as a second-line therapy for transplant-ineligible patients with r/r LBCL, we completed patient enrollment in the second half of 2024. The NMPA granted Breakthrough Therapy Designation to Carteyva® for this indication in January 2025. The study met its primary endpoint, and we submitted an sNDA in May 2025. The sNDA has been accepted, and the technical review by the CDE is currently ongoing.
- In the second half of 2024, we initiated a first-in-human investigator-initiated trial (“**IIT**”) of JWCAR201, our dual-targeting CD19/CD20 CAR-T therapy for hematologic malignancies. Patient enrollment has been completed with at least six months of follow-up, and JWCAR201 has shown promising efficacy and a favorable safety profile. The results were presented at the 2025 American Society for Hematology (“**ASH**”) Annual Meeting.
- In the second half of 2025, we initiated a first-in-human IIT of JWCAR239, our dual-targeting CD19/CD20 armored CAR-T therapy designed to enhance CAR-T efficacy and persistence for the treatment of hematologic malignancies. Patient enrollment is currently ongoing.

Autoimmune diseases

- With respect to the ongoing IIT relating to relma-cel as a treatment for systemic lupus erythematosus (“**SLE**”), initial trial data were reported at the 2024 European Alliance of Associations for Rheumatology Congress. With long-term follow-up, the durable and deep response was observed, and further publication is planned.
- Based on the promising preliminary results from the IIT study, we initiated a phase I clinical trial of relma-cel for the treatment of SLE in May 2024. Patient enrollment was completed in the first quarter of 2025. Durable and deep responses have been observed, and long-term follow-up is ongoing. We submitted the data from the phase I study in adult patients with active SLE to the NMPA in October 2025, and the NMPA accepted the data and is currently under review.
- In late 2024, we announced the initiation of a first-in-human IIT of JWCAR201 for autoimmune diseases, and patient enrollment is currently ongoing.

Solid tumors

- Beginning in the first half of 2024, we initiated the clinical development of a TCR-T cell therapy targeting melanoma-associated antigen A4 (“**MAGE-A4**”), based on the rights in-licensed from 2seventy bio, Inc. (“**2seventy bio**”) in the second half of 2022. Subsequently, 2seventy bio’s oncology and autoimmune research and development programs were acquired by Regeneron Pharmaceuticals Inc. (“**Regeneron**”), bringing additional scientific depth to the program. Leveraging the combined expertise of Regeneron, Juno, and our in-house capabilities, we expect to further strengthen our cell therapy R&D platform. We have established a manufacturing process for a product directed to MAGE-A4 and initiated patient enrollment in an IIT in the first quarter of 2024. The study is currently in the dose-escalation phase.

Discovery and Early Research

Our early research and development efforts focus on advancing innovative pipeline products that leverage our established infrastructure and scientific expertise, with the objective of enabling global commercialization without regional restrictions. Our emerging pipeline targets hematological malignancies, solid tumors, and autoimmune diseases and incorporates in-house-designed “Armor” elements to enhance the efficacy and durability of CAR-based therapies. Key in-house developed products include JWCAR201, a dual-targeting CD19/CD20 autologous CAR-T cell therapy for B-cell malignancies and autoimmune diseases, designed to provide broader therapeutic coverage, enhanced signaling robustness, and reduced relapse risk from antigen downregulation or loss. Another key product, JWCAR239, is a dual-targeting CD19/CD20 autologous CAR-T therapy incorporating armored elements designed to enhance efficacy and persistence by counteracting immunosuppressive factors. In parallel, we are exploring innovative approaches to streamline manufacturing processes in order to reduce costs and shorten bed-to-bed time. These fast-manufacturing processes have been successfully applied to JWCAR201 and JWCAR239.

Manufacturing

- We continued to maintain the manufacturing success rate of 98% for Carteyva®, close to the level that we obtained in our LBCL registrational clinical trial.
- We have advanced our manufacturing platform by developing and successfully producing lentiviral vectors in-house for the manufacture of Carteyva®, resulting in further reductions in product costs. Analytical and clinical studies have demonstrated comparability between these lentiviral vectors and the currently used vectors. Patient enrollment has been completed for the associated IND study, and a supplemental application to use JW’s lentiviral vectors for the manufacture of Carteyva® was submitted to the NMPA in September 2025 and accepted by the NMPA.
- We continued to implement our cost reduction plans in 2025, which include procurement of important raw materials from domestic suppliers. As of December 31, 2025, we continued to source materials from domestic suppliers with high quality and lower costs, and in the future, we aim to source additional raw materials from reputable domestic suppliers.

Business Development and Strategic Partnerships

- On April 18, 2025, we entered into the License Agreement with Juno, one of the substantial shareholders of the Company (the “**Substantial Shareholders**”) and a connected person of us, pursuant to which we grant Juno a non-exclusive license under the JW sLVV Manufacturing Process and under related know-how (and patents) that are primarily or directly related to, or reasonably necessary or valuable for the development, commercialization, manufacturing or having manufactured the Juno cell therapy products in the field worldwide. This License Agreement was approved by the Independent Shareholders and was effective on June 3, 2025. The aggregate value of the consideration payable by Juno will not be more than USD10 million.
- On October 30, 2025, we executed an Amendment to our strategic collaboration agreement with Regeneron, pursuant to which Regeneron will fund certain development activities performed by us relating to the MAGE-A4 product, including an upfront payment and a series of one-time, non-refundable milestone payments upon achievement of specified development milestones. Meanwhile, Regeneron has been granted a non-exclusive global license under our proprietary Drug Product Process, along with an option to license our Lentiviral Vector Manufacturing Process. The aggregate consideration receivable by us under the Amendment (including MAGE-A4 product development milestone payments, Drug Product Process regulatory milestone payments, an option exercise fee and Lentiviral Vector Manufacturing Process milestone payments) will not exceed approximately USD50 million.

FUTURE AND OUTLOOK

Our mission is to deliver transformative therapies through scientific excellence and technological innovation, making high-quality treatments accessible worldwide to benefit patients and their families.

Looking ahead, we remain committed to advancing a robust and differentiated pipeline by prioritizing discovery capabilities and continued investment in R&D. In parallel, we aim to maximize the commercial potential of our approved drug and localized manufacturing capabilities. Key growth drivers over the next twelve months include:

- Regulatory progress for Carteyva®: Approval of our sNDA for Carteyva® as a second line treatment for r/r LBCL is expected in 2026 by NMPA.
- Vector localization and supply chain optimization: Approval of the post-approval submission (“**PAS**”) for the JW-manufactured lentiviral vector is anticipated in 2026, further strengthening supply security and cost competitiveness.
- Pipeline advancement: Ongoing IIT evaluation of JWCAR239, our dual-targeting CD19/CD20 armored CAR-T therapy for hematologic malignancies, is expected to generate clinical insights that will inform further development and support long-term growth.

Management Discussion and Analysis

BUSINESS REVIEW

Overview

The Company is an independent, innovative biotechnology company focused on developing, manufacturing, and commercializing cell immunotherapy products. Since our founding in 2016, we have built an integrated platform supporting end-to-end cell immunotherapy development and established a diversified product pipeline spanning hematologic malignancies, solid tumors, and autoimmune diseases. We are committed to delivering high-quality and transformative cell immunotherapy products to patients in China and globally, and to leading the healthy, standardized, and sustainable development of China's cell immunotherapy industry.

Product Pipeline

The following pipeline chart demonstrates the development status of our selected assets as of the date of this report:

Product	Target	Indication	Commercial Rights	Pre-clinical	Phase I	Pivotal / Phase II/III	NDA	Marketed	Partner	
JWCAR029/Relmacabtagene Autoleucel (relma-cel)	CD19	3L LBCL	Mainland China, Hong Kong, Macau*	[Progress bar: Pre-clinical to Phase I]						JUNO Bristol Myers Squibb Company
		3L FL	Mainland China, Hong Kong, Macau	[Progress bar: Pre-clinical to Phase I]						
		3L MCL	Mainland China, Hong Kong, Macau	[Progress bar: Pre-clinical to Phase I]						
		2L LBCL	Mainland China, Hong Kong, Macau	[Progress bar: Pre-clinical to Phase I]						
JWCAR029/Autoimmune	CD19	SLE	Mainland China, Hong Kong, Macau	[Progress bar: Pre-clinical to Phase I]						
JWCAR201/Hematology	CD19/20	TBD	Global	[Progress bar: IIT and IND enabling]						
JWCAR201/Autoimmune	CD19/20	TBD	Global	[Progress bar: IIT]						
JWCAR239/Hematology Fast CAR	CD19/20	TBD	Global	[Progress bar: IIT]						
JWTCR001	MAGE-A4	various solid tumors	Mainland China, Hong Kong, Macau	[Progress bar: Pre-clinical to Phase I]						seventybio
JWCAR129	BCMA	r/r MM	Mainland China, Hong Kong, Macau	[Progress bar: Pre-clinical to Phase I]						JUNO Bristol Myers Squibb Company
JWCAR031	DLL3	SCLC	Mainland China, Hong Kong, Macau	[Progress bar: Pre-clinical to Phase I]						JUNO Bristol Myers Squibb Company
JWATM203	AFP	HCC	Greater China and member countries of ASEAN	[Progress bar: Pre-clinical to Phase I]						EUREKA
JWATM213	AFP	HCC	Greater China and member countries of ASEAN	[Progress bar: Pre-clinical to Phase I]						Lyell EUREKA
JWATM204	GPC3	HCC	Greater China and member countries of ASEAN	[Progress bar: Pre-clinical to Phase I]						EUREKA
JWATM214	GPC3	HCC	Greater China and member countries of ASEAN	[Progress bar: Pre-clinical to Phase I]						Lyell EUREKA

Abbreviations: LBCL = large B-cell lymphoma; FL = follicular lymphoma; MCL = mantle cell lymphoma; SLE = systemic lupus erythematosus; r/r = relapsed or refractory; MM = multiple myeloma; SCLC = small cell lung cancer; HCC = hepatocellular carcinoma; MAGE-A4 = melanoma associated antigen A4; DLL3 = Delta-like ligand; AFP = alpha-fetoprotein; GPC3 = glypican-3.

* Mainland China, Hong Kong and Macau refer to Mainland China, Hong Kong (China) and Macau (China), respectively.

We are an early entrant into the field of cell-based immunotherapy in China. Cell-based immunotherapies, including CAR-T treatments, represent a paradigm shift in cancer treatment by harnessing the patient's own immune cells to fight disease. Our lead product, Cartheyva®, is an autologous anti-CD19 CAR-T cell therapy independently developed by the Company based on the CAR-T cell process platform licensed from Juno (a Bristol Myers Squibb company). Cartheyva® has been approved by the NMPA for three indications: (i) treatment of adult patients with r/r LBCL after two or more lines of systemic therapy; (ii) treatment of adult patients with r/r follicular lymphoma (“**FL**”) in which a relapse occurs within 24 months of second-line or higher systemic treatment; and (iii) treatment of adult patients with r/r mantle cell lymphoma (“**MCL**”) after two or more lines of systemic therapy including BTKi. Cartheyva® is the first CAR-T product approved in China as a Category 1 biologics product and the first CAR-T product in China that has been simultaneously included in the National Significant New Drug Development Program and granted priority review and breakthrough therapy designation.

Sales of CAR-T products in China remained relatively stable growth in 2025, as compared to 2024. Given the unmet medical needs that can be effectively addressed by CAR-T therapies, the market for CAR-T therapies in China is expected to experience strong growth through 2030, according to Frost & Sullivan. We believe that we are well-positioned to capitalize on this growth based on the best-in-class potential of our anti-CD19 CAR-T product profile; our robust and differentiated cell therapy pipeline spanning hematological malignancies, solid tumors, and autoimmune diseases; our fully integrated cell therapy development platform; our leading commercial manufacturing infrastructure and supply chain; and our seasoned management team supported by the shareholders of the Company (the “**Shareholders**”). In 2025, we made significant progress in expanding the clinical development of Cartheyva® in hematological malignancies, advanced multiple programs targeting solid tumors, and continued the development of relma-cel as a potential treatment for SLE, a prevalent autoimmune disease in China.

Commercialization

Product sales revenue of Cartheyva® maintained a broad growth rate of 38.4% versus 2024 despite facing the challenging external environment.

In the year 2025, our commercial team enhanced our commercialization strategy, improved efficiency, and expanded our coverage to drive our sales revenue. Currently, we have a robust commercial team with strong commercialization capabilities, including sales, marketing, market access, innovative payment and CAR-T consultants, to commercialize Cartheyva® across China.

Management Discussion and Analysis

To build a patient-centric treatment model, we conducted training sessions for each hospital to help physicians and nurses gain a comprehensive understanding of Carteyva® and the entire process from prescription to infusion. Furthermore, we conducted a systematic evaluation of hospitals to ensure the management of CAR-T products meets our standards.

To improve affordability, we have leveraged the development of China's multi-layer medical insurance system by listing Carteyva® in more local governmental complementary medical insurance programs and health insurance products. As of December 31, 2025, Carteyva® has been listed in more than 100 commercial insurance products and 105 local governmental complementary medical insurance programs. We will continue to expand commercial insurance coverage and explore more innovative payment solutions to improve affordability for patients who are eligible to be treated with Carteyva®. At the same time, on December 7, 2025, Carteyva® successfully listed in the National Commercial Health Insurance Innovative Drug Catalog, increasing patient accessibility of Carteyva® in the future market.

We have made further progress with the implementation of the manufacturing cost reduction strategies. As of December 31, 2025, we have commenced sourcing key materials from domestic suppliers and going forward we plan to source additional raw materials from domestic suppliers. We continue optimizing our manufacturing operations to improve efficiency and exploring new technologies for process improvement or new process platforms.

We continue to collaborate with stakeholders in the medical industry to establish best practices and industry standards for CAR-T therapies and enhance the management and monitoring processes of CAR-T therapies to improve patient outcomes. Given the proven efficacy of Carteyva®, the high unmet medical needs of r/r NHL patients and expanded coverage under the multi-layer medical care system in China, together with our strategy and strong commercialization capabilities, we are confident that Carteyva® is well-positioned to benefit more patients in the medium and long term.

Our Product Pipeline

We have built a robust and differentiated cell-based immunotherapy pipeline spanning hematologic malignancies, solid tumors, and autoimmune diseases. Leveraging a risk-balanced approach, our pipeline includes both well-validated and novel targets and is designed to deliver meaningful clinical benefit while expanding into emerging therapeutic areas. In 2025, we made significant progress across our programs, advancing Carteyva® in hematologic malignancies, initiating clinical development in solid tumors, and exploring relmacabtagene autoleucel (relma-cel) for autoimmune diseases. These efforts position the Company to capture early-mover advantages in high-growth markets and lay the foundation for sustained pipeline expansion.

The following outlines the current development status of our product and product candidates targeting hematologic malignancies, autoimmune diseases and solid tumors:

Hematologic Malignancies

Our Core Product Candidate – Carteyva® (relma-cel, R&D code: JWCAR029)

Carteyva®, our lead product, has the potential to be a CAR-T therapy with superior efficacy and safety profile. It targets an antigen called CD19, which is expressed in a broad range of hematological cancers. Lymphomas are hematological cancers involving lymphocytes of the immune system, and LBCL and FL are types of non-Hodgkin's lymphoma (“**NHL**”) that affect B-cells within the immune system. In addition to marketing Carteyva® as a third-line treatment for LBCL, r/r FL and r/r MCL, we are also exploring the further clinical potential for Carteyva® by developing relma-cel as a frontline and second-line treatment for LBCL.

Carteyva® is based on a CAR construct that we have in-licensed from Juno for Mainland China, Hong Kong and Macau². Juno's biologics license application for its product based on that same CAR construct (“**Breyanzi**” or “**Iisocabtagene**” or “**Iiso-cel**”) was approved by the U.S. FDA for third-line LBCL in February 2021 and for second-line LBCL that is r/r within 12 months of frontline therapy in June 2022.

Third-line LBCL

On September 1, 2021, the NMPA approved our NDA for Carteyva® as a treatment for adult patients with r/r LBCL after two or more lines of systemic therapy. Carteyva® is the first CAR-T product approved as a Category 1 biologics product in China and the sixth approved CAR-T product globally.

Carteyva®'s potential to be a best-in-class CAR-T therapy is based on its superior safety profile and competitive efficacy. Our Phase II registrational clinical trial of Carteyva® as a third-line treatment for LBCL demonstrated efficacy results of best overall response rate (“**ORR**”) of 77.6% and best complete response rate (“**CRR**”) of 53.5%. In the same trial, severe cytokine release syndrome (“**sCRS**”) was observed in 5.1% of treated patients, severe neurotoxicity (“**sNT**”) was observed in 3.4% of treated patients, and no treatment-related deaths were reported. In addition, the overall survival (“**OS**”) rate was 69.3% after two years and 66.7% after four years, and there were no new safety signals. We reported two years of follow-up results at the Annual Meeting of the American Society of Hematology held in San Diego, California in December 2023. We also reported four years of follow-up results at the Annual Meeting of the American Society of Clinical Oncology for 2024.

² Mainland China, Hong Kong and Macau refer to Mainland China, Hong Kong (China) and Macau (China), respectively.

Management Discussion and Analysis

Second-line LBCL

In January 2023, we submitted an IND application for Carteyva® as a second-line therapy for transplant-ineligible patients with r/r LBCL, following a trial design similar to the U.S. FDA-approved Breyanzi PILOT study. The NMPA approved the IND in March 2023, and the first patient was enrolled in November 2023, with enrollment completed in the second half of 2024. In January 2025, the NMPA granted Breakthrough Therapy Designation to Carteyva® for this indication. The study met its primary endpoint, and an sNDA was submitted in May 2025. The sNDA has been accepted and is currently under technical review by the CDE.

Third-line FL

With respect to Carteyva® as a third-line treatment for adult patients with r/r FL, the NMPA granted Breakthrough Therapy Designation in September 2020, accepted our sNDA in February 2022, and approved our sNDA in October 2022. Carteyva® has thus become the first CAR-T product approved for the treatment of r/r FL in China.

The NMPA's approval of our sNDA relating to Carteyva® as a third-line treatment for adult patients with r/r FL was based on the 6-months clinical results from cohort B of a single-arm, multi-center pivotal study (the "**RELIANCE**" study) on Carteyva® in adult patients with r/r B cell non-Hodgkin lymphoma in China. The 3-months data was presented at the 63rd Annual Meeting of the American Society of Hematology in December 2021. The cohort B results of the RELIANCE study showed that Carteyva® demonstrated high rates of durable disease response (ORR=100.0%, CRR=85.2% at month 3; ORR=92.6%, CRR=77.8% at month 6) and controllable CAR-T associated toxicities in patients with r/r FL.

In December 2022, we reported cohort B clinical response of this pivotal Phase II RELIANCE study on the efficacy and safety of Carteyva® in adults with r/r FL in China at the 64th Annual Meeting of the American Society of Hematology. As of the data cut-off date of December 17, 2021, based on 28 patients who had been treated with Carteyva® with 11.7 months of median follow-up, Carteyva® demonstrated remarkable clinical responses, achieving high rates of CRR and ORR (best ORR and best CRR were 100.0% and 92.6%, respectively) and a manageable safety profile — only one patient experienced grade 3 or above NT, and no patient experienced grade 3 or above CRS. We are continuing the RELIANCE study, and we currently plan to publish 2 years of follow-up data in 2025.

r/r MCL

We have completed enrollment in a registrational trial in China to evaluate Carteyva® as a treatment for MCL patients who previously received chemotherapy, an anti-CD20 agent, and Bruton tyrosine kinase inhibitors (“**BTKi**”). This is a Phase II, open-label, single-arm, multicenter study which aims to assess the efficacy and safety of Carteyva® in adults with r/r MCL in China. The study enrolled a total of 59 r/r MCL patients who were r/r to second-line or above treatments. Prior therapies must include an anti-CD20 monoclonal antibody, anthracycline-or bendamustine-containing chemotherapy, and BTKi therapy. We plan to follow up on long-term survival for these patients. In August 2024, the NMPA approved our sNDA relating to Carteyva® for the treatment of adult patients with r/r MCL after two or more lines of systemic therapy including BTKi, and Carteyva® became the first cell therapy product approved in China for the treatment of patients with r/r MCL.

At the 65th Annual Meeting of the American Society of Hematology in December 2023, we reported preliminary safety and efficacy data for our study of Carteyva® as a treatment for MCL. As of the data cut-off of October 25, 2023, a total of 59 participants had been treated with Carteyva®, demonstrating remarkable clinical responses, with high rates of CRR and ORR (3 months best ORR 81.36%, 3 months best CRR 67.80%). The safety assessment showed that in 59 participants who received Carteyva®, the incidence of severe (grade≥3) CRS was 6.78%, and the incidence of severe (grade≥3) NT was 6.78%.

Our New Product Candidates — JWCAR201 and JWCAR239

JWCAR201

JWCAR201 is one of our first in-house developed dual-targeting CD19/CD20 autologous CAR-T cell therapies for B-cell malignancies. By targeting two antigens, it is designed to broaden effectiveness, increase the signaling threshold, and reduce relapse risk due to antigen downregulation or loss, a common challenge in hematological malignancies.

In the second half of 2024, we initiated a first-in-human IIT for lymphoma. Patient enrollment has been completed. JWCAR201 demonstrated promising and durable clinical responses, with the best ORR of 100% (7/7) and CRR of 85.71% (6/7). Among the six complete responses, five patients achieved CR by Day 28 that persisted through six months or longer, while one patient with bulky disease converted from a partial response (“**PR**”) on Day 60 to CR on Day 180, which was maintained through Day 365. The safety profile was favorable, with three patients (42.9%) experiencing Grade 1 CRS, and one patient (14.3%) experiencing Grade 1 immune effector cell-associated neurotoxicity syndrome (“**ICANS**”). No Grade 2 or higher CRS or ICANS was observed. Results were presented at the 67th Annual Meeting of the American Society of Hematology in December 2025.

Management Discussion and Analysis

JWCAR239

JWCAR239 is a dual-targeting CD19/CD20 autologous CAR-T therapy incorporating armored elements designed to enhance efficacy and persistence, enabling it to target more difficult-to-treat patients than JWCAR201. In the second half of 2025, we initiated a first-in-human IIT for lymphoma, and patient enrollment is ongoing.

Autoimmune Diseases

Systemic Lupus Erythematosus (“SLE”) – Carteyva® (relma-cel, R&D code: JWCAR029)

SLE is a chronic autoimmune disease characterized by autoantibody production and abnormal B-lymphocyte function. The mainland China, prevalence is approximately 30 per 100,000 or around 270,000 cases per year³. Approximately 40% of patients develop organ damage within the first year, and 50% experience irreversible organ damage within five years. Current standard-of-care therapies are limited in efficacy and safety, highlighting a significant unmet medical need.

B Cell Depletion Therapy (“**BCDT**”) has emerged as a leading novel treatment approach for SLE.

CD19 is widely expressed across B-cell differentiation stages, from pre-B cells to plasma cells, making CD19-targeted CAR-T cells a promising strategy to eliminate pathogenic B cells and plasma cells responsible for autoantibody production. Compared with conventional antibodies, CAR-T cell therapy may provide rapid, durable remission. We estimate that at least 15,000 patients in China could be eligible for CAR-T therapy in this setting, with high treatment willingness.

We have successfully manufactured CAR-T cells for SLE in IIT/IND studies, demonstrating a well-managed safety profile, substantial clinical improvement, and complete B-cell depletion. Results from the IIT were published in *eClinical Medicine* and the *Journal of Autoimmunity* in April and October 2025, respectively. Building on these findings, we initiated a Phase I study in patients with moderately or severely active SLE, completing patient’s enrollment in the first quarter of 2025. Consistent with IIT data, relma-cel showed promising efficacy and favorable safety. We submitted the data from the phase I study in adult patients with active SLE to the NMPA in October 2025, and the NMPA accepted the data and is currently under review. Study results will be presented at an upcoming medical conference.

We believe relma-cel positions the Company to secure a first-mover or early-mover advantage in the growing SLE CAR-T market in China.

³ Rees F, Doherty M, Grainge MJ, et al. The Worldwide Incidence and Prevalence of Systemic Lupus Erythematosus: A Systematic Review of Epidemiological Studies. *Rheumatology*. 2017; 56(11): 1945– 1961. Applied 30 cases/100,000 and assuming 900 million as China adult population in 2017.

Our New Product Candidate — JWCAR201

JWCAR201 is a dual-targeting CD19/CD20 autologous CAR-T cell therapy developed in-house. In late 2024, we initiated a first-in-human IIT study for autoimmune diseases, and patient enrollment has been completed.

Solid Tumors

JWTCR001

JWTCR001 is a TCR-T cell therapy directed against MAGE-A4 (including any mutations, fragments, modifications or derivatives of the engineered TCR binding MAGE-A4). MAGE-A4 is a highly expressed across multiple malignancies, including non-small cell lung cancer, melanoma, bladder, head and neck, gastroesophageal, and ovarian cancers, making it an attractive target for TCR-T therapy. JWTCR001 incorporates the CTBR12 TGF-beta (“**FLIP**”) receptor technique developed by Regeneron, designed to potentially enhance efficacy in the immunosuppressive tumor microenvironment.

In October 2022, we established a strategic alliance with 2seventy bio to develop and commercialize MAGE-A4-directed cell therapy in oncology indications. 2seventy Bio's oncology and autoimmune research and development programs were acquired by Regeneron in 2024, and such acquisition has not had any impact on the progress of our collaboration. The agreement is focused on the technologies and know-how possessed by Regeneron and includes prospects for the development and commercialization of the product in Greater China based on addressable patient populations and unmet medical needs.

We have established our manufacturing process for JWTCR001, and patient enrollment in this IIT is currently ongoing. With Regeneron's expertise and our own capabilities, we aim to achieve a first-mover or early-mover advantage in this highly promising market.

Cautionary Statement required by Rule 18A.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”): We cannot guarantee that we will be able to successfully develop or ultimately market Carteyva® in indications beyond the current NMPA-approved label, or to successfully develop or ultimately market our other pipeline products. Shareholders and potential investors of the Company are advised to exercise due care when dealing with the shares of the Company.

Discovery and Pre-clinical Research

Our early research and development efforts focus on engineering innovative cell therapy products that leverage our established infrastructure and expertise. Following the successful registration and commercialization of our personalized anti-CD19 CAR-T product in China, we have built an efficient framework for collecting, manufacturing, and delivering autologous CAR therapies to patients in need. Building on this success, we are developing next-generation autologous products with enhanced features and global commercialization potential.

Management Discussion and Analysis

Our pipeline target unmet needs across hematological malignancies, solid tumors, and autoimmune diseases. We are advancing both new products and existing programs through process optimizations and the addition of in-house designed “Armor” elements, which enhance CAR-T efficacy, prolong persistence, and reduce susceptibility to immunosuppressive signals in the tumor microenvironment. All new products benefit from our next-generation manufacturing platform, designed to accelerate production, reduce costs, and maintain optimal product quality.

Key in-house products include:

- **JWCAR201** — a dual-targeting CD19/CD20 autologous CAR-T therapy for B-cell malignancies and autoimmune diseases, offering broader therapeutic coverage, enhanced signaling robustness, and reduced relapse risk from antigen downregulation or loss. Entered clinical stage for lymphoma and autoimmune diseases.
- **JWCAR239** — a dual-targeting CD19/CD20 autologous CAR-T incorporating armored elements to enhance efficacy and persistence, particularly in challenging patient populations. Produced using next-generation processes, it entered clinical stage in the third quarter of 2025 for lymphoma.

In addition, we are developing two new CAR products for solid tumor indications. Both products incorporate enhanced Armored elements and leverage our next-generation cellular processes, designed to increase product potency while reducing manufacturing costs and time.

Manufacturing

In June 2020, we received a production license from Jiangsu Province authorities for our new commercial manufacturing facility in Suzhou. This facility provides approximately 10,000 square meters for commercial and clinical manufacturing in compliance with Good Manufacturing Practice (“**GMP**”) and Quality Management System (“**QMS**”) standards.

With current regulatory approval, we can meet manufacturing needs for both commercial and clinical supplies and have maintained a high manufacturing success rate of 98% since our LBCL registration clinical trial. After the initial product launch, we gained multiple approvals for manufacturing capacity expansion in the fourth quarter of 2022 and the first quarter of 2023.

As a critical material, a sustainable lentiviral vector supply is necessary to ensure the manufacturing and supply of our final product. We have developed a platform process and successfully manufactured vectors to support more clinical programs. Furthermore, our vector manufacturing platform has successfully produced lentiviral vectors for the manufacture of Carteyva®. Analytical and clinical studies have shown comparable results to those of the current lentiviral vectors. Currently, we have completed patient enrollment for the IND study of these vectors. Post-approval supplement has been submitted and accepted by the NMPA.

Business Development and Strategic Partnerships

Our business development team plays a pivotal role in driving strategic growth for our business. They will pursue partnerships to bolster our late-stage and early-stage pipeline of potential molecules, and access technologies that complement our research and development efforts. In addition, they are supporting the development of our existing strategic partnerships, including BMS and Regeneron, etc.

- On April 18, 2025, we entered into the License Agreement with Juno, one of the Substantial Shareholders and a connected person of us, pursuant to which we grant Juno a non-exclusive license under the JW sLVV Manufacturing Process and under related know-how (and patents) that are primarily or directly related to, or reasonably necessary or valuable for the development, commercialization, manufacturing or having manufactured the Juno cell therapy products in the field worldwide. The non-exclusive out-licensing of the License Agreement not only highlights our research and development capabilities but also affirms its leadership in cell therapy technologies. Beyond the immediate financial benefit of the upfront payment and the further financial benefit of the Additional Payment, the License Agreement provides us with an additional and reliable supply of Vector, which constitutes an essential component for the manufacturing of our core product, Carteyva®, while simultaneously enabling us to conserve cash for use in its operations. The entering into of the License Agreement strengthens our position in the market, enhances our production capabilities, and supports our long-term growth and success in the cell therapy field. This License Agreement was approved by the Independent Shareholders and was effective on June 3, 2025. The aggregate value of the consideration payable by Juno will not be more than USD10 million.
- On October 30, 2025, we executed an Amendment to our strategic collaboration agreement with Regeneron, pursuant to which Regeneron will fund certain development activities performed by us relating to the MAGE-A4 product and will pay us an upfront payment upon execution of the Amendment and a series of one-time, non-refundable milestone payments upon achievement of specified development milestones. The Amendment also expands the collaboration to include core technology licensing, under which Regeneron is granted a non-exclusive global license under our proprietary Drug Product Process, along with an option to license our Lentiviral Vector Manufacturing Process. This expanded, non-exclusive partnership not only validates the strength and maturity of our process innovation and GMP capabilities but also strengthens our financial position by reducing capital expenditure while enabling continued progress on a solid tumor program with significant unmet medical need. The aggregate consideration receivable by us under the Amendment will not exceed approximately USD50 million. This strategic move strengthens our position in the global market, enhances our platform's value, and supports our long-term growth and success in the cell therapy field.

Beyond these initiatives, we remain actively engaged with potential partners to explore a range of opportunities aimed at accelerating value creation. These include in-licensing, out-licensing, and strategic partnerships.

Management Discussion and Analysis

Future and Development

Our vision is to become a global leader in cell immunotherapy. To achieve this, we will focus on the following strategies:

- Based on the implementation of the National Commercial Health Insurance Innovative Drug Catalog, continue to drive full-scale commercialization of Carteyva®.
- Strengthen leadership in hematology by expanding Carteyva® into earlier lines of therapy and additional indications, while advancing next-generation CAR-T therapies that deliver higher complete response rates, lower manufacturing costs, and shortened bed-to-bed time.
- Leverage our integrated cell therapy platform to expand into the solid tumor market.
- Continuously enhance our manufacturing capability and implement a cost reduction plan through innovation and scale.
- Grow our business through out- and in-licensing opportunities, partnerships, and selective acquisitions, as well as in-house R&D.

FINANCIAL REVIEW

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

IFRS Measure:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
	(Audited)	(Audited)
Revenue	283,653	158,218
Cost of sales	(110,571)	(80,902)
Gross profit	173,082	77,316
Other income	5,622	6,873
Other gains and losses	(319,236)	(147,554)
Selling expenses	(154,345)	(140,413)
General and administrative expenses	(78,494)	(120,068)
Research and development expenses	(188,375)	(282,989)
Finance income	20,955	28,431
Finance costs	(11,434)	(12,220)
Finance costs — net	9,521	16,211
Loss before tax	(552,225)	(590,624)
Income tax expense	(3,067)	—
Loss for the year	(555,292)	(590,624)
Other comprehensive (expense) income		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation from functional currency to presentation currency	(67,595)	39,627
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	5,293	(1,388)
Other comprehensive (expense) income for the year	(62,302)	38,239
Total comprehensive expense for the year	(617,594)	(552,385)
LOSS PER SHARE		
— Basic and diluted (RMB)	(1.34)	(1.43)

Management Discussion and Analysis

1. Revenue

Revenue was RMB283.7 million for the year ended December 31, 2025, representing an increase of 79.3% compared to RMB158.2 million for the year ended December 31, 2024. Revenue was primarily generated from (i) sales of Carteyva®, our product currently under commercialization, which was recognized at the point of infusion; and (ii) a non-exclusive license granted to Juno under the JW sLVV Manufacturing Process and related know-how (including patents), which was recognized at the point of completion of know-how transfer.

Carteyva® has been approved for treating adult patients with r/r LBCL, r/r FL and r/r MCL. For the year ended December 31, 2025, sales of Carteyva® was RMB219.0 million, representing a broad growth rate of 38.4% compared with that for the year ended December 31, 2024, which was driven by our robust commercial team, enhanced commercialization strategy and expanded market coverage in 2025.

On April 18, 2025, we entered into the License Agreement with Juno and granted it a non-exclusive license under the JW sLVV Manufacturing Process and under related know-how (and patents). For the year ended December 31, 2025, we recognized total revenue in the amount of RMB64.5 million at the point of completion of know-how transfer, which contributed to the total revenue growth during the Reporting Period.

The following table sets forth a breakdown of revenue from our product, grant of a license and others for the years indicated:

	Year ended December 31,			
	2025		2024	
	<i>RMB'000</i> <i>(Audited)</i>	<i>%</i>	<i>RMB'000</i> <i>(Audited)</i>	<i>%</i>
Carteyva®	218,962	77.2	158,218	100.0
Grant of a non-exclusive license	64,474	22.7	—	—
Others	217	0.1	—	—
Total revenue	283,653	100.0	158,218	100.0

2. Cost of Sales

Cost of sales was RMB110.6 million for the year ended December 31, 2025, as compared to RMB80.9 million for the year ended December 31, 2024. Cost of sales primarily consists of raw material costs, staff costs, depreciation and amortization, manufacturing overhead and others.

The following table sets forth a breakdown of cost of sales for the years indicated:

	Year ended December 31,			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
	(Audited)		(Audited)	
Carteyva®	107,461	97.2	80,902	100.0
Grant of a non-exclusive license	3,022	2.7	—	—
Others	88	0.1	—	—
Total cost of sales	110,571	100.0	80,902	100.0

3. Gross Profit and Gross Profit Margin

Gross profit represents revenue minus cost of sales. Gross profit margin represents gross profit as a percentage of revenue.

Gross profit from sales of products was RMB111.5 million and gross profit margin of sales of products was 50.9% for the year ended December 31, 2025, compared to RMB77.3 million and 48.9%, respectively, for the year ended December 31, 2024.

Management Discussion and Analysis

4. Selling Expenses

The following table provides a breakdown of selling expenses for the years ended December 31, 2024 and 2025.

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)
Business promotion fees	107,034	97,178
Employee benefit expenses	38,356	35,467
Office, professional service and others	8,955	7,768
Selling expenses	154,345	140,413

The selling expenses were RMB154.3 million, accounting for 70.5% of product revenue for the year ended December 31, 2025, compared with RMB140.4 million, or 88.7% of product revenue for the year ended December 31, 2024. While selling expenses rose 10% year over year, the Company achieved a robust 38.4% growth in product sales. During the Reporting Period, the Company prioritized the enhancement of commercial sales productivity and operational efficiency. We successfully delivered on our commercialization strategy and expanded our coverage to drive our sales revenue growth.

5. General and Administrative Expenses

The following table provides a breakdown of general and administrative expenses for the years ended December 31, 2024 and 2025.

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)
Employee benefit expenses	40,896	69,287
Professional service fees	20,654	24,481
Depreciation and amortization	8,021	10,564
Office expenses and others	8,923	15,736
General and Administrative Expenses	78,494	120,068

The general and administrative expenses decreased from RMB120.1 million for the year ended December 31, 2024 to RMB78.5 million for the year ended December 31, 2025. The decrease was primarily attributable to the streamlined organization and control on costs, which resulted in a decrease in labor cost for the administrative personnel by 41.0% and office expenses by 43.3% respectively.

6. Research and Development Expenses

The following table provides a breakdown of R&D expenses for the years ended December 31, 2024 and 2025.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
	(Audited)	(Audited)
Employee benefit expenses	68,081	114,250
Testing, R&D materials and clinical fees	62,022	96,256
Depreciation and amortization	42,995	53,616
Office expenses and others	15,277	18,867
Research and development expenses	188,375	282,989

The R&D expenses decreased from RMB283.0 million for the year ended December 31, 2024 to RMB188.4 million for the year ended December 31, 2025. The decrease in R&D expenses was mainly due to: (i) an enhanced operation efficiency and efforts to optimize resource allocation and focus on R&D pipelines with greater potential; and (ii) natural decline of R&D expenses as a number of clinical trials of our core product Carteyva[®], successively met the primary endpoints.

7. Other Income

Other income amounted to RMB5.6 million for the year ended December 31, 2025, as compared to RMB6.9 million for the year ended December 31, 2024. Other income in both years was mainly related to government grants.

8. Other Gains and Losses

The following table provides a breakdown of other gains and losses for the years ended December 31, 2024 and 2025.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
	(Audited)	(Audited)
Impairment loss recognized in respect of intangible assets	354,857	132,258
Net foreign exchange gains or losses	(36,992)	15,597
Gain on early termination of leases	—	(52)
Others	1,371	(249)
Other gains and losses	319,236	147,554

Other gains and losses increased from RMB147.6 million for the year ended December 31, 2024 to RMB319.2 million for the year ended December 31, 2025. This increase was primarily attributable to an increase of RMB222.6 million in impairment loss recognized in respect of intangible assets, partially offset by an increase of RMB52.6 million of net foreign exchange gains. The recognition of impairment of licenses were related to product JWATM203/213/204/214, JWCAR129 and JWTCR001 based on adjustments noted in the valuation report prepared by an independent valuer, which took into account a variety of factors including the level of complexity of R&D pathways, the time and resources that might be required in advancing in-depth analysis with clinical data, and the overall R&D investment efforts required to work toward commercialization. The Company estimated that these factors may eventually result in a delay in commercialization and may affect the revenue growth, which gave rise to a decline in the recoverable amount of the cash-generating unit and caused the recognition of impairment loss of RMB354.9 million.

9. Income Tax Expense

Except for the withholding tax on the revenue from grant of a non-exclusive license to Juno, which is USA based amounting to RMB3.1 million for the year ended December 31, 2025, we did not incur any income tax expense, as we did not generate taxable income in either year.

10. Loss for the Year

As a result of the above items, loss for the year was RMB555.3 million for the year ended December 31, 2025, compared to RMB590.6 million for the year ended December 31, 2024. The decrease was primarily attributable to: (i) increased total revenue and gross profit generated from sales uptake of Carteyva® and grant of a license; (ii) decreased general and administrative expenses through enhanced commercial productivity and operational efficiency measures; (iii) lower R&D expenses attributable to workforce optimization and strategic pipeline prioritization; and (iv) an increase in net foreign exchange gains, partially offset by an incremental provision of RMB222.6 million for impairment of the license related to product JWATM203/213/204/214, JWCAR129 and JWTCR001, reflecting an adjustment in the independent valuation report.

11. Non-IFRS Measure

To supplement the Group's consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted loss for the year as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that these adjusted measures provide useful information to Shareholders and potential investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

Adjusted loss was RMB233.0 million for the year ended December 31, 2025, representing a decrease of RMB172.5 million from RMB405.5 million for the year ended December 31, 2024. The decrease was primarily due to: (i) increased total revenue and gross profit generated from sales uptake of Carteyva® and grant of a license; (ii) decreased general and administrative expenses through enhanced commercial productivity and operational efficiency measures; and (iii) lower R&D expenses attributable to workforce optimization and strategic pipeline prioritization.

Management Discussion and Analysis

Adjusted loss for the year represents the loss for the year excluding the effect of certain non-cash items and one-time events, namely share-based compensation expenses, impairment of license and net foreign exchange losses. The term adjusted loss for the year is not defined under 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, our results of operations or financial condition as reported under IFRS. Our presentation of this adjusted figure may not be comparable to similarly titled measures presented by other companies. However, we believe that this non-IFRS measure reflects our core operating results by eliminating potential impacts of items that our management do not consider to be indicative of our core operating performance, and thus, facilitate comparisons of core operating performance from period to period and company to company to the extent applicable. The table below sets forth a reconciliation of loss to adjusted loss for the years indicated:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
	(Audited)	(Audited)
Loss for the year	(555,292)	(590,624)
Added:		
Share-based compensation expenses	4,445	37,309
Impairment of license	354,857	132,258
Net foreign exchange losses	(36,992)	15,597
Adjusted loss for the year (Non-IFRS)	(232,982)	(405,460)

Selected Data from Statement of Financial Position

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
	(Audited)	(Audited)
Total current assets	570,300	808,673
Total non-current assets	416,595	871,691
Total assets	986,895	1,680,364
Total current liabilities	394,391	465,054
Total non-current liabilities	36,244	46,145
Total liabilities	430,635	511,199
Net current assets	175,909	343,619

12. Liquidity and Sources of Funding and Borrowing

As at December 31, 2025, current assets amounted to RMB570.3 million, primarily including bank balances and cash of RMB503.1 million and inventories of RMB62.0 million. As at the same date, current liabilities amounted to RMB394.4 million, primarily including trade and other payables of RMB130.5 million, borrowings of RMB218.1 million and contract liabilities of RMB32.7 million.

In 2025, we strictly controlled our cash expenditures and actively diversified and expanded our financing channels to provide financial assurance for our future development. As at December 31, 2025, we have unsecured bank borrowings in the amount of RMB236.1 million.

As at December 31, 2025, bank balances and cash were RMB503.1 million, representing a net cash outflow of RMB254.3 million compared to RMB757.4 million as at December 31, 2024. The cash outflow was primarily due to payments of selling expenses, general and administrative expenses, R&D expenses, and payment of costs of manufacturing and repayments of bank loans.

During the year, the Group was unable to comply with the covenants in respect of bank loans with a carrying amount of RMB69.5 million as at December 31, 2025. On discovery of the breach, the directors of the Company informed the lender and commenced a renegotiation of the terms of the loan with the relevant lender. As at December 31, 2025, the negotiation had not been concluded and the lender are still considering whether to waive its right to demand immediate payment, therefore the loan has been classified as a current liability.

As at the date of this report, the negotiation is still in progress. The directors of the Company are confident that their negotiation with the lender will ultimately reach a successful conclusion. In any event, should the lender call for immediate repayment of the loan, the directors of the Company believe that adequate alternative sources of finance are available to ensure that there is no threat to the continuing operations of the Group.

13. Key Financial Ratios

The following table sets forth the key financial ratios of the Group as at the dates indicated:

	As at December 31, 2025	As at December 31, 2024
Current ratio ⁽¹⁾	1.4	1.7
Ratio of total liabilities to total assets ⁽²⁾	0.4	0.3
Gearing ratio ⁽³⁾	N/A⁽⁴⁾	N/A ⁽⁴⁾

(1) Current ratio equals current assets divided by current liabilities as of the date indicated.

(2) Ratio of total liabilities to total assets equals total liabilities divided by total assets as of the date indicated.

(3) Gearing ratio is calculated using interest-bearing borrowings less bank balances and cash divided by total equity and multiplied by 100%.

(4) Gearing ratio is not applicable as our interest-bearing borrowings less bank balances and cash was negative.

14. Material Investments

We did not make any material investments during the year ended December 31, 2025.

15. Material Acquisitions and Disposals

We did not engage in any material acquisitions or disposals during the year ended December 31, 2025.

16. Pledge of Assets

As at December 31, 2025, the Group had no pledge of assets.

17. Contingent Liabilities

As at December 31, 2025, we did not have any material contingent liabilities.

18. Foreign Exchange Exposure

The Group mainly operated in Mainland China and a majority of its transactions were settled in RMB. 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 recognized in profit or loss. Except for certain bank balances and cash, other receivables and prepayments, and trade and other payables denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations as at December 31, 2025. The management seeks to limit our exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. During the Reporting Period, the Group did not enter into any currency hedging transactions.

19. Employees and Remuneration

As at December 31, 2025, we had 314 employees representing an increase of 11.7% from 281 employees as of December 31, 2024. The following table sets forth the total number of employees by function as at December 31, 2025:

	Number of Employees	% of total
Manufacturing operations	126	40.1%
MAH quality assurance	8	2.5%
Research and development	63	20.1%
Commercial	75	23.9%
Support functions and business development	42	13.4%
Total	314	100.0%

The total remuneration cost (including Directors' emoluments) incurred by the Group for the year ended December 31, 2025 was RMB159.6 million, as compared to RMB227.7 million for the year ended December 31, 2024.

The remuneration of the employees of the Group comprises salaries, bonuses, employees provident fund and social security contributions, other welfare payments and share-based compensation expenses. In accordance with applicable Chinese laws, the Group has 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 the Group's employees.

The Company has also adopted the Pre-IPO Incentivization Scheme, the Restricted Share Unit Schemes, the Post-IPO Incentivization Scheme and the Post-IPO Restricted Share Unit Scheme. Please refer to the section headed "Share Incentivization Schemes" in the 2025 annual report to be published by the Company for further details.

RECENT DEVELOPMENTS OF REGULATORY FRAMEWORK

The State Council of the People's Republic of China, Regulations on the Administration of Clinical Research and Clinical Translational Application of New Biomedical Technologies

In order to regulate the clinical research and clinical translational application of new biomedical technologies, promote the progress and innovation of medical technologies, ensure the quality and safety of medical services, and protect human dignity and health, the State Council of the People's Republic of China issued the Regulations on the Administration of Clinical Research and Clinical Translational Application of New Biomedical Technologies (hereinafter referred to as the "**Regulations**") on September 28, 2025. Those engaged in clinical research and clinical translational application of new biomedical technologies, and their supervision and administration within the territory of the China shall comply with the "Regulations". The new biomedical technology mentioned in the "Regulations" refers to medical professional means and measures that use biological principles to act on human cells and molecules for the purpose of judging the health state or preventing and treating diseases or promoting health, and have not yet been applied to clinical practice in China.

The conduct of clinical research and clinical translational application of new biomedical technologies shall adhere to the principles of placing the people's health at the center, adhere to innovation-led development, and pay equal attention to development and safety. The State shall take measures to promote the innovation and development of new biomedical technologies, and encourage and support clinical research and clinical translational application of new biomedical technologies.

The conduct of clinical research and clinical translational application of new biomedical technologies shall be scientifically justified, comply with laws, administrative regulations and relevant national regulations, strengthen the safety management of the whole process, and shall not endanger human health, violate ethical principles, or harm public interests or national security.

The conduct of clinical research on new biomedical technologies shall respect the will of subjects, uphold their dignity, and protect their legitimate rights and interests.

The health department of the State Council shall be responsible for the supervision and management of clinical research and clinical translational application of new biomedical technologies nationwide. The "Regulations" set forth clear provisions governing clinical research filing, clinical research implementation, clinical translational application, supervision and administration, and legal liabilities, and shall take effect on May 1, 2026.

National Medical Products Administration, Announcement on Matters Concerning Optimizing the Review and Approval Process for Innovative Drug Clinical Trials (No. 86 of 2025)

To further support the development of innovative drugs guided by clinical value and improve the quality and efficiency of clinical research, a 30-day review channel for clinical trials of innovative drugs has been established. Building upon the existing 60-day tacit approval system, this initiative will halve the review period for eligible Class I innovative drugs (traditional Chinese medicines, chemical drugs, and biological products). The scope of application includes: products receiving key national support with clear clinical value; innovative drugs for pediatric, rare disease, and traditional Chinese medicine indications; and products undergoing global simultaneous development (including international multicenter trials led by Chinese investigators). At the same time, applicant responsibilities have been strengthened, requiring the completion of ethical review in advance and a commitment to initiate trials within 12 weeks. This measure will significantly accelerate the clinical development process for innovative drugs, prioritize the supply of urgently needed medications, encourage global simultaneous development and international cooperation, enhance China's competitiveness in pharmaceutical innovation and patient access, and promote high-quality industrial development.

National Health Commission, Ethical Review of Life Science and Medical Research involving Human Subjects

Ethical Review of Life Science and Medical Research Involving Human Subjects (hereinafter referred to as the Measures) refers to as special provisions in the field of life science and medicine, are the direct basis for the ethical review of life science and medical research involving human beings conducted by healthcare institutions, schools of higher education, scientific research institutes and others. The life science and medical research involving human beings, as referred to in the Measures, subjects or the use of human biological samples and information data (collectively referred to as research participants) to carry out the following research activities:

1. The activities of studying human reproduction, growth, development and aging by means of physics, chemistry, biology and traditional Chinese medicine.
2. The activities of studying human physiology, psychology, behavior, pathological phenomena, etiology and pathogenesis of diseases, prevention, diagnosis, treatment and rehabilitation of diseases by means of physics, chemistry, biology, traditional Chinese medicine and psychology.
3. the use of new technologies or new products for experimental research on human subjects.
4. The activities of collecting, recording, using, reporting or storing biological samples, information data (including health records, behavior, etc.) and other scientific research materials related to life science and medical problems of people by using epidemiological, sociological, psychological and other methods.

Management Discussion and Analysis

According to the Measures, ethical review committees shall be set up in medical institutions at or above the secondary level, health institutions at or above the municipal level divided into districts (including disease prevention and control institutions, maternal and child health care institutions, blood collection and supply institutions, etc.), institutions of higher learning and scientific research institutes, etc. carrying out life science and medical research involving human beings.

Center for Drug Evaluation of NMPA, Working Standards for Accelerating the Evaluation of Innovative Drug Marketing Applications by CDE (Trial)

This working standard aims to encourage research and development of new drugs to meet clinical drug needs, and to combine valuable experiences such as “early intervention, research review linkage, and rolling submission” in the emergency review process of the epidemic, as well as new tools, methods, and standards formed by regulatory scientific action plans. It aims to transform, consolidate, and expand the achievements of the epidemic in a systematic manner, encourage the innovative research and development process of children’s medication and rare disease, as well as innovative medicines included in the Breakthrough Therapeutic Drugs Program, and accelerate the review and approval speed of innovative drug varieties.

Ministry of Science and Technology, Implementing Regulations on the Management of Human Genetic Resources

In order to better implement Regulations on the Management of Human Genetic Resources of the People’s Republic of China and further improve quality of human genetic resources management, Ministry of Science and Technology distributes Implementing Regulations on the Management of Human Genetic Resources. First, implement the Biosafety Law of the People’s Republic of China and other laws and regulations, administer the country in accordance with the law, fulfill its duties and responsibilities, and carry out human genetic resources management in a scientific, rigorous and efficient manner. The second is to clarify the responsibilities of the central and local governments in the management of human genetic resources, and to promote the establishment of an integrated supervision and management mechanism. Thirdly, it will clarify the management boundaries, deepen the reform of “management and service”, strengthen the management and control of key links, and, on the premise of resolutely safeguarding national biosafety, resolutely control what should be controlled and practically liberalize what should be released. Fourthly, to realize the accessibility of the implementation of the system, improve the procedural provisions in each aspect of administrative licensing, filing and security review, strengthen the specific measures of supervision, inspection and administrative punishment, and safeguard the efficient operation of human genetic resources management in accordance with laws and regulations. Meanwhile, it has also responded to and provided guidelines on hot issues of wide concern to the industry, including the identification of foreign parties, intellectual property rights arrangements, the filing and security review of data made available to the outside world, and the scope of application of the simplified optimization procedure.

The China Pharmaceutical and Biotechnology Association, Guidelines for Somatic Cell Clinical Research (Trial)

In order to promote the healthy development of investigator-initiated clinical research on somatic cells in medical institutions and strengthen the guidance on the work of conducting clinical research on somatic cells in medical institutions, in accordance with the spirit of the Drug Administration Law of the People's Republic of China, the Administrative Regulations of Medical Institutions and other laws and regulations, and in accordance with the Administrative Measures for Investigator-Initiated Clinical Trials in Medical and health Institutions (Trial) piloted by the National Health Commission of the People's Republic of China, this guideline is formulated with reference to the management procedures and technical requirements of stem cell clinical research, and the characteristics of somatic cell clinical research. This guideline applies to somatic clinical trials initiated by investigators in medical institutions for non-registration purposes.

National Medical Products Administration, “2024 Drug Evaluation Report”

On March 18, 2025, the National Medical Products Administration (NMPA) released the “2024 Drug Evaluation Report” (hereinafter referred to as the “**Report**”). According to the Report, the drug evaluation efforts in 2024 achieved remarkable results, with 48 Class 1 innovative drugs approved. Among these, 17 varieties (35.4%) were approved through the priority review and approval process, 11 varieties (22.9%) received conditional approval, and 13 varieties (27.1%) were included in the breakthrough therapy program during clinical trials. The number of approved innovative drugs increased by 20% year-on-year, covering nearly 20 therapeutic areas, with anti-tumor drugs accounting for the highest proportion.

In terms of drugs for rare diseases, 55 varieties were approved throughout the year, of which 20 varieties were fast-tracked to market through the priority review and approval process. For pediatric drugs, 106 varieties were approved, with 20 varieties expedited through the priority review and approval process.

In 2024, the Center for Drug Evaluation (CDE) newly issued 73 technical guidelines, bringing the total number of issued guidelines to 555. These guidelines cover radiopharmaceuticals, cell and gene therapy products, improved chemical new drugs, biological products, and other areas, further refining the drug technical evaluation system.

Looking ahead, as the pharmaceutical industry continues to develop and drug R&D innovation advances, the CDE will further deepen the reform of the review and approval system, increase support for R&D innovation, strengthen pre-submission guidance for drug registration applications, and ensure the safety and efficacy of drugs for public health, contributing to the advancement of Chinese modernization through drug evaluation efforts.

State Administration for Market Regulation, Supervision and Administration of Drug Operation and Use Quality

The Measures for the Administration of Drug Operation Licenses and the Measures for the Supervision and Administration of the Circulation of Drugs were promulgated earlier, and have played an important role in guaranteeing the quality of drug operation and use as well as in regulating the order of the drug market, etc. However, they are no longer adapted to the supreme law, the requirements of the concept of the whole lifecycle of drugs, as well as the needs of the high-quality development of the drug circulation industry, and it is necessary to carry out a comprehensive systematic revision. Supervision and Administration of Drug Operation and Use Quality (hereinafter referred to as the Measures) focus on the primary task of promoting high-quality development, and strive to optimize the business environment and stimulate market vitality by means of legalized and market-oriented standards, so as to continuously improve the modernization of the regulation of drug circulation.

Center for Drug Evaluation of NMPA, Guiding principles for clinical communication and exchange technology related to cell and gene therapy products

In order to guide and standardize the preparation of information for communication and the consideration of clinical research and development elements in the process of clinical research and development of cellular and gene therapy products, so as to improve the efficiency of communication and exchange and promote the clinical research and development of cellular and gene therapy products, the Center for Drug Evaluation organized and formulated the Guiding principles for clinical communication and exchange technology related to cell and gene therapy products.

The purpose of this guideline is to provide suggestions for the preparation of information for communication and consideration of clinical development elements during the clinical development of cellular and gene therapy products, with a view to improving the efficiency of communication and facilitating the smooth progress of clinical development of cellular and gene therapy products. The cell and gene therapy products covered in this guideline mainly include human stem cells and their derivative cell therapy products, immune cell therapy products, gene therapy products, etc.

Directors and Senior Management

DIRECTORS

Executive Director

Mr. Feng Tian (“Mr. Tian”), aged 48, is the Chief Executive Officer (“**CEO**”) of our Company. He joined our Group as executive Director and CEO on December 29, 2025. He is primarily responsible for the overall corporate management, strategic planning, business development, day-to-day management and product research and development of our Group.

Mr. Tian has over 20 years of experience in the biopharmaceutical industry. He has extensive expertise in commercialization, marketing, corporate operations and strategic management. Prior to joining the Group, from May 2023 to December 2025, he served as general manager of the oncology business at Changchun GeneScience Pharmaceutical Co., Ltd. (長春金賽藥業有限責任公司), a subsidiary of Changchun High-Tech Industry (Group) Co., Ltd. (長春高新技術產業(集團)股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000661), where he demonstrated exceptional management capabilities and outstanding commercial insight. He successfully in-licensed Megaxia® and developed the Cancer-related Anorexia Cachexia Syndrome (CACs) oncology segment in China, securing national reimbursement through a precise and forward-looking market-access strategy. In parallel, he optimized the oncology pipeline by introducing new modalities, expanding indications, and strengthening the portfolio’s strategic depth, establishing a future-ready platform. From January 2022 to April 2023, Mr. Tian served as chief executive officer and director of Shanghai Kinnjiu Biotech Co., Ltd. (上海經久生物科技有限公司), a clinical-stage company in China, where he was responsible for all China operations, as well as strategic development and planning. From January 2019 to December 2021, Mr. Tian served as head of marketing and medical affairs and deputy general manager of the oncology business unit at Jiangsu Hengrui Pharmaceuticals Co Ltd (江蘇恒瑞醫藥股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600276) and the Hong Kong Stock Exchange (stock code: 1276). He led the successful launch of a market-leading immuno-oncology product, the PD-1 inhibitor Camrelizumab (艾瑞卡®), as well as several other innovative drugs including CDK4/6i, PARPi, TPO-RA, etc. Earlier in his career, Mr. Tian served as marketing director at Shanghai Roche Pharmaceuticals, where he was responsible for multiple oncology products such as Erlotinib Tarceva®, Bevacizumab (Avastin®), and Atezolizumab (Tecentriq®). He also served as senior international product manager at Pfizer Pharmaceuticals, where he was responsible for the management of a series of key products and supported business expansion into emerging markets including East Asia, North Africa, the Middle East, and Latin America.

Mr. Tian obtained his master's degree in hematology from Shanghai Jiao Tong University School of Medicine in June, 2004.

Directors and Senior Management

Non-executive Directors

Dr. Cheng Liu (“Dr. Liu”), aged 59, is the Chairman of the Board and a non-executive Director of our Company. He joined the Group on June 30, 2020, and was appointed as non-executive Director on the same date. He was appointed as the Chairman of the Board on December 12, 2025. He is primarily responsible for supervising and providing oversight to the Board. Dr. Liu is a distinguished global scientist in biotechnology, renowned for his pioneering work in T-cell engineering and immunotherapy, with a dedicated focus on developing innovative cancer treatment solutions.

Dr. Liu is the founder, chief executive officer and director of Eureka Therapeutics (“**Eureka**”), a company specializing in innovative cell-based cancer immunotherapies, the chief executive officer and director of Estrella Immunopharma, a company listed on NASDAQ (NASDAQ: ESLA) and the director of InvisiShield Technologies Ltd. Prior to founding Eureka, Dr. Liu was a principal scientist in antibody drug discovery at Chiron Corporation, now integrated into Novartis.

With over two decades of expertise in the field, Dr. Liu holds more than 300 patents and published patent applications. Ranked in the Top 20 Global CAR-T Patents: Dr. Liu holds a prominent position in the field of CAR-T therapy. According to the statistics from the journal Nature Biotechnology (Volume 38, 2020), he ranked 14th among global inventors with 169 patents.

Dr. Liu remains at the cutting edge of global medical science, committed to advancing the innovation and development of cancer treatment technologies. He not only focuses on research outcomes in the laboratory but also actively promotes the clinical translation of these technologies to benefit more patients. His work has not only changed the landscape of cancer treatment but has also made significant contributions to the progress of global medical science. He invented the ARTEMIS T-cell engineering platform, a cutting-edge technology that is revolutionizing T-cell-based cancer therapies. Besides, he is also the inventor of multiple first-in-class, clinical-stage cancer drugs against various tumor targets, including drugs targeting CSF1 for the treatment of bone metastasis, BCMA for multiple myeloma, and AFP and GPC3 for liver cancer. In 2007, he was awarded a Special US Congressional Recognition for his contributions to improving human health. He is the editor of the book “Biosimilars of Monoclonal Antibodies: A Practical Guide to Manufacturing, Preclinical, and Clinical Development”.

Dr. Liu received his bachelor’s degree in cell biology and genetics from Peking University (北京大學) in the PRC in July 1988 and a Ph.D. in molecular cell biology from the University of California, Berkeley in the United States in May 1996.

Dr. Yiping James Li, M.D. (“Dr. Li”), aged 62, has served as a non-executive Director of the Company since August 2024. He is a co-founder of the Company and served as Chief Executive Officer from February 2016 to July 2024, and as Chairman of the Board from July 2020 to March 2025.

Dr. Li currently serves as a Venture Partner at Frazier Life Sciences, a U.S.-based venture capital firm headquartered in California. He is also a co-founder and Chairman of the Board of AirNexis Therapeutics, a clinical-stage biotechnology company based in Palo Alto, California, focused on the development of innovative therapies for respiratory diseases.

Prior to founding JW Therapeutics, Dr. Li held various leadership roles in the biopharmaceutical industry, including Founding General Manager of Amgen Greater China, Venture Partner at Kleiner Perkins, and senior positions at Merck & Co., Inc.

Dr. Li received his medical degree from Shanghai Medical College of Fudan University (formerly known as Shanghai Medical University) in the PRC in July 1987, and a Master of Science degree in Microbiology from the University of Montana in the United States in December 1991.

Ms. Xing Gao (“Ms. Gao”), aged 41, is a non-executive Director of our Company. She joined our Company on May 22, 2020 and was appointed as non-executive Director on the same date. She is primarily responsible for supervising and providing oversight to the Board.

Ms. Gao has over 15 years of healthcare investment related experience. She currently serves as a principal at Beijing Panmao Consulting Co., Ltd.* (北京磐茂諮詢有限公司), a member of a leading alternative asset manager in the PRC. Prior to that, she worked as associate at N M Rothschild & Sons Limited from October 2011 to June 2013 and as an analyst at the Bank of America Merrill Lynch from June 2007 to September 2011.

Ms. Gao obtained a bachelor’s degree in biochemical engineering from University College London in the United Kingdom in August 2008 and a master of business administration degree from Harvard Business School in the United States in May 2015.

Dr. Sungwon Song (“Dr. Song”), aged 45, is a non-executive Director of our Company. He joined our Group on August 29, 2023 and was appointed as non-executive Director on the same date. He is primarily responsible for supervising and providing oversight to the Board.

Dr. Song has been working at Mirae Asset Capital (China) Limited as a healthcare private equity investor since January 2022, advising on securities and asset management mainly on the portfolio of healthcare sector. He has over 10 years of private healthcare investment experience. Prior to his employment with Mirae Asset Capital (China) Limited, he was a healthcare venture capitalist at Mirae Asset Global Investments (Hong Kong) Limited in Hong Kong from July 2018 to December 2021, and at Mirae Asset Capital Co., Ltd in Seoul, South Korea, from July 2016 to July 2018.

Prior to that, he was a healthcare investment analyst at Mirae Asset Global Investment LLC in New York, the United States, from July 2015 to June 2016.

Dr. Song obtained a bachelor of science degree in biotechnology and genetic engineering from Korea University in South Korea in August 2005 and a master of arts degree in biotechnology of biological sciences from Columbia University in the United States in August 2008. Dr. Song further obtained a Ph.D. in molecular cellular developmental biology from the Ohio State University in the United States in December 2014.

Directors and Senior Management

Independent Non-executive Directors

Mr. Kin Cheong Kelvin Ho (“Mr. Ho”), aged 58, is an independent non-executive Director of our Company. He joined our Group on October 22, 2020 and was appointed as an independent non-executive Director on the same date. He is primarily responsible for providing independent view to the Board.

Mr. Ho has over 29 years of experience in finance and accounting, company secretary, initial public offering, takeover, deposition and debt restructuring. Mr. Ho was appointed as an independent non-executive director of CECEP COSTIN New Materials Group Limited (in provisional liquidation) (“**CECEP COSTIN**”) (HKSE: 2228), a company listed on the Main Board of the Stock Exchange, since August 6, 2018. Based on published information, CECEP COSTIN received a winding up petition and a summons for the appointment of joint provisional liquidators dated October 30, 2017. Mr. Ho’s appointment was subsequent to the winding up petition against CECEP COSTIN and he was appointed by the joint provisional liquidators to meet the relevant requirements under the Listing Rules. He has resigned as an independent non-executive director on February 8, 2022.

Mr. Ho has been appointed as an independent non-executive director of Rosan Resources Holdings Limited (HKSE: 0578) since July 1, 2020 and has resigned on November 1, 2022. He was also a non-executive director of E-rental Car Company Limited (now known as China Wood International Holding Co., Limited) (HKSE: 1822) from April 11, 2016 for a one-year term and he was an independent non-executive director of Cheung Tai Hong Holdings Limited (now known as ITC Properties Group Limited) (HKSE: 0199) from October 29, 2001 to May 20, 2003.

Mr. Ho is currently also respectively appointed as an independent non-executive director of Yadong Group Holdings Limited (HKSE: 1795) since October 21, 2020 and an independent non-executive director of MicroTech Medical (Hangzhou) Co., Ltd. (HKSE: 2235) since April 21, 2021. In addition, he is also the independent non-executive director of Green Leader Holdings Group Limited (HKSE: 00061) since August 5, 2020. The securities of the above companies are listed on the Main Board of the Stock Exchange.

Mr. Ho holds a Bachelor Degree in Business Administration (Hons.), major in Accounting, from Hong Kong Baptist University (previously known as Hong Kong Baptist College) in Hong Kong in November 1990. He is an associate member of the Hong Kong Institute of Certified Public Accountants, and a fellow member of the Association of Chartered Certified Accountants.

Dr. Debra Yu (“Dr. Yu”), aged 61, is an independent non-executive Director of our Company. She joined our Group on March 1, 2023 and was appointed as an independent non-executive Director on the same date. She is primarily responsible for providing independent view to the Board. Dr. Yu, has more than 36 years of experience in strategy, business development, alliance management, investment banking, capital markets and venture capital. She is currently a director of Ascentage Pharma (a company dually listed on Nasdaq under the symbol AAPV and on HKG under the symbol 6855 since November 2024 and MeiraGTx (a company listed on Nasdaq under the symbol MGTX) since April 2022. She served as the president of LianBio (a company listed on Nasdaq under the symbol LIAN) from October 2019 to December 2022, where she also served as the chief business officer from October 2019 to September 2021 and the chief strategy officer from October 2021 to December 2022. Prior to that, Dr. Yu held leadership positions at various reputable companies, including managing director and head of cross border investment banking of China Renaissance (US) Securities from August 2016 to September 2019, managing director of Labrador Advisors, LLC from July 2009 to June 2016, vice president and head of strategy of WuXi AppTec, Inc. from 2008 to 2009 and senior director and team leader of the Pfizer Investments Group and Worldwide Business Development at Pfizer, Inc. from 2004 to 2008. Earlier in her career, Dr. Yu served as the managing director and a general partner of two venture capital firms in the San Francisco Bay Area which focus their investments in the life sciences sector.

Dr. Yu received a bachelor’s degree in molecular biology from the Princeton University in June 1986 and subsequently received a medical degree from the Harvard Medical School in March 1992.

Mr. Peng Kuan Chan (“Mr. Chan”), aged 62, is an independent non-executive Director of our Company. He joined the Group on August 28, 2024 and was appointed as an independent non-executive Director on the same date. He is primarily responsible for supervising and providing oversight to the Board. Mr. Chan has more than 31 years of experience in finance and banking. Prior to joining the Group, Mr. Chan has been serving as an independent non-executive director of CANbridge Pharmaceuticals Inc., a company listed on the Stock Exchange (HKSE: 1228) and Yonghe Medical Group Co., Ltd., a company listed on the Stock Exchange (HKSE: 2279) since June 2021, respectively. Mr. Chan has been appointed as an independent non-executive director at Visen Pharmaceuticals (HKSE: 2561) effective as of April 1, 2021, which commenced its trading on the Stock Exchange on March 21, 2025. Mr. Chan served as an independent non-executive director at Yincheng International Holding Co., Ltd., a company listed on the Stock Exchange (HKSE: 1902) from February 2019 to November 2024 and resigned effective from November 16, 2024. From October 2017 to May 2019, Mr. Chan served as chief financial officer of Elegance Optical International Holdings Limited, a company listed on the Stock Exchange (HKSE: 907) and served as chief operating officer of CITIC Merchant Co., Limited (中信國通投資管理有限公司) from January 2012 to September 2017. Prior to that, Mr. Chan was the head of Asia CIG and Cleantech of Piper Jaffray Asia Limited from February 2011 to November 2011. From March 2005 to January 2011, Mr. Chan also worked at BNP Paribas Capital (Asia Pacific) Limited with his last position as a managing director of Corporate Finance — Greater China Coverage department. From August 2000 to December 2004, Mr. Chan served as an executive director of Sanyuan Group Limited (三元集團有限公司) (“**Sanyuan Group**”), a company incorporated in Hong Kong and principally engaged in property investment and biopharmaceuticals, which was delisted from the Stock Exchange in December 2009. Mr. Chan’s mission with the Sanyuan Group was to restructure its business activities and materialize its debt restructuring plan. Please refer to the Company’s announcement dated August 28, 2024 for more details.

Directors and Senior Management

Mr. Chan obtained his bachelor's degree in commerce from the University of Canterbury in New Zealand in May 1989. He received his master's degree in applied finance from Macquarie University in Australia in November 1998. Mr. Chan has been a member of the Hong Kong Institute of Certified Public Accountants (previously known as Hong Kong Society of Accountants) since July 1993. He obtained his professional qualification as a Chartered Accountant in November 1992 from the Chartered Accountants Australia and New Zealand (previously known as the Institute of Chartered Accountants of New Zealand).

SENIOR MANAGEMENT

Mr. EJ Jiang (“Mr. Jiang”), aged 42, serves as Vice President of Commercial and Chief of Staff of our Company. He is responsible for the Company's commercialization strategy, operational management and cross-functional coordination. Mr. Jiang has accumulated nearly 20 years of experience in the biopharmaceutical industry with extensive expertise in commercialization, strategic planning, market access and business development.

Prior to joining our Group, Mr. Jiang served as deputy general manager of the oncology business unit at GenSci Pharmaceutical, where he was responsible for strategy, marketing, sales force effectiveness and business development. Previously, he held senior management positions including vice president of business development and strategy at Rona Therapeutics, vice president of strategy and operations at Everest Medicines and chief marketing officer at Adicon Holdings. Earlier in his career, Mr. Jiang held various roles at Roche and its U.S. subsidiary Genentech, as well as at Jiangsu Hengrui Pharmaceuticals, and worked as a consultant at ZS Associates.

Mr. Jiang obtained a master's degree in industrial engineering from the University of Wisconsin-Madison and a bachelor's degree in theoretical and applied mechanics, with a second major in economics, from Fudan University in the PRC.

Dr. Shawn He (“Dr. He”), aged 54, has served as the Chief Scientific Officer of our Company since December 2025. He has over 20 years of experience in the development of cell therapy products.

Prior to joining our Group, Dr. He served as Chief Scientific Officer at Cure Genetics, where he established a CAR-NKT pipeline targeting solid tumors. Before that, he was Executive Vice President and Head of Research and Development at Celularity, where he led the development of novel allogeneic CAR-T and CAR-NK therapies for hematologic malignancies and solid tumors. Earlier in his career, Dr. He held roles of increasing responsibility at Celgene, where he advanced multiple cell therapy programs into the IND-enabling stage, several of which subsequently entered clinical development across indications in oncology and autoimmune diseases.

Dr. He received his bachelor's degree in marine biology from Xiamen University in July 1989 and a Ph.D. in animal sciences from the University of Maryland, College Park in May 2003.

Dr. Zhidan Tu (“Dr. Tu”), aged 44, currently serves as Vice President, Head of Business Development and Strategy at the Company, where he is responsible for global business development, alliance management and strategy. He has over 15 years of experience in the biopharmaceutical industry, with a focus on global partnerships, cross-border collaborations, and strategic execution.

Prior to joining JW Therapeutics, Dr. Tu was the Chief Operating Officer and Head of Business Development at Zipcode Bio, where he oversaw operations, external collaborations, and strategic initiatives. He previously held business development leadership roles at RVAC Medicines and Legend Biotech, where he led licensing transactions and managed strategic alliances.

Earlier in his career, Dr. Tu held multiple scientific and commercial leadership roles at GenScript, including Head of Corporate Development for antibody platform and Head of Global Commercial Team for the Discovery Biology Business Unit.

Dr. Tu received his Ph.D. in Immunology through a joint program between Case Western Reserve University and West China Hospital of Sichuan University, and his bachelor's degree in Biotechnology from Sichuan University.

Ms. Ping Lin (“Ms. Lin”), aged 44, serves as the Executive Director, Head of Finance of the Company. She has over 20 years of experience in auditing and financial management within the biopharmaceutical industry. A graduate of Shanghai Jiao Tong University, she began her career at KPMG and subsequently held senior financial management roles at leading global and domestic biopharmaceutical companies, including Roche and GenSci Pharmaceutical. Drawing on her comprehensive experience across auditing, multinational pharmaceutical corporations and large domestic biopharmaceutical enterprises, Ms. Lin has developed profound expertise in financial strategic planning, business partnering and end-to-end solution implementation.

Report of Directors

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the Reporting Period.

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on September 6, 2017 as an exempted company with limited liability under the laws of the Cayman Islands. The Company's shares were listed on the Main Board of the Stock Exchange on November 3, 2020.

PRINCIPAL ACTIVITIES

We are a leading clinical stage cell therapy company in China. Since our founding in 2016, we have built an integrated platform focused on developing, manufacturing and commercializing breakthrough cell-based immunotherapies for hematological cancers and solid tumors. Our vision is to become an innovation leader in cell immunotherapy. Analysis of the principal activities of the Group during the year ended December 31, 2025 is set out in the note 37 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended December 31, 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 132 of this annual report.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended December 31, 2025 (2024: nil).

No Shareholder has waived or agreed to waive any dividends.

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, 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 Reporting Period are set out in the section headed "Events After the Reporting Period" in this report.

Principal Risks and Uncertainties

The following list is a summary of certain principal risks and uncertainties involved in our operations, some of which are beyond our control:

Risks Relating to Our Financial Position

- We have incurred significant losses since our inception, and we expect to continue to incur losses for the foreseeable future;
- An impairment in the carrying value of intangible assets could have a material adverse effect on our financial condition and results of operations.

Risks Relating to Our Business

- Changes in international trade or investment policies and barriers to trade or investment, the ongoing conflict and trade tension war between the U.S. and China may have an adverse effect on our business and expansion plans;
- We operate in a rapidly changing industry and we face substantial competition, which may result in others discovering, developing or commercializing competing products before or more successfully than we do, or developing product candidates or treatments that are safer, more effective, more effectively marketed or cost less than ours, or receive regulatory approval or reach the market earlier. As a result, our product candidates may not achieve the sales we anticipate and could be rendered non-competitive or obsolete;
- Our proprietary CAR-T preparation technologies and the manufacturing platform for our CAR-T product candidates represent emerging approaches to cancer treatment that face significant challenges and hurdles;
- Clinical development of biopharmaceutical products involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results;
- If clinical trials of our product 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 product candidates;
- We may not be successful in our efforts to build or in-license a pipeline of new product candidates. If we fail to do so, our commercial opportunity will be limited;
- We may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or have a greater likelihood of success.

Risks Relating to Extensive Government Regulation

- All material aspects of the research, development, manufacturing and commercialization of biopharmaceutical products are heavily regulated. Any failure to comply with existing regulations and industry standards, or any adverse actions by the NMPA or other comparable regulatory authorities against us, could negatively impact our reputation and our business, financial condition, results of operations and prospects;
- The regulatory approval processes of the NMPA and other comparable regulatory authorities are lengthy, time-consuming and inherently unpredictable. If we are ultimately unable to obtain, or experience delays in obtaining, regulatory approval for our product candidates, our business will be substantially harmed;
- Changes in government regulations or in practices relating to the pharmaceutical and biopharmaceutical industries, including healthcare reform in China, and compliance with new regulations may result in additional costs;
- Even if we are able to commercialize any approved product candidates, the products may become subject to unfavorable pricing regulations, or to unfavorable changes in national or third-party reimbursement practices, which could harm our business.

Risks Relating to Manufacturing of Our Product Candidates

- Our product candidates are cell therapies. The manufacture of our product candidates is complex, and we may encounter difficulties in production, particularly with respect to development or scaling-out of our manufacturing capabilities. If we encounter such difficulties, our ability to provide supply of our product candidates for clinical trials or our products for patients, if approved, could be delayed or stopped, or we may be unable to maintain a commercially viable cost structure;
- Cell-based therapies rely on the availability of reagents, specialized equipment, and other specialty materials, which may not be available to us on acceptable terms or at all. For some of these reagents, equipment, and materials, we rely or may rely on sole source vendors or a limited number of vendors, which could impair our ability to manufacture and supply our products.

Risks Relating to Commercialization of Our Product Candidates

- The market opportunities for our product candidates may be limited to those patients who are ineligible for or have failed prior treatments and may be small, and our projections regarding the size of the addressable market may be incorrect;
- We may not be successful in achieving cost of goods at commercial scale that provide for an attractive margin. We believe that our current, robust manufacturing processes are fit for commercial scale and we anticipate they will enable commercial supply at an economical cost. However, we have not yet established manufacturing capacity at sufficient commercial scale and may underestimate the cost and time required to do so, or overestimate cost reductions from economies of scale that can be realized with our manufacturing processes. We may ultimately be unable to manage the cost of goods for our product candidates to levels that will allow for a margin in line with our expectations and return on investment if and when those product candidates are commercialized;
- Product liability claims or lawsuits could cause us to incur substantial liabilities, and our insurance coverage may be inadequate to protect us from all the liabilities we may incur;
- The increasing use of social media platforms presents new risks and challenges.

Risks Relating to Our Intellectual Property Rights

- We depend on intellectual property licensed from third parties, and termination of any of these licenses or disruption to our business relationship with our licensors could result in monetary damages or the loss of significant rights, which would harm our business;
- If we or our licensors are unable to obtain and maintain adequate patent and other intellectual property protection for our product candidates and other intellectual property, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully develop and commercialize any of our product candidates or technologies may be adversely affected;
- If we determine that our intellectual property rights (including rights in-licensed from third parties) or other intangible assets are impaired, our results of operations and financial condition may be adversely affected;
- Even if we are able to obtain patent protection for our product candidates, the life of such protection, if any, is limited, and third parties could be able to circumvent our patents by developing similar or alternative products and technologies in a non-infringing manner, or develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, and our ability to successfully commercialize any product or technology would be materially adversely affected.

Risks Relating to Our Doing Business in China

- The biopharmaceutical industry in China is highly regulated and such regulations are subject to change, which may affect approval and commercialization of our product candidates;
- Changes in the political and economic policies of the PRC government may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies;
- Our business benefits from certain financial incentives and preferential policies granted by local governments. Expiration of, or changes to, these incentives or policies would have an adverse effect on our results of operations.

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.

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

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended December 31, 2025, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

Key Relationship with Stakeholders

The Group recognizes that various stakeholders including employees, medical experts, patients, customers, suppliers and other business associates are key to the Group's success. The Group strives to achieve corporate sustainability through engaging, educating, collaborating, and cultivating strong relationships with them. The Group believes that it is vital to attract, recruit and retain quality employees. To maintain the quality, knowledge and skill levels of the Group's workforce, the Group provides the employees with periodic training, including introductory training for new employees, technical training, professional and management training and health and safety training. 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 Group's products in the medical community and among patients, provide it with valuable clinical data to improve the Group's products, and collect feedback from the real world clinical practices and support on the patients group and comply with physicians to manage the side effects. For details of an account of the Company's key relationships with its main stakeholders, please see the "2025 Environmental, Social and Governance Report".

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years are set out on page 8 of this annual report. This summary does not form part of the audited consolidated financial statements.

USE OF NET PROCEEDS FROM LISTING

Our shares were listed on the main board of the Stock Exchange on November 3, 2020. The Group received net proceeds (after deducting the underwriting fees and related costs and expenses) from the issue of new shares by the Company in its Listing and the subsequent over-allotment option partially exercised by the Joint Global Coordinators (as defined in the Prospectus) of approximately HKD2,495.8 million.

As disclosed in the announcement dated August 27, 2025, the Board has resolved to change and revise the allocation of the Net Proceeds and the Unutilized Net Proceeds. The net proceeds (adjusted on a pro rata basis based on the actual net proceeds) (the "**Net Proceeds**") have been and will be utilized in accordance with the purposes set out therein and in the announcement dated March 26, 2026. As of December 31, 2025, unutilized net proceeds from the issue of new shares by the Company in its Listing (including the partial exercise of the over-allotment option by the Joint Global Coordinators) (the "**Unutilized Net Proceeds**") amounted to HKD250.69 million.

Report of Directors

The table below sets out the planned applications of the net proceeds and actual usage up to June 30, 2025:

Intended Applications	Amount of Net Proceeds (HKD million)	Percentage of total Net Proceeds	Net Proceeds brought forward for the six months ended June 30, 2025 (HKD million)	Actual usage for the six months ended June 30, 2025 (HKD million)	Unutilized Net Proceeds as at June 30, 2025 (HKD million)
Research and development activities relating to treatment of hematologic malignancies (including treatment of first-line and second-line LBCL, r/r FL, MCL, ALL, and other programs initiated by the Company using relma-cel)	200.00	24.53%	13.00	11.34	1.66
Research and development activities relating to treatment of solid tumors (including treatment of various solid tumors targeting MAGE-A4 (including JWTCR001), treatment of SCLC and other programs initiated by the Company targeting DLL3 (including JWCAR031), and treatment of HCC and other programs initiated by the Company targeting GPC3 (including JWATM204/JWATM214))	100.00	12.77%	57.31	24.31	33.00
Research and development activities relating to treatment of autoimmune diseases (including treatment of SLE and other programs initiated by the Company using relma-cel)	240.00	29.44%	136.20	11.20	125.00
Potential collaborations, acquisitions and in-licensing opportunities (including potential future collaboration with Acepodia)	100.00	12.27%	100.00	—	100.00
Developing and upgrading technologies, manufacturing platform capabilities and developing new therapy areas	95.00	11.65%	95.00	44.97	50.03
Working capital and general corporate purposes	80.19	9.84%	2.25	2.25	—
Total	815.19	100.0%	403.76	94.07	309.69

The table below sets out the planned applications of the net proceeds and actual usage for the period from June 30, 2025 to December 31, 2025:

Revised use of Net Proceeds as of June 30, 2025	Revised allocation of Unutilized Net Proceeds as of June 30, 2025 (HKD million)	Revised percentage of Unutilized Net Proceeds	Actual usage for the period from June 30, 2025 to December 31, 2025 (HKD million)	Amount of Unutilized Net Proceeds as of December 31, 2025 (HKD million)
1. Research and development activities relating to treatment of hematologic malignancies (including treatment of second-line LBCL, r/r FL, MCL, and other programs initiated by the Company using relma-cel)	30.00	9.69%	6.08	23.92
2. Research and development activities relating to treatment of solid tumors (including treatment of various solid tumors targeting MAGE-A4 and other potential programs initiated by the Company)	20.00	6.46%	3.61	16.39
3. Research and development activities relating to treatment of autoimmune diseases (including treatment of SLE and other programs initiated by the Company using relma-cel)	50.00	16.15%	5.46	44.54
4. Potential collaborations, acquisitions and in-licensing opportunities	60.00	19.37%	—	60.00
5. Developing and upgrading technologies, manufacturing platform capabilities and developing new therapy areas (including studies relating to dual CAR-T targeting CD19/20 and other potential research and development activities)	120.00	38.75%	28.96	91.04
6. Working capital and general corporate purposes	29.69	9.59%	14.89	14.80
Total	309.69	100.00%	59.00	250.69

The Unutilized Net Proceeds are expected to be utilized by the end of 2027.

Change in Use of Net Proceeds from Listing

The Board, having considered the reasons set out below under the heading “Reasons for the Change in Use of Net Proceeds,” has resolved to change the use of the Unutilized Net Proceeds, as disclosed in the announcement dated August 27, 2025. The change and the revised allocation of the Net Proceeds and the Unutilized Net Proceeds are set out below:

Original use of Net Proceeds as of June 30, 2025	Original Allocation of Unutilized Net Proceeds as of June 30, 2025 (HKD million)	Percentage of total Net Proceeds	Amount of utilized Net Proceeds as of June 30, 2025 (HKD million)	Amount of Unutilized Net Proceeds as of June 30, 2025 (HKD million)	Changed use of proceeds as of June 30, 2025	Revised allocation of Unutilized Net Proceeds as of June 30, 2025 (HKD million)	Revised percentage of Unutilized Net Proceeds
1. Research and development activities relating to treatment of hematologic malignancies (including treatment of first-line and second-line LBCL, r/r FL, MCL, ALL, and other programs initiated by the Company using relma-cel)	200.00	24.53%	198.34	1.66	1. Research and development activities relating to treatment of hematologic malignancies (including treatment of second-line LBCL, r/r FL, MCL, and other programs initiated by the Company using relma-cel)	30.00	9.69%
2. Research and development activities relating to treatment of solid tumors (including treatment of various solid tumors targeting MAGE-A4 (including JWTCR001), treatment of SCLC and other programs initiated by the Company targeting DLL3 (including JWCAR031), and treatment of HCC and other programs initiated by the Company targeting GPC3 (including JWATM204/ JWATM214))	100.00	12.27%	67.00	33.00	2. Research and development activities relating to treatment of solid tumors (including treatment of various solid tumors targeting MAGE-A4 and other potential programs initiated by the Company)	20.00	6.46%

Original use of Net Proceeds as of June 30, 2025	Original Allocation of Unutilized Net Proceeds as of June 30, 2025 (HKD million)	Percentage of total Net Proceeds	Amount of utilized Net Proceeds as of June 30, 2025 (HKD million)	Amount of Unutilized Net Proceeds as of June 30, 2025 (HKD million)	Changed use of proceeds as of June 30, 2025	Revised allocation of Unutilized Net Proceeds as of June 30, 2025 (HKD million)	Revised percentage of Unutilized Net Proceeds
3. Research and development activities relating to treatment of autoimmune diseases (including treatment of SLE and other programs initiated by the Company using relma-cel)	240.00	29.44%	115.00	125.00	3. Research and development activities relating to treatment of autoimmune diseases (including treatment of SLE and other programs initiated by the Company using relma-cel)	50.00	16.15%
4. Potential collaborations, acquisitions and in-licensing opportunities (including potential future collaboration with Acepodia)	100.00	12.27%	—	100.00	4. Potential collaborations, acquisitions and in-licensing opportunities	60.00	19.37%
5. Developing and upgrading technologies, manufacturing platform capabilities and developing new therapy areas	95.00	11.65%	44.97	50.03	5. Developing and upgrading technologies, manufacturing platform capabilities and developing new therapy areas (including studies relating to dual CAR-T targeting CD19/20 and other potential research and development activities)	120.00	38.75%
6. Working capital and general corporate purposes	80.19	9.84%	80.19	—	6. Working capital and general corporate purposes	29.69	9.59%
Total	815.19	100.00%	505.50	309.69		309.69	100.00%

Reasons for the Change in Use of Net Proceeds

The reasons for the above changes in the proposed applications of the Net Proceeds and the reallocation of the Unutilized Net Proceeds are as follows:

- From the time of the Listing in November 2020, the Company's business has been focused on developing, manufacturing and commercializing cell-based immunotherapies for hematological cancers, autoimmune disease and solid tumors.
- Since 2020, in the hematology field, the Company has brought relma-cel to commercialization as a third-line treatment for LBCL, r/r FL and r/r MCL and the Company has (a) driven commercialization of relma-cel for these indications; (b) submitted an NDA application in May 2025 for Carteyva® as a second-line therapy for transplant-ineligible patients with r/r LBCL; and (c) developed a vector manufacturing platform which has successfully produced lentiviral vectors for the manufacture of Carteyva®.
- The Company's research and development team (the "**R&D team**") is actively engineering innovative pipeline products leveraging its developmental capabilities and know-how. One of our first in-house developed products is JWCAR201, a dual targeting autologous CAR-T cell therapy designed for B-cell malignancies and autoimmune diseases. By incorporating dual targeting, this product is expected to have a broader range of effectiveness, increase the signaling threshold, and significantly reduce the risk of relapse due to antigen downregulation or loss, a common phenomenon observed in hematological cancers. Additionally, we plan to equip this product with enhanced Armored elements to improve performance and shield it from suppressive factors produced by the tumor's defense systems. Our next generation processing techniques will be deployed to manufacture this product, aiming to deliver a more potent, rapid, and cost-effective therapy. Both products are intended for commercialization both within and outside China. The Company has also determined that it is appropriate to allocate a portion of the Unutilized Net Proceeds to fund product discovery activities carried out by the R&D team to develop new therapy areas.
- In addition, we continue to explore innovative approaches to simplify the manufacturing process. We are investigating the feasibility of short process and non-viral methods that involve genomic editing and off-the-shelf CAR products for various indications. These approaches may potentially expedite the delivery of therapies to patients, improve product efficacy and safety profile, and reduce overall production costs. The Company therefore considers that reallocating an additional portion of the Unutilized Net Proceeds to the development of a set of new technologies and platforms, including optimization of manufacturing operations to potentially shorten production cycle time and exploration of new technologies for process improvement or new process platforms, will increase its profitability in the long run.
- In the solid tumor field, in October 2022, the Company established a strategic alliance with 2seventy bio to develop and commercialize a cell therapy product directed to MAGE-A4 in oncology indications. 2seventy bio's oncology and autoimmune research and development programs were acquired by Regeneron in 2024. With Regeneron's support, we believe that the Company may be able to secure a first-mover or early-mover advantage in a highly promising market through the development of such a therapy. We have established our manufacturing process for a product directed to MAGE-A4, and patient enrollment in this IIT was initiated in the first quarter of 2024.

- In 2022, the Company commenced exploration of an opportunity to develop relma-cel as a treatment for SLE, an autoimmune disease that is widely prevalent in China and is characterized by substantial unmet medical need, and in April 2023 the NMPA approved the Company's IND application relating to relma-cel as a treatment for SLE and we completed patient enrollment by the end of 2024. We have already demonstrated successful manufacture of CAR-T cells for SLE patients in both IIT/IND studies and observed a well-managed safety profile, significant improvement of clinical symptoms as well as complete depletion of B-cells. Research and development on products intended for treatment of autoimmune diseases including SLE remains an important priority for the Company.
- Historically the Company primarily accessed discovery capabilities through its relationships with counterparties such as Juno and 2seventy bio. Going forward, the Company will continue to enhance its own in-house product discovery capability while also taking advantage of appropriate opportunities to collaborate with counterparties. The Company will continue to pursue the external collaboration opportunities for attractive and innovative assets.

In conclusion, the Company has determined that it is appropriate to revise the previous allocation of the Unutilized Net Proceeds among the following uses: (i) research and development activities relating to treatment of hematologic malignancies, autoimmune diseases and solid tumors; (ii) potential collaborations, acquisitions and in-licensing opportunities; and (iii) developing and upgrading technologies, manufacturing platform capabilities and developing new therapy areas.

Further, the Company has fully utilized the Net Proceeds originally allocated for working capital and general corporate purposes. The Company continued to execute the Group's optimization strategies in relation to its commercial initiatives, coupled with the pursuit of the organization effectiveness program. Due to improved operation efficiency, general and administrative expenses and selling expenses were reduced by 45.7% and 23.2%, respectively, for the six months ended June 30, 2025 as compared to the six months ended June 30, 2024. In order to enhance corporate cash flow and the flexibility of financial management of the Company to facilitate the growth of the Company's business and operation, the Company has resolved to reallocate HKD29.69 million, representing 9.59% of the Unutilized Net Proceeds, for working capital and general corporate purpose.

The Board has considered that, notwithstanding the change in use of the Unutilized Net Proceeds as stated above, the strategic direction of the Company is still in line with the disclosures that were made in the Prospectus. The Board confirms that there has been no material change in the nature of the Company's business as set out in the Prospectus, and the Board is of the view that the change in the use of the Net Proceeds is fair and reasonable, as this would allow the Company to deploy its financial resources more effectively to advance the pipeline products of the Company, and is therefore in the best interest of the Company and the Shareholders as a whole.

Except as disclosed above, there are no other proposed changes in the use of the Net Proceeds. The Unutilized Net Proceeds will be applied in a manner consistent with the above and remains subject to change based on the future development of market conditions and the Company's actual needs.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

We rely on third-party distributors to sell our commercial product Carteyva®, which is consistent with the general practices of the pharmaceutical industry. For the year ended December 31, 2025, the Group's product sales to its five largest customers accounted for 100% (2024: 100%) of the Group's total product revenue and our single largest customer accounted for 100% (2024: 100%) of the Group's total product revenue.

Major Suppliers

For the year ended December 31, 2025, the Group's five largest suppliers accounted for 36% (2024: 21%) of the Group's total purchases and our single largest supplier accounted for 16% (2024: 10%) of the Group's total purchases.

During the Reporting Period, save for Juno, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares (excluding treasury shares) of the Company) had any interest in the Group's five largest customers and suppliers.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended December 31, 2025 are set out in note 28 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year ended December 31, 2025 are set out in the consolidated statement of changes in equity on page 135 of this annual report.

DISTRIBUTABLE RESERVES

As at December 31, 2025, the Company did not have any distributable reserves.

TAXATION

Tax position of the Group for the year ended December 31, 2025 is set out in note 12 to the consolidated financial information.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at December 31, 2025 are set out in note 25 to the consolidated financial statements.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as otherwise disclosed in this annual report, the Company has no other future plans for material investments or capital assets.

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report are:

Executive Director

Mr. Feng Tian (*appointed as Chief Executive Officer and as executive Director on December 29, 2025*)

Mr. Min Liu (*appointed as Chairman on March 13, 2025 and resigned as Chairman, as Chief Executive Officer and as executive Director on December 12, 2025*)

Non-executive Directors

Dr. Cheng Liu (*appointed as Chairman on December 12, 2025*)

Dr. Yiping James Li (*stepped down as Chairman on March 13, 2025*)

Ms. Xing Gao

Dr. Sungwon Song

Independent Non-executive Directors

Mr. Kin Cheong Kelvin Ho

Dr. Debra Yu

Mr. Peng Kuan Chan

In accordance with article 16.2 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy or as addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

In accordance with article 16.19 of the Articles of Association, 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 and be eligible for re-election and re-appointment at every annual general meeting, provided that every Director shall be subject to retirement by rotation at least once every three years.

Accordingly, Mr. Feng Tian, Dr. Cheng Liu, Dr. Sungwon Song and Dr. Debra Yu will retire and, being eligible, have offered themselves for re-election as Director at the forthcoming AGM.

Details of the Directors to be re-elected at the AGM are set out in the circular to the Shareholders to be despatched to the Shareholders.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 41 to 47 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent throughout the year ended December 31, 2025 and remain so as of the date of this annual report.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Directors with service contracts or appointment letters serve a three-year term and are subject to retirement by rotation and re-election pursuant to the Articles of Association and the Listing Rules. None of the Directors who are proposed for re-election at the annual general meeting has a service contract or appointment letter with the Company not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

None of the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party for during the year ended December 31, 2025 and up to the date of this annual report.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

The Company has no controlling shareholder.

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 for the year ended December 31, 2025 and up to the date of this annual report.

EMPLOYEES AND REMUNERATION POLICY

As at December 31, 2025, we had 314 employees representing an increase of 11.7% from 281 employees as of December 31, 2024. The following table sets forth the total number of employees by function as at December 31, 2025:

	Number of Employees	% of total
Manufacturing operations	126	40.1%
MAH quality assurance	8	2.5%
Research and development	63	20.1%
Commercial	75	23.9%
Support functions and business development	42	13.4%
Total	314	100.0%

The total remuneration cost (including Directors' emoluments) incurred by the Group for the year ended December 31, 2025 was RMB159.6 million, as compared to RMB227.7 million for the year ended December 31, 2024.

The remuneration of the employees of the Group comprises salaries, bonuses, employees provident fund and social security contributions, other welfare payments and share-based compensation expenses. In accordance with applicable Chinese laws, the Group has 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 the Group's employees.

The Company has also adopted the Pre-IPO Incentivization Scheme, the Post-IPO Incentivization Scheme, the Pre-IPO Restricted Share Unit Schemes and the Post-IPO Restricted Share Unit Scheme. Please refer to the section headed "Share Incentivization Schemes" in this annual report for further details.

PENSION AND EMPLOYEE BENEFITS SCHEME

Our employees' remuneration consists of salaries, bonuses, employees provident fund, and social security contributions, other welfare payments and share-based compensation expenses. 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. Details of the retirement and employee benefits scheme of the Company are set out in note 10 to the consolidated financial statements.

CHANGES IN DIRECTOR'S INFORMATION

Name of Director	Change
Dr. Cheng Liu	Dr. Liu has been appointed as Chairman and Authorised Representative with effect from December 12, 2025. Dr. Liu resigned as the Authorized Representative with effect from December 29, 2025.
Mr. Feng Tian	Mr. Tian has been appointed as the CEO, executive Director, member to each of the Nomination Committee and the Business Development and Strategy Committee with effect from December 29, 2025. Mr. Tian has been appointed as the Authorized Representative in place of Dr. Liu with effect from December 29, 2025.

Save as disclosed above and in the section headed "Directors and Senior Management" in this annual report, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the 2025 interim report of the Company.

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

As at December 31, 2025, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been 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 which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in Shares and underlying Shares

Name of Director	Capacity/nature of interest	Number of shares/ underlying shares	Approximate Percentage of Shareholding in the Company ⁽²⁾	Long position/ Short position/ Lending pool
Dr. Li ⁽¹⁾	Beneficial interest	19,836,594	4.76%	Long position
	Interest in controlled corporation	9,206,460	2.21%	Long position
Dr. Cheng Liu	Beneficial interest	5,764,582	1.38%	Long position

Notes:

- (1) Dr. Li held (i) 7,500,000 Shares through his direct interests in JDI Capital Management Limited and (ii) 1,706,460 Shares through his indirect interests in Park Place Capital Management & Consulting Limited. Park Place Capital Management & Consulting Limited is wholly-owned by JDI Capital Management Limited which in turn is wholly-owned by Dr. Li.

As at December 31, 2025, Dr. Li is interested in a total of 19,836,594 underlying Shares in the Company, which comprises 15,818,845 Restricted Share Units granted to him pursuant to the Restricted Share Unit Scheme and 4,017,749 share options granted to him pursuant to the Post-IPO Incentivization Scheme.

Accordingly, Dr. Li is interested in an aggregate of 29,043,054 Shares in the Company.

- (2) The calculation is based on the total number of 416,473,250 Shares in issue as at December 31, 2025.

Save as disclosed above, as at December 31, 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required 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 required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the Reporting Period 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 spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

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

As at December 31, 2025, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares/ underlying Shares	Approximate Percentage of Shareholding in the Company ⁽³⁾	Long Position/ Short Position/ Lending Pool
Juno ⁽¹⁾	Beneficial interest	70,231,140	16.86%	Long position
Celgene Corporation ⁽¹⁾	Interest in controlled corporation	70,231,140	16.86%	Long position
BMS ⁽¹⁾	Interest in controlled corporation	70,231,140	16.86%	Long position

Notes:

(1) As at December 31, 2025, Juno directly held 70,231,140 Shares. Pursuant to the BCMA License Agreement, the 4,665,530 Juno Settlement Shares may be issued to Juno upon exercise of the second warrant as part of the second upfront payment in relation to Juno's orva-cel. In February 2021, BMS announced that it would discontinue clinical development of orva-cel and therefore, the 4,665,530 Juno Settlement Shares shall no longer be issued to Juno. Juno is wholly-owned by Celgene which is in turn wholly-owned by BMS. As such, under the SFO, BMS (through its interest in a controlled corporation) is deemed to be interested in 70,231,140 Shares held by Juno.

(2) The calculation is based on the total number of 416,473,250 Shares in issue as at December 31, 2025.

Save as disclosed above, as at December 31, 2025, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE INCENTIVIZATION SCHEMES

Pre-IPO Incentivization Scheme

Our Company adopted the Pre-IPO Incentivization Scheme on September 4, 2019. The purpose of the Pre-IPO Incentivization Scheme is to attract, retain and motivate employees, Directors and such other eligible persons and to provide a means of compensating them through the grant of options for their contribution to the growth and profits of the Group, and to allow such employees, directors and other persons to participate in the growth and profitability of the Group.

Participants of the Pre-IPO Incentivization Scheme include any employee or any Directors (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries and any other service provider to the Group, who in the sole opinion of the Board, will contribute or have contributed to the Group. The maximum entitlement for each participant is that the total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue (the “**Individual Limit**”). Any further grant of options to any one participant in excess of the Individual Limit shall be subject to the Shareholders’ approval in general meeting with such participant and his associates abstaining from voting.

Options granted generally vest over a four-year period from the date of grant. There are two types of vesting schedules: (i) with 30% of total options vesting on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% of total options vesting on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.

The options under the Pre-IPO Incentivization Scheme were granted to the grantees at nil consideration. An option may be exercised in accordance with the terms of the Pre-IPO Incentivization Scheme at any time for a period of 10 years after the date of grant of the option for each corresponding grantee as set out in their respective offer letters.

As of January 1, 2025 and December 31, 2025, the total number of share options available for grant under the scheme mandates of the Pre-IPO Incentivization Scheme was 1,438,704. The Pre-IPO Incentivization Scheme does not have a service provider sublimit. As at the date of this annual report, the total number of shares available for issue under the Pre-IPO Incentivization Scheme was 1,438,704, representing approximately 0.35% of the total Shares in issue (excluding treasury Shares).

The Pre-IPO Incentivization Scheme has a remaining term of approximately two years and six months as of the date of this report.

Details of options granted under the Pre-IPO Incentivization Scheme during the Reporting Period is as follows:

Name of Participant or Category of Participant	Date of grant	Number of outstanding options held at January 1, 2025	Number of options granted	Number of options lapsed	Number of options cancelled	Number of options exercised	Number of outstanding options held at December 31, 2025	Exercise Period ⁽¹⁾	Vesting Period ⁽²⁾	Exercise Price (HKD)	Weighted average closing price of the shares immediately before the dates on which the options were exercised (HKD)	Fair value of options at the date of grant (USD)
Other employee participants	04-09-2019	576,930	—	286,100	—	290,830	152,500	10 years	4 years	0.775	3.35	0.63
	04-09-2019	220,140	—	—	—	—	220,140	10 years	4 years	5.07625	—	0.33
	30-06-2020	425,800	—	160,940	—	145,260	119,600	10 years	4 years	0.000775	2.70	1.92
	10-09-2020	—	—	—	—	—	—	10 years	4 years	0.000078	—	2.43
Other Related Entity Participants						N/A						
Other Service Providers						N/A						

Notes:

- (1) An option may be exercised in accordance with the terms of the Pre-IPO Incentivization Scheme at any time for a period of 10 years from the date of grant for each corresponding grantee as set out in their respective offer letters.
- (2) Options granted generally vest over a four-year period from the date of grant. The options shall vest in accordance with either of these vesting schedules: (i) with 30% of total options shall vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; or (ii) with 25% of total options shall vest on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.
- (3) All options granted under the Pre-IPO Incentivization Scheme were not subject to any performance targets.
- (4) The options under the Pre-IPO Incentivization Scheme were granted to the grantees at nil consideration.
- (5) The closing price of the Shares immediately before the dates on which the options were granted was not applicable as the Company was not yet listed on the dates of grant.
- (6) During the Reporting Period, the number of Shares that may be issued in respect of the options granted under the Pre-IPO Incentivization Scheme divided by the weighted average number of total Shares in issue was approximately 0.35%.
- (7) During the Reporting Period, no grants were made to any eligible participants of the Pre-IPO Incentivization Scheme with options granted or to be granted in excess of the 1% individual limit and no grants were made to any related entity participants or service providers with options granted or to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue (excluding treasury shares) of the Company.
- (8) For details of the basis of measurement for the fair value of options granted, please refer to note 30 headed "Share-based payments" of the consolidated financial statements.

Post-IPO Incentivization Scheme

Our Company adopted the Post-IPO Incentivization Scheme on October 14, 2020. The purpose of the Post-IPO Incentivization Scheme is to enable our Group to grant options to selected participants as incentives or rewards for their contribution to our Group.

Participants of the Post-IPO Incentivization Scheme include any employee or any Directors (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries and any other service provider to the Group, who in the sole opinion of the Board, will contribute or have contributed to the Group. The maximum entitlement for any one participant is that the total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed the Individual Limit. Any further grant of options to any one participant in excess of the Individual Limit shall be subject to the Shareholders' approval in general meeting with such participant and his associates abstaining from voting.

Options granted generally vest over a four-year period from the date of grant. There are two types of vesting schedules: (i) with 30% of total options vesting on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% of total options vesting on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.

The options under the Post-IPO Incentivization Scheme were granted to the grantees at nil consideration. An option may be exercised in accordance with the terms of the Post-IPO Incentivization Scheme at any time for a period of ten years after the date of grant of the option for each corresponding grantee as set out in their respective offer letters. The date of board meeting for proposing any grant of options under the Post-IPO Incentivization Scheme should be taken as the date of grant for the purpose of calculating the exercise price pursuant to Rule 17.03E of the Listing Rules.

The Post-IPO Incentivization Scheme has been administered by the Board in accordance with the relevant scheme rules. During the Reporting Period, having reviewed and considered current and anticipated growth needs of the Company while aiming to limit unnecessary dilution of shareholders equity, the Board has resolved to re-utilize a total of 3,542,819 previously granted but lapsed share options as permissible under the Post-IPO Incentivization Scheme and in compliance with the Listing Rules.

As of January 1, 2025 and December 31, 2025, the total number of share options available for grant under the scheme mandates of the Post-IPO Incentivization Scheme was 26,696,490 and 18,552,567, respectively. The Post-IPO Incentivization Scheme does not have a service provider sublimit. As at the date of this annual report, the total number of shares available for issue under the Post-IPO Incentivization Scheme was 18,552,567, representing approximately 4.45% of the total Shares in issue (excluding treasury Shares).

The Post-IPO Incentivization Scheme has a remaining term of approximately three years and six months as of the date of this report.

On April 11, 2025, with respect to the 2,256,183 options granted to Mr. Min Liu, who resigned as Chairman and an executive Director of the Company effective from December 12, 2025, 256,183 options were granted with no performance target attached and shall immediately vest on the date of grant. The Board and the Remuneration Committee are of the view that, taking into account of (i) having reviewed the Company's overall performance, the grant of 256,183 options to Mr. Liu serves as recognition of Mr. Liu's role with the Group and contribution to the development and growth of the Group for the preceding fiscal year; (ii) the remuneration of Mr. Liu includes the grant of options as part of his remuneration package; and (iii) Mr. Liu's remuneration package has been reviewed by the Remuneration Committee to be in line with the industry practice, the grant of 256,183 options to Mr. Liu with no performance target attached and shall immediately vest on the date of grant reinforces Mr. Liu's commitment to the Group and thus aligns with the purposes of the Post-IPO Incentivization Scheme.

With regard to the remaining 2,000,000 options granted to Mr. Liu, the relevant number of options shall commence vesting 6 months from each of the respective dates upon Mr. Liu's fulfilment of the respective performance targets. For details, see note (7) below.

On September 16, 2025, among the 4,204,490 options granted to Mr. Min Liu, who resigned as Chairman and an executive Director of the Company effective from December 12, 2025, 40,392 options shall vest on the date of grant. The Post-IPO Incentivization Scheme does not provide for any minimum vesting period. The Board and the Remuneration Committee were of the view that the grant of immediately vested options to Mr. Liu was appropriate, taking into account of (i) having reviewed the Company's overall performance, the grant of 40,392 Options to Mr. Liu served as recognition of Mr. Liu's role with the Group and contribution to the development and growth of the Group for the preceding fiscal year; (ii) the remuneration of Mr. Liu included the grant of options as part of his remuneration package; and (iii) Mr. Liu's remuneration package had been reviewed by the Remuneration Committee to be in line with the industry practice.

For the remaining 4,164,098 options, 2,082,049 options shall vest on a time-based vesting schedule and 2,082,049 options shall commence vesting from each of the respective dates upon Mr. Liu's fulfilment of the respective performance targets. For details, see note (10) below. With regard to the remaining 2,082,049 Options granted to Mr. Liu, the relevant number of Options shall commence vesting immediately from the dates upon Mr. Liu's fulfillment of certain performance targets within the term of the Post-IPO Incentivization Scheme.

The Remuneration Committee acknowledged that certain vesting periods of the 4,164,098 Options granted to Mr. Liu maybe less than 12 months from the date of grant. Having considered that, (i) the respective vesting commencement dates are tied to the dates on which Mr. Liu fulfills certain performance targets and (ii) Mr. Liu's performance and contribution to the Group to date and his potential, the Remuneration Committee is of the view that permitting such a circumstance in having vesting periods of less than 12 months could effectively incentivize Mr. Liu in further optimizing his performance and efficacy to achieve the performance targets pursuant to the grant for the benefit and growth of the Group, and that such arrangement to be in alignment with the purposes of Post-IPO Incentivization Scheme.

Report of Directors

As the proposed grant of 4,204,490 options would result in the Shares issued and to be issued in respect of all options and RSUs granted to Mr. Liu (excluding any options and RSUs lapsed in accordance with the terms of the applicable scheme) in the 12-month period up to and include the date of grant exceeded 1% of the total number of Shares in issue as at the date of grant, the grant of options to Mr. Liu shall be subject to the approval by the Shareholders at the extraordinary general meeting pursuant to the Rule 17.03D of the Listing Rules. Mr. Liu and his respective associate(s) shall abstain from voting on the resolution to the grant of options to himself at the extraordinary general meeting.

References are made to the announcements made by the Company dated September 16, 2025, September 30, 2025 and December 12, 2025, respectively. Given that the Company announced a delay in dispatch of circular and a notice of extraordinary general meeting in relation to the grant of 4,204,490 options to Mr. Liu and Mr. Liu's resignation has become effective prior to the extraordinary general meeting taking place, upon further consideration, the Board approved that the grant of 4,204,490 options to Mr. Liu be cancelled with effect from December 12, 2025. The cancellation had been agreed by Mr. Liu.

Details of options granted under the Post-IPO Incentivization Scheme during the Reporting Period is as follows:

Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the options were granted (HKD)	Number of outstanding options held at January 1, 2025	Number of options granted	Number of options lapsed	Number of options cancelled	Number of options exercised	Number of outstanding options held at December 31, 2025	Exercise Period ⁽¹⁾	Vesting Period	Exercise Price (HKD)	Weighted average closing price of the shares immediately before the dates on which the options were exercised (HKD)	Fair value of options at the date of grant (HKD)
Director													
Mr. Liu, Chairman and executive Director (resigned on December 12, 2025)	02-09-2024	1.34	1,500,000	—	1,500,000	—	—	—	10 years	4 years ⁽³⁾	1.32	—	0.62
	11-04-2025	1.44	—	2,256,183	2,000,000	—	—	256,183	10 years	4 years ⁽⁷⁾	1.48	—	1.00
Dr. Li, non-executive Director	30-09-2021	14.74	4,017,749	—	—	—	—	4,017,749	10 years	4 years ⁽²⁾	—	—	6.928
Other employee participants													
	30-09-2021	14.74	1,457,021	—	763,098	—	—	693,923	10 years	4 years ⁽²⁾	16.2	—	6.928/7.836
	17-12-2021	11.36	257,618	—	—	—	—	257,618	10 years	4 years ⁽³⁾	11.992	—	5.472/5.779
	24-06-2022	8.26	856,977	—	442,667	—	—	414,310	10 years	4 years ⁽²⁾	8.94	—	4.588/4.818
	29-09-2022	3.25	6,667	—	—	—	—	6,667	10 years	4 years ⁽³⁾	3.31	—	1.578/1.676
	16-12-2022	4.34	30,000	—	5,000	—	—	25,000	10 years	4 years ⁽³⁾	4.83	—	2.058/2.194
	29-08-2023	6.35	277,007	—	205,842	—	16,059	54,645	10 years	4 years ⁽²⁾⁽⁵⁾	2.46	4.71	1.54/1.57
	02-09-2024	1.34	539,144	—	539,144	—	—	—	10 years	4 years ⁽³⁾⁽⁶⁾	1.32	—	0.57
	06-01-2025	1.27	—	387,740	193,870	—	—	193,870	10 years	4 years ⁽²⁾⁽⁸⁾	1.36	—	0.94
	11-04-2025	1.44	—	5,500,000	1,800,000	—	—	3,700,000	10 years	4 years ⁽²⁾⁽⁹⁾	1.48	—	0.87
Other Related Entity Participants													
N/A													
Other Service Providers													
N/A													

Notes:

- (1) An option may be exercised in accordance with the terms of the Post-IPO Incentivization Scheme at any time for a period of ten years after the date of grant of the option for each corresponding grantee as set out in their respective offer letters.
- (2) Options granted generally vest over a four-year period from the date of grant. The options shall vest in accordance with either of these vesting schedules: (i) with 30% of total options shall vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; or (ii) with 25% of total options shall vest on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.
- (3) Options granted generally vest over a four-year period from the date of grant, with 30% of total options shall vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively.
- (4) All options granted under the Post-IPO Incentivization Scheme prior to August 29, 2023 were not subject to any performance targets.
- (5) The vesting of the options granted to other employee participants (the "**Grantees**") on August 29, 2023 is conditional upon the Grantees having fulfilled certain performance targets and other requirements as set out in the option letters entered into between the Company and the Grantees. Such performance targets include the Grantees' individual appraisal results with respect to the relevant vesting period. The options granted will only be vested if the Grantee passes his or her respective performance evaluation for the fiscal year preceding the corresponding vesting period. If the Grantee fails to achieve, the unvested options of the corresponding vesting period shall automatically lapse.
- (6) The vesting of the options granted to an employee participant (the "**Grantee**") on September 2, 2024 is conditional upon the Grantee having fulfilled certain performance targets and other requirements as set out in the option letters entered into between the Company and the Grantee. Such performance targets include the Grantee's individual appraisal results with respect to the relevant vesting period. The options granted will only be vested if the Grantee passes his or her respective performance evaluation for the fiscal year preceding the corresponding vesting period. If the Grantee fails to achieve, the unvested options of the corresponding vesting period shall automatically lapse.
- (7) With regard to the 2,000,000 options among the 2,256,183 options granted to Mr. Liu, Chairman and an executive Director, on April 11, 2025, the relevant number of options shall commence vesting 6 months from each of the respective dates upon Mr. Liu's fulfilment of the respective performance targets. The respective vesting commencement dates shall be as follows:
 - 100,000 options shall commence vesting 6 months from the date of fulfilment of certain performance targets by December 31, 2025
 - 200,000 options shall commence vesting 6 months from the date of fulfilment of certain performance targets by December 31, 2026
 - 200,000 options shall commence vesting 6 months from the date of fulfilment of certain performance targets by June 30, 2026
 - 200,000 options shall commence vesting 6 months from the date of fulfilment of certain performance targets by March 31, 2026
 - 200,000 options shall commence vesting 6 months from the date of fulfilment of certain performance targets by October 10, 2034
 - 700,000 options shall commence vesting 6 months from the date of fulfilment of certain performance targets by June 30, 2026
 - 400,000 options shall commence vesting 6 months from the date of fulfilment of certain performance targets by June 30, 2026

Notwithstanding the foregoing, if Mr. Liu fulfils a specific performance target (such fulfilment to be determined by the Board in its sole discretion) on any date since the date of grant by October 10, 2034, all options not previously vested pursuant to one or more of the respective performance targets mentioned above shall commence vesting 6 months from the date on which such specific performance target has been fulfilled.

The Remuneration Committee acknowledges that certain vesting periods of the 2,000,000 options granted to Mr. Liu maybe less than 12 months from the date of grant. Having considered that, (i) the respective vesting commencement dates are tied to the dates on which Mr. Liu fulfils the respective performance targets and (ii) Mr. Liu's performance and contribution to the Group to date and his potential, the Remuneration Committee is of the view that permitting such a circumstance in having vesting periods of less than 12 months could effectively incentivize Mr. Liu in further optimizing his performance and efficacy to achieve the respective performance targets pursuant to the grant for the benefit and growth of the Group, and that such arrangement to be in alignment with the purposes of Post-IPO Incentivization Scheme.

References are made to the announcements made by the Company dated April 11, 2025 and September 16, 2025, respectively, in relation to the grant of 2,256,183 options granted to Mr. Min Liu, who resigned as Chairman and an executive Director effective from December 12, 2025. Considering the Company has restructured its business priorities to reflect current changes in market trends and development, the Board has reviewed and approved amendment to the vesting schedule upon meeting certain performance targets related to the 2,000,000 options granted to Mr. Liu to ensure alignment with the revised business priorities of the Company. The amendment to the vesting schedule of grant of 2,000,000 options to Mr. Liu published in the announcement dated April 11, 2025 were amended as follows:

- 100,000 options shall commence vesting 6 months from the date of fulfilment of certain performance targets
 - 200,000 options shall commence vesting 6 months from the date of fulfilment of certain performance targets
 - 200,000 options shall commence vesting 6 months from the date of fulfilment of certain performance targets
 - 200,000 options shall commence vesting 6 months from the date of fulfilment of certain performance targets
 - 200,000 options shall commence vesting 6 months from the date of fulfilment of certain performance targets
 - 700,000 options shall commence vesting 6 months from the date of fulfilment of certain performance targets
 - 400,000 options shall commence vesting 6 months from the date of fulfilment of certain performance targets
- (8) The vesting of the options granted to other employee participants (the "**Grantees**") on January 6, 2025 is conditional upon the Grantees having fulfilled certain performance targets and other requirements as set out in the option letters entered into between the Company and the Grantees. Such performance targets include the Grantees' individual appraisal results with respect to the relevant vesting period. The options granted will only be vested if the Grantee passes his or her respective performance evaluation for the fiscal year preceding the corresponding vesting period. If the Grantee fails to achieve, the unvested options of the corresponding vesting period shall automatically lapse.
- (9) The vesting of the options granted to other employee participants (the "**Grantees**") on April 11, 2025 is conditional upon the Grantees having fulfilled certain performance targets and other requirements as set out in the option letters entered into between the Company and the Grantees. Such performance targets include the Grantees' individual appraisal results with respect to the relevant vesting period. The options granted will only be vested if the Grantee passes his or her respective performance evaluation for the fiscal year preceding the corresponding vesting period. If the Grantee fails to achieve, the unvested options of the corresponding vesting period shall automatically lapse.

(10) Among the 4,164,098 Options granted to Mr. Liu, on September 16, 2025, 2,082,049 Options shall vest as follows:

- One-third of 2,082,049 Options shall vest on the first anniversary of the vesting commencement date;
- Second one-third of 2,082,049 Options shall vest on the second anniversary of the vesting commencement date; and
- Final one-third of 2,082,049 Options shall vest on the third anniversary of the vesting commencement date.

With regard to the remaining 2,082,049 Options granted to Mr. Liu, the relevant number of Options shall commence vesting immediately from the dates upon Mr. Liu's fulfilment of certain performance targets within the term of the Post-IPO Incentivization Scheme.

The Remuneration Committee acknowledged that certain vesting periods of the 4,164,098 Options granted to Mr. Liu maybe less than 12 months from the date of grant. Having considered that, (i) the respective vesting commencement dates are tied to the dates on which Mr. Liu fulfils certain performance targets and (ii) Mr. Liu's performance and contribution to the Group to date and his potential, the Remuneration Committee is of the view that permitting such a circumstance in having vesting periods of less than 12 months could effectively incentivize Mr. Liu in further optimizing his performance and efficacy to achieve the performance targets pursuant to the grant for the benefit and growth of the Group, and that such arrangement to be in alignment with the purposes of Post-IPO Incentivization Scheme.

References are made to the announcements made by the Company dated September 16, 2025, September 30, 2025 and December 12, 2025, respectively. Given that the Company announced a delay in dispatch of circular and a notice of extraordinary general meeting in relation to the grant of 4,204,490 options to Mr. Liu and Mr. Liu's resignation has become effective prior to the extraordinary general meeting taking place, upon further consideration, the Board approved that the grant of 4,204,490 options to Mr. Liu be cancelled with effect from December 12, 2025. The cancellation had been agreed by Mr. Liu.

- (11) During the Reporting Period, the number of Shares that may be issued in respect of options granted under the Post-IPO Incentivization Scheme divided by the weighted average number of total Shares in issue was approximately 4.46%.
- (12) During the Reporting Period, no grants were made to any eligible participants of the Post-IPO Incentivization Scheme with options granted or to be granted in excess of the 1% individual limit and no grants were made to any related entity participants or service providers with options granted or to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue (excluding treasury shares) of the Company.
- (13) For details of the basis of measurement for the fair value of options granted, please refer to note 30 headed "Share-based payments" of the condensed consolidated financial statements.

Pre-IPO Restricted Share Unit Scheme and Post-IPO Restricted Share Unit Scheme (the "Restricted Share Unit Schemes")

Our Company adopted the Pre-IPO Restricted Share Unit Scheme on September 4, 2019 and the Post-IPO Restricted Share Unit Scheme on October 14, 2020. The purpose of the Restricted Share Unit Schemes is to attract, retain and motivate employees, Directors and such other eligible persons and to provide a means of compensating them through the grant of RSUs for their contribution to the growth and profits of the Group, and to allow such employees, directors and other persons to participate in the growth and profitability of the Group.

Participants of the Pre-IPO Restricted Share Unit Scheme and the Post-IPO Restricted Share Unit Scheme include any employee or any Directors (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries and any other service provider to the Group, who in the sole opinion of the Board, will contribute or have contributed to the Group. The maximum entitlement for each participant is that the total number of Shares issued and to be issued upon exercise of the RSUs granted to each participant (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed the Individual Limit. Any further grant of RSUs to any one participant in excess of the Individual Limit shall be subject to the Shareholders' approval in general meeting with such participant and his associates abstaining from voting.

RSUs granted generally vest over a four-year period from the date of grant. There are two types of vesting schedules: (i) with 30% of total options vesting on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% of total options vesting on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively. The RSUs under the Restricted Share Unit Schemes were granted to the grantees at nil consideration and were or will be transferred to the grantees upon vesting at nil consideration.

The Post-IPO Restricted Share Unit Scheme has been administered by the Board in accordance with the relevant scheme rules. During the Reporting Period, having reviewed and considered current and anticipated growth needs of the Company while aiming to limit unnecessary dilution of shareholders equity, the Board has resolved to re-utilize a total of 2,986,673 previously granted but lapsed RSUs as permissible under the Post-IPO Restricted Share Unit Scheme and in compliance with the Listing Rules.

As of January 1, 2025 and December 31, 2025, the total number of RSUs available for grant under the Pre-IPO Restricted Share Unit Scheme and the Post-IPO Restricted Share Unit Scheme was 3,382,363 and 3,304,815, respectively. As at the date of this annual report, the total number of shares available for issue under the Pre-IPO Restricted Share Unit Scheme and the Post-IPO Restricted Share Unit Scheme were 3,382,363 and 3,304,815, representing approximately 0.81% and 0.79% of the total Shares in issue (excluding treasury Shares), respectively.

The Restricted Share Unit Schemes will remain in force for a period of ten years unless terminated sooner, and has a remaining term of approximately three years as of the date of this report.

With respect to the RSUs granted to Mr. Liu, an executive Director of the Company, on September 2, 2024, a time-based vesting schedule is applicable to the RSUs granted with no performance target attached. The RSUs granted will give Mr. Liu an opportunity to have a personal stake in the Company and will help motivate him in optimizing his performance and efficiency. The number of RSUs granted is based on the potential of Mr. Liu and no additional performance target is imposed before the RSUs are vested to Mr. Liu. In view of the above and in line with the customary practice of the Company in terms of equity-based remuneration, the Remuneration Committee considered the grant of RSUs are in alignment with the purposes of the Post-IPO Restricted Share Unit Scheme.

Details of RSUs granted under the Pre-IPO Restricted Share Unit Scheme during the Reporting Period are as follows:

Name of Participant or Category of Participant	Date of grant	Number of outstanding RSUs held at January 1, 2025	Number of RSUs granted	Number of RSUs lapsed	Number of RSUs cancelled	Number of RSUs vested	Number of outstanding RSUs held at December 31, 2025	Exercise Period ⁽⁴⁾	Vesting Period ⁽⁴⁾	Purchase Price	Weighted average closing price of the shares immediately before the dates on which the RSUs were vested (HKD)	Fair value of RSUs at the date of grant (USD)
Directors												
Dr. Li, non-executive Director	30-06-2020	761,440	—	—	—	761,440	—	N/A	4 years	Nil	1.83	1.92
Other employee participants												
	30-06-2020	—	—	—	—	—	—	N/A	4 years	Nil	—	1.92
	10-09-2020	—	—	—	—	—	—	N/A	4 years	Nil	—	2.43
Other Related Entity Participants												
							N/A					
Other Service Providers												
							N/A					

Notes:

- (1) The closing prices of Shares immediately before the dates on which the RSUs were granted under the Pre-IPO Restricted Share Unit Scheme was not applicable as the Company was not yet listed on the dates of grant.
- (2) RSUs granted generally vest over a four-year period from the date of grant. The RSUs shall vest in accordance with either of these vesting schedules: (i) with 30% of total options shall vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; or (ii) with 25% of total options shall vest on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.
- (3) All RSUs granted under the Pre-IPO Restricted Share Unit Scheme were not subject to any performance targets.
- (4) Exercise period is not applicable to RSUs.
- (5) During the Reporting Period, the number of Shares that may be issued in respect of RSUs granted under the Pre-IPO Restricted Share Unit Scheme divided by the weighted average number of total Shares in issue was approximately 0.81%.
- (6) During the Reporting Period, no grants were made to any eligible participants of the Pre-IPO Restricted Share Unit Scheme with RSUs granted or to be granted in excess of the 1% individual limit and no grants were made to any related entity participants or service providers with RSUs granted or to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue (excluding treasury shares) of the Company.
- (7) For details of the basis of measurement for the fair value of RSUs granted, please refer to note 30 headed "Share-based payments" of the consolidated financial statements.

Report of Directors

Details of RSUs granted under the Post-IPO Restricted Share Unit Scheme during the Reporting Period are as follows:

Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the RSUs were granted (HKD)	Number of outstanding RSUs held at January 1, 2025	Number of RSUs granted	Number of RSUs lapsed	Number of RSUs cancelled	Number of RSUs vested	Number of outstanding RSUs held at December 31, 2025	Exercise Period ⁽⁹⁾	Vesting Period	Purchase price	Weighted average closing price of the shares immediately before the dates on which the RSUs were vested (HKD)	Fair value of RSUs at the date of grant (HKD)
Director													
Mr. Liu, Chairman and executive Director (resigned on December 12, 2025)	02-09-2024	1.34	400,000	—	400,000	—	—	—	N/A	4 years ⁽²⁾	Nil	—	1.28
Dr. Li, non-executive Director	30-09-2021	14.74	1,008,574	—	—	—	1,008,574	—	N/A	4 years ⁽¹⁾	Nil	1.83	14.92
Other employee participants													
	30-09-2021	14.74	113,168	—	5,186	—	107,982	—	N/A	4 years ⁽¹⁾	Nil	1.76	14.92
	17-12-2021	11.36	39,581	—	—	—	39,581	—	N/A	4 years ⁽²⁾	Nil	2.88	11.48
	24-06-2022	8.26	177,590	—	72,293	—	75,851	29,446	N/A	4 years ⁽¹⁾	Nil	1.75	8.94
	29-09-2022	3.25	4,667	—	—	—	2,000	2,667	N/A	4 years ⁽²⁾	Nil	1.76	3.18
	16-12-2022	4.34	17,500	—	—	—	7,500	10,000	N/A	4 years ⁽²⁾	Nil	4.42	4.25
	29-08-2023	6.35	93,888	—	61,913	—	10,659	21,316	N/A	4 years ⁽¹⁾⁽⁴⁾	Nil	4.72	2.46
	02-09-2024	1.34	269,572	—	269,572	—	—	—	N/A	4 years ⁽⁵⁾	Nil	—	1.28
	06-01-2025	1.27	—	77,548	38,774	—	—	38,774	N/A	4 years ⁽²⁾⁽⁶⁾	Nil	—	1.36
Other Related Entity Participants													
								N/A					
Other Service Providers													
								N/A					

Notes:

- RSUs granted generally vest over a four-year period from the date of grant. The RSUs shall vest in accordance with either of these vesting schedules: (i) with 30% of total options shall vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; or (ii) with 25% of total options shall vest on the first anniversary of the vesting commencement date and the remaining 25%, 25% and 25% shall vest on the second anniversary, third anniversary and fourth anniversary of the vesting commencement date, respectively.
- RSUs granted generally vest over a four-year period from the date of grant, with 30% of total options shall vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% shall vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively.
- All RSUs granted under the Post-IPO Restricted Share Unit Scheme prior to August 29, 2023 were not subject to any performance targets.
- The vesting of the RSUs granted to the other employee participants (the “Grantees”) on August 29, 2023 is conditional upon the Grantees having fulfilled certain performance targets and other requirements as set out in the award agreements entered into between the Company and the Grantees. Such performance targets include the Grantees’ individual appraisal results with respect to the relevant vesting period. The RSUs will only be vested if the Grantee passes his or her respective performance evaluation for the fiscal year preceding the corresponding vesting period. If the Grantee fails to achieve, the unvested RSUs of the corresponding vesting period shall automatically lapse.

- (5) With respect to the RSUs granted to an employee participant (the “**Grantee**”) on September 2, 2024, the vesting of the RSUs granted is conditional upon the Grantee having fulfilled certain performance targets and other requirements as set out in the award agreement entered into between the Company and the Grantee. Such performance targets include the Grantee’s individual appraisal results with respect to the relevant vesting period. The RSUs will only be vested if the Grantee passes his or her respective performance evaluation for the fiscal year preceding the corresponding vesting period. If the Grantee fails to achieve, the unvested RSUs of the corresponding vesting period shall automatically lapse.
- (6) With respect to the RSUs granted to two employee participants (the “**Grantees**”) on January 6, 2025 the vesting of the RSUs granted is conditional upon the Grantees having fulfilled certain performance targets and other requirements as set out in the award agreement entered into between the Company and the Grantees. Such performance targets include the Grantees’ individual appraisal results with respect to the relevant vesting period. The RSUs will only be vested if the Grantee passes his or her respective performance evaluation for the fiscal year preceding the corresponding vesting period. If the Grantee fails to achieve, the unvested RSUs of the corresponding vesting period shall automatically lapse.
- (7) During the Reporting Period, the number of Shares that may be issued in respect of RSUs granted under the Post-IPO Restricted Share Unit Scheme divided by the weighted average number of total Shares in issue was approximately 0.79%.
- (8) During the Reporting Period, no grants were made to any eligible participants of the Post-IPO Restricted Share Unit Scheme with RSUs granted or to be granted in excess of the 1% individual limit and no grants were made to any related entity participants or service providers with RSUs granted or to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue (excluding treasury shares) of the Company.
- (9) Exercise period is not applicable to RSUs.
- (10) For details of the basis of measurement for the fair value of RSUs granted, please refer to note 30 headed “Share-based payments” of the condensed consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, there was no equity-linked agreement entered into by the Company or any of its subsidiaries during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares). As at December 31, 2025, the Company did not hold any treasury shares as defined under the Listing Rules.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

Save as disclosed in this annual report, as at December 31, 2025, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

TAX RELIEF

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

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS

For the year ended December 31, 2025, the Group had entered into connected transactions as set out below. For detailed terms of existing non-exempt continuing connected transactions and connected transactions of the Group, please refer to the section headed "Connected Transactions" in the Prospectus and the announcements of the Company dated December 20, 2022 and May 21, 2023.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Vector Supply Agreement

Principal terms

Our Company entered into a vector supply agreement with Juno on May 19, 2023, pursuant to which we agree to procure viral vectors from Juno in connection with the clinical development and commercialization of relma-cel, subject to the terms and conditions therein (the "**Vector Supply Agreement**"). The Vector Supply Agreement took effect from the date when we obtained the requisite approval from the Shareholders (i.e. June 26, 2023). On December 22, 2025, we agreed with Juno to amend the Vector Supply Agreement (the "**Amendment**") to provide that the term thereof is extended through December 31, 2028 (the "**Extended Term**"). All other terms of the Vector Supply Agreement remain unchanged. In light of the annual caps proposed for the Vector Supply Agreement during the Extended Term, the transactions contemplated by the Vector Supply Agreement during the Extended Term are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempt from the circular (including independent financial advice) and shareholders' approval requirements thereunder.

Reasons for and benefits of the transactions

Juno is a global leading company in the development of cell therapies. Juno procures viral vectors from independent contractors globally for both clinical stage developments as well as anticipated commercialization of its own pipeline products. Our lead product, relma-cel, is developed based on the CAR construct we in-licensed from Juno and share similar characteristics and requirements for viral vector supplies. Accordingly, Juno has been providing the Group with high quality and cost effective supply of viral vectors for our research and development and commercialization of relma-cel.

Annual cap for 2025

For the year ending December 31, 2025, the total amount payable by the Company to Juno under the Vector Supply Agreement was expected not to exceed approximately RMB220.1 million (equivalent to approximately US\$31.6 million).

During the year ended December 31, 2025, the total amount payable by our Group to Juno under the Vector Supply Agreement amounted to US\$6.8 million (equivalent to RMB48.7 million), which falls within the proposed annual cap as set out above.

Proposed Annual Caps for 2026, 2027 and 2028

For the three years ending December 31, 2026, 2027 and 2028, the total amount payable by the Company to Juno under the Vector Supply Agreement is expected not to exceed approximately US\$0.8 million (equivalent to approximately RMB5.6 million), approximately US\$0.1 million (equivalent to approximately RMB0.7 million) and US\$0.1 million (equivalent to approximately RMB0.7 million), respectively.

Listing Rules Implications

As at December 31, 2025, the Company was directly owned as to 16.86% by Juno, Juno is therefore one of the Substantial Shareholders. Pursuant to Rule 14A.07(1) of the Listing Rules, Juno is a connected person of our Company. Therefore, the transactions contemplated under the Vector Supply Agreement constitute continuing connected transactions of the Company under the Listing Rules.

Annual Review by the Independent Non-executive Directors and the Auditor

The independent non-executive Directors and the auditor of the Company have reviewed the transactions in relation to the Vector Supply Agreement on an annual basis and confirmed the matters set out in Rules 14A.55 and 14A.56 of the Listing Rules, respectively.

License and Strategic Alliance Agreement with Juno**Principal terms**

The Company entered into the License and Strategic Alliance Agreement with Juno on December 13, 2017, pursuant to which the Company has the right of first negotiation to license or obtain the rights to Juno's engineered T-cell pipeline product candidates in the field of treatment or amelioration of cancer or auto-immune disorders for further development and commercialization in Mainland China, Hong Kong and Macau (the "**Territory**"). Juno also granted us an exclusive, sublicensable, transferable and fee-bearing license under Juno's interest in or Juno's license rights to certain patent rights and know-how, and a non-exclusive, sublicensable, transferable and fee-bearing license under certain patent rights and know-how covering Juno's platform technology, solely to research, develop, commercialize, and manufacture or have manufactured relma-cel in Mainland China, Hong Kong and Macau. For further details, please refer to the section headed "Business — Collaboration and License Agreements — License Agreements with Juno" in the Prospectus. In consideration of the rights granted to us, we are required to make various upfront, milestone, royalty payments and reimbursement to Juno and the Company has set caps for milestone payment, royalty payment and reimbursement under the License and Strategic Alliance Agreement (which does not affect the Company's payment obligations under the License and Strategic Alliance Agreement but merely set for the purpose of complying with the Listing Rules) as follows:

Upfront payment : The Company shall provide Juno upfront share-based payment by (i) issuing Series A1 Preferred Shares to Juno in Series A1 financing with an aggregate value of approximately US\$8.9 million and (ii) issuing such number of Series A2 Preferred Shares to Juno in Series A2 financing such that immediately following closing of the Series A2 financing, Juno will be the holder of such number of Shares, Series A1 Preferred Shares and Series A2 Preferred Shares that together represent an indirect ownership interest of 35% of all of the equity interests in JW Shanghai on a fully-diluted basis.

The Company made the above upfront payment by issuing 641,975 Series A1 Preferred Shares on February 23, 2018 and 3,316,825 Series A2 Preferred Shares to Juno on May 9, 2019. All such Series A1 Preferred Shares and Series A2 Preferred Shares were converted into ordinary shares upon Listing.

Milestone payment : The Company to provide Juno milestone payment in cash in an amount of US\$5 million based on earlier occurrence of (i) milestone events relating to certain regulatory approvals and (ii) treatment of 100 patients with relma-cel in clinical trials.

In 2021, the Company provided Juno milestone payment in cash in an amount of US\$5 million upon the completion of the treatment of 100 patients with relma-cel in clinical trials in January 2021.

Royalty payment : We are required to pay Juno royalty payments in cash for relma-cel and any related diagnostic products based on annual net sales in the Territory, subject to certain adjustments in specified circumstances under the License and Strategic Alliance Agreement.

For the year ended December 31, 2025, the total royalty payment amounted to US\$3.58 million.

Reimbursement : We are required to pay to Juno in cash the sum of, among others, all milestone payments and royalties owed by Juno to third parties with respect to relma-cel and related diagnostic products in the Territory pursuant to in-license agreements existing at the time of such development or commercialization.

For the year ended December 31, 2025, the total reimbursement amounted to US\$0.1 million.

Caps for milestone payment, royalty payment and reimbursement : The annual cap set for the milestone payment to be paid to Juno pursuant to the License and Strategic Alliance Agreement for the year ended December 31, 2025 was nil as no milestone payment was expected to be payable during the year.
(Note 1)

The annual cap for royalty payment and reimbursement to be paid to Juno pursuant to the License and Strategic Alliance Agreement for 2025 and 2026 will be determined in accordance with the following formula:

Annual cap for royalty payment and reimbursement = 16% × annual net sales of the relevant products

- (1) The caps do not affect the Company's payment obligations under the License and Strategic Alliance Agreement and are merely set for the purpose of complying with the Listing Rules.

The License and Strategic Alliance Agreement became effective on December 13, 2017 and continues until the later of (i) the expiration or termination of all then existing Juno pipeline product licenses; or (ii) the expiration of the royalty term. The royalty term applies on a product-by-product and country-by-country basis commencing upon the first commercial sale of relma-cel or a related diagnostic product in the Territory, with the end date varying depending on the type of royalty owed to Juno. It may also be terminated earlier by mutual agreement, by either party for the other party's uncured material breach that has frustrated the fundamental purpose of this agreement, upon our or JW Shanghai's dissolution, by either party upon the bankruptcy of the other party, or by Juno if either party receives notice from the relevant regulatory authority alleging significant concerns regarding a patient safety issue that Juno reasonably believes would seriously impact the long-term viability of relma-cel. For further details of the License and Strategic Alliance Agreement, please refer to the section headed "Business — License Agreements with Juno — Rights In-licensed from Juno — Relma-cel" in the Prospectus.

Reasons for and benefits of the transactions

As the Company is a clinical and pre-clinical stage cell therapy company in the early stages of development, the licenses, technologies and know-how granted by Juno are essential to our development process. Juno and our Company established a strategic alliance to utilize Shanghai Ming Ju to conduct clinical trials in connection with the research, development, manufacturing and commercialization of certain cellular therapy products, including relma-cel, in China.

The royalty payment is a revenue sharing arrangement which was determined after arm's length negotiations between us and Juno, taking into account that it is common practice to share future sales revenue and proceeds from transfer of sub-licensing rights which in turn lowers the upfront fixed payment payable by the licensee in the Chinese biopharmaceutical market, according to Frost & Sullivan.

Listing Rules Implications and Waivers from the Stock Exchange under the License and Strategic Alliance Agreement with Juno

As at December 31, 2025, the Company was directly owned as to 16.86% by Juno, Juno is therefore one of the Substantial Shareholders. Pursuant to Rule 14A.07(1) of the Listing Rules, Juno is a connected person of our Company. Therefore, the transactions contemplated under the License and Strategic Alliance Agreement with Juno constitute continuing connected transactions of the Company under the Listing Rules.

The Stock Exchange has granted the waiver from strict compliance with the requirement under Rule 14A.53 of the Listing Rules in respect of the continuing connected transactions under the License and Strategic Alliance Agreement and such waiver was set for a term of three years ending on December 31, 2022. In July, 2022, the Company has applied for, and the Stock Exchange has granted the Company, an extension to such waiver, covering the period from January 1, 2023 to August 31, 2024. In April 2024, the Company has applied for and the Stock Exchange has granted the Company, a further extension to such waiver, covering the period from September 1, 2024 to December 31, 2026, subject to the following conditions:

- (1) the Company will comply with the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules if there is any material change to the terms of the License and Strategic Alliance Agreement;

- (2) the Company will designate a team to execute and ensure that the transactions in relation to the License and Strategic Alliance Agreement are undertaken in accordance with the terms therein;
- (3) the Company's CEO, Mr. Feng Tian, will use his best endeavours to supervise the compliance with the terms of the License and Strategic Alliance Agreement and applicable Listing Rules requirements to the extent not waived by the Stock Exchange on a regular basis;
- (4) the independent non-executive Directors and the auditor of the Company will review the transactions in relation to the License and Strategic Alliance Agreement on an annual basis and confirm in our annual reports the matters set out in Rules 14A.55 and 14A.56 of the Listing Rules, respectively;
- (5) the Company will disclose in the announcement the background for entering into the License and Strategic Alliance Agreement, the terms of the License and Strategic Alliance Agreement, the grounds for the waiver sought and the Directors' views on the fairness and reasonableness of the transactions under the License and Strategic Alliance Agreement;
- (6) our Company will set monetary caps by making announcement(s) (where appropriate) for the purpose of Rule 14A.53 of the Listing Rules; and such transaction will be subject to, among others, circular and independent shareholders' approval requirements if the highest applicable percentage ratio is more than 5%. In addition, the Company will disclose in its annual report a clear description of the basis for calculating the fees payable to Juno under the License and Strategic Alliance Agreement and any changes to such basis would be subject to independent shareholders' approval;
- (7) in the event of any future amendments to the Listing Rules imposing more stringent requirements than those as at the date of the Prospectus on the above continuing connected transactions, the Company will take immediate steps to ensure compliance with such new requirements;
- (8) apart from complying with reporting, announcement and independent Shareholders' approval requirements, setting a term of not exceeding three years and setting fixed monetary annual cap for which waivers are sought, our Company will comply with other requirements under Chapter 14A of the Listing Rules;
- (9) for as long as Juno remains as a connected person of the Company continuing connected transactions under the License and Strategic Alliance Agreement, will comply in full with all applicable reporting, annual review, disclosure and independent shareholders' approval requirement under Chapter 14A of the Listing Rules (subject to such waivers, if any, as the Stock Exchange may grant upon application from our Company); and
- (10) if there is any material deviation on the arrangement under the License and Strategic Alliance Agreement and the Company has more certainty on the expected level of net sales of relma-cel, the Company will re-apply for a cap in compliance with Chapter 14A of the Listing Rules.

After taking into account, among other things, the addressable market, the drug pricing and the historical transaction amount of the relevant products, the Company has applied to the Stock Exchange to extend the existing waiver.

Annual Review by the Independent Non-executive Directors and the Auditor

The independent non-executive Directors and the auditor of the Company have reviewed the transactions in relation to the License and Strategic Alliance Agreement on an annual basis and confirmed the matters set out in Rules 14A.55 and 14A.56 of the Listing Rules, respectively.

BCMA License Agreement with Juno

Principal terms

The Company entered into a license agreement with Juno on April 11, 2019 pursuant to which Juno granted the Company an exclusive, sublicensable, transferable and fee-bearing license under certain patent rights and know-how covering Juno's platform technology, solely to research, develop, commercialize, and manufacture or have manufactured JWCAR129, or related diagnostic products, in the JWCAR129 Field in the Territory. For further details, please refer to the section headed "Business -Collaboration and License Agreements — License Agreements with Juno" in the Prospectus. In consideration of the rights granted to us, we are required to make various upfront, milestone, royalty payments and reimbursement to Juno and the Company has set caps for milestone payment, royalty payment and reimbursement under the BCMA License Agreement (which does not affect the Company's payment obligations under the BCMA License Agreement but merely set for the purpose of complying with the Listing Rules) as follows:

Upfront payment : The Company shall provide Juno upfront payment comprising of (i) issuing 466,553 Series X Preferred Shares to Juno shortly after closing of Series A2 financing and (ii) issuing 4,665,530 (as adjusted after the Share Subdivision) Shares at nil consideration by June 11, 2022 if no product failure as defined in the BCMA License Agreement has occurred prior to April 2022, being to the third anniversary of the date of the BCMA License Agreement.

The Company has issued 466,553 Series X Preferred Shares to Juno on November 20, 2019 under (i) above and in February 2021, BMS announced that it would discontinue clinical development of orva-cel and therefore, no Shares shall longer be issued under item (ii) above. All such Series X Preferred Shares were converted into ordinary shares upon Listing.

Milestone payment : The Company shall provide Juno milestone payments in cash in an aggregate amount of up to US\$35 million which are contingent on the occurrence of (i) milestone events relating to obtaining regulatory approvals for JWCAR129 and (ii) a milestone event relating to sales in the Territory relating to JWCAR129.

For the year ended December 31, 2025, no milestone payment has been made by the Company to Juno.

Royalty payment : We are required to pay Juno royalty payments in cash for JWCAR129 and any related diagnostic products based on annual net sales in the Territory, subject to certain adjustments in specified circumstances under the BCMA License Agreement.

For the year ended December 31, 2025, no royalty payment was made by the Company to Juno.

Reimbursement : We are required to pay to Juno in cash the sum of, among others, all milestone payments and royalties owed by Juno to third parties with respect to JWCAR129 and related diagnostic products in the Territory pursuant to in-license agreements existing at the time of such development or commercialization.

For the year ended December 31, 2025, no reimbursement was made by the Company to Juno.

Caps for milestone payment, royalty payment and reimbursement : The annual cap set for the milestone payments to be paid to Juno pursuant to the BCMA License Agreement for the year ended December 31, 2025 was nil as no milestone payments were expected to be payable during this period of development.
(Note 1)

Taking into account that setting annual cap formula may not be meaningful for JWCAR129 which is currently under pre-clinical development, the annual cap set for the royalty payment and reimbursement to be paid to Juno pursuant to the BCMA License Agreement was nil for the year ended December 31, 2025.

(1) The caps do not affect the Company's payment obligations under the BCMA License Agreement and are merely set for the purpose of complying with the Listing Rules.

The BCMA License Agreement became effective on April 11, 2019 and will remain in effect and until the expiration of the royalty term. The royalty term applies on a product-by-product and country-by-country basis commencing upon the first commercial sale of JWCAR129 or a related diagnostic product in the Territory, with the end date varying depending on the type of royalty owed to Juno. It may also be terminated earlier by mutual agreement, by either party for the other party's uncured material breach that has frustrated the fundamental purpose of this agreement, upon our or JW Shanghai's dissolution, by either party upon the bankruptcy of the other party, by Juno if either party receives notice from the relevant regulatory authority alleging significant concerns regarding a patient safety issue that Juno reasonably believes would impact the long-term viability of JWCAR129 if attributable to the CAR construct licensed from Juno, by Juno if the additional preferred shares are not issued by the timeline set forth in the BCMA License Agreement, or by us for Juno's termination, suspension, or clinical hold of development in the United States of the licensed CAR construct related to JWCAR129 for longer than 180 days. For further details of the BCMA License Agreement, please refer to the section headed "Business — License Agreements with Juno — Rights In-licensed from Juno — BCMA License Agreement" in the Prospectus.

Reasons for and benefits of the transactions

As the Company established a stable strategic alliance with Juno, it entered into the BCMA License Agreement to develop JWCAR129 further strengthen such alliance and expand the Company's pipeline products.

The royalty and milestone payment is a revenue sharing arrangement which was determined after arm's length negotiations between us and Juno, taking into account that it is common practice to share future sales revenue and proceeds from transfer of sub-licensing rights which in turn lowers the upfront fixed payment payable by the licensee in the Chinese biopharmaceutical market, according to Frost & Sullivan.

Listing Rules Implications and Waivers from the Stock Exchange under the BCMA License Agreement

As at December 31, 2025, the Company was directly owned as to 16.86% by Juno, Juno is therefore one of the Substantial Shareholders. Pursuant to Rule 14A.07(1) of the Listing Rules, Juno is a connected person of our Company. Therefore, the transactions contemplated under the BCMA License Agreement with Juno constitute continuing connected transactions of the Company under the Listing Rules.

Under Rule 14A.52 of the Listing Rules, a listed issuer is required to set a contractual term not exceeding three years. It is impracticable and extremely difficult for us to set a contractual term not exceeding three years in respect of the BCMA License Agreement. Therefore, the Company applied to the Stock Exchange for, and the Stock Exchange has granted to the Company, a waiver under Rule 14A.52 of the Listing Rules from strict compliance with the contractual term requirements.

The Company has applied for a waiver from strict compliance with the requirement under Rule 14A.52 of the Listing Rules to set a term of not exceeding three years under the BCMA License Agreement for the following reasons:

- (1) the business of research, development, production and commercialization of drug candidates underlying the BCMA License Agreement is the nature of the transaction that requires a longer contractual term. If the renewal of the BCMA License Agreement is subject to the requirements of independent shareholders' approval every three years, even in the absence of any material amendment, change, rescission or re-signing of these agreements, we may face the unnecessary and substantial risks of failing to renew such agreement upon expiry and losing our competitive advantages. This may even prevent us from carrying on our businesses, bringing uncertainty to our continued operation;

- (2) maintaining a long-term, exclusive cooperative relationship with Juno under the BCMA License Agreement is critical to our businesses and developments. The scale of the Chinese biopharmaceutical markets in China is huge. Juno specializes in research, development, production and commercialization of CAR-T product candidates. Our continuous business relationship with Juno provides a strategic advantage for us to expand our drug portfolio covering treatment of immunological diseases to maintain our competitiveness. In addition, the exclusive term to cooperate with Juno under the BCMA License Agreement safeguard the interests of our Company and our Shareholders as a whole by providing our Company with exclusivity in the relevant areas of business. Therefore, a contractual arrangement of indefinite term is necessary and critical to the sustainability of our business and to ensure our smooth and continued operations and also stable revenue and cash flows from the future commercialization of JWCAR129 in terms of indications related to immunological diseases. Subjecting the BCMA License Agreement to independent shareholders' approval will expose our Company to the risks of such agreements not being able to be renewed upon the expiry of a fixed term. This will give rise to unnecessary and substantial uncertainty to our business and therefore will not be in the best interests of our Company and our Shareholders as a whole;
- (3) setting a term of not exceeding three years under the BCMA License Agreement will unduly hinder our development and operation. We engage in the research, development, manufacturing and commercialization of CAR-T product candidates for the treatment of immunological diseases. We rely on the revenue and profits derived from the commercialization of our drug candidates in the upcoming future. A three-year term on the transaction amount under the BCMA License Agreement will place an arbitrary ceiling on our future revenue, hence effectively limiting the scale of our business to meet market demands, which will unduly hinder our development and our ability to grow and create value for all of our Shareholders;
- (4) the BCMA License Agreement is of an indefinite term longer than three years as otherwise normally permitted for the continuing connected transactions under the Listing Rules. Our Directors consider that the terms of the BCMA License Agreement are consistent with normal business practices for agreement of similar nature in the biotechnology pharmaceutical industry and are in the best interest of our Group and our Shareholders as a whole, because (i) the indefinite term of the BCMA License Agreement can secure long-term license rights for us, thus avoiding unnecessary disruptions to our business and enable long-term development and continuity of our operations and (ii) as confirmed by Frost & Sullivan, it is not uncommon in the biotechnology pharmaceutical industry where similar long-term licensing arrangements are adopted;
- (5) the performance of the BCMA License Agreement with Juno will comply in full with all applicable reporting, annual review, disclosure and independent shareholders' approval requirement under Chapter 14A of the Listing Rules; and
- (6) if there is any material deviation on the arrangement under the BCMA License Agreement and the Company has more certainty on the expected milestones, the Company will re-apply for a cap in compliance with Chapter 14A of the Listing Rules.

Annual Review by the Independent Non-executive Directors and the Auditor

The independent non-executive Directors and the auditor of the Company have reviewed the transactions in relation to the BCMA License Agreement on an annual basis and confirmed the matters set out in Rules 14A.55 and 14A.56 of the Listing Rules, respectively.

License and Collaboration Agreement with Juno

Principal terms

The Company entered into a license and collaboration agreement with Juno on December 19, 2022 (the “**DLL3 License and Collaboration Agreement**”) pursuant to which Juno granted the Company an exclusive, sublicensable, transferable and fee-bearing license under certain patent rights and know-how covering Juno’s platform technology, solely to research, develop, commercialize, and manufacture or have manufactured a specific CAR-T product specifically directed to DLL3 (“**DLL3 Product**”), or related diagnostic products, in Greater China (which for the purposes of the DLL3 License and Collaboration Agreement consists of mainland China, Hong Kong and Macau but excludes Taiwan). For further details, please refer to the announcement of the Company dated December 20, 2022.

The Company grants to Juno an exclusive right, exercisable in Juno’s sole discretion, to co-commercialize the Product and related diagnostic products with the Company in Greater China (the “**Opt-In Right**”). If Juno exercises the Opt-In Right, the Company and Juno shall co-commercialise the DLL3 Product and related diagnostic products and shall share equally the profits and losses. Juno shall make a one-time payment to the Company which will not in any event exceed US\$50 million in aggregate. No milestone payments or royalty payments will be due from the Company to Juno in connection with the DLL3 Product and related diagnostic products.

In consideration of the rights granted to us, if Juno does not exercise the Opt-In Right, the Company is required to make various milestone, royalty payments and reimbursement to Juno and the Company has set caps for royalty payment and reimbursement under the DLL3 License and Collaboration Agreement (which does not affect the Company’s payment obligations under the DLL3 License and Collaboration Agreement but merely set for the purpose of complying with the Listing Rules) as follows:

Milestone payment : The Company shall provide Juno a milestone payment and reimbursements of milestone payments owed by Juno to third parties with respect to the development or commercialisation of the DLL3 Product in Greater China pursuant to in-license agreements existing at the time of such development or commercialisation in an aggregate amount of up to US\$35 million.

For the year ended December 31, 2025, no milestone payment has been made by the Company to Juno.

Royalty payment : The Company is required to pay Juno tiered royalty payments on annual net sales of the DLL3 Product and reimburse to Juno all royalty payments owed by Juno to third parties with respect to the development or commercialization of the Product in Greater China pursuant to in-license agreements existing at the time of such development or commercialization.

For the year ended December 31, 2025, no royalty payment and reimbursement were made by the Company to Juno.

Caps for royalty payments and reimbursements
(Note 1)

: The aggregate amount of royalty payments and reimbursements (being the amount payable by Juno to third parties) with respect to the development and commercialization of the DLL3 Product will not in any event exceed 16% of annual net sales of the DLL3 Product in Greater China.

Moreover, the Company shall pay royalty payments and reimbursements to Juno with respect to the aggregate annual net sales of any related diagnostic products in Greater China. The aggregate amount of such royalty payments and reimbursement (being the amount payable by Juno to third parties) will not in any event exceed 11% of annual net sales of such related diagnostic products in Greater China.

- (1) The caps do not affect the Company's payment obligations under the DLL3 License and Collaboration Agreement and are merely set for the purpose of complying with the Listing Rules.

The DLL3 License and Collaboration Agreement became effective on January 17, 2023 and will remain in effect and until the expiration of the royalty term, unless earlier terminated in accordance with the terms of the License and Collaboration Agreement or by mutual written agreement of the parties. The royalty term with respect of the product and/or related Juno diagnostic product will begin on the first commercial sale of the product in Greater China and end upon the later of: (a) the expiration of the last-to-expire valid claim of the patents licensed to the Company that covers the composition of matter or method of use of the product; and (b) the 10th anniversary of the date of the first commercial sale of the product in Greater China. For further details of the DLL3 License and Collaboration Agreement, please refer to the announcement of the Company dated December 20, 2022.

Reasons for and benefits of the transactions

The Company has established a close cooperative relationship with Juno, and continuation of this relationship with Juno is critical to the Company's business and development. For the Company to continue to execute on its business strategy to focus on potential opportunities in the cell therapy space that it deems to possess high growth or breakthrough technology potential, it is critical that the Company be able to leverage its CAR-T research, development, manufacturing and commercialization strengths in order to build on the foundation of this established relationship with Bristol Myers Squibb, which is one of the few pharmaceutical companies in the world with a track record of completing CAR-T commercialization, and is a much-preferred partner of the Company.

The Company has selected DLL3 as the target of its new CAR-T therapy because DLL3 is widely expressed in a variety of malignant tumors, and increased DLL3 expression is associated with later stage disease. DLL3 has been validated as a target in a type of solid tumor in several different platforms, but most have had limited results.

The Company believes that the right CAR construct and use of T cells is necessary to see durable responses. The Company has selected a DLL3 construct produced by Juno because the pre-clinical data are promising, robust and trusted, and the Company believes that the Licensed Construct is more likely to provide low toxicity and a high level of killing of targets with lower level target expression. Other pharmaceutical companies are seeking to develop treatments for the said type of solid tumor that are directed to DLL3. However, no clear front-runner has emerged to date. Accordingly, the Company believes that a CAR-T therapy directed to DLL3 for the treatment of the said type of solid tumor has significant potential.

Listing Rules Implications and Waivers from the Stock Exchange under the DLL3 License and Collaboration Agreement

As at December 31, 2025, the Company was directly owned as to 16.86% by Juno, Juno is therefore one of the Substantial Shareholders. Pursuant to Rule 14A.07(1) of the Listing Rules, Juno is a connected person of our Company. Therefore, the transactions contemplated under the DLL3 License and Collaboration Agreement with Juno constitute continuing connected transactions of the Company under the Listing Rules.

Under Rule 14A.52 of the Listing Rules, the period of an agreement for a continuing connected transaction must be fixed. However, the term of the DLL3 License and Collaboration Agreement is of an indefinite nature as it will, unless terminated in accordance with its terms, remain in effect. It is impracticable and extremely difficult for us to set a contractual term not exceeding three years in respect of the DLL3 License and Collaboration Agreement. Therefore, the Company applied to the Stock Exchange for, and the Stock Exchange has granted to the Company, a waiver under Rule 14A.52 of the Listing Rules from strict compliance with the contractual term requirements.

The Company has also applied for a waiver from strict compliance with the requirement under Rule 14A.53 of the Listing Rules to set monetary caps in relation to the (i) the royalties and profit-sharing payments to be made by the Company to Juno; and (ii) certain development costs/loss-sharing payments to be made by Juno to the Company contemplated under the DLL3 License and Collaboration Agreement for the following reasons:

- (i) the revenue to be derived from the sale of the DLL3 Product depends on the actual addressable market for the DLL3 Product, which will in turn depend on various factors over which the Company has no control, including the feasibility and subsequent success of the relevant clinical trials which could be affected by the number of eligible patients and their actual health conditions, suitability and willingness to participate at the time when the relevant clinical trials are initiated, acceptance of the DLL3 Product by the medical community, patient access and biologics product pricing based on market demand; and

- (ii) the DLL3 Product shall be an innovative or, based on the Company's understanding, the first CAR-T product of its type within the PRC if successfully developed. Similarly, the DLL3 License and Collaboration Agreement is currently in a pre-mature stage and the Company is not in a position to give an accurate estimate of certain financial information, including projections of sales figures, costs of clinical trials, revenue forecasts and product pipeline details. Therefore, the Company does not have sufficient or reliable information (including but not limited to historical sales figures) and market references to enable it to provide meaningful estimates of monetary caps.

The waiver is subject to the following conditions:

- (1) in the event that sufficient financial and/or historical data in relation to the commercialization of the Product could be obtained by the end of an initial term ending on December 31, 2030 (the "**Initial Term**"), the Company will duly re-comply with the annual caps requirements after the Initial Term in accordance with Rule 14A.53 of the Listing Rules;
- (2) if the commercialization of the Product takes place earlier than the Company's current estimation, the Company shall set monetary caps by making announcement (where appropriate) for the purpose of Rule 14A.53 of the Listing Rules after three years from the commencement of the sales of the Product and the Juno Diagnostic Products; and such transaction shall be subject to, among others, circular and independent shareholders' approval requirements if the highest applicable percentage ratio is more than 5%. In addition, the Company shall disclose in its annual report the basis for calculating the fees payable to Juno under the License and Collaboration Agreement and any changes to such basis would be subject to Independent Shareholders' approval;
- (3) the Company will comply with the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules if there is any material change to the terms of the License and Collaboration Agreement;
- (4) the Company will designate a team to execute and ensure that the transactions in relation to the License and Collaboration Agreement are undertaken in accordance with the terms therein;
- (5) the Company's chief executive officer, Mr. Feng Tian, will use his best endeavor to supervise the compliance with the terms of the License and Collaboration Agreement and applicable Listing Rules requirements to the extent not waived by the Stock Exchange on a regular basis;
- (6) the independent non-executive Directors and the auditors of the Company will review the transactions in relation to the License and Collaboration Agreement on an annual basis and confirm in the Company's annual reports the matters set out in Rules 14A.55 and 14A.56 of the Listing Rules, respectively;
- (7) the Company will disclose in the announcement and circular the background for entering into the License and Collaboration Agreement, the terms of the License and Collaboration Agreement, the grounds for the waiver sought and the Directors' and Independent Financial Advisors' views on the fairness and reasonableness of the transactions under the License and Collaboration Agreement;

Report of Directors

- (8) in the event of any future amendments to the Listing Rules imposing more stringent requirements than those as at the date of the announcement and circular on the above continuing connected transactions, the Company will take immediate steps to ensure compliance with such new requirements;
- (9) apart from setting a term of not exceeding three years and setting fixed monetary annual cap for which waivers are sought, the Company will comply with other requirements under Chapter 14A of the Listing Rules; and
- (10) the entering into the License and Collaboration Agreement with Juno, as long as Juno remains as a connected person of the Company, will comply in full with all applicable reporting, annual review, disclosure and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Annual Review by the Independent Non-executive Directors and the Auditor

The independent non-executive Directors and the auditor of the Company have reviewed the transactions in relation to the DLL3 License and Collaboration Agreement on an annual basis and confirmed the matters set out in Rules 14A.55 and 14A.56 of the Listing Rules, respectively.

sLVV License Agreement with Juno

Principal Terms

On April 18, 2025, the Company entered into a License Agreement with Juno pursuant to which the Company granted Juno a non-exclusive license under the "JW sLVV Manufacturing Process" and under related know-how (and patents, if applicable at any time during the Term) that are primarily or directly related to, or reasonably necessary or useful for the development, commercialization, manufacturing or having manufactured certain Juno cell therapy products in the prevention, treatment or control of any disease, disorder or condition in humans worldwide (the "**sLVV License Agreement**"). In this context, the term "JW sLVV Manufacturing Process" means the proprietary manufacturing process developed by the Company that is used for the manufacture of a suspension vector.

In partial consideration for the grant of license to Juno, Juno made an upfront payment to the Company. In respect of the remaining consideration, Juno waived all applicable charges, fees and expenses with respect to a certain quantity of lentiviral vector that Juno had previously supplied to the Company and agreed to 1) waive all applicable charges, fees and expenses with respect to specified additional quantities of lentiviral vector that Juno had previously supplied to the Company and 2) make an additional payment to the Company, subject to the Company's performance of certain obligations with respect to delivery of information and furnishing of assistance.

Juno may terminate the sLVV License Agreement upon thirty (30) days' written notice to the Company at any time, provided that (among others) the provisions of the License Agreement that relate to payments accrued or triggered, but not paid as of the effective date of termination will survive such termination. Otherwise the License Agreement will continue in effect indefinitely unless terminated (i) by one party for uncured material breach by, or for specified compliance issues or new legislation relating to, the other party, (ii) by one party upon the occurrence of specified bankruptcy, insolvency or similar events with respect to the other party or (iii) by mutual written agreement of the parties.

Reasons for and Benefits of the sLVV License Agreement

The sLVV manufacturing process has been developed primarily for the Group's own domestic manufacturing needs rather than for out-licensing to third parties. Accordingly, the total consideration to be received by the Company in exchange for the out-licensing sLVV manufacturing process represents a good opportunity for the Company to realize extra gains from its cumulated research and development efforts, which would generate additional earnings and positive cash flows to the Group and is beneficial to the Group's financial performance. In addition, the non-exclusive out-licensing of the JW sLVV Manufacturing Process pursuant to the License Agreement constitutes a recognition of the Company's research and development capabilities and its strengths in cell therapy technologies. In light of the foregoing, entry into the License Agreement is expected to strengthen the Group's collaborative relationship with Juno.

Listing Rules Implications of the sLVV License Agreement

Juno is one of the Substantial Shareholders and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As a result, the transactions contemplated under the sLVV License Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of maximum amount of the consideration under the License Agreement exceeds 5%, the transactions contemplated under such agreement are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The independent Shareholders approved the sLVV License Agreement and the transactions contemplated thereunder at an extraordinary general meeting held on June 3, 2025.

Contractual Arrangements

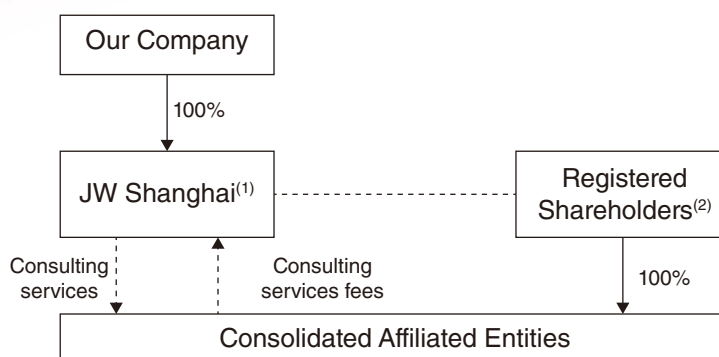
Reasons for Adopting the Contractual Arrangements

Foreign investment activities in the PRC now are mainly governed by the Industry Guidelines on Encouraged Foreign Investment (2020) (《鼓勵外商投資產業目錄(2020年版)》), the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021) (《外商投資准入特別管理措施(負面清單)(2021年版)》) and the Special Administrative Measures (Negative List) for foreign investment access in the pilot free trade zone (2021) (《自由貿易試驗區外商投資准入特別管理措施(負面清單)(2021年版)》) (the "**Relevant PRC Regulations**"), promulgated jointly by the Ministry of Commerce of the PRC (中華人民共和國商務部) and the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會), pursuant to which the industries listed therein are divided into three categories in terms of foreign investment, namely, "encouraged" "restricted" and "prohibited". According to the Relevant PRC Regulations, foreign investment is prohibited in the development and application of gene diagnostic and therapeutic technologies.

Our Group engages in the clinical trial of CAR-T therapies (the "**Relevant Businesses**"), which involve the development and application of gene diagnostic and therapeutic technologies, and the latter falls into the "prohibited" category of the Relevant PRC Regulations. As such, we currently do not directly or indirectly hold any equity interest in our Consolidated Affiliated Entities which are involved in the Relevant Businesses.

In order to comply with the PRC laws and regulations and maintain effective control over the Relevant Businesses, we, through our wholly-owned subsidiary, JW Shanghai, entered into the Contractual Arrangements with Shanghai Ju Ming and its relevant shareholders, pursuant to which JW Shanghai acquired effective control over the financial and operational policies of our Consolidated Affiliated Entities and has become entitled to all the economic benefits derived from their operations.

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group stipulated under the Contractual Arrangements:



Notes:

“→” denotes legal and beneficial ownership in the equity interest.

“- ->” denotes contractual relationship through the Exclusive Business Cooperation Agreements.

“- -” denotes the control by JW Shanghai over our Consolidated Affiliated Entities through (i) powers of attorney to exercise all shareholders’ rights in Shanghai Ju Ming; (ii) exclusive options to acquire all or part of the equity interest and/or assets in our Consolidated Affiliated Entities; and (iii) equity pledges over the equity interest in Shanghai Ju Ming.

- (1) As of December 31, 2025, JW Shanghai was wholly-owned by JW (Hong Kong) Therapeutics Limited which was in turn wholly-owned by our Company.
- (2) As of December 31, 2025, Shanghai Ju Ming was held by its Registered Shareholders, as to 50% by Ms. Xia Zhen and 50% by Ms. Guo Qi, respectively.
- (3) The former contractual arrangement that relate to Mr. Xin Fu (our former chief financial officer) and Ms. Xing Gao (our non-executive Director) were terminated and a series of new contractual arrangements were entered into with Ms. Xia Zhen (our then employee) and Ms. Guo Qi (our current employee), which their terms and conditions substantially the same as those of the former contractual arrangements, save for the identity of the new shareholder of Shanghai Ju Ming.

A brief description of the specific agreements that comprise the Contractual Arrangements is set out below. For details of the specific agreements, please refer to the section headed “Contractual Arrangements” in the Prospectus.

(1) Exclusive Business Cooperation Agreements

JW Shanghai and Shanghai Ju Ming entered into the exclusive business cooperation agreement on November 2, 2017 and the supplemental exclusive business cooperation agreements on July 29, 2020 and on September 15, 2020 (collectively, the “**Exclusive Business Cooperation Agreements**”), pursuant to which our Consolidated Affiliated Entities agreed to engage JW Shanghai as its exclusive provider of technical support, consulting services, and other related services, including but not limited to (i) software and technology licensing, (ii) technical services, (iii) network support, (iv) human resource support, (v) collection and research of technology and market information, (vi) business and management consultation, (vii) marketing and promotional services, (viii) development and testing of new products, (ix) equipment or properties leasing; and (x) other related services requested by our Consolidated Affiliated Entities from time to time to the extent permitted under PRC law.

Pursuant to the Exclusive Business Cooperation Agreements, the service fee shall be paid on annual basis or any other timing as separately agreed between JW Shanghai and our Consolidated Affiliated Entities. The annual service fees shall consist of a management fee and a fee for services provided, which shall be reasonably determined by JW Shanghai based on certain factors, including, among other things, complexity and difficulty of such services, time commitment to such services, actual service scope, the market price of the same type of services and the operation conditions of Consolidated Affiliated Entities. In addition, the service fee shall be at a reasonable level in accordance with the nature of the services and shall consist of 100% of the total consolidated profit of the Consolidated Affiliated Entities, after deduction of any accumulated deficit in respect of the preceding financial year(s), operating costs, expenses, taxes and other statutory contributions. Apart from the service fee, if JW Shanghai transfers, licenses or develops technology for our Consolidated Affiliated Entities, or leases equipment or properties to our Consolidated Affiliated Entities, such fee shall be determined by JW Shanghai and our Consolidated Affiliated Entities separately. For the year ended December 31, 2025, no service fee was made by the Consolidated Affiliated Entities to JW Shanghai.

(2) *Powers of Attorney*

JW Shanghai and Shanghai Ju Ming entered into the power of attorney with each of Ms. Xia Zhen and with Ms. Guo Qi (collectively, the “**Powers of Attorney**”). Pursuant to the Powers of Attorney, each of the Registered Shareholders irrevocably and exclusively grant JW Shanghai or its designee(s) (being the directors or senior management of JW Shanghai’s direct or indirect offshore parent company and liquidators and other successors replacing such directors or senior management) the power to exercise all rights of the Registered Shareholders as set out in the then-valid articles of association of Shanghai Ju Ming and relevant laws and regulations, including but not limited to the rights:

- (i) to convene and attend shareholders’ meeting;
- (ii) to exercise all the shareholders’ rights and shareholders’ voting rights pursuant to the relevant PRC laws and regulations and the articles of association of Shanghai Ju Ming;
- (iii) to handle the sale, transfer, pledge, or disposal of all or part of the equity interest in Shanghai Ju Ming;
- (iv) to execute any resolutions and minutes as a shareholder of Shanghai Ju Ming and to file any required document to relevant government authorities;
- (v) on behalf of the Registered Shareholders, to nominate, elect, designate, appoint or remove the legal representative, directors, supervisors, general managers, chief executive officer and other senior management members of Shanghai Ju Ming;
- (vi) to approve the amendments to the articles of association of Shanghai Ju Ming; and
- (vii) to deal with any asset of Shanghai Ju Ming, including but not limited to managing its asset-related business and accessing and acquiring its revenue and assets.

(3) *Exclusive Option Agreements*

JW Shanghai and Shanghai Ju Ming entered into the exclusive option agreement with each of Ms. Xia Zhen and with Ms. Guo Qi (collectively, the “**Exclusive Option Agreements**”), pursuant to which the Registered Shareholders and Shanghai Ju Ming irrevocably and unconditionally granted JW Shanghai irrevocable and exclusive rights (the “**Exclusive Option Rights**”), provided that it is permitted under the PRC laws and regulations, to acquire the equity interest in our Consolidated Affiliated Entities from the Registered Shareholders and Shanghai Ju Ming and/or to acquire the assets of our Consolidated Affiliated Entities by JW Shanghai or its designee(s), in whole or in part at any time at the sole and absolute discretion of JW Shanghai.

The equity interest purchase price shall be equal to the amount of registered capital contributed in our Consolidated Affiliated Entities by their shareholders respectively or any other amount as separately agreed between JW Shanghai or its designee(s) and the Registered Shareholders, or the minimum price legally required under the PRC laws and regulations if such minimum price is higher than the aforementioned purchase price. The purchase price received by the Registered Shareholders shall be used to offset their respective loan due to JW Shanghai under the Loan Agreements (as defined below) (the “**Offset Debts**”). If PRC laws impose mandatory requirements on the equity interest purchase price, such that the minimum equity interest purchase price permitted under PRC laws exceeds the price already offset with the Offset Debts, the Registered Shareholders shall promptly gift all of the amount exceeding the Offset Debts they received to JW Shanghai or its designee(s) in the manner permitted under the applicable PRC laws. For further details, please see “— Loan Agreements” in this section.

The asset purchase price shall be free or at a nominal price or the minimum price legally required under the PRC laws and regulations. Upon the assets being duly transferred to JW Shanghai or its designee(s) and after deducting necessary tax expenses, JW Shanghai or its designee(s) shall pay the consideration within seven days to the designated bank accounts of our Consolidated Affiliated Entities. Our Consolidated Affiliated Entities has also undertaken that, subject to the relevant PRC laws and regulations, they will return to JW Shanghai or its designee(s) any consideration they received within seven days in the event that JW Shanghai exercises the Exclusive Option Rights to acquire the assets of our Consolidated Affiliated Entities. If such return is not permissible under the PRC laws, the returned consideration will be in escrow by our Consolidated Affiliated Entities for JW Shanghai and our Consolidated Affiliated Entities shall cooperate with JW Shanghai to sign a custody agreement or other relevant legal documents.

Pursuant to the Exclusive Option Agreements, our Consolidated Affiliated Entities and the Registered Shareholders, covenant, among other things, that:

- (i) without the prior consent of JW Shanghai, they shall not supplement, change, or amend the articles of association of our Consolidated Affiliated Entities, or increase or reduce the registered capital of our Consolidated Affiliated Entities, or otherwise change the structure of the registered capital of our Consolidated Affiliated Entities;
- (ii) they shall maintain the corporate existence of our Consolidated Affiliated Entities in accordance with the good financial and business standards and practices;
- (iii) without the prior consent of JW Shanghai, they shall not sell, transfer, mortgage or dispose of any material assets or legal or beneficial interest in the material business or revenues of our Consolidated Affiliated Entities, or allow to place encumbrances thereon;
- (iv) without the prior consent of JW Shanghai, our Consolidated Affiliated Entities shall not incur, inherit, guarantee or suffer any debt, unless the debts incurred in the ordinary course of business other than through loans;
- (v) they shall operate our Consolidated Affiliated Entities in the ordinary course of business so as to maintain our Consolidated Affiliated Entities' asset value, and shall not take or omit to take any actions which may adversely affect the operating status and asset value of our Consolidated Affiliated Entities;
- (vi) without the prior consent of JW Shanghai, our Consolidated Affiliated Entities shall not enter into any material contracts other than in the ordinary course of business;
- (vii) without the prior consent of JW Shanghai, our Consolidated Affiliated Entities shall not provide any person with any loan or credit;
- (viii) upon request of JW Shanghai, they shall provide JW Shanghai with information regarding the operations and financial condition of our Consolidated Affiliated Entities;
- (ix) our Consolidated Affiliated Entities shall purchase and maintain insurance over the assets and business of our Consolidated Affiliated Entities from an insurance carrier acceptable to JW Shanghai, at an amount and type of coverage typical for companies carrying on similar businesses;
- (x) without the prior written consent of JW Shanghai, our Consolidated Affiliated Entities shall not merge, consolidate with, acquire or invest in any person;
- (xi) they shall immediately inform JW Shanghai if assets, business, revenue or equity interest of our Consolidated Affiliated Entities involve in any litigation, arbitration or administrative proceeding;
- (xii) our Consolidated Affiliated Entities shall sign all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints, and raise necessary and appropriate defenses against all claims to maintain the ownership of their assets;

- (xiii) without the prior written consent of JW Shanghai, they shall not distribute any dividend to its shareholders. However, upon request of JW Shanghai, our Consolidated Affiliated Entities shall immediately distribute all distributable profits to their shareholders;
- (xiv) at the request of JW Shanghai, they shall appoint any persons designated by JW Shanghai as the director or executive director of our Consolidated Affiliated Entities;
- (xv) without the prior consent of JW Shanghai, they shall not engage in any business in competition with JW Shanghai or its affiliates;
- (xvi) without written consent of JW Shanghai, our Consolidated Affiliated Entities shall not be dissolved or liquidated, unless otherwise mandatorily required by the PRC laws;
- (xvii) once foreign investors are permitted to invest in the principal business of our Consolidated Affiliated Entities in China, and the competent government authorities of China begin to approve such investments, upon JW Shanghai's exercise of this option, the Registered Shareholders shall immediately transfer to JW Shanghai or its designee(s) the equity interest in our Consolidated Affiliated Entities held by them; and
- (xviii) they shall procure the subsidiary and any subsidiary subsequently established, acquired or actually controlled by our Consolidated Affiliated Entities to exercise rights and perform the same obligations as our Consolidated Affiliated Entities and comply with covenants made by our Consolidated Affiliated Entities in accordance with the Exclusive Option Agreements.

(4) *Loan Agreements*

JW Shanghai entered into the loan agreement with each of Ms. Xia Zhen and with Ms. Guo Qi (collectively, the "**Loan Agreements**"), pursuant to which JW Shanghai agreed to lend each Registered Shareholder RMB500,000 (the "**Loans**") for capital contribution to Shanghai Ju Ming or for the payment of the consideration of the equity interest of Shanghai Ju Ming. Such Loans will become immediately due and payable under any of the following circumstances: (i) 30 days after the Registered Shareholders receives a written notice from JW Shanghai requesting repayment of the Loan (and all interest thereon); (ii) death, lack or limitation of civil capacity of the Registered Shareholders; (iii) the Registered Shareholders cease to be a shareholder of Shanghai Ju Ming; (iv) the Registered Shareholders engage in criminal act or is involved in criminal activities; (v) once foreign investors are permitted to invest in the Relevant Businesses in China, with a controlling stake and/or in the form of wholly foreign-owned enterprises, and the competent government authorities of China begin to approve such investments; or the Registered Shareholders or Shanghai Ju Ming breach of the representations, warranties, covenants or other obligations under the Exclusive Option Agreements; and (vi) Shanghai Ju Ming failed to obtain or renew any governmental approval or license necessary for the operation of its core business.

(5) *Equity Interest Pledge Agreements*

JW Shanghai and Shanghai Ming Ju entered into the equity interest pledge agreement with each of Ms. Xia Zhen and with Ms. Guo Qi (collectively, the “**Equity Interest Pledge Agreements**”), pursuant to which each of the Registered Shareholders agreed to pledge all of their respective equity interest in Shanghai Ju Ming to JW Shanghai as a security for their and Shanghai Ju Ming’s performance of the contractual obligations under the Contractual Arrangements.

Under the Equity Interest Pledge Agreements, the Registered Shareholders agree that, the rights of JW Shanghai with respect to the pledge thereunder shall not be interrupted or harmed by the Registered Shareholders or their successors, heirs or representatives, or any other persons through any legal proceedings. If Shanghai Ju Ming declares any dividend during the term of the pledge, JW Shanghai is entitled to receive all such dividends distributed on the pledged equity interest, if any. In addition, pursuant to the Equity Interest Pledge Agreements, each of the Registered Shareholders has undertaken to JW Shanghai, among other things, not to transfer the interest in their respective equity interest in Shanghai Ju Ming or allow any encumbrance to be placed thereon without the prior written consent of JW Shanghai.

Development in the PRC Legislation on Foreign Investment

The Foreign Investment Law (the “FIL”)

The FIL was adopted at the Second Session of the Thirteenth National People’s Congress of the PRC on March 15, 2019 and came into force on January 1, 2020. The FIL replaced the Sino-Foreign Equity Joint Venture Enterprise Law (《中外合資經營企業法》), the Sino-Foreign Cooperative Joint Venture Enterprise Law (《中外合作經營企業法》) and the Wholly Foreign-Invested Enterprise Law (《外資企業法》), and became the legal foundation for foreign investment in the PRC. For further details, please refer to the section headed “Regulatory Overview — Laws and Regulations Relating to Foreign Investment” in the Prospectus.

The FIL stipulates the implementation of the management systems of pre-establishment national treatment and “negative list” for foreign investment. The “negative list” issued by or upon approval by the State Council, refers to special administrative measures for access of foreign investment in specific fields in the PRC. A foreign investor shall not invest in any field in the “negative list” which is prohibited from foreign investment. A foreign investor shall meet the investment conditions stipulated under the “negative list” for any field in the “negative list” which is restricted from foreign investment. Concerning fields not mentioned in the “negative list” management shall be conducted under the principle of consistency between domestic and foreign investment. The FIL does not contain or quote the stipulation of the “negative list”.

The definition of “foreign investors” in FIL includes foreign natural persons, enterprises and other organizations.

Moreover, the FIL does not stipulate that the “foreign investment” as defined thereunder shall include contractual arrangements. Instead, it adds a catch-all provision to the definition of foreign investment so that foreign investment, by its definition, includes “investments through other means stipulated under laws or administrative regulations or by the State Council” without elaboration on “other means”.

Impact of FIL on Contractual Arrangements

Conducting operations through contractual arrangements has been adopted by many PRC-based companies, and has been adopted by our Company in the form of the Contractual Arrangements, to establish control of our Consolidated Affiliated Entities, through which we operate the Relevant Businesses in the PRC. The FIL stipulates four forms of foreign investment, but does not mention concept “actual control”, nor does it explicitly stipulate the contractual arrangements as a form of foreign investment. Besides, it does not explicitly prohibit or restrict a foreign investor to rely on contractual arrangements to control the majority of its business that is subject to foreign investment restrictions or prohibitions in the PRC. Provided that no additional laws, administrative regulations, departmental rules or other regulatory documents on contractual arrangements has been issued and enacted, the coming into effect of the FIL does not, by itself, have any material adverse operational and financial impact on the legality and validity of our Contractual Arrangements.

Furthermore, the FIL stipulates that foreign investment includes “foreign investors invest in China through any other methods under laws, administrative regulations or provisions prescribed by the State Council”. Although its implementing rules do not expressly stipulate the contractual arrangements as a form of foreign investment, there are possibilities that future laws, administrative regulations or provisions prescribed by the State Council may regard contractual arrangements as a form of foreign investment, at which time it will be uncertain whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the above-mentioned Contractual Arrangements will be handled. Therefore, there is no guarantee that the Contractual Arrangements and the business of the Consolidated Affiliated Entities will not be materially and adversely affected in the future due to changes in PRC laws and Regulations. In the event that such measures are not complied with, the Stock Exchange may take enforcement actions against us which may have a material adverse effect on the trading of our Shares. For further details, please refer to the section headed “Risk Factors — Risks Relating to Contractual Arrangements” in the Prospectus.

*The Notice on Conducting Pilot Work for Further Opening Up in the Medical Field (the “**Notice**”) and its impact on Contractual Arrangements*

The Notice was jointly issued by the Ministry of Commerce, the National Health Commission and the NMPA on September 7, 2024, which states that, among others, foreign-invested enterprises are allowed to engage in the development and application of human stem cells and gene diagnosis and treatment technologies, for the purpose of product registration, marketing and manufacturing, in free trade pilot zones in Beijing, Shanghai, Guangdong and Hainan with effect from the date of issuance of the Notice.

The Notice effectively permits a foreign-invested enterprise such as the Company to engage in the Relevant Businesses only in free trade pilot zones in Beijing, Shanghai, Guangdong and Hainan (the “**Permitted Regions**”). Accordingly, foreign-invested enterprises are still prohibited from engaging in the Relevant Businesses outside the Permitted Regions, as the Relevant Businesses still fall within the scope of the “prohibited” category under the “negative list” abovementioned.

As of the date of this report, the Company engages in the Relevant Businesses through Shanghai Ju Ming in a number of provinces and cities, including without limitation, Beijing, Tianjin, Zhejiang, Guangdong, Jiangsu, Shanghai, Henan, Shanxi and Hubei, which encompasses both Permitted Regions and non-Permitted Regions. If the Company were to unwind and terminate the Contractual Arrangements as of the date of this report, the Company would be engaging in the Relevant Businesses beyond the Permitted Regions and hence would likely be in breach of the “negative list” and other applicable PRC laws and regulation. In light of the above, based on the PRC’s legal advisors’ recommendation, the Company would not adjust or unwind the Contractual Arrangements for the time being to ensure the Relevant Businesses can be carried out by the Company in a compliant manner.

If the operation of our Relevant Businesses is not on the “negative list” and we can legally operate such businesses under PRC laws, JW Shanghai will exercise the option under the Exclusive Option Agreement to acquire the equity interest of our Consolidated Affiliated Entities and unwind the contractual arrangements subject to re-approval by the relevant authorities.

Sustainability of our Relevant Businesses

If any ancillary regulations or implementation rules of the FIL and the negative list subsequently issued mandates further actions for us to retain the Contractual Arrangements, we will take all reasonable measures and actions to comply with the FIL or such ancillary regulations or implementation rules then in force and to minimize the adverse effect of such laws on our Company. However, there is no assurance that we can fully comply with such law. In the event that such measures are not complied with, the Stock Exchange may take enforcement actions against us which may have material adverse effect on the trading of our Shares. If, after the Global Offering, we fail to comply with the new foreign investment law as finally promulgated, we may be required to dispose of our Relevant Businesses operated through our Consolidated Affiliated Entity under the Contractual Arrangements or make necessary corporate structure adjustments so as to comply with the new foreign investment law as finally promulgated.

In the worst case scenario, if any new foreign investment law subsequently promulgated is refined or deviates from the FIL, resulting in the Contractual Arrangements becoming invalid and illegal, we may not be able to operate the Relevant Businesses through the Contractual Arrangements and may lose our rights to receive the economic benefits of the Consolidated Affiliated Entities and the financial results of the Consolidated Affiliated Entities may no longer be consolidated into our Group’s financial results and we would have to derecognize their assets and liabilities according to the relevant accounting standards. If our Group does not receive any compensation, an investment loss would be recognized as a result of such derecognition.

Nevertheless, considering that a number of existing entities are operating under contractual arrangements and some of which have obtained listing status abroad, our Directors are of the view that it is unlikely, if any ancillary regulations or implementation rules of the FIL is promulgated, that the relevant authorities will take retrospective effect to require the relevant enterprises to remove the contractual arrangements. However, there is no guarantee that the PRC government will not take a relatively cautious attitude towards the supervision of foreign investments and the enactment of laws and regulations impacting them and make decisions according to different situations in practice.

Our Company will, after the Global Offering, timely announce (i) any updates or material changes to any ancillary regulations or implementation rules of the FIL that will materially and adversely affect us as and when they occur and (ii) in the event that any ancillary regulations or implementation rules of the FIL or any new foreign investment law has been promulgated, a clear description and analysis of law, specific measures adopted by our Company to comply with the law (supported by advice from PRC legal advisor), as well as its material impact on our business operation and financial position.

Risks relating to the Contractual Arrangements

- If the PRC government finds that the agreements that establish the structure for operating our business in China do not comply with PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe consequences and the relinquishment of our interests in the Consolidated Affiliated Entities.
- There is substantial uncertainty with respect to the interpretation and implementation of the newly enacted Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance, and business operations.
- The Contractual Arrangements may not be as effective in providing operational control as direct ownership, and the Registered Shareholders and the Consolidated Affiliated Entities may fail to perform their obligations under the Contractual Arrangements.
- The Company may lose the ability to use the permits, licenses, and intellectual properties held by the Consolidated Affiliated Entities that are important to the operation of our business if the Consolidated Affiliated Entities declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.
- The Contractual Arrangements may be subject to scrutiny by the PRC tax authorities and additional taxes may be imposed. A finding that we owe additional taxes could substantially reduce our consolidated net income and the value of the Shares.
- The Registered Shareholders of Shanghai Ju Ming may potentially have a conflict of interest with us, and they may breach their contracts with us or cause such contracts to be amended in a manner contrary to our interests.
- Certain of the terms of the Contractual Arrangements may not be enforceable under PRC laws.
- If the Company exercise the option to acquire equity ownership of Shanghai Ju Ming, the ownership transfer may subject us to certain limitations and substantial costs.

For details, please refer to the section headed “Risk Factors — Risks Relating to Contractual Arrangements” in the Prospectus.

Compliance with the Contractual Arrangements

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

- (i) as part of the internal control measures, major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;
- (ii) our Board, particularly our independent non-executive Directors, will review the overall performance of and compliance with the Contractual Arrangements at least once a year, and the confirmation from our independent non-executive Directors will be disclosed in our annual report;
- (iii) our Company will disclose the overall performance and compliance with the Contractual Arrangements in our annual reports and interim reports to update the Shareholders and potential investors;
- (iv) our Company and our Directors undertake to provide periodic updates in our annual and interim reports regarding (a) our status of compliance with the FIL, and (b) the latest regulatory development in relation with the FIL;
- (v) our Company will engage external legal advisors or other professional advisors, if necessary, to assist our Board to review the implementation of the Contractual Arrangements, review the legal compliance of JW Shanghai and our Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements;
- (vi) our Company will comply with the conditions to be prescribed by the Stock Exchange under the waiver given; and
- (vii) our Group will adjust or unwind (as the case may be) the Contractual Arrangements as soon as practicable in respect of the operation of the Relevant Businesses to the extent permissible and we will directly hold the maximum percentage of ownership interests permissible under relevant PRC laws and regulations which allow the Relevant Businesses to be conducted and operated by owned subsidiaries of our Company without such arrangements in place.

Annual Review by the Independent Non-executive Directors and the Auditor

The independent non-executive Directors, upon review of the overall performance of and compliance with the Contractual Arrangements, confirmed that:

- (a) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements;
- (b) no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group, which is confirmed by the auditor of the Company; and
- (c) any new contracts entered into, renewed or reproduced between our Group and the Consolidated Affiliated Entity during the Reporting Period under paragraph (d) above are fair and reasonable, or advantageous, so far as our Group is concerned and in the interests of the Company and the Shareholders as a whole.

Further, the Consolidated Affiliated Entities undertakes that, for so long as the Shares are listed on the Hong Kong Stock Exchange, the Consolidated Affiliated Entities will provide our Group's management and our auditor with full access to its relevant records for the purpose of procedures to be carried out by our auditor on the connected transactions.

Save as disclosed above, there is no change in the Contractual Arrangements for the period from the Listing Date to December 31, 2025.

Save as disclosed above, the related party transactions as disclosed in note 35 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Save as disclosed in this annual report, and except the continuing connected transactions that were granted full exemptions on the requirements under Chapter 14A of the Listing Rules by the Stock Exchange, there were no connected transactions or continuing connected transactions which are required to be disclosed by the Company during the Reporting Period in accordance with the provisions concerning the disclosure of connected transactions under Chapter 14A of the Listing Rules.

DONATIONS

During the Reporting Period, the Group made no charitable and other donations.

SIGNIFICANT LEGAL PROCEEDINGS

For the year ended December 31, 2025, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

PERMITTED INDEMNITY PROVISION

Under the Articles of Association, every Director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he may incur or sustain in or about the execution of his duties in his office; be indemnified and secured harmless out of the assets of the Company; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty.

The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers.

AUDIT COMMITTEE

The Audit Committee of the Company had, together with the management and external auditor of the Company, reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended December 31, 2025.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 106 to 126 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, was held by the public at all times during the Reporting Period and as of the latest practicable date prior to the issue of this annual report.

AUDITOR

Deloitte Touche Tohmatsu ("**Deloitte**") was appointed as the Auditor on October 31, 2024 and was subsequently re-appointed at the conclusion of the Company's annual general meeting on June 26, 2025. The accompanying financial statements prepared in accordance with IFRSs have been audited by Deloitte. Deloitte shall retire at the forthcoming annual general meeting.

The consolidated financial statements for the year ended December 31, 2023 have been audited by PricewaterhouseCoopers. On October 31, 2024, PricewaterhouseCoopers resigned as auditor of the Company and Deloitte was appointed as auditor of the Company following the resignation of PricewaterhouseCoopers.

On behalf of the Board

Cheng Liu
Chairman

Shanghai, PRC, March 26, 2026

Corporate Governance Report

The Board is pleased to present the corporate governance report of the Company for the year ended December 31, 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own code of corporate governance throughout the year ended December 31, 2025.

Except as expressly described below, the Company has complied with all applicable code provisions set out in Part 2 of the CG Code during the year ended December 31, 2025.

Separation of the Roles of the Chairman of the Board and Chief Executive Officer

Pursuant to code provision C.2.1 in Part 2 of the CG Code, the roles of the Chairman and CEO should be separate and should not be performed by the same individual. Dr. Li served as the Chairman and Mr. Liu served as the CEO during the period from January 1, 2025 to March 13, 2025. The Company had been in full compliance with code provision C.2.1 in Part 2 of the CG Code with effect from January 1, 2025 to March 13, 2025.

Mr. Liu was appointed the Chairman on March 13, 2025 following the stepping down of Dr. Li from his role as the Chairman. Upon Mr. Liu’s appointment as the Chairman, Mr. Liu assumed the dual roles of the Chairman and the CEO. Notwithstanding what is provided under the code provision C.2.1 in Part 2 of the CG Code, the Board had confidence in vesting the roles of both the Chairman and the CEO in Mr. Liu and believed that this was ensure the Group had consistent leadership and could make and implement the business strategies of the Group more effectively. Therefore, the Board considered that the deviation from the code provision C.2.1 in Part 2 of the CG Code was appropriate in such circumstance. In addition, under the supervision of the Board which currently comprised of an executive Director, four non-executive Directors and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its Shareholders.

Following the appointment of Dr. Cheng Liu as the Chairman with effect from December 12, 2025 and the appointment of Mr. Feng Tian as the CEO and an executive Director with effect from December 29, 2025, the Company has complied with all applicable code provisions set out in Part 2 of the CG Code.

The Board will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board Committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

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

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

Board Composition

As of the date of this annual report, the Board comprises 1 executive Director, 4 non-executive Directors and 3 independent non-executive Directors as follows:

Executive Director

Mr. Feng Tian (*Chief Executive Officer*) (*appointed as Chief Executive Officer and executive Director on December 29, 2025*)

Non-executive Directors

Dr. Cheng Liu (*Chairman*) (*appointed as Chairman on December 12, 2025*)

Dr. Yiping James Li (*stepped down as Chairman on March 13, 2025*)

Ms. Xing Gao

Dr. Sungwon Song

Independent Non-executive Directors

Mr. Kin Cheong Kelvin Ho

Dr. Debra Yu

Mr. Peng Kuan Chan

The biographies of the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and chief executive.

As each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules, the Company considers all of them to be independent parties.

During the Reporting Period, Mr. Feng Tian, who was appointed as executive Director had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on December 29, 2025 and he has confirmed that he understood his obligations as a Director.

Board Diversity Policy

We recognize and embrace the benefits of having a diverse Board to capture different talents so as to further bolster our Board's performance. This would also enable us in achieving a sustainable and balanced development in the long run. Our Board has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve and maintain its diversity. The Board Diversity Policy provides that the selection of Board candidates should be based on a range of diversity considerations, including but not limited to professional experience, skills, knowledge, gender, age, cultural and educational 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, biotechnology, clinical research, life science, finance, investment, and accounting. They obtained degrees in various areas including microbiology, chemistry, pharmacy, biochemical engineering, chemical engineering, business administration, economics, mathematics, accounting and business law. Our board diversity policy is well implemented as evidenced by the fact that there are two female and six male Directors ranging from 41 years old to 62 years old with experience from different industries and sectors.

We will continue to implement measures and steps to promote and enhance gender diversity at all levels of our Company. We will select potential Board candidates based on merit and his/her potential contribution to our Board while taking into account our Board Diversity Policy and other factors, including but not limited to, his/her integration into our management mindset and business model and any specific requirements from time to time.

The Nomination Committee is responsible for ensuring the diversity of the Board members. The Nomination Committee reviews the Board Diversity Policy and its implementation on an annual basis to ensure its implementation and monitor its continued effectiveness.

During the Reporting Period, the Board, through the Nomination Committee, has reviewed the implementation and effectiveness of the Board Diversity Policy and confirm that the Board has an appropriate mix of skills and experience to deliver the Company's strategy.

The Board is comprised of eight Directors, including six male Directors and two female Directors. The Board is of the view that the existing gender diversity in respect of the Board is sufficient. The Company will use its best endeavours to ensure the principle of board and gender diversity is integrated into the recruitment processes of suitable candidates for the Board and of the Company's employees to ensure there shall be a pipeline of potential successors to the Board and to its workforce while maintaining the existing board and gender diversity.

Accordingly, the Company considers that gender diversity is also achieved in its workforce (including senior management) generally. As at December 31, 2025, we had a total of 314 employees, of which 135 were male and 179 were female. The gender ratio in our workforce (including senior management) was approximately 43% males to 57% females.

Mechanisms to Ensure Independent Views and Input

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

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

All Directors are entitled to seek advice the independent professional advisors at the Company's expenses.

During the Reporting Period, the Company has reviewed the implementation and effectiveness of such mechanisms and considered they are effective and adequate.

Anti-Corruption

The Company has adopted an anti-corruption policy to promote an ethical culture with the Company, to minimize the Group's operation risks and to protect the Company and its shareholders' interests as a whole. Such policy encourages all employees (including senior management) to report any suspicious fraudulent activities or misconducts through relevant procedures in accordance with the policy. Identities and information reported will be kept strictly confidential and whistle-blowers will be protected from potential retaliation, unfair termination or victimization.

Induction and Continuous Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to Directors covering topics include (i) the roles, functions and responsibilities of the Board, its committees and its Directors, and Board effectiveness; (ii) the Company's obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rule updates) relevant to the discharge of such obligations and duties; (iii) corporate governance and ESG matters (including developments on sustainability or climate-related risks and opportunities relevant to the issuer and its business); (iv) risk management and internal controls and (v) updates on industry-specific developments, business trends and strategies relevant to the Company. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Corporate Governance Report

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company has from time to time updated and provided written training materials relating to the roles, functions and duties of a Director.

Mr. Feng Tian, who is a first-time director as defined under Rule 3.09H of the Listing Rules, will complete the continuous professional development required by Rule 3.09F within 18 months from the date of his appointment. Relevant details will be disclosed in the next annual report.

According to the information provided by the Directors, a summary of training received by the Directors throughout the year ended December 31, 2025 is as follows:

Name of Directors	Nature of Continuous Professional Development Programs
Executive Director	
Mr. Feng Tian (<i>Chief Executive Officer</i>) (<i>appointed as Chief Executive Officer and as executive Director on December 29, 2025</i>)	A&B
Mr. Min Liu (<i>appointed as Chairman on March 13, 2025 and resigned as Chairman, as Chief Executive Officer and as executive Director on December 12, 2025</i>)	A&B
Non-executive Directors	
Dr. Cheng Liu (<i>Chairman</i>) (<i>appointed as Chairman on December 12, 2025</i>)	A&B
Dr. Yiping James Li (<i>stepped down as Chairman on March 13, 2025</i>)	A&B
Ms. Xing Gao	A&B
Dr. Sungwon Song	A&B
Independent Non-executive Directors	
Mr. Kin Cheong Kelvin Ho	A&B
Dr. Debra Yu	A&B
Mr. Peng Kuan Chan	A&B

Notes:

- A: Attending training sessions, including but not limited to, briefings, seminars, conference and/or workshops
- B: Reading materials relevant to corporate governance, director's duties and responsibilities, Listing Rules and other relevant ordinances

Appointment and Re-election of Directors

Details relating to the service contracts of Directors are set out in the section headed “Directors’ Service Contracts and Letters of Appointment” in the Report of Directors of this annual report.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

Board Meetings

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings are kept by the company secretary with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors.

Corporate Governance Report

During the Reporting Period, nine Board meetings and two general meetings were held and the attendance of each Director at these meetings is set out in the table below:

Directors	Attended/ Eligible to attend the Board meeting(s)	Attended/ Eligible to attend the general meeting(s)
Executive Director		
Mr. Feng Tian (<i>Chief Executive Officer</i>) (<i>appointed as Chief Executive Officer and as executive Director on December 29, 2025</i>)	N/A	N/A
Mr. Min Liu (<i>appointed as Chairman on March 13, 2025 and resigned as Chairman, as Chief Executive Officer and as executive Director on December 12, 2025</i>)	8/9	2/2
Non-executive Directors		
Dr. Cheng Liu (<i>appointed as Chairman on December 12, 2025</i>)	9/9	1/2
Dr. Yiping James Li (<i>stepped down as Chairman on March 13, 2025</i>)	9/9	1/2
Ms. Xing Gao	9/9	0/2
Dr. Sungwon Song	9/9	0/2
Independent Non-executive Directors		
Mr. Kin Cheong Kelvin Ho	9/9	2/2
Dr. Debra Yu	9/9	1/2
Mr. Peng Kuan Chan	9/9	2/2

Model Code for Securities Transactions

The Company has adopted its own code of conduct regarding securities transactions, namely the Code for Securities Transactions by Directors (the “**Securities Transactions Code**”), which applies to all Directors on terms no less than the required standard indicated by the Model Code.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Securities Transactions Code during the year ended December 31, 2025.

The Company’s employees, who are likely to be in possession of unpublished inside information of the Company, are subject to the Model Code. No incident of non-compliance of the Model Code was noted by the Company as at the date of this report.

Delegation by the Board

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Corporate Governance Function

The Board recognizes that corporate governance should be the collective responsibility of the Directors which includes but not limited to the following:

- (a) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors;
- (d) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on matters;
- (e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report; and
- (f) to review and monitor the Company's compliance with the Company's whistleblowing policy.

BOARD COMMITTEES

Audit Committee

Audit Committee consists of three members and is chaired by independent non-executive Director, Mr. Kin Cheong Kelvin Ho, and consists of one non-executive Director, Ms. Xing Gao and one independent non-executive Director, Mr. Peng Kuan Chan.

The principal duties of the Audit Committee include but not limited to:

1. making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and to consider any questions of resignation or dismissal of that auditor;
2. reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
3. reviewing the financial statements, reports and accounts and consider any significant or unusual items raised by the Company's qualified accountant, compliance officer or auditor before submission of the Board;
4. reviewing the Company's financial controls and, unless expressly addressed by a separate Board risk committee or by the Board itself, reviewing the Company's risk management and internal control systems;
5. discussing the risk management and internal control system with the Senior Management and to ensure that the Senior Management has performed its duties in establishing and maintaining effective systems, including adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;
6. ensuring co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness; and
7. considering any other topics, as defined by the Board.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

For the year ended December 31, 2025, five meetings of the Audit Committee were held to discuss and consider the following matters:

- reviewed annual results of the Company and its subsidiaries for the year ended December 31, 2024 as well as the audit report prepared by the auditor relating to accounting issues and major findings in course of audit;

- reviewed the 2024 internal control and risk management report, and discussed the risk management and internal control system with the Senior Management;
- reviewed the representation letters for 2025 consolidated financial statement and connected party transactions;
- reviewed interim results of the Company and its subsidiaries for the year ended December 31, 2025;
- reviewed the connected transactions, including continuing connected party transactions;
- ensured the internal audit function is adequately resourced, periodically conducted meetings to review and monitor the effectiveness of internal audit function;
- reviewed the financial reporting system, compliance procedures, risk management and internal control systems (including the adequacy of resources, staff qualifications and experience, training programs and budget of the Company’s accounting and financial reporting function) and the re-appointment of the Auditor; the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the auditor;
- reviewed the Company’s audit plans in 2025 prepared by the internal audit and external auditor of the Company; and
- conducted separate discussion with external auditor.

Attendance of each Audit Committee member is set out in the table below:

Directors	Attended/ Eligible to attend
Mr. Kin Cheong Kelvin Ho (<i>Chairman</i>) (<i>redesignated as chairman on August 28, 2024</i>)	5/5
Ms. Xing Gao	5/5
Mr. Peng Kuan Chan	5/5

Nomination Committee

The Nomination Committee consists of three members and is chaired by independent non-executive Director, Mr. Kin Cheong Kelvin Ho, and consists of one executive Director, Mr. Feng Tian and one independent non-executive Director, Dr. Debra Yu.

Mr. Feng Tian was appointed as a member on December 29, 2025 and Mr. Min Liu ceased to be a member following his resignations on December 12, 2025.

The principal duties of the Nomination Committee include the following:

1. reviewing the structure, size and composition (including the skills, knowledge and experience) required of the Board annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. making recommendations to the board on the appointment or re-appointment of directors and succession planning for directors in particular the chairperson and the chief executive;
3. identifying individuals suitably qualified to become Directors and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; and
4. assessing the independence of independent non-executive Directors.

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision.

Director Nomination Policy

The Board has adopted a nomination policy which sets out the selection criteria and process in relation to the selection, appointment and re-appointment of the Directors and aims to ensure that the Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to the Company's business.

The 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;
- skills, qualification and experiences;
- commitment in respect of available time and relevant interest;
- independence of proposed independent non-executive Directors; 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 Nomination Committee shall identify, consider and recommend to the Board appropriate candidates to serve as Directors and to make recommendations to the Shareholders. The ultimate responsibility for selection and appointment of Directors rests with the entire Board.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

For the year ended December 31, 2025, two meetings of the Nomination Committee was held to discuss and consider the following matters:

- reviewed the structure, size, and composition of the Board;
- confirmed the independence of the independent non-executive Directors;
- considered the qualifications of the retiring Directors standing for election at the annual general meeting;
- considered and made recommendation to the Board in respect of the appointment of new executive Director and independent non-executive Director; and
- reviewed the resignation of the independent non-executive Directors and proposed new composition of the Board committees.

Attendance of each Nomination Committee member is set out in the table below:

Directors	Attended/ Eligible to attend
Mr. Kin Cheong Kelvin Ho (<i>Chairman</i>)	2/2
Mr. Feng Tian (<i>appointed as member on December 29, 2025</i>)	N/A
Dr. Debra Yu	2/2
Mr. Min Liu (<i>ceased to be a member on December 12, 2025</i>)	0/2

Remuneration Committee

The Remuneration Committee consists of three members and is chaired by independent non-executive Director, Dr. Debra Yu, and consists of one non-executive Director, Dr. Sungwon Song and one independent non-executive Director, Mr. Peng Kuan Chan.

The principal duties of the Remuneration Committee include the following:

1. making recommendations to the Board on the Company’s policy and structure for all Directors’ and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, and proper human resources review process is in place to ensure that no Director, senior management or any of his associate is involved in deciding his own remuneration;

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2. reviewing and approving Director and senior management's remuneration proposals with reference to the Board's goals and objectives;
3. considering salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;
4. determining with delegated responsibility and making recommendations to the Board on the remuneration packages of individual executive Directors, non-executive Directors and senior management;
5. reviewing and approving the compensation payable to executive Directors and senior management for any loss or termination of office or appointment in order to ensure that such compensation is consistent with the contractual terms and is otherwise fair and not excessive;
6. reviewing and approving compensation arrangements relating to dismissal or removal of executive Directors and senior management for misconduct in order to ensure they are consistent with contractual terms and are otherwise reasonable and appropriate; and
7. reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

For the year ended December 31, 2025, five meetings of the Remuneration Committee were held to discuss and consider the following matters:

- reviewed and made recommendation to the Board on the remuneration policy;
- reviewed and made recommendation to employees merit increase and bonus budget;
- reviewed and made recommendation to the Board on the remuneration packages of the Directors and senior management;
- reviewed and made recommendation to the Board on the remuneration of the new Directors; and
- reviewed and made recommendation to the Board on the share incentivization schemes and arranged regular signing on the grant documents.

Attendance of each Remuneration Committee member is set out in the table below:

Directors	Attended/ Eligible to attend
Dr. Debra Yu (<i>Chairperson</i>)	5/5
Dr. Sungwon Song	5/5
Mr. Peng Kuan Chan	5/5

Emolument Policy

The Company has established the Remuneration Committee to review the Company's policy and structure for the remuneration of all Directors and senior management and formulate remuneration policy. The remuneration of the Directors and senior management are determined based on their individual performance, responsibilities, qualification, position and seniority. The remuneration of all Directors and senior management is recommended by the Remuneration Committee.

Remuneration of Directors and Senior Management

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

The emoluments of the five highest paid individuals fell within the following bands:

Emolument bands (in HKD)	Year ended December 31,	
	2025 no. of individuals	2024 no. of individuals
HKD1,500,001 to HKD2,000,000	3	–
HKD2,000,001 to HKD2,500,000	1	–
HKD3,000,001 to HKD3,500,000	–	3
HKD3,500,001 to HKD4,000,000	1	1
HKD22,500,001 to HKD23,000,000	–	1
	5	5

Details of the remuneration payable to the Directors and the five highest paid individuals for the year ended December 31, 2025 are set out in note 11 to the consolidated financial statements.

BUSINESS DEVELOPMENT AND STRATEGY COMMITTEE

The Business Development and Strategy Committee consists of three members and is chaired by independent non-executive Director, Dr. Debra Yu, and consists of one executive Director, Mr. Feng Tian and one non-executive Director, Ms. Xing Gao. Mr. Min Liu ceased to be a member, and Mr. Feng Tian has been appointed as a member of the Business Development and Strategy Committee on December 12, 2025 and on December 29, 2025, respectively.

The purposes and the principle duties of the Business Development and Strategy Committee, among others, include reviewing and making recommendations on the business and corporate development strategies of the Company to the Board.

For the year ended December 31, 2025, two meetings of the Business Development and Strategy Committee were held to discuss the following matters: assessing business opportunities presented by the Company, discussing and making recommendations on near term and long term corporates strategies, as well as business requests from the Board.

Attendance of each Business Development and Strategy Committee member is set out in the table below:

Directors	Attended/ Eligible to attend
Dr. Debra Yu (<i>Chairperson</i>)	2/2
Ms. Xing Gao	2/2
Mr. Feng Tian (<i>appointed as member on December 29, 2025</i>)	N/A
Mr. Min Liu (<i>ceased to be member on December 12, 2025</i>)	2/2

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the year ended December 31, 2025 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

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

The statement by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 127 to 203 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is the responsibility of the Board to ensure the management has established an adequate internal control system to safeguard shareholder investments and Company assets and undertake to review the effectiveness of such system on an annual basis. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatements or loss.

The management had conducted a review of the effectiveness of the risk management and internal control systems of the Group for the year ended December 31, 2025 and considered them effective and adequate.

Risk Management

We have adopted a series of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. Risks identified by the management were analyzed on the basis of likelihood and impact, and properly followed up, mitigated and rectified by the Group and reported to the Directors. Our Audit Committee, and ultimately the Directors supervise the implementation of the Company's risk management policies. The Directors and the senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control. The following key principles outline our approach of risk management:

- Our Audit Committee will oversee and manage the overall risks associated with our business operation, including (i) reviewing and approving our risk management policies to ensure that it is consistent with our corporate objectives; (ii) reviewing and approving annual corporate risk assessment result; (iii) monitoring the most significant risks associated with our business operation and our management's handling of such risks; (iv) reviewing our corporate risk in light of our corporate risk tolerance; and (v) monitoring and ensuring the appropriate application of our risk management framework across the Group.
- Our head of finance is responsible for (i) formulating and updating our risk management policy and targets; (ii) reviewing and approving major risk management issues of our Company; (iii) promulgating risk management measures; (iv) providing guidance on our risk management approach to the relevant departments in our Company; (v) reviewing the relevant departments' reporting on key risks and providing feedback; (vi) supervising the implementation of our risk management measures by the relevant departments; (vii) ensuring that the appropriate structure, processes and competencies are in place across our Group; and (viii) reporting to our Audit Committee on our material risks.
- The Company has established the corporate risk management committee chaired by our CEO and composed of critical department heads as the primary corporate governance structure. There are regular meetings held by risk management committee to review and discuss the corporate annual risk assessment, supervise the mitigation to the risks associated with our business, and review the ESG related work, to ultimately ensure to achieve the company objectives.

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- The Internal Audit department of the Group will assist the Board and the Audit Committee to discharge their duties in reviewing the adequacy and effectiveness of the risk management and internal control systems. The Internal Audit function will monitor the corporate risk management committee execution, independently examine key risks in relation to those material controls, and conduct supervision on the Company's daily operations, to reasonably ensure the Company's business operations continue to meet the Company's system requirements and the external regulatory requirements.
- The relevant departments in our Company, including but not limited to the finance department, the legal & compliance department and the human resources department, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. In order to standardize risk management across our Group and set a common level of transparency and risk management performance, the relevant departments (i) gathered information about the risks relating to their operation or function; (ii) conducted risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect their business objectives; (iii) continuously monitored the key risks relating to their operation or function; (iv) implement appropriate risk responses where necessary; and (v) develop and maintain appropriate mechanism to facilitate the application of our risk management framework.

Internal Control

Our Board of Directors is responsible for establishing and ensuring effective internal controls to safeguard our Shareholder's investments at all times. Our Audit Committee and Internal Audit assist the Board and the management in overseeing the design, implementation and monitoring of the internal control systems.

During the Reporting Period, we regularly reviewed and enhanced our internal control system designed to manage the risks and uncertainties that may cause the Group's financial conditions or business performance to be materially different from the expected results.

Below is a summary of the internal control policies, measures and procedures we have implemented:

- We adopted various measures and procedures regarding each aspect of our business operation, such as company code of conduct, anti-corruption and whistleblowing, policies of protection of intellectual property, environmental protection, legal and compliance, pharmacovigilance, product quality and safety, and occupational health and safety, etc. We provided periodic training on these measures and procedures to our employees as part of our employee training program. We also constantly monitor the implementation of those measures and procedures during each stage of the business development process.
- Our Directors (who are responsible for monitoring the corporate governance of our Group), with help from our legal advisors, conducted periodically review on our compliance status with all relevant laws and regulations.

- Our Audit Committee assists the Board to monitor the effectiveness of the risk management and internal control systems, regularly review the results and effectiveness of the Company's internal audit team, and provide recommendation regarding the risk management and internal control system. Our Audit Committee also (i) makes recommendations to our Directors on the appointment and removal of external auditors; (ii) reviews the financial information and renders advice in respect of financial reporting as well as oversee internal control procedures of our Group; and (iii) maintains regular dialogue with the Company's external auditors and internal audit.
- Our Internal Audit function independently conducts audit programs per the annual risk assessment result endorsed by the management and Audit Committee, perform annual risk assessment and accordingly monitors the remediation status and reports the result to the management and our Audit Committee.
- To ensure compliance to applicable laws and regulations, we have engaged a law firm, Fangda Partners to advise us on and keep us abreast of Hong Kong laws and regulations. We continuously arrange various trainings sessions provided by external legal advisors from time to time when necessary, and/or any appropriate accredited institution to update our Directors, senior management and relevant employees on the latest Hong Kong laws and regulations.
- We maintain strict anti-fraud, anti-corruption and medical compliance policies on personnel conducts business activities and external communications. We also provided periodic trainings to our commercial team to ensure them to comply with applicable promotion and advertising requirements, which include restrictions on promoting products for unapproved uses or patient populations and limitations on industry-sponsored scientific and educational activities.
- We have put in place an internal policy for the handling and disclosure of inside information in compliance with the SFO. The internal policy sets out the procedures and internal controls for the handling and dissemination of inside information in a timely manner and provides the Directors, senior management and relevant employees a general guide in monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.
- We have developed standard operating procedures governing our activities including an integrated procurement-to-payment process, standardized financial reporting and accounting manual, expense accrual methodology, overall budgeting and tracking mechanism.
- Our Directors believe that compliance creates value for our stakeholders and dedicate to cultivating a compliance culture among all of our employees. To ensure such compliance culture is embedded into everyday workflow and set the expectations for individual behavior across the organization, we regularly conduct internal compliance checks and inspections, adopt strict accountability internally and deliver ongoing compliance training.

Corporate Governance Report

The Audit Committee, on behalf of the Board, continuously reviews the risk management and internal control systems. The review process comprises, among other things, at least on an annual basis meetings with management of business groups, internal audit team, legal personnel and the external auditors, reviewing the relevant work reports and information of key performance indicators, and discussing the major risks with the senior management of the Company.

During the Reporting Period, among other things, the Board and the Audit Committee have reviewed the Group's financial operation and compliance controls, the adequacy of resources, staff qualifications and experience, training programs and budget of the Group's accounting, internal audit, financial reporting functions as well as those relating to the Company's ESG performance and reporting. The corporate risk management committee would review the reporting of the internal audit function from time to time. The Audit Committee has reviewed the Company's internal audit function and the internal control systems for the year ended December 31, 2025. A confirmation regarding the effectiveness of these systems has been provided to the Board for the year ended December 31, 2025.

In addition, the Board believes that the Company's accounting and financial reporting functions have been performed by staff of the appropriate qualifications and experience and that such staff receives appropriate and sufficient training and development. There were no material internal control defects or significant areas of concerns identified during the Reporting Period. The Board is of the opinion that the Group's risk management, internal control systems and processes for financial reporting and Listing Rules compliance were effective and adequate during the Reporting Period.

AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the auditor to the Group during the year ended December 31, 2025 was approximately as follows:

Type of Services	Amount (RMB'000)
Audit services	2,596
Non-audit services related to tax	44
Total	2,640

COMPANY SECRETARY

The company secretary of the Company is responsible for advising the Board on corporate governance matters and ensuring that the Board 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 engages Ms. Ng Ka Man (吳嘉雯) (“**Ms. Ng**”), a senior manager of the Listing Services Department of TMF Hong Kong Limited (a company secretarial service provider), as the company secretary. For the year ended December 31, 2025, Mr. Shen Shuo, (senior director, legal and compliance), acted as the primary contact person at the Company whom Ms. Ng contacted.

For the year ended December 31, 2025, Ms. Ng has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group’s business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The annual general meeting of the Company provides opportunity for the Shareholders to communicate directly with the Directors. The Chairman of the Company and the chairmen of the Board Committees of the Company will attend the AGMs to answer Shareholders’ questions. The Auditor will also attend the AGMs to answer questions about the conduct of the audit, the preparation and content of the auditor’s report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders’ communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at www.jwtherapeutics.com, where up-to-date information on the Company’s business operations and developments, financial information, corporate governance practices and other information are available for public access.

During the Reporting Period, the Company has reviewed the implementation and effectiveness of the shareholders’ communication policy. The Company is of the view that the shareholders’ communication policy of the Company has facilitated sufficient shareholders’ communication and considered the policy is effective and adequate.

SHAREHOLDERS’ RIGHTS

To safeguard Shareholders’ interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of extraordinary general meeting and putting forward proposals

General meetings shall be convened on the written requisition of any one or more members holding 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 carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitioner(s). 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 requisitioner(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

Shareholders may put forward proposals at general meetings by sending written notice of their proposals to the headquarters of Company at 5F, Building B, Wison Center, No. 699 Zhongke Road, Pudong New District, Shanghai, PRC, or by email to IR_JW@jwtherapeutics.com.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the headquarters of the Company at 5F, Building B, Wison Center, No. 699 Zhongke Road, Pudong New District, Shanghai, PRC (email address: IR_JW@jwtherapeutics.com).

DIVIDEND POLICY

With respect to dividend policy, the Group currently intends to retain all available funds and earnings, if any, to fund the development of its business and it does not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends will be made at the discretion of the Directors and may be based on a number of factors, including the Group's future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the Directors may deem relevant.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company has adopted the ninth amended and restated memorandum and articles of association adopted on June 18, 2024, which has been effective on the same date. During the Reporting Period, the said amended and restated memorandum and articles of association did not have any change.

Independent Auditor's Report

To the Shareholders of JW (Cayman) Therapeutics Co. Ltd

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of JW (Cayman) Therapeutics Co. Ltd (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 132 to 203, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Impairment assessment of licenses not ready for use</i></p> <p>Refer to note 17 to the consolidated financial statements.</p> <p>The Group recorded licenses not ready for use in carrying amount of approximately RMB86,851,000, which represent 9% of the Group's total assets as of 31 December 2025. Licenses not ready for use are subject to impairment assessment annually, or when there are indicators that these intangible assets might be impaired.</p> <p>We focused on auditing the impairment assessment of licenses not ready for use because of the involvement of significant management's judgments and assumptions, which are subject to high degree of estimation uncertainty and level of subjectivity.</p> <p>Impairment assessment of licenses not ready for use are tested on the cash-generating unit ("CGU") level which is determined at the product level, include each license not ready for use and other assets attributable to the CGU.</p> <p>Management has determined the recoverable amounts of licenses not ready for use based on the value-in-use calculations. The value-in-use calculations use the discounted cash flow model with the assistance of an independent external valuer. The key assumption used in estimating the recoverable amounts of licenses not ready for use include revenue growth rates, gross margins, pre-tax discount rate and year of commercialization.</p>	<p>We performed the following procedures to address the key audit matter:</p> <ol style="list-style-type: none">(1) Obtained an understanding of the management's internal control and assessment process of impairment assessment of licenses not ready for use;(2) Assessed the competence, capabilities and objectivity of the independent external valuer;(3) Evaluated the appropriateness of the valuation methodologies used in the value-in-use calculations;(4) Assessed the reasonableness of key assumptions including revenue growth rates, gross margins, pre-tax discount rate and year of commercialization applied by management, by comparing with approved budget and observable market data of the industry;(5) Assessed management's sensitivity analysis on the key assumptions, to consider the extent to which adverse changes, would result in licenses not ready for use being impaired;(6) Evaluated the disclosures regarding the impairment assessment of licenses not ready for use in note 17 to the consolidated financial statements.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe the matter 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 the independent auditor's report is ZHOU SZE.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
26 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	NOTES	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	6	283,653	158,218
Cost of sales		(110,571)	(80,902)
Gross profit		173,082	77,316
Other income	7	5,622	6,873
Other gains and losses	8	(319,236)	(147,554)
Selling expenses		(154,345)	(140,413)
General and administrative expenses		(78,494)	(120,068)
Research and development expenses		(188,375)	(282,989)
Finance income	9	20,955	28,431
Finance costs	9	(11,434)	(12,220)
Finance costs — net	9	9,521	16,211
Loss before tax	10	(552,225)	(590,624)
Income tax expense	12	(3,067)	—
Loss for the year		(555,292)	(590,624)
Other comprehensive (expense) income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation from functional currency to presentation currency	29	(67,595)	39,627
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations	29	5,293	(1,388)
Other comprehensive (expense) income for the year		(62,302)	38,239
Total comprehensive expense for the year		(617,594)	(552,385)
LOSS PER SHARE			
— Basic and diluted (RMB)	14	(1.34)	(1.43)

Consolidated Statement of Financial Position

	NOTES	As at 31 December	
		2025 RMB'000	2024 RMB'000
Non-Current Assets			
Property, plant and equipment	15	183,863	232,392
Right-of-use assets	16	26,668	41,488
Intangible assets	17	191,489	582,966
Prepayment for license	18	7,029	7,189
Other non-current assets	19	7,546	7,656
		416,595	871,691
Current Assets			
Inventories	20	62,003	31,257
Other receivables and prepayments	21	2,225	7,233
Other current assets	22	3,006	12,808
Bank balances and cash	23	503,066	757,375
		570,300	808,673
Current Liabilities			
Trade and other payables	24	130,463	70,481
Borrowings	25	218,096	361,634
Lease liabilities	26	8,219	14,625
Contract liabilities	27	32,661	16,207
Other current liabilities		4,952	2,107
		394,391	465,054
Net Current Assets		175,909	343,619
Total Assets Less Current Liabilities		592,504	1,215,310

Consolidated Statement of Financial Position

	NOTES	As at 31 December	
		2025 RMB'000	2024 RMB'000
Capital and Reserves			
Share capital	28	27	27
Reserves	29	6,667,483	6,725,096
Accumulated losses		(6,111,250)	(5,555,958)
Total Equity		556,260	1,169,165
Non-Current Liabilities			
Borrowings	25	18,000	19,500
Lease liabilities	26	18,244	26,645
		36,244	46,145
		592,504	1,215,310

The consolidated financial statements on page 132 to 203 were approved and authorised for issue by the directors of the Company on 26 March 2026 and are signed on its behalf by:

FENG TIAN
DIRECTOR

XING GAO
DIRECTOR

Consolidated Statement of Changes in Equity

	Attributable to owners of the Company			
	Share capital RMB'000	Reserves RMB'000 (Note 29)	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	27	6,649,145	(4,965,334)	1,683,838
Loss for the year	—	—	(590,624)	(590,624)
Other comprehensive income for the year	—	38,239	—	38,239
Total comprehensive income (expense) for the year	—	38,239	(590,624)	(552,385)
Issuance of ordinary shares (Note 28)	*	403	—	403
Issuance of treasury shares hold in the trust (Note 28)	*	*	—	*
Recognition of share-based compensation expenses (Note 30)	—	37,309	—	37,309
At 31 December 2024	27	6,725,096	(5,555,958)	1,169,165
Loss for the year	—	—	(555,292)	(555,292)
Other comprehensive expense for the year	—	(62,302)	—	(62,302)
Total comprehensive expense for the year	—	(62,302)	(555,292)	(617,594)
Issuance of ordinary shares (Note 28)	*	244	—	244
Issuance of treasury shares hold in the trust (Note 28)	*	*	—	*
Recognition of share-based compensation expenses (Note 30)	—	4,445	—	4,445
At 31 December 2025	27	6,667,483	(6,111,250)	556,260

* Amount is less than RMB1,000

Consolidated Statement of Cash Flows

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Loss for the year	(555,292)	(590,624)
Adjustments for:		
Income tax	3,067	—
Finance costs	(9,521)	(16,211)
Interest received	20,955	28,431
Net foreign exchange gains or losses	(36,992)	15,597
Depreciation of property, plant and equipment	49,768	55,110
Depreciation of right-of-use assets	13,600	15,723
Amortisation of intangible assets	18,508	18,830
Impairment loss of an intangible asset	354,857	132,258
Share-based payment expense	4,445	37,309
Loss on disposal of property, plant and equipment	12	—
Loss on disposal of intangible asset	59	—
Gain on early termination of leases	—	(52)
Operating cash flows before movements in working capital	(136,534)	(303,629)
(Increase)/decrease in inventories	(30,746)	3,521
Decrease in other receivables and prepayments	5,008	9,636
Decrease/(increase) in other current assets	9,802	(2,880)
Decrease in other non-current assets	113	11,196
Increase/(decrease) in trade and other payables	59,279	(35,222)
Increase/(decrease) in contract liabilities	16,454	(14,217)
Increase/(decrease) in other current liabilities	2,845	(1,848)
Cash used in operations	(73,779)	(333,443)
Income taxes paid	(3,067)	—
NET CASH USED IN OPERATING ACTIVITIES	(76,846)	(333,443)

Consolidated Statement of Cash Flows

	Year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	130	—
Purchases of property, plant and equipment	(1,384)	(5,222)
Purchases of intangible assets	(234)	(10,146)
Payments for right-of-use assets	—	(57)
NET CASH USED IN INVESTING ACTIVITIES	(1,488)	(15,425)
FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	244	403
Proceeds from borrowings	144,368	327,950
Repayments of borrowings	(289,256)	(209,379)
Interest paid for borrowings	(10,120)	(10,145)
Repayment of lease liabilities	(13,587)	(16,327)
Interest paid for lease liabilities	(1,464)	(2,012)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(169,815)	90,490
Effect of foreign exchange rate changes	(6,160)	9,844
NET DECREASE IN CASH AND CASH EQUIVALENTS	(254,309)	(248,534)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	757,375	1,005,909
CASH AND CASH EQUIVALENTS AT END OF YEAR	503,066	757,375

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

JW (Cayman) Therapeutics Co. Ltd (the “Company”) was incorporated in the Cayman Islands, with its registered office situate at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, on September 6, 2017 as an exempted company with limited liability.

The Company and its subsidiaries, hereinafter collectively referred to as the “Group” are primarily engaged in research and development (“R&D”), manufacturing, marketing of cellular immunotherapy products in the People’s Republic of China (the “PRC”) and the license of know-how.

The Company’s shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on November 3, 2020 (the “Listing”).

The consolidated financial statements are presented in Renminbi (“RMB”), which is different from the Company’s functional currency of United States dollars (“USD”).

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (“IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

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

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

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
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³

^{1.} Effective for annual periods beginning on or after a date to be determined.

^{2.} Effective for annual periods beginning on or after 1 January 2026.

^{3.} Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures, but have no material impact on the Group's financial position and performance.

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

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

Going concern assessment

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

Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

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

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

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

(Continued)

3.2 Material accounting policy information

Contractual arrangements

Due to the restrictions imposed by the relevant laws and regulatory regime of the PRC on foreign ownership of companies engaged in the gene therapy business carried out by subsidiaries of the Group, namely Shanghai Ju Ming Medical Technology Co., Ltd (上海炬明醫療技術有限公司) (“Shanghai Ju Ming”) and its wholly owned subsidiaries, Shanghai Ming Ju Biotechnology Co., Ltd (上海明聚生物科技有限公司) (“Shanghai Ming Ju”) (collectively, “Shanghai Ju Ming Group”), JW Therapeutics (Shanghai) Co., Ltd. (上海藥明巨諾生物科技有限公司) (“JW Shanghai”) entered into the contractual arrangements (the “Contractual Arrangements”) with Shanghai Ju Ming and its equity holders, which enable JW Shanghai and the Group to:

- expose, or have rights, to variable returns from their involvement with the investee and have ability to affect those returns through its power and exercise effective financial and operation control over Shanghai Ju Ming;
- exercise equity holders’ controlling voting rights of Shanghai Ju Ming;
- receive substantially all of the economic interest returns generated by Shanghai Ju Ming in consideration for the business support, technical and consulting services provided by Shanghai Ju Ming;
- obtain an irrevocable and exclusive right to purchase all or part of equity interests in Shanghai Ju Ming from its equity holders at the same amount of its registered capital, which was loaned from JW Shanghai. JW Shanghai may exercise such options at any time until it has acquired all equity interests and/or all assets of Shanghai Ju Ming. In addition, Shanghai Ju Ming is not allowed to sell, transfer, or dispose of any assets, or make any distributions to its equity holders without prior consent of JW Shanghai; and
- obtain a pledge over the entire equity interest of Shanghai Ju Ming from its equity holders as collateral security to guarantee performance of their contractual obligations under the Contractual Arrangements.

The Group does not have any equity interest in Shanghai Ju Ming Group. However, as a result of the Contractual Arrangements, the Group has power over Shanghai Ju Ming Group, has rights to variable returns from its involvement with Shanghai Ju Ming Group, has the ability to affect those returns through its power over Shanghai Ju Ming Group and has the ability to exercise effective financial and operation control over Shanghai Ju Ming Group. Consequently, the Company regards Shanghai Ju Ming Group as indirect subsidiaries for accounting purpose. The Company consolidates the assets, liabilities, income and expenses of Shanghai Ju Ming Group upon the execution of the Contractual Arrangements for the years ended 31 December 2025 and 2024.

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

(Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in note 6.

Leases

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

The Group as a lessee

Allocation of consideration to components of a contract

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

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of office premises and machinery equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date.

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

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

(Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

Refundable rental deposits

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

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on the input of the risk-free rate based on government bond rates.

The lease payments were all the fixed payments (including in-substance fixed payments).

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

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

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

(Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

(Continued)

3.2 Material accounting policy information (Continued)

Foreign currencies (Continued)

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

Exchange differences relating to the retranslation of the Group's net assets in USD to the Group's presentation currency RMB are recognised directly in other comprehensive income and accumulated in foreign currency translation. Such exchange differences accumulated in the foreign currency translation are not reclassified to profit or loss subsequently.

Borrowing costs

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

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

Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

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

(Continued)

3.2 Material accounting policy information (Continued)

Employee benefits

Retirement benefit costs

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

Termination benefits

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

Short-term employee benefits

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

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

Share-based payments

Equity-settled share-based payment transactions

Share options/Restricted share unit ("RSU") granted to employees and others providing similar services

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

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

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

(Continued)

3.2 Material accounting policy information (Continued)

Share-based payments (Continued)

Equity-settled share-based payment transactions (Continued)

Share options/Restricted share unit ("RSU") granted to employees and others providing similar services (Continued)

When share options are exercised or the RSU are vested, the amount previously recognised in share-based compensation reserve will continue to be held in share-based compensation reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based compensation reserve will be transferred to accumulated losses.

Taxation

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

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

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

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

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

(Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

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

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

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

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

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

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

(Continued)

3.2 Material accounting policy information (Continued)

Property, plant and equipment

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

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

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

(Continued)

3.2 Material accounting policy information (Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives, which are acquired separately, are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives when the assets are available for use. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Internally-generated intangible assets — R&D expenditure

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

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

(Continued)

3.2 Material accounting policy information (Continued)

Intangible assets (Continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination that are not ready for use are reported at costs less any accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

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

(Continued)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

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

(Continued)

3.2 Material accounting policy information (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

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

(Continued)

3.2 Material accounting policy information (Continued)

Inventories (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including deposits classified as other receivables and other non-current assets and bank balances and cash) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

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

(Continued)

3.2 Material accounting policy information (Continued)

Inventories (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

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

(Continued)

3.2 Material accounting policy information (Continued)

Inventories (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

(Continued)

3.2 Material accounting policy information (Continued)

Inventories (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability weighted amount that is determined with the respective risks of default occurring as the weights.

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

(Continued)

3.2 Material accounting policy information (Continued)

Inventories (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item (note 8) as part of the net foreign exchange gains or losses.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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

(Continued)

3.2 Material accounting policy information (Continued)

Inventories (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables and borrowings are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss (note 8) as part of net foreign exchange gains or losses for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

Capitalization of research and development expenses

Development expenses incurred on the Group's drug product pipelines are 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, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development costs or expenditure which do not meet these criteria are expensed when incurred. Management assesses the progress of each of the research and development projects and determine whether the criteria are met for capitalization. During the years ended 31 December 2025 and 2024, all research and development costs are expensed when incurred.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of intangible assets not ready for use

In-licenses are recognised as intangible assets and stated at cost less accumulated amortisation and impairment, if any. Intangible assets not ready for use are tested annually for impairment, or more frequently, if events or changes in circumstances indicate that they might be impaired.

Determining whether intangible assets not ready for use is impaired requires an estimation of recoverable amount of the cash-generating unit to which the intangible assets belong, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arising from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further loss may arise.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Estimated impairment of intangible assets not ready for use (Continued)

As at 31 December 2025, the carrying amount of intangible assets not ready for use is RMB86,851,000 (2024: RMB458,855,000). The impairment loss recognised for the year ended 31 December 2025 is RMB354,857,000 (2024: RMB132,258,000). Details of the recoverable amount calculation are disclosed in note 17.

5. SEGMENT INFORMATION

The executive directors of the Company, being the chief operating decision maker (“CODM”), review the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. The Group has only one reportable segment. Hence, no further information other than entity wide information was presented.

No analysis of the Group’s assets and liabilities by operating segments is disclosed as it is not regularly provided to the CODM for review.

All revenue from external customers is attributed to the Group and derived from the PRC. All non-current assets except in-licenses recognised as intangible assets of the Group are all located in the PRC.

There is no customer contributing over 10% of the total revenue of the Group for the years ended 31 December 2025 and 2024, except for the transactions with a related party set out in note 6 and note 35.

6. REVENUE

(i) Disaggregation of revenue from contracts with customers is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Revenue from sales of autologous chimeric antigen receptor T-cell immunotherapy products (“CAR-T products”) — at point in time	218,962	158,218
Revenue from grant of a non-exclusive license (Note 35) — at point in time	64,474	—
Others — over time	217	—
	283,653	158,218

6. REVENUE (Continued)

(ii) Performance obligations for contracts with customers and revenue recognition policies

For the sales of CAR-T products, revenue is recognised when control of goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the one-time infusion to patients is completed. The entire transaction price received at the time of order placement by the Group is recognised as a contract liability until the one-time infusion to patients completed.

For the grant of a non-exclusive license, revenue is recognised when the customer obtains control of the license, being at the point the customer have ability to use the license.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All of the Group's remaining performance obligations for contracts with customers are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

7. OTHER INCOME

	Year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants — cost related <i>(Note)</i>	5,622	5,988
Others <i>(Note 35)</i>	—	885
	5,622	6,873

Note: The government grants and subsidies related to funding received to compensate for the Group's research and development expenses. Some of the grants received are related to future costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions. When the required conditions set by the government for such grants are met, the proportion of the qualified funds is recognised as "Other income" and the remaining balance is recorded as "Trade and other payables — deferred income".

8. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Impairment loss recognised in respect of intangible assets (<i>Note 17</i>)	(354,857)	(132,258)
Net foreign exchange gains or losses	36,992	(15,597)
Compensation in respect of litigation	(706)	—
Loss on disposal of intangible assets	(59)	—
Loss on disposal of property, plant and equipment	(12)	—
Gain on early termination of leases	—	52
Others	(594)	249
	(319,236)	(147,554)

9. FINANCE COSTS

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Interest income from bank balances	20,955	28,431
Interest expense on bank borrowings	(9,970)	(10,208)
Interest expense on lease liabilities	(1,464)	(2,012)
	9,521	16,211

10. LOSS BEFORE TAX

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss before tax has been arrived after charging:		
Directors' emoluments (<i>Note 11</i>)	5,286	24,680
Other staff costs		
Wages and salaries	119,758	131,366
Share-based compensation expenses	4,322	23,644
Other post-employment benefits	27,433	34,870
Termination benefits	2,758	13,136
Staff costs (including directors' emoluments)	159,557	227,696
Capitalised in inventories	(12,224)	(8,664)
	147,333	219,032
Depreciation of property, plant and equipment	49,768	55,110
Depreciation of right-of-use assets	13,600	15,723
Amortisation of intangible assets	18,508	18,830
Total depreciation and amortisation	81,876	89,663
Capitalised in inventories	(17,787)	(12,419)
	64,089	77,244
Auditors' remuneration		
— Audit service	2,596	2,625
— Non-audit service	44	900
Cost of inventories recognised as an expense		
— Cost of sales	78,061	58,572
— Research and development expenses	23,742	36,697

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

	Fees RMB'000	Basic salaries, housing allowances, other allowances and benefits in kind RMB'000	Discretionary bonus RMB'000	Pension scheme contributions RMB'000	Share-based compensation expenses RMB'000	Termination benefits RMB'000	Total RMB'000
Year ended 31 December 2025							
<i>Chief Executive Officer and Executive Director</i>							
Feng Tian (i)	—	34	—	—	—	—	34
Min Liu (ii)	—	3,104	308	73	123	—	3,608
<i>Non-executive Directors</i>							
Yiping James Li (iii)	—	—	—	—	—	—	—
Xing Gao	—	—	—	—	—	—	—
Sungwon Song	—	—	—	—	—	—	—
Cheng Liu	327	—	—	—	—	—	327
<i>Independent Non-executive Directors</i>							
Kin Cheong Kelvin Ho	463	—	—	—	—	—	463
Debra Yu	462	—	—	—	—	—	462
Peng Kuan Chan	392	—	—	—	—	—	392
	1,644	3,138	308	73	123	—	5,286

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

	Fees RMB'000	Basic salaries, housing allowances, other allowances and benefits in kind RMB'000	Discretionary bonus RMB'000	Pension scheme contributions RMB'000	Share-based compensation expenses RMB'000	Termination benefits RMB'000	Total RMB'000
Year ended 31 December 2024							
<i>Chief Executive Officer and Executive Director</i>							
Min Liu (ii)	—	1,440	308	37	115	—	1,900
<i>Non-executive Directors</i>							
Yiping James Li (iii)	—	1,342	—	42	13,550	6,000	20,934
Xing Gao	—	—	—	—	—	—	—
Sungwon Song	—	—	—	—	—	—	—
Cheng Liu	328	—	—	—	—	—	328
<i>Independent Non-executive Directors</i>							
Kin Cheong Kelvin Ho	337	—	—	—	—	—	337
Debra Yu	395	—	—	—	—	—	395
Peng Kuan Chan	135	—	—	—	—	—	135
Yiu Leung Andy Cheung (iv)	232	—	—	—	—	—	232
Krishnan Viswanadhan (v)	200	—	—	—	—	—	200
Ann Li Lee (vi)	219	—	—	—	—	—	219
	<u>1,846</u>	<u>2,782</u>	<u>308</u>	<u>79</u>	<u>13,665</u>	<u>6,000</u>	<u>24,680</u>

Notes:

- (i) Mr. Feng Tian was appointed as the chief executive officer of the Company and an executive Director on 29 December 2025.
- (ii) Mr. Min Liu was appointed as the chief executive officer of the Company and an executive Director on 31 July 2024 and resigned on 12 December 2025.
- (iii) Dr. Yiping James Li was appointed as the chief executive officer of the Company and an executive director on 5 August 2020 and redesignated as a non-executive director on 31 July 2024.
- (iv) Mr. Yiu Leung Andy Cheung was appointed as an independent director on 22 October 2020 and resigned on 28 August 2024.
- (v) Dr. Krishnan Viswanadhan was appointed as an independent director on 20 November 2019 and resigned on 31 July 2024.
- (vi) Dr. Ann Li Lee was appointed as an independent director on 22 May 2020 and resigned on 31 July 2024.

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

The executive directors' emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group, respectively.

The non-executive directors' and independent non-executive directors' emoluments shown above were for their services as directors of the Company.

None of the directors nor the chief executive officer of the Company waived or agreed to waive any emoluments during the year.

During the year, no emoluments were paid by the Group to any of the directors nor the chief executive officer of the Company as an inducement to join or upon joining the Group.

Discretionary bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one director (2024: one), whose emolument is reflected in the analysis shown above. The emoluments payable to the remaining four individuals during the year are as follows:

	Year ended 31 December	
	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Basic salaries, housing allowances, other allowances and benefits in kind	5,960	6,554
Discretionary bonuses	854	—
Pension scheme contributions	315	194
Share-based compensation expenses	1,141	4,819
Termination benefits	—	1,394
	8,270	12,961

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)**Five highest paid individuals** (Continued)

The emoluments of the five highest paid individuals fell within the following bands:

	Year ended 31 December	
	2025 <i>no. of</i> <i>individuals</i>	2024 <i>no. of</i> <i>individuals</i>
Emolument bands (in HKD)		
HKD1,500,001 to HKD2,000,000	3	—
HKD2,000,001 to HKD2,500,000	1	—
HKD3,000,001 to HKD3,500,000	—	3
HKD3,500,001 to HKD4,000,000	1	1
HKD22,500,001 to HKD23,000,000	—	1
	5	5

12. INCOME TAX EXPENSE

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 operated.

The Company was incorporated in the Cayman Islands and is exempted from income tax.

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable income subjected to Hong Kong Profits Tax.

Entities in the State of Delaware are subject to Federal Tax at a rate of 21% and State of Delaware Profits Tax at a rate of 8.7%. Operations in the United States of America (the "USA") have incurred net accumulated operating losses for income tax purposes and no income tax provisions are recorded during the years ended 31 December 2025 and 2024.

Subsidiaries in Mainland China are subject to income tax at a rate of 25% pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, with the exception of JW Shanghai obtained its High-Tech Enterprise status in year of 2025 and hence is entitled to a preferential tax rate of 15% for a three-year period commencing the year of 2025.

No provision for Mainland China corporate income tax was provided for, as there's no assessable profit. JW Therapeutics (Suzhou) Co., Ltd., is subject to withholding tax on the revenue from grant of a non-exclusive license to Juno Therapeutics, Inc. ("Juno"), a USA based company, amounting to RMB3,067,000 for the year ended 31 December 2025.

12. INCOME TAX EXPENSE (Continued)

The taxation of the Group's loss before taxation differs from the theoretical amount that would arise using the rates prevailing in the jurisdictions in which the Group operates as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	<i>RMB'000</i>
Loss before tax	(552,225)	(590,624)
Income tax expense calculated at 25%	(138,056)	(147,656)
Effect of different tax rates	88,567	43,561
Expenses not deductible for taxation purposes	6,482	10,828
Super deduction in respect of research and development expenditures	(19,035)	(29,860)
Utilisation of previously unrecognised tax loss	(16,040)	(67)
Tax loss not recognised as deferred tax assets	72,065	121,744
Deductible temporary differences not recognised as deferred tax assets	14,264	7,371
Utilisation of previously unrecognised deductible temporary differences	(8,247)	(5,921)
Withholding tax on revenue from grant of a non-exclusive license	3,067	—
Income tax expense	3,067	—

As at 31 December 2025, the Group has deductible temporary differences mainly related to accrual expenses of RMB57,057,000 (2024: RMB29,484,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

As at 31 December 2025, the Group has unused tax losses of RMB3,735,803,000 (2024: RMB3,520,674,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

12. INCOME TAX EXPENSE (Continued)

The unrecognised tax losses will be carried forward and expire in years as follows:

	Year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
2025	—	23,613
2026	109,426	150,042
2027	157,131	157,131
2028	180,334	180,334
2029	255,075	259,992
2030	289,865	289,772
2031	664,534	664,535
2032	701,078	701,078
2033	626,684	626,684
2034	463,508	467,493
2035	288,168	—
	3,735,803	3,520,674

The tax losses of the Company's Mainland China subsidiaries with the exception of those of JW Shanghai and JW Therapeutics R&D (Shanghai) Co., Ltd ("JW R&D") will expire within five years. JW Shanghai as a High-Tech Enterprise and JW R&D as a Small and Medium-sized Technological Enterprise can carry forward losses for 10 years.

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	Year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Deferred tax assets	5,988	9,297
Deferred tax liabilities	(5,988)	(9,297)
	—	—

As at 31 December 2025, the carrying amounts of right-of-use assets and lease liabilities amounted to RMB26,668,000 (2024: RMB41,488,000) and RMB26,463,000 (2024: RMB41,270,000) respectively, in which the Group recognised the related deferred tax liabilities and deferred tax assets of RMB5,988,000 (2024: RMB9,297,000) and RMB5,988,000 (2024: RMB9,297,000) respectively.

13. DIVIDENDS

No dividend was paid or proposed for the shareholders of the Company during the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

14. LOSS PER SHARE

Basic loss per share

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	Year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss attributable to the ordinary equity holders of the Company	(555,292)	(590,624)
	'000	'000
Weighted average number of ordinary shares in issue	415,787	413,634

Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the years ended 31 December 2025 and 2024, the Company had one category of potential ordinary shares: the stock options granted to employees. As the Group incurred losses for the year ended 31 December 2025 and 2024, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended 31 December 2025 and 2024 are the same as basic loss per share.

15. PROPERTY, PLANT AND EQUIPMENT

	Machinery <i>RMB'000</i>	Electronic equipment <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
COST					
At 1 January 2024	185,002	31,211	234,759	849	451,821
Additions	213	—	399	1,559	2,171
Transfer	838	683	813	(2,334)	—
Disposals	—	—	(1,643)	—	(1,643)
At 31 December 2024	186,053	31,894	234,328	74	452,349
Additions	—	4	350	1,027	1,381
Transfer	107	627	350	(1,084)	—
Disposals	(375)	(466)	(2,634)	—	(3,475)
At 31 December 2025	185,785	32,059	232,394	17	450,255
DEPRECIATION					
At 1 January 2024	64,090	17,405	84,995	—	166,490
Provided for the year	22,657	2,465	29,988	—	55,110
Eliminated on disposals	—	—	(1,643)	—	(1,643)
At 31 December 2024	86,747	19,870	113,340	—	219,957
Provided for the year	20,805	2,112	26,851	—	49,768
Eliminated on disposals	(285)	(414)	(2,634)	—	(3,333)
At 31 December 2025	107,267	21,568	137,557	—	266,392
CARRYING VALUES					
At 31 December 2025	78,518	10,491	94,837	17	183,863
At 31 December 2024	99,306	12,024	120,988	74	232,392

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis at the following rates per annum after taking into account of the residual value:

Machinery	9.00% to 18.00%
Electronic equipment	9.00% to 18.00%
Leasehold improvements	Over the shorter of lease term or 10%

16. RIGHT-OF-USE ASSETS

	Buildings <i>RMB'000</i>
COST	
At 1 January 2024	74,922
Additions	1,952
Derecognition due to the completion of leases	(9,879)
Decrease in early termination of leases	(650)
At 31 December 2024	66,345
Additions	760
Derecognition due to the completion of leases	(760)
Decrease in lease modification	(1,980)
At 31 December 2025	64,365
DEPRECIATION	
At 1 January 2024	19,122
Charge for the year	15,723
Derecognition due to the completion of leases	(9,879)
Decrease in early termination of leases	(109)
At 31 December 2024	24,857
Charge for the year	13,600
Derecognition due to the completion of leases	(760)
At 31 December 2025	37,697
CARRYING VALUES	
At 31 December 2025	26,668
At 31 December 2024	41,488

16. RIGHT-OF-USE ASSETS (Continued)

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Expense relating to short-term leases with lease terms end within 12 months	956	1,730
Total cash outflow for leases	16,007	20,126

For both years, the Group leases office premises for its operations. Lease contracts are entered into for fixed term of 12 months to 8 years (2024: 12 months to 8 years) without extension and termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group regularly entered into short-term leases for office premises and machinery equipment. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar.

In addition, all the balance of lease liabilities are recognised with related right-of-use assets as at 31 December 2025 and 2024. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Details of the maturity analysis of lease liabilities are set out in note 26.

17. INTANGIBLE ASSETS

	Computer software <i>RMB'000</i>	Licenses <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
COST				
At 1 January 2024	54,796	879,387	41	934,224
Additions	—	9,990	156	10,146
Transfer	138	—	(138)	—
Currency translation differences	—	13,197	—	13,197
At 31 December 2024	54,934	902,574	59	957,567
Additions	64	703	170	937
Transfer	170	—	(170)	—
Disposal	—	—	(59)	(59)
Currency translation differences	—	(20,039)	—	(20,039)
At 31 December 2025	55,168	883,238	—	938,406
AMORTISATION AND IMPAIRMENT				
At 1 January 2024	14,379	208,630	—	223,009
Charge for the year	5,993	12,837	—	18,830
Impairment charge	—	132,258	—	132,258
Currency translation differences	—	504	—	504
At 31 December 2024	20,372	354,229	—	374,601
Charge for the year	5,663	12,845	—	18,508
Impairment charge	—	354,857	—	354,857
Currency translation differences	—	(1,049)	—	(1,049)
At 31 December 2025	26,035	720,882	—	746,917
CARRYING VALUES				
At 31 December 2025	29,133	162,356	—	191,489
At 31 December 2024	34,562	548,345	59	582,966

17. INTANGIBLE ASSETS (Continued)

The above intangible assets other than licenses not ready for use are amortised on a straight-line basis over the following periods:

Computer software	3–10 years
Licenses	10 years

Relma-cel license

In December 2017, the Group entered into License and Strategic Alliance Agreement (“Relma-cel License”) with Juno to develop and commercialize Relma-cel in Mainland China, Hong Kong and Macau.

The upfront payment of USD11,570,000 (equivalent to RMB75,601,000) was initially recognised as intangible assets in 2017. The milestone payments amounted to USD5,000,000 (equivalent to RMB32,462,000) capitalised in 2021 as the completion of clinical treatment of 100 patients. Subsequently, the reimbursement payments of USD150,000 (equivalent to RMB1,045,000) in 2022 and USD1,400,000 (equivalent to RMB9,990,000) in 2024 further recognised as intangible assets for the upstream milestone payments by Juno as the achievement of clinical trial initiation milestones and the payment obligation became unconditional. In 2025, the Group recognised the reimbursement payments of USD100,000 (equivalent to RMB703,000) as intangible assets for the upstream milestone payments by Juno as the achievement of a clinical trial initiation milestone and the payment obligation became unconditional.

As at 31 December 2025, the carrying amount of the Relma-cel License amounted to RMB75,505,000 (2024: RMB89,490,000) (which is net of the accumulated amortisation of RMB52,560,000 (2024: RMB40,764,000)).

BCMA license

In April 2019, the Group entered into License Agreement — BCMA (“BCMA License Agreement”) with Juno to develop and commercialize JWCAR129 in Mainland China, Hong Kong and Macau. The Group recognised the upfront payment amounted to USD9,140,000 (equivalent to RMB61,318,000) as intangible assets in year 2019.

Eureka licenses

In June 2020, the Group acquired the licenses in a business combination and recognised the licenses, which includes certain licenses under development and commercialization in Mainland China, Hong Kong, Macau, Taiwan and the member countries of Association of South East Asia Nation, at fair value on the acquisition date (“Eureka Licenses”). The Group recognised a total amount of USD95,300,000 (equivalent to RMB674,676,000) as intangible assets in year 2020.

17. INTANGIBLE ASSETS (Continued)

2seventy license

In October 2022, the Group entered into the Collaboration Agreement with 2seventy bio, Inc. (“2seventy”) for the development and commercialization of a cell therapy product directed to MAGE-A4 in Greater China. The Group provided 2seventy upfront payment in cash in an amount of USD3,000,000 (equivalent to RMB20,894,000) and recognised it as intangible assets.

As at 31 December 2025, BCMA license, Eureka licenses and 2seventy license with total carrying amount of RMB86,851,000 (2024: RMB458,855,000) were not yet ready for use.

Impairment assessment

Intangible assets not yet ready for use are tested annually based on the recoverable amount of the cash-generating unit to which the intangible asset is related. The appropriate cash-generating unit is at the pipeline level. The annual impairment test was performed for the pipeline by engaging an independent qualified professional valuer to estimate value in use as the recoverable amount of the pipeline. The value in use is estimated using discount cash flow approach.

With the assistance of an external appraiser, management determined the recoverable amount of the intangible assets not ready for use based on the following approach and the key assumptions:

- Cash inflows are generated for each pipeline based on the progress of clinical development and regulatory approval, commercial ramp up to reach expected peak revenue potential, and up to the end of the exclusivity for the product. The estimated revenue of each pipeline is based on the management’s estimate of timing of commercialization. The costs and operating expenses are estimated as a percentage over the revenue forecast period based on the current margin levels of comparable companies with adjustments made to reflect the expected future price changes. The management considers the length of forecast period is appropriate because it generally takes longer for a biopharma company to generate positive cash flows, compared to companies in other industries, especially when the related products are under clinical trial. Hence, the management believes that a forecast period longer than five years is justifiable and consistent with industry practice. During this year, the range of forecast period was 10 to 16 years since the year of 2025.
- The discount rate used is pre-tax and reflects the current market assessments of the time value of money and the risks specific to each of the cash-generating unit.

17. INTANGIBLE ASSETS (Continued)**Impairment assessment** (Continued)

The key assumptions based on management's best estimates as adopted for the recoverable amount calculations are as follows:

	BCMA license	Eureka licenses	2seventy license
Pre-tax discount rate			
31 December 2025	29.2%	28.6%	26.8%
31 December 2024	28.9%	28.4%	27.3%
Revenue growth rate			
31 December 2025	(2.0%)~36.2%	(2.0%)~187.1%	(18.0%)~94.7%
31 December 2024	(2.0%)~40.4%	(2.0%)~229.4%	(18.6%)~108.6%
Gross margin			
31 December 2025	53.9%~76.0%	85.9%~86.7%	38.7%~76.8%
31 December 2024	72.8%~77.7%	85.9%~87.3%	57.6%~78.1%
Year of commercialization			
31 December 2025	2032	2032	2031
31 December 2024	2028	2030	2027
Recoverable amount of CGU (in RMB million)			
31 December 2025	1	85	1
31 December 2024	51	386	49

Based on the result of above assessment, the Company made a provision for impairment of RMB63 million, RMB585 million and RMB20 million on BCMA license, Eureka licenses and 2seventy license as of 31 December 2025, respectively (2024: RMB14 million, RMB299 million and nil on BCMA license, Eureka licenses and 2seventy license, respectively).

18. PREPAYMENT FOR LICENSE

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Prepayment for license (<i>Note</i>)	7,029	7,189

Note: In January 2020, the Company entered into an Option and License Agreement with Acepodia Biotechnologies, Ltd. ("Acepodia"), pursuant to which, the Company was granted an exclusive option to acquire an exclusive right and license to manufacture, develop, use, sell, offer for sale, import and otherwise commercialize certain products. On 3 February 2020, the Company paid first instalment of USD1,000,000 to Acepodia.

19. OTHER NON-CURRENT ASSETS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Rental deposits	4,244	4,512
Value-added tax recoverable	1,652	1,497
Prepayments for property, plant and equipment	1,650	1,647
	7,546	7,656

20. INVENTORIES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Raw materials	45,399	25,106
Work in progress	16,604	6,151
	62,003	31,257

21. OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Prepayments to suppliers	1,879	1,786
Deposits	157	5,157
Others	189	290
	2,225	7,233

Details of impairment assessment of other receivables are set out in note 33.

22. OTHER CURRENT ASSETS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Value-added tax recoverable	2,051	9,950
Other	955	2,858
	3,006	12,808

23. BANK BALANCES AND CASH

Bank balances and cash carry interest at market rates ranging from 0.01% to 3.66% (2024: 0.01% to 4.60%).

Analysis of bank balances and cash of the Group denominated in currencies other than the functional currency of relevant group entities is set out below:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
USD	88,566	102,362
RMB	1,935	126,557
HKD	646	2,537
	91,147	231,456

24. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Accrued expenses	46,026	20,086
Trade payables	33,973	2,116
Payables for purchase of services and R&D materials	28,915	38,029
Staff salaries and welfare payables	16,028	6,742
Value-added tax and payroll tax	4,218	2,908
Payables for purchase of intangible assets	703	—
Deferred income	600	600
	130,463	70,481

The average credit period on purchases of goods and services of the Group is 30–60 days.

The following is an aged analysis of trade payables, presented based on earlier of the date of goods and services received and the demand note at the end of each reporting period:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
0–30 days	27,898	1,702
31–60 days	5,698	22
91–120 days	80	—
121–365 days	7	217
Over 365 days	290	175
	33,973	2,116

24. TRADE AND OTHER PAYABLES (Continued)

Analysis of trade and other payables of the Group denominated in currencies other than the functional currency of relevant group entities is set out below:

	As at 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
USD	12,807	3,143
RMB	116	1,045
HKD	2,765	54
	15,688	4,242

25. BORROWINGS

	As at 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At amortised cost:		
Unsecured bank borrowings	236,096	381,134
Fixed-rate borrowings	99,506	193,634
Variable-rate borrowings	136,590	187,500

25. BORROWINGS (Continued)

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	As at 31 December	
	2025	2024
	RMB'000	<i>RMB'000</i>
The carrying amounts of the borrowings are repayable:		
Within one year	218,096	361,634
Within a period of more than one year but not exceeding two years	18,000	19,500
	236,096	381,134
Less: Amounts due within 12 months shown under current liabilities	218,096	361,634
Amounts shown under non-current liabilities	18,000	19,500

The ranges of the effective interest rates on the Group's borrowings are as follows:

	Year ended 31 December	
	2025	2024
Fixed-rate borrowings	1.6%–3.2%	2.4%–3.5%
Variable-rate borrowings	2.5%–3.2%	2.6%–3.8%

All the Group's borrowings are denominated in the functional currencies of the relevant group entities.

During the year, the Group was unable to comply with the covenants in respect of the bank loan with a carrying amount of RMB69,500,000 as at 31 December 2025, which were primarily related to the requirement of equity financing or profitability of the Company in 2024. On discovery of the breach, the directors of the Company informed the lender and commenced a renegotiation of the terms of the loan with the relevant lender. As at 31 December 2025, the negotiation had not been concluded. Since the lender has not agreed to waive its right to demand immediate payment as at the end of the reporting period, the loan has been classified as a current liability as at 31 December 2025.

25. BORROWINGS (Continued)

Up to the date of approval for issuance of the consolidated financial statements, the negotiation is still in progress. The directors of the Company are confident that their negotiation with the lender will ultimately reach a successful conclusion. In any event, should the lender call for immediate repayment of the loan, the directors of the Company believe that adequate alternative sources of finance are available to ensure that there is no threat to the continuing operations of the Group.

The fair values of borrowings equal to their carrying amounts as the discounting impact is not significant.

26. LEASE LIABILITIES

	As at 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Lease liabilities payable:		
Within one year	8,219	14,625
Within a period of more than one year but not exceeding two years	4,911	8,401
Within a period of more than two years but not exceeding five years	13,333	15,451
Within a period of more than five years	—	2,793
	26,463	41,270
Less: Amount due for settlement within 12 months shown under current liabilities	8,219	14,625
Amount due for settlement after 12 months shown under non-current liabilities	18,244	26,645

The weighted average incremental borrowing rates applied to the lease liabilities range from 3.10% to 4.75% (2024: 3.10% to 4.75%) for the year ended 31 December 2025.

27. CONTRACT LIABILITIES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Contract liabilities	32,661	16,207

Revenue recognised that was included in the contract liabilities balance at the beginning of the years during each of the two years ended 31 December 2025 and 2024 amounted to RMB13,046,000 and RMB30,424,000 respectively.

For the contracts which require prepayments from the customer, the Group typically receive all the amounts of the product once the order placed.

28. SHARE CAPITAL

Authorised:

	Number of ordinary shares <i>In thousands</i>	Nominal value of ordinary shares <i>USD</i>	RMB equivalent value <i>RMB'000</i>
At 1 January 2024, 31 December 2024 and 2025	5,000,000	50,000	332

Issued and fully paid:

	Number of ordinary shares <i>In thousands</i>	Nominal value of ordinary shares <i>USD</i>	RMB equivalent value <i>RMB'000</i>
At 1 January 2024	412,396	4,124	27
Issuance of ordinary shares (<i>Note (a)</i>)	1,933	19	*
Issuance of treasury shares hold in the trust (<i>Note (b)</i>)	1,203	12	*
At 31 December 2024	415,532	4,155	27
Issuance of ordinary shares (<i>Note (c)</i>)	453	5	*
Issuance of treasury shares hold in the trust (<i>Note (d)</i>)	488	5	*
At 31 December 2025	416,473	4,165	27

* Amount is less than RMB1,000

28. SHARE CAPITAL (Continued)

Issued and fully paid: (Continued)

Notes:

- (a) During the year ended 31 December 2024, the Group issued a total of 1,933,743 ordinary shares to the Group's employees as the result of exercise of stock option after vesting period with a total exercise price of USD57,000 (equivalent to RMB403,000).
- (b) On 2 April 2024, the Company issued and allotted 1,203,121 ordinary shares of USD0.01 each for the Pre-IPO Restricted Share Unit Scheme to Computershare Hong Kong Trustees Limited to hold on behalf of future participants of the Pre-IPO Restricted Share Unit Scheme.
- (c) During the year ended 31 December 2025, the Group issued a total of 452,610 ordinary shares to the Group's employees as the result of exercise of stock option after vesting period with a total exercise price of USD34,000 (equivalent to RMB244,000).
- (d) On 21 March 2025, the Company issued and allotted 488,142 ordinary shares of USD0.01 each for the Pre-IPO Restricted Share Unit Scheme to Computershare Hong Kong Trustees Limited to hold on behalf of future participants of the Pre-IPO Restricted Share Unit Scheme.

29. RESERVES

	Share premium <i>RMB'000</i> <i>Note (a)</i>	Share-based compensation reserve <i>RMB'000</i> <i>Note (b)</i>	Treasury shares held in trust <i>RMB'000</i>	Foreign currency translation <i>RMB'000</i> <i>Note (c)</i>	Capital reserve <i>RMB'000</i> <i>Note (d)</i>	Total <i>RMB'000</i>
At 1 January 2024	6,080,788	356,530	(1)	199,602	12,226	6,649,145
Issuance of ordinary shares	403	—	—	—	—	403
Issuance of treasury share hold in the trust	—	—	*	—	—	*
Share-based compensation expenses	—	37,309	—	—	—	37,309
Currency translation differences	—	—	—	38,239	—	38,239
At 31 December 2024	6,081,191	393,839	(1)	237,841	12,226	6,725,096
At 1 January 2025	6,081,191	393,839	(1)	237,841	12,226	6,725,096
Issuance of ordinary shares	244	—	—	—	—	244
Issuance of treasury share hold in the trust	—	—	*	—	—	*
Share-based compensation expenses	—	4,445	—	—	—	4,445
Currency translation differences	—	—	—	(62,302)	—	(62,302)
At 31 December 2025	6,081,435	398,284	(1)	175,539	12,226	6,667,483

* Amount is less than RMB1,000

29. RESERVES (Continued)

Notes:

- (a) Share premium arose from the issuance of the Company's shares in excess of their par value.
- (b) Share-based compensation reserve arises from share-based payment granted to employees of the Group.
- (c) Foreign currency translation represents the difference arising from the translation of financial statements of companies within the Group that have a functional currency different from the presentation currency of RMB for the financial statements of the Group.
- (d) Capital reserve represents the difference of aggregate consideration paid by the Group and the aggregate capital of the subsidiaries acquired before the year ended 31 December 2020.

30. SHARE-BASED PAYMENTS

Pre-IPO Incentivization Scheme and Restricted Share Unit Schemes

In order to attract, retain and motivate employees, directors and such other eligible persons and to provide a means of compensating them through the grant of options for their contribution to the growth and profits of the Group, and to allow such employees, directors and other persons to participate in the growth and profitability of the Group, the Company adopted the Pre-IPO Incentivization Scheme and Restricted Share Unit Schemes on 4 September 2019.

The Pre-IPO Incentivization Scheme and the Restricted Share Unit Schemes shall be valid and effective for a period of ten years commencing on the adoption date. All the options under the Pre-IPO Incentivization Scheme were granted between 4 September 2019 and 10 September 2020 (both days inclusive).

The maximum number of Shares in respect of which awards may be granted under the Pre-IPO Incentivization Scheme and the Restricted Share Unit Scheme shall not, in aggregate exceed 36,031,500 Shares which is a shared common pool.

There are two types of vesting schedule under the Pre-IPO Incentivization Scheme and the Restricted Share Unit Scheme: (i) with 30% will vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% will vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% will vest on each anniversary of the vesting commencement date, respectively.

Post-IPO Share Option Scheme and Post-IPO Restricted Share Unit Scheme

On 14 October 2020, the Company adopted the Post-IPO Share Option Scheme and Post-IPO Restricted Share Unit Scheme to encourage participants to work towards enhancing the value of the Group and to reward their contribution to the Group.

The Post-IPO Share Option Scheme and Post-IPO Restricted Share Unit Scheme will remain in force for a period of 10 years commencing on the date on which the Post-IPO Share Option Scheme and Post-IPO Restricted Share Unit Scheme is adopted.

The maximum number of Shares in respect of which awards may be granted under the Post-IPO Restricted Share Unit Scheme shall not, in aggregate exceed 7,539,449 Shares and the maximum number of Shares in respect of which options may be granted under the Post-IPO Share Incentivization Scheme shall not in aggregate exceed 37,617,622 Shares.

30. SHARE-BASED PAYMENTS (Continued)**Post-IPO Share Option Scheme and Post-IPO Restricted Share Unit Scheme**
(Continued)

There are two types of vesting schedule under the Post-IPO Share Option Scheme and the Restricted Share Unit Scheme granted before the year of 2025: (i) with 30% will vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% will vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively; and (ii) with 25% will vest on each anniversary of the vesting commencement date, respectively.

Pursuant to a resolution dated 6 January 2025 (“2025 January Plan”), the Company granted 387,740 share options at a consideration of HKD1.36 per share and 77,548 RSU at nil consideration to two employees of the Group as rewards for their services, full time devotion and professional expertise to certain of the Group’s subsidiaries, subject to the meeting of the criteria of each employee’s performance before the relevant vesting date under Post-IPO Share Option Scheme and Post-IPO Restricted Share Unit Scheme.

Pursuant to a resolution dated 11 April 2025 (“2025 April Plan”), the Company granted 5,500,000 and 2,000,000 share options at a consideration of HKD1.48 per share to twelve employees and a director of the Group respectively as rewards for their services, full time devotion and professional expertise to certain of the Group’s subsidiaries, subject to the meeting of the criteria of each employee’s performance or other requirements before the relevant vesting date under Post-IPO Share Option Scheme and Post-IPO Restricted Share Unit Scheme. In addition, the Company granted and vested on the date of grant 256,183 share options at a consideration of HKD1.48 per share to the director abovementioned as part of his remuneration package and recognition of his role with the Group and contribution to the development and growth of the Group for the preceding fiscal year.

Details of the share options/RSU granted on 6 January 2025 and 11 April 2025 are as follows:

Date of Grant	Grantee	Type	Vesting schedule defined in contract term	Number of share options/RSU granted
6 January 2025	Two employees	Share option	<i>Note (a)</i>	387,740
6 January 2025	Two employees	RSU	<i>Note (a)</i>	77,548
11 April 2025	Twelve employees	Share option	<i>Note (b)</i>	5,500,000
11 April 2025	A director	Share option	<i>Note (c)</i>	2,000,000
11 April 2025	A director	Share option	<i>Note (d)</i>	256,183

30. SHARE-BASED PAYMENTS (Continued)**Post-IPO Share Option Scheme and Post-IPO Restricted Share Unit Scheme**
(Continued)*Notes:*

- (a) The vesting schedules for 2025 January Plan share options and RSU is with 30% will vest on the second anniversary of the vesting commencement date and the remaining 30% and 40% will vest on the third anniversary and fourth anniversary of the vesting commencement date, respectively.
- (b) The vesting schedules for 2025 April Plan share options granted to twelve employees is with 25% will vest on each anniversary of the vesting commencement date, respectively.
- (c) The vesting schedules for 2025 April Plan share options granted to a director is with relevant number of share options will vest six months from each of the respective dates upon the grantee's fulfillment of the respective performance targets. If the grantee fulfills a specific performance target (such fulfillment to be determined by the board in its sole discretion) on any date since the date of grant by 10 October 2034, all share options not previously vested pursuant to one or more of the respective performance targets will vest six months from the date on which such specific performance target has been fulfilled.
- (d) The 256,183 share options for 2025 April Plan granted to a director was vested on the date of grant.

The following table summarizes the Group's stock option activities:

	Year ended 31 December			
	2025		2024	
	Weighted average exercise price (in USD)	Number of stock options	Weighted average exercise price (in USD)	Number of stock options
As at beginning of year	1.32	10,165,053	1.21	13,370,225
Granted from 2024 September Plan	—	—	0.17	2,039,144
Granted from 2025 January Plan	0.17	387,740	—	—
Granted from 2025 April Plan	0.19	7,756,183	—	—
Exercised during the year	0.08	(452,610)	0.03	(1,933,743)
Cancelled during the year	0.77	(47,710)	0.73	(1,185,454)
Forfeited during the year	0.19	(6,165,187)	0.74	(1,564,210)
Expired during the year	1.22	(1,683,764)	0.74	(560,909)
As at end of year	1.14	9,959,705	1.32	10,165,053
Vested and exercisable at end of year	1.76	5,994,651	1.57	6,611,533

30. SHARE-BASED PAYMENTS (Continued)

Post-IPO Share Option Scheme and Post-IPO Restricted Share Unit Scheme (Continued)

The share options outstanding at 31 December 2025 had a weighted average remaining contractual life of 7.20 years (2024: 7.18 years).

In respect of the share options exercised during the year, the weighted average share price at the dates of exercise was USD0.41 (2024: USD0.27).

The closing prices of the Company's shares immediately before 6 January 2025 and 11 April 2025, the dates of grant, were HKD1.36 and HKD1.48 respectively.

The share options fair values were calculated using the Binomial model. The inputs into the model were as follows:

	2025 January Plan	2025 April Plan	2024 September Plan
Grant date option fair value per share	HKD0.94	HKD0.87– HKD1.00	HKD0.57– HKD0.62
Exercise price	HKD1.36	HKD1.48	HKD1.32
Expected volatility	77.4%	78.7%	52.4%
Risk-free interest rate	3.87%	3.33%	2.99%

The following table summarizes the Group's unvested restricted shares activities:

	Year ended 31 December	
	2025 <i>Numbers of shares</i>	2024 <i>Numbers of shares</i>
As at beginning of year	2,885,980	5,326,548
Granted from 2024 September Plan	—	669,572
Granted from 2025 January Plan	77,548	—
Vested during the year	(2,013,587)	(1,383,318)
Cancelled during the year	(47,710)	(785,250)
Forfeited during the year	(800,028)	(941,572)
As at end of year	102,203	2,885,980

The fair value of RSU is HKD1.28 for 2024 September Plan and HKD1.36 for 2025 January Plan, which is the closing price of the grant shares in the stock market on the grant date.

The Group recognised the total expense of RMB4,445,000 for the year ended 31 December 2025 in relation to share-based payments (2024: RMB37,309,000).

31. RETIREMENT BENEFITS PLANS

The employees of the Group's subsidiaries in the PRC are members of the state-managed retirement benefit scheme operated by the relevant local government authority in the PRC. The subsidiaries are required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make specified contributions. The total expense recognised in profit or loss of RMB12,650,000 (2024: RMB15,134,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

During the years ended 31 December 2025 and 2024, the Group contributions to the retirement benefit scheme are expensed as incurred and not reduced by contribution forfeited by those employees who leave the plan.

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank borrowings disclosed in note 25, lease liabilities disclosed in note 26, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

33. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Financial assets at amortised cost	507,467	767,044
Financial liabilities		
Financial liabilities at amortised cost	345,713	441,365
Lease liabilities	26,463	41,270

33. FINANCIAL INSTRUMENTS (Continued)**(b) Financial risk management objectives and policies**

The Group's major financial instruments include deposits classified as other receivables and other non-current assets, bank balances and cash, trade and other payables, borrowings and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk*Currency risk*

Certain bank balances and cash, other receivables and prepayments, and trade and other payables are denominated in foreign currencies of respective Group entities which are exposed to foreign currency risk. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the year are mainly as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Assets		
RMB	3,735,355	3,664,684
USD	88,566	126,606
HKD	250,616	258,873
	4,074,537	4,050,163
Liabilities		
RMB	1,965,155	1,795,546
USD	1,187,997	1,205,078
HKD	3,176	475
	3,156,328	3,001,099

33. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

The following table details the Group's sensitivity to a 5% increase and decrease in foreign currencies against respective entities' functional currencies, with which the Group may have a material exposure. 5% represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis uses outstanding foreign currency denominated monetary items as a base and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A positive/negative number below indicates an increase/decrease in profit where foreign currencies strengthen 5% against functional currencies. For a 5% weakening of foreign currencies against functional currencies, there would be an equal and opposite impact on profit/loss for the year.

	Year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Impact on profit or loss	45,910	52,453

Interest rate risk

The Group is primarily exposed to fair value interest rate risk in relation to lease liabilities, borrowings and fixed-rate term deposit. The Group currently does not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on variable-rate bank borrowings. The directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank borrowings is insignificant, therefore no sensitivity analysis on such risk has been prepared.

Credit risk and impairment assessment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to bank balances and cash and deposits classified as other receivables and other non-current assets.

In order to minimize credit risk, the Group has tasked its finance team to develop and maintain the Group's credit risk gradings to categorize exposures according to their degree of risk of default. Management uses publicly available financial information and the Group's own historical repayment records to rate other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties.

33. FINANCIAL INSTRUMENTS (Continued)**(b) Financial risk management objectives and policies** (Continued)**Credit risk and impairment assessment** (Continued)

The Group's internal credit risk grading assessment for bank balances and cash and deposits classified as other receivables and other non-current assets comprises the following categories:

Internal credit rating	Description	Basis for recognition of expected credit loss provision
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Low risk	The counterparty still has a strong capacity to meet contractual cash flows after due date and the Group considers that the counterparty can settle in full afterwards.	12-month ECL
Watch list	Repayments are overdue and the Group considers that there is significant increases in credit risk since initial recognition.	Lifetime ECL — not credit-impaired
Doubtful	Repayments are overdue and the Group considers that default has occurred.	Lifetime ECL — credit-impaired
Loss	There is evidence indicating the asset is fully impaired.	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written-off

Deposits classified as other receivables and other non-current assets

For the purpose of impairment assessment for deposits classified as other receivables and other non-current assets, the loss allowance is measured at an amount equal to 12m ECL. In determining the ECL for these financial assets, the directors of the Company have taken into account the financial positions of the counterparties in estimating the probability of default of each of the deposits classified as other receivables and other non-current assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. The directors of the Company considered that the 12m ECL allowance is insignificant.

33. FINANCIAL INSTRUMENTS (Continued)**(b) Financial risk management objectives and policies** (Continued)**Credit risk and impairment assessment** (Continued)*Bank balances and cash*

The credit risk on bank balances and cash is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	As at 31 December	
					2025 Gross carrying amount RMB'000	2024 Gross carrying amount RMB'000
Financial assets at amortised cost						
Deposits	21	N/A	N/A <i>Note (i)</i>	12-month ECL	157	5,157
Rental deposits	19	N/A	N/A <i>Note (i)</i>	12-month ECL	4,244	4,512
Bank balances and cash	23	AAA-A	N/A	12-month ECL	503,066	757,375

Note:

- (i) For the purpose of internal credit risk management, the Group uses repayment history or other relevant information to assess whether credit risk has increased significantly. As at 31 December 2025 and 2024, the balances of deposits classified as other receivables and other non-current assets are not past due and the internal credit rating of these balances are considered as low risk.

33. FINANCIAL INSTRUMENTS (Continued)**(b) Financial risk management objectives and policies** (Continued)**Liquidity risk**

For management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilisation of borrowings, renews the borrowings upon expiry based on the actual operation requirement of the Group and ensures compliance with loan covenants. The Group relies on bank borrowings as a significant source of liquidity.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity and interest risk tables

	Weighted average interest rate	On demand or less than 1 year RMB'000	1–5 years RMB'000	More than five years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
For the year ended						
31 December 2025						
Trade and other payables	—	109,617	—	—	109,617	109,617
Lease liabilities	3.94%	9,238	19,822	—	29,060	26,463
Borrowings	2.66%	224,383	18,479	—	242,862	236,096
As at 31 December 2025		343,238	38,301	—	381,539	372,176
	Weighted average interest rate	On demand or less than 1 year RMB'000	1–5 years RMB'000	More than five years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
For the year ended						
31 December 2024						
Trade and other payables	—	60,231	—	—	60,231	60,231
Lease liabilities	3.94%	16,129	26,411	2,832	45,372	41,270
Borrowings	3.10%	373,462	20,105	—	393,567	381,134
As at 31 December 2024		449,822	46,516	2,832	499,170	482,635

33. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments

The directors of the Company consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

There were no transfers between Level 1, 2 and 3 during the year.

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities <i>RMB'000</i>	Borrowings <i>RMB'000</i>
At 1 January 2024	56,295	262,500
Financing cash flows	(18,339)	108,426
Interest expenses	2,012	10,208
New leases	1,895	—
Early termination of lease	(593)	—
At 31 December 2024	41,270	381,134
Financing cash flows	(15,051)	(155,008)
Interest expenses	1,464	9,970
New leases	760	—
Lease modified	(1,980)	—
At 31 December 2025	26,463	236,096

35. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions and balances with the sole related party:

Name of related party	Relationship with the Group
Juno	Shareholder

35. RELATED PARTY TRANSACTIONS (Continued)**Key management compensation**

The directors are regarded as the key management of the Group. The compensation paid or payable to the key management for employment services is disclosed in note 11.

Transactions with the related party***Grant of a non-exclusive license***

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Juno	64,474	—

Other income from a related party

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Juno	—	885

Purchase of materials – Viral vectors

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Juno	48,666	21,489

Purchase of materials – Others

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Juno	—	150

35. RELATED PARTY TRANSACTIONS (Continued)**Key management compensation** (Continued)**Royalty fee**

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Juno	25,469	9,422

Note: The Group is required to pay Juno royalty fee in cash for Relma-cel and any related diagnostic products based on annual net sales in the Territory, subject to certain adjustments in specified circumstances under the Relma-cel license.

Reimbursement

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Juno	703	9,990

Material manufacturing cost afforded by a related party

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Juno	—	2,168

Balances with related parties**Trade and other payables**

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Juno	33,719	4,818

Note: The balances due to Juno were unsecured, trade in nature and non-interest bearing.

36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Non-Current Assets		
Intangible assets	77,105	162,035
Prepayment for license	7,029	7,189
Investments in subsidiaries	1,073,419	1,084,304
	1,157,553	1,253,528
Current Assets		
Other receivables and prepayments	141,391	214,911
Other current assets	134	151
Bank balances and cash	187,044	364,568
	328,569	579,630
Current Liabilities		
Trade and other payables	76,657	62,667
Net Current Assets	251,912	516,963
Total Assets Less Current Liabilities	1,409,465	1,770,491
Capital and Reserves		
Share capital	27	27
Reserves	6,682,854	6,774,439
Accumulated losses	(5,273,416)	(5,003,975)
Total Equity	1,409,465	1,770,491

36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

The movement of the reserves of the Company is as follows:

	Share premium <i>RMB'000</i>	Share-based compensation reserve <i>RMB'000</i>	Treasury shares held in trust <i>RMB'000</i>	Foreign currency translation <i>RMB'000</i>	Capital reserve <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	6,080,788	355,598	(1)	236,425	1	6,672,811
Issuance of ordinary shares	403	—	—	—	—	403
Issuance of treasury shares hold in the trust	—	—	*	—	—	*
Recognition of share-based compensation expenses	—	37,309	—	—	—	37,309
Currency translation differences	—	—	—	63,916	—	63,916
At 31 December 2024	6,081,191	392,907	(1)	300,341	1	6,774,439
At 1 January 2025	6,081,191	392,907	(1)	300,341	1	6,774,439
Issuance of ordinary shares	244	—	—	—	—	244
Issuance of treasury shares hold in the trust	—	—	*	—	—	*
Recognition of share-based compensation expenses	—	4,445	—	—	—	4,445
Currency translation differences	—	—	—	(96,274)	—	(96,274)
At 31 December 2025	6,081,435	397,352	(1)	204,067	1	6,682,854

* Amount is less than RMB1,000

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the principal subsidiaries directly and indirectly held by the Company at the end of the year are set out below.

Name of subsidiaries	Place of incorporation/ Date of incorporation	Registered capital	Proportion of ownership interest/voting rights held by the Company		Principal activities
			As at 31 December 2025	2024	
JWS Therapeutics Investment Co. Ltd.	Cayman Islands/ 19 June 2020	USD50,000	100%	100%	Investment holding
JW (Hong Kong) Therapeutics Limited	Hong Kong/ 3 October 2017	USD6,200,000	100%	100%	Investment holding
JW Therapeutics (Shanghai) Co., Ltd. (上海藥明巨諾生物科技有限公司)	The PRC/ 18 February 2016	USD120,500,000	100%	100%	Drug research and development and import and export handling
Shanghai Ju Ming Medical Technology Co., Ltd. (上海炬明醫療技術有限公司)	The PRC/ 10 July 2017	RMB1,000,000	100%	100%	Medical research and experimental development
Shanghai Ming Ju Biotechnology Co., Ltd. (上海明聚生物科技股份有限公司)	The PRC/ 30 August 2017	RMB1,000,000	100%	100%	Clinical trial and CRO
JW Therapeutics R&D (Shanghai) Co., Ltd (上海藥明巨諾生物醫藥研發有限公司)	The PRC/ 5 December 2018	USD40,000,000	100%	100%	Drug research and development
JW Therapeutics (Suzhou) Co., Ltd. (蘇州藥明巨諾生物科技股份有限公司)	The PRC/ 12 September 2018	USD65,000,000	100%	100%	Drug research and development and manufacturing and import and export handling
Syracuse Biopharma (Hong Kong) Limited	Hong Kong/ 7 June 2018	USD13,894,000	100%	100%	Investment holding
JW Therapeutics LLC	The USA/ 31 January 2022	USD420,000	100%	100%	Medical research and development

38. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events since the end of the Reporting Period.

Definitions and Glossary of Technical Terms

In this report, unless the context otherwise requires, the following expressions have the meanings set out below. These expressions and their definitions may not correspond to any industry standard definitions, and may not be directly comparable to similarly titled expressions adopted by other companies operating in the same industries as our Company.

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“AGM(s)”	annual general meeting(s) of the Company
“Articles of Association”	the ninth amended and restated articles of association of the Company adopted by special resolution passed on June 18, 2024
“Audit Committee”	the audit committee of the Board
“BCMA License Agreement”	the license agreement entered into between our Company and Juno dated April 11, 2019
“Board”, “our Board” or “Board of Directors”	the board of Directors of our Company
“Board Committees”	the Audit Committee, the Nomination Committee and the Remuneration Committee
“CAR”	chimeric antigen receptor
“CAR-T”	chimeric antigen receptor T-cell
“CEO”	the chief executive officer of our Group
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman”	the chairman of the Board
“CMC”	chemistry, manufacturing, and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, “the Company” or “JW Therapeutics”	JW (Cayman) Therapeutics Co. Ltd (Stock code: 2126), an exempted company with limited liability incorporated under the laws of the Cayman Islands on September 6, 2017, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

Definitions and Glossary of Technical Terms

“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Affiliated Entities”	the entities we control through the Contractual Arrangements, namely Shanghai Ju Ming and its subsidiaries Shanghai Ming Ju and Suzhou Ming Ju Biotechnology Co., Ltd. (蘇州明聚生物科技有限公司)
“Contractual Arrangements”	a series of contractual arrangements entered into among Shanghai Ju Ming, JW Shanghai and the Registered Shareholders for control over the Consolidated Affiliated Entities, details of which are described in the section headed “Contractual Arrangements” in this report
“Director(s)”	the director(s) of the Company
“Dr. Li”	Dr. Yiping James Li, our non-executive Director
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an independent industry consultant
“Global Offering”	the Hong Kong public offering and the international offering of the Shares
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	the Company, its subsidiaries and the Consolidated Affiliated Entities from time to time
“HKD” or “HK\$” or “HK dollars”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“IND”	investigational new drug or investigational new drug application, also known as clinical trial application in China
“Joint Global Coordinators”	Goldman Sachs (Asia) L.L.C., UBS AG Hong Kong Branch, China International Capital Corporation HongKong Securities Limited and CLSA Limited
“Joint Sponsors”	Goldman Sachs (Asia) L.L.C. and UBS Securities Hong Kong Limited
“Juno”	Juno Therapeutics, Inc., a company incorporated in Delaware, the United States on August 5, 2013 under its former name, FC Therapeutics, Inc., a wholly-owned subsidiary of Celgene which is in turn wholly-owned by BMS, and is one of our Substantial Shareholders

Definitions and Glossary of Technical Terms

“JW Shanghai”	JW Therapeutics (Shanghai) Co., Ltd. (上海藥明巨諾生物科技股份有限公司), a limited liability company established under the laws of the PRC on February 18, 2016, and one of the Company’s subsidiaries
“LBCL”	Large B-Cell Lymphoma
“License and Strategic Alliance Agreement”	the license and strategic alliance agreement entered into between our Company and Juno in December 2017
“Listing”	the listing of the Shares on the Main Board of the Hong Kong Stock Exchange
“Listing Date”	November 3, 2020, being the date on which the Shares were listed on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Memorandum” or “Memorandum of Association”	the eighth amended and restated memorandum of association of the Company adopted by special resolution passed on June 29, 2022
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Mr. Min Liu” or “Mr. Liu”	Mr. Min Liu, our former executive Director, Chairman and CEO
“NDA”	new drug application
“NMPA”	National Medical Products Administration (國家藥品監督管理局) and its predecessor, China Food and Drug Administration (國家食品藥品監督管理總局)
“Nomination Committee”	the nomination committee of the Board
“Post-IPO Incentivization Scheme”	the Post-IPO Share Incentivization Scheme adopted by the Company on October 14, 2020
“Post-IPO Restricted Share Unit Scheme”	the Post-IPO Restricted Share Unit Scheme adopted by the Company on October 14, 2020
“Pre-IPO Incentivization Scheme”	the Pre-IPO Incentivization Scheme adopted by the Company on September 4, 2019

Definitions and Glossary of Technical Terms

“Prospectus”	the prospectus of the Company dated October 22, 2020
“R&D”	research and development
“Registered Shareholders”	the registered shareholders of Shanghai Ju Ming, being Mr. Fu Xin (傅欣), our chief financial officer who resigned on December 15, 2023 and Ms. Xing Gao (高星), our non-executive Director, as at the date of this annual report
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the one-year period from January 1, 2025 to December 31, 2025
“Restricted Share Unit Scheme”	the Restricted Share Unit Scheme adopted by the Company on September 4, 2019
“Restricted Share Unit Schemes”	the Restricted Share Unit Scheme and the Post-IPO Restricted Share Unit Scheme
“RMB” or “Renminbi”	Renminbi, the lawful currency of China
“RSU(s)”	the restricted share unit(s) granted pursuant to the Restricted Share Unit Scheme
“r/r”	relapsed or refractory
“Series A2 Preferred Shares”	the series A2 preferred shares of the Company
“Series X Preferred Shares”	the series X preferred shares of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Ju Ming”	Shanghai Ju Ming Medical Technology Co., Ltd.* (上海炬明醫療技術有限公司), a limited liability company established under the laws of the PRC on July 10, 2017 and our Consolidated Affiliated Entity
“Shanghai Ming Ju”	Shanghai Ming Ju Biotechnology Co., Ltd.* (上海明聚生物技術有限公司), a limited liability company established under the laws of the PRC on August 30, 2017 and our Consolidated Affiliated Entity
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of US\$0.00001 each
“Share Incentivization Schemes”	our Pre-IPO Incentivization Scheme, Restricted Share Unit Schemes and Post-IPO Incentivization Scheme
“Shareholder(s)”	holder(s) of Share(s)

Definitions and Glossary of Technical Terms

“sNDA”	supplemental new drug application
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Syracuse Cayman”	Syracuse Biopharma (Cayman) Ltd., a limited liability company established under the laws of Cayman Islands on December 7, 2017 under its former name, Warrior Biopharma (Cayman) Ltd., and one of our Substantial Shareholders
“United States”, “U.S.” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US dollars”, “U.S. dollars”, “USD” or “US\$”	United States dollars, the lawful currency of the United States
“WuXi AppTec” or “WXAT”	WuXi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司), a joint stock company with limited liability incorporated under the laws of PRC in December 2000 and whose H shares are listed on the Stock Exchange (SEHK: 2359) and A shares are listed on the Shanghai Stock Exchange (SSE: 603259)
“WXAT Shanghai”	WuXi AppTec (Shanghai) Co., Ltd. (上海藥明康德新藥開發有限公司), a company incorporated under the laws of PRC on April 2, 2002, and a directly wholly-owned subsidiary of WXAT, and directly owns WXAT HK
“%”	per cent

* For identification purpose only