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XtalPi Holdings Limited
晶泰控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2228)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of XtalPi Holdings Limited (the “**Company**”) hereby announces the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**” or “**our**”) for the year ended 31 December 2024 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2023. These consolidated annual results of the Group have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

FINANCIAL SUMMARY

	For the year ended	
	31 December	
	2024	2023
	RMB'000	RMB'000
Revenue	266,433	174,420
Research and development expenses	(418,238)	(480,664)
Loss for the year	(1,514,869)	(1,906,323)
Adjusted net loss (non-IFRS measure)*	(456,799)	(522,157)

* Adjusted net loss is not defined under the IFRS Accounting Standards (the “**IFRS**”). It represents the net loss for the year adjusted by adding back (i) changes in fair value of convertible redeemable preferred shares (“**CRPS**”), (ii) share-based compensation expenses, and (iii) listing expenses.

BUSINESS OVERVIEW AND PROSPECTS

1. OVERALL PERFORMANCE

As the first Specialist Technology Company listed under Chapter 18C of the Listing Rules on the Stock Exchange, we are honored to publish our first annual results since our listing. In 2024, the Group achieved operating revenue of RMB266.4 million, a year-on-year increase of 52.8%; the adjusted net loss narrowed by 12.5% to RMB456.8 million. In addition, we are delighted to see that we have reached the Commercial Company revenue threshold (HK\$250 million) under Chapter 18C of the Listing Rules ahead of schedule. This shows that, with the joint efforts of all the employees and partners of the company, the company is moving towards a new stage of large-scale development at a more steady pace.

In terms of operational efficiency, we have achieved remarkable results by implementing our AI tools and high-efficiency operation strategy: the monthly average cash burn in 2024 decreased by 22.6% year-on-year to RMB48.1 million.

2. BUSINESS DEVELOPMENT PROGRESS

(1) “AI + Robotics” reshapes the R&D paradigms and ushers in the era of intelligent drug and materials development

We employ an **AI + robotics framework** to create a self-reinforcing flywheel, powered by high-throughput experimentation, high-quality data, and advanced AI models. Our robotic laboratory platform operates 24/7, rapidly accumulating high-quality data, which is being utilized to train different types of AI models. These models are applicable across various stages, including target identification and validation, virtual screening, recommending synthesis strategy, synthesis reaction prediction, patent analysis, and unstructured data transformation. **We are transforming traditional R&D methodologies, driving a paradigm shift in developing new therapeutics and materials.** Currently, our models are empowering researchers in their daily operations, accelerating project delivery timelines, breaking through bottlenecks in drug discovery and new material molecule development, and significantly expanding the explorable chemical space. We believe that the adoption of **vertical AI for Science (AI4S) models**, driven by high-quality data, will become a disruptive force for various industries.

In addition to the over 200 AI models trained and developed by the company in the past, including the molecular generation model Xreactor, the free energy perturbation algorithm XFEP, and the crystal structure prediction model CSP, we achieved several significant technological breakthroughs in 2024, including:

- **Data Moat Construction:** Our automated robotic laboratory can cover over 80% of common medicinal chemistry reaction types, accumulating 200,000+ reaction process data points monthly. The experimental results and data generated by these automated robotic workstations exhibit high consistency, and the data quality far surpasses that of open-source datasets. AI models trained on this dataset achieve higher accuracy and confidence levels.
- **AI Models Outperform Human Experts:** In 2024, we developed 20+ new AI models for reactivity and experimental condition prediction, all with accuracy rates exceeding 80%. These models significantly outperform chemists, especially in identifying and predicting failed reactions. Leveraging first-principles based quantum physics and datasets generated in our robotic laboratories, we independently developed a UV spectrum prediction model and an LCMS spectrum-based yield prediction model. These models can predict experimental yields without the need for product separation and purification, achieving accuracy rates of over 90%, and greatly enhancing data annotation efficiency.
- **Deep Integration of Vertical AI and LLMs:** In collaboration with the IDEA (International Digital Economy Academy), we developed the PatSight data mining platform based on large language models (LLMs) and deep neural networks. This platform enables rapid and precise extraction of structural, activity, efficacy, and reaction data from literature and patents. Tasks that traditionally took 2–3 days can now be completed within one hour, with accuracy rates exceeding 95%. The platform eliminates the inefficiencies of manual data acquisition, improves the efficiency of small-molecule compound structure analysis, and provides a robust source of publicly available big data for building vertical AI4S models.

- **End-to-End AI Multi-Agent System:** Through our independently developed Multi-Agent system, we are progressively building an intelligent and automated workflow encompassing reaction design, synthesis, post-processing, and data analysis. This enhances experimental efficiency, lowers the barrier to experimentation, and achieves full-scenario coverage of software and hardware. In the design phase, our AI agents assist in synthesizability assessment and raw material selection for the planned experiments. During synthesis, AI agents perform spectrum analysis, results determination, separation method recommendation, and quality control results analysis to drive the reaction process. In the management phase, AI agents ensure the accuracy of data across all processes, compiling project reports, and facilitating final molecule delivery. Leveraging these capabilities, we can efficiently conduct chemical experiments and accumulate large-scale, high-quality experimental data.

(2) ***AI-Driven Biopatform XtalFold™ Receives Global Recognition from Leading Pharmaceutical Companies, Pioneering a Transformative Era in Antibody Drug Innovation***

We have developed the XtalFold™ structural modeling platform, the XenPro™ generative AI platform, and the Xentient™ Predictive AI platform, continuously advancing antibody R&D technologies such as deep humanization, high-throughput antibody humanization, and pH-dependent engineering. In 2024, leveraging our globally leading protein interaction prediction algorithm, XtalFold™, we secured collaborations with multinational pharmaceutical companies and leading biotech companies such as Johnson&Johnson and UCB, earning endorsements from top-tier pharmaceutical firms. Notably, the high-quality data assets generated by XtalFold™ are continuously feeding back into our multimodal AI platform, enabling us to establish significant competitive advantages in therapeutic antibody humanization and affinity optimization.

Our antibody platform has achieved the following three major breakthroughs:

- **3D Structure Resolution:** With only amino acid sequence information as the input, we can accurately predict the spatial structure of antigen-antibody complexes within one day.
- **Modeling Breakthroughs:** In rigorous benchmark tests, our platform leads the industry in success rates and the ability to model challenging regions.

- Scenario Validation: The platform has been thoroughly validated in 30+ internal and external projects, delivering outstanding results across various application scenarios, including antigen design, epitope identification, affinity maturation, pH-sensitive engineering, and bispecific antibody design.

(3) *We Continue to Drive the Application of AI + Robotics in Life Sciences, Achieving Milestone Breakthroughs in Our Clients' Pipeline Projects*

Building on the successful progression of an innovative drug development initiative with a leading biopharmaceutical company, we have secured a few AI drug discovery collaborations with the same partner in 2024. Our integrated computational and experimental platform has demonstrated transformative potential in accelerating early-stage therapeutic breakthroughs for complex chronic diseases. Leveraging the momentum from these advancements, we are positioned to further broaden the scale and scope of our partnerships in 2025, targeting a wider range of therapeutic indications and disease targets to address unmet medical needs.

In 2024, we successfully collaborated with number of leading biotech companies in East Asia to efficiently discover and design lead compounds for number of highly challenging targets. Leveraging our innovative active learning-driven XFEP accelerated computing technology, we used our algorithm to screen through a trillion-scale virtual compound library. Supported by our high-efficiency, high-quality automated synthesis platform, we successfully identified lead compounds for two difficult targets in the fields of synthetic lethality and CNS, earning high praise from our partners' technical committees.

Our collaboration with Signet Therapeutics (Shenzhen) Co., Ltd. (希格生科(深圳)有限公司) (“**Signet**”) led to the development of the world's first targeted candidate drug for treating diffuse gastric cancer. After receiving Investigational New Drug (IND) approval from the FDA (U.S. Food and Drug Administration) in June, the drug also secured IND approval from the NMPA (National Medical Products Administration) in September. The first solid tumor patient was successfully dosed at Peking University Cancer Hospital (First Patient In, FPI). This pipeline project has also been granted the Orphan Drug Designation (ODD) by the FDA for gastric cancer and received the Fast Track Designation in February 2025, which is expected to significantly shorten the approval timeline and accelerate its market launch. This marks the world's first innovative drug candidate discovered with organoid + AI.

Our collaboration with META Biotechnology Co., Ltd. (北京默達生物科技股份有限公司) (“**META**”) resulted in the development of a preclinical candidate drug for treating Primary Hyperoxaluria (PH), which has received Orphan Drug Designation (ODD) and Rare Pediatric Disease Designation (RPDD) from the FDA. Currently, in the IND-enabling stage, this project has the potential to address the unmet medical needs of patients with Type 2 and Type 3 PH, as well as provide a more patient-friendly oral treatment option for Type 1 PH patients.

Earlier, we entered into a \$250 million collaboration with a globally leading pharmaceutical company headquartered in Indianapolis for AI-enabled small-molecule drug discovery. The collaboration is progressing smoothly, and in 2024, we expanded our partnership into new areas such as solid-state research.

In 2024, Leman Biotech Co., Ltd (深圳萊芒生物科技股份有限公司) (“**Leman**”), a biotech company we empowered, achieved groundbreaking progress. Its metabolism-enhanced CD19 CAR-T therapy completed the first dosing in a systemic lupus erythematosus (SLE) patient, marking its first foray into autoimmune disease treatment. Leveraging XtalPi’s AI algorithms combined with high-throughput experimentation, Leman optimized the core metabolic-enhancing factors in its CAR-T design. This significantly improved receptor-binding affinity and immunological activity. This optimized design has been implemented in preclinical studies targeting solid tumors, enabling metabolism-enhanced CAR-T therapies to better overcome the immunosuppressive tumor microenvironment.

In 2024, our strategic collaboration with a biotechnology industry partner in oncology vaccine development was highlighted through a peer-reviewed poster presentation at the American Association for Cancer Research (AACR) Annual Meeting. Building on this foundation, subsequent advancements generated further experimental evidence, including successful *in vivo* validation outcomes. Our AI-driven platform has demonstrated considerable potential in accelerating the development of off-the-shelf cancer vaccines, with encouraging implications for enhancing clinical outcomes in patient care.

We independently developed an mRNA sequence pre-training model and mRNA property prediction platform, achieving state-of-the-art (SOTA) performance across multiple benchmarks including protein expression levels and stability optimization. These advancements were documented in a peer-reviewed paper accepted by the 2025 AAAI Conference on Artificial Intelligence.

Our collaboration with Pfizer on the development of the XtalPi Force Field (XFF) Model has been published in a leading scientific journal. This computational framework demonstrates exceptional performance in quantum mechanical (QM) energy prediction, small molecule conformational analysis, and binding affinity prediction through free energy perturbation (FEP) calculations. The partnership is to be renewed in 2025, focusing on developing enhanced predictive models tailored to Pfizer's proprietary chemical space and expanding applications in small-molecule drug discovery.

Through our strategic alliance with N1 Life, we are co-developing a non-invasive ocular delivery platform for nucleic acids and macromolecular therapeutics. Leveraging N1 Life's peptide carrier library (partially developed through Stanford University research initiatives) and our proprietary AI-driven peptide design platform, this collaboration aims to enhance the drugability of macromolecular drugs, such as mRNA therapeutic and accelerate novel ophthalmic drug development.

Our AI peptide discovery platform has established new drug development partnership with multiple top-tier Singaporean research institutions. Utilizing our integrated AI and robotics-driven platform, we will pursue pre-clinical drug candidates against a novel ccRCC (Clear Cell Renal Cell Carcinoma) target identified by our collaborators, with plans for co-commercialization in the future.

In 2024, we secured the bid for Guangdong Provincial Laboratory's Intelligent Automation Integration Platform for Traditional Chinese Medicine (TCM) Development project and delivered project milestones by the year-end. As of the end of 2024, the project had achieved phased delivery. As China's first fully automated system for bioactive component isolation and analysis in herbal medicine, this platform achieves complete automation of extraction, separation, purification, characterization, and bioactivity assessment processes. The system enables intelligent structural analysis and activity profiling of TCM compounds and formulations.

In 2025, we executed a commercial agreement with the Sheikh Hamad Rakadh Salem Rakadh Office of the UAE to establish the Middle East's first automated modernization platform for regional traditional medicines. This groundbreaking initiative, supported by an initial \$30 million contract, represents a significant paradigm shift in the development of regional traditional medicines.

(4) *AI + Robotics Empowering Future Molecular*

According to the latest analysis by industry research leaders, the total global new materials market size is expected to reach ten trillion US dollars. Capitalizing on strategic opportunities in material science innovation, we continue to deepen the integration of AI and robotics within different industry verticals to empower the overall sectors. Leveraging our high-precision AI and ultra-flexible robotic technologies, we have successfully implemented collaborations across materials science, agriculture, and consumer industries:

Future Materials

- **Global Leadership in Material Structure Prediction:** We ranked as a top performer at the 7th global CSP Blind Test organized by the Cambridge Crystallographic Data Centre (CCDC), excelling across diverse materials systems such as optoelectronic molecules, biomedical compounds, and agrochemicals, solidifying our global leadership in solid state research.
- **Expanding the Application of Solid-State Research:** Our expertise in solid-state R&D technologies has extended into collaborations on electrochemical materials, polymer composites, and ceramic oxides, with multiple projects delivered and revenue realized.
- **New Energy Materials:** In 2024, we signed a 5-year strategic agreement with GCL Group Limited (“GCL”) to co-develop AI models for next-gen materials such as perovskite. Additionally, we delivered an intelligent robotic R&D platform for EV battery electrolytes to Peking University, enabling large-scale formulation testing and data generation for algorithm optimization.
- **Chemical Catalysts:** We deployed a high-throughput synthesis and catalyst pre-treatment solution for Sinopec’s Research Institute, enhancing production efficiency, speed of analysis, and operational safety while minimizing human error.
- **Material Micro-Mechanisms:** We incubated Deep Principle (深度原理), a team from MIT. Through synergizing generative AI and quantum chemistry, that company is decoding material behaviors at the atomic level. Through the partnership between XtalPi and Deep Principle, we are working together to accelerate the discovery of novel chemical reactions and materials.

- **Carbon-Based Materials:** In 2025, we signed a partnership agreement with Fangda Carbon New Material Co., Ltd. (“**Fangda Carbon**”), centered on AI as the core driver to advance intelligent R&D as well as production capabilities of high-end carbon-based materials. This collaboration aligns with China’s strategy to “empower industries through the AI+ application” and its industrial modernization goals.
- **Super Plastic:** Our investment in and collaboration with Future Bio, whose founding team from the University of California, Berkeley focuses on producing easily recyclable or biodegradable products, such as bioplastics, from renewable biomass or waste feedstock, advancing sustainable material science, and driving the industry transition to a low-carbon and circular economy.
- **Southeast Asia AI Collaboration:** A strategic cooperation with Indonesia’s Sinar Mas Group positions us to jointly advance AI-driven solutions for different industries across the Asia-Pacific region.

Future Agriculture

- **Desert Remediation:** Through our incubation of Green Technology (Shanghai) Agricultural Technology Co., Ltd. (“**綠技行**”), we have successfully developed advanced new materials that remediate desert soils into arable lands in China and the Middle East.
- **AI-Driven Seed Improvement:** In 2025, we partnered with Guangdong Hengjian Investment Holding Co., Ltd. (“**Guangdong Hengjian Holding**”) and Shandong Shouguang Vegetable Industry Group Co., Ltd. (“**Shouguang Vegetable**”) to establish an intelligent plant breeding platform. By integrating quantum physics and AI algorithms to optimize genomic selection, we aim to develop high-value seed products and catalyze agricultural modernization.
- **Biofertilizers:** Our multi-million USD collaboration with Kula Bio (U.S.) combines our AI and Robotic expertise with Kula’s microbial innovation to co-develop next-generation biofertilizers, accelerating the transition to sustainable and efficient agricultural practices.

Future Consumer Goods

- In 2025, we entered a strategic partnership with the Ministry of Industry and Information Technology’s Center for SME Development to launch the “AI+ Initiative”, empowering industries ranging from cosmetics and biopharma to advanced materials and agritech, thereby driving AI adoption across broader industrial ecosystems.

2025 is poised to be a pivotal year when AI4S begins to realize industrial applications. Guided by our mission to build future scientific infrastructure, we are upgrading our team to better meet the evolving market needs.

By integrating our compounding big data in vertical sectors, industry-leading AI modeling expertise, and proprietary intelligent robotic systems, we are redefining traditional industry paradigms through a unified framework of intelligence. We are committed to collaborating with global industry leaders to accelerate the transformation of pioneering AI innovations into scalable, market-ready products and solutions that drive operational excellence and commercial value.

3. OUTLOOK AND PROSPECTS

Recent advancements in general-purpose big models and AI Agent, alongside the commercialization of AI in fields such as healthcare, mark a new stage in AI development. However, in the vertical applications of AI, general models struggle with specialized tasks due to limited cross-domain high-quality data and widespread data noise. This underscores a pivotal insight that revolutionizing the R&D process of drug and advanced material requires vertical field AI for Science models built on “high-quality data-driven frameworks”.

Our proprietary and continuously evolving AI + robotics solutions generate critical, high-quality data, serving both as indispensable fuel for our vertical AI models and a key competitive advantage in otherwise data-hungry industries. By synergizing AI with automated robotic laboratories, we have established a closed-loop workflow: quantum physics-based accuracy → AI-driven molecular generation/design → robotic high-throughput experimental validation → targeted data feedback for iterations. This workflow creates a self-optimizing flywheel effect, significantly accelerating growth velocity while reducing costs.

Building upon this foundation, we will continue to refine our next-generation AI + robotic infrastructure and actively advance the development of our highly flexible and high-precision automated experimental robotic laboratories. As we deepen our accumulation of domain-specific data and proprietary models, the intelligence and accuracy of AI-driven decision-making will only continue to improve. Coupled with advancements in embodied experimental robotics, the entire DMTA cycle (Design, Make, Test, Analyze) for drug and material discovery will be autonomously executed through closely interwoven AI and robotic systems. This accelerating convergence of AI and automation will enable an ever-evolving data-powered intelligent platform, elevating efficiency benchmarks for the pharmaceutical and materials industries.

As an innovation-driven AI4S company, we prioritize talent as a cornerstone of growth. By fostering a multi-tiered talent ecosystem, implementing agile incentive mechanisms, and strengthening global collaboration networks, we continue to bolster our intellectual capital. Our integration of an international vision with localized execution, supported by cross-regional workflows and adaptive operational frameworks, has yielded industry-leading advantages in key metrics such as talent retention and innovation-to-commercialization efficiency, ensuring sustainable momentum for technological breakthroughs and market readiness.

We remain committed to expanding our global footprint, with deepening engagement in regions including the U.S., Southeast Asia, Europe, and the Middle East. Ongoing in-depth dialogues with international leaders in drug discovery and robotic automation solutions will further solidify our leadership.

As a pioneering platform in AI and robotics-empowered therapeutics and advanced materials discovery, XtalPi is dedicated to unlocking value for industries and society through foundational scientific exploration and applied innovation. Leveraging our technological edge, diverse client portfolio, scalable and commercializable products and solutions, and visionary leadership, we are well-positioned to capture all possible opportunities across both global and Chinese markets.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Year ended 31 December	
		2024	2023
		RMB'000	RMB'000
Revenues	2	266,433	174,420
Research and development expenses	3	(418,238)	(480,664)
General and administrative expenses	3	(417,883)	(295,986)
Contract fulfillment costs	3	(143,007)	(126,178)
Selling and marketing expenses	3	(70,992)	(62,482)
Impairment losses on financial assets		(1,228)	(217)
Other income		65,914	27,513
Other gains, net	4	34,794	41,282
Operating loss		(684,207)	(722,312)
Finance income		55,642	102,693
Finance expenses		(6,757)	(9,575)
Finance income, net		48,885	93,118
Changes in fair value of convertible redeemable preferred shares		(875,356)	(1,275,165)
Share of net losses of investments accounted for using equity method		(4,191)	(1,964)
Loss before income tax		(1,514,869)	(1,906,323)
Income tax expense	5	—	—
Loss for the year		(1,514,869)	(1,906,323)
(Loss)/profit for the year attributable to:			
Equity holders of the Company		(1,516,606)	(1,914,384)
Non-controlling interests		1,737	8,061
		(1,514,869)	(1,906,323)
Loss per share for loss attributable to equity holders of the Company (expressed in RMB per share)	6		
Basic loss per share		(0.79)	(3.96)
Diluted loss per share		(0.79)	(3.96)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2024	2023
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year	(1,514,869)	(1,906,323)
<i>Other comprehensive (loss)/income</i>		
<i>Items that will not be reclassified to profit or loss</i>		
— Changes in fair value of convertible redeemable preferred shares due to own credit risk	(19,774)	(20,111)
— Currency translation differences	(25,553)	(77,949)
<i>Items that may be subsequently reclassified to profit or loss</i>		
— Currency translation differences	26,565	(15,492)
Other comprehensive loss for the year, net of tax	(18,762)	(113,552)
Total comprehensive loss for the year	(1,533,631)	(2,019,875)
Total comprehensive (loss)/income for the year attributable to:		
Equity holders of the Company	(1,536,017)	(2,028,164)
Non-controlling interests	2,386	8,289
	(1,533,631)	(2,019,875)

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2024	2023
	Note	RMB'000	RMB'000
Assets			
Non-current assets			
Property, plant and equipment		320,397	369,887
Right-of-use assets		90,920	189,250
Intangible assets		7,743	7,869
Investments accounted for using the equity method		25,836	23,841
Financial assets at fair value through profit or loss		555,060	424,023
Prepayments		18,251	24,916
Term deposits		21,266	20,552
		<u>1,039,473</u>	<u>1,060,338</u>
Current assets			
Contract costs		25,671	37,891
Trade and note receivables	8	98,746	38,506
Contract assets		3,586	—
Prepayments, deposits and other receivables		85,132	41,147
Financial assets at fair value through profit or loss		1,786,049	863,368
Restricted cash		797	2,337
Term deposits		149,138	1,251,353
Cash and cash equivalents		1,166,148	710,761
		<u>3,315,267</u>	<u>2,945,363</u>
Total assets		<u>4,354,740</u>	<u>4,005,701</u>
Equity			
Equity attributable to equity holders of the Company			
Share capital		237	50
Other reserves		12,535,678	(227,110)
Accumulated losses		(8,572,161)	(7,040,349)
		<u>3,963,754</u>	<u>(7,267,409)</u>
Non-controlling interests		28,553	26,167
Total equity/(deficits)		<u>3,992,307</u>	<u>(7,241,242)</u>

CONSOLIDATED BALANCE SHEET (CONTINUED)

	<i>Note</i>	As at 31 December	
		2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Liabilities			
Non-current liabilities			
Lease liabilities		64,905	137,183
Convertible redeemable preferred shares		—	10,780,342
Deferred government grants		17,804	32,042
		<u>82,709</u>	<u>10,949,567</u>
Current liabilities			
Trade payables	9	16,143	13,654
Other payables and accruals		157,051	131,289
Short-term bank borrowings		51,900	60,000
Derivative financial instruments		—	560
Deferred government grants		5,754	7,433
Contract liabilities		16,916	25,658
Lease liabilities		31,960	58,782
		<u>279,724</u>	<u>297,376</u>
Total liabilities		<u>362,433</u>	<u>11,246,943</u>
Total equity/(deficits) and liabilities		<u>4,354,740</u>	<u>4,005,701</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Cash flows from operating activities		
Net cash used in operating activities	(478,681)	(567,564)
Cash flows from investing activities		
Interest received from term deposits	62,927	102,122
Payments for purchase of property, plant and equipment	(58,108)	(123,792)
Proceeds from disposals of property, plant and equipment	2	84
Payments for purchase of intangible assets	(3,759)	(6,844)
Payments for acquisition of investments accounted for using equity method	(6,016)	(2,000)
Payments for acquisition of investments in financial assets at fair value through profit or loss	(2,438,563)	(2,871,961)
Proceeds from disposal of financial assets at fair value through profit or loss	1,430,742	2,298,231
Placement of term deposits	(419,604)	(2,764,609)
Proceeds from maturity of term deposits	1,498,630	4,067,707
Changes in restricted cash	1,540	3,095
Proceeds from government grants	6,300	33,550
Net cash generated from investing activities	74,091	735,583
Cash flows from financing activities		
Interest paid for borrowings	(1,780)	(1,554)
Payments of lease liabilities	(51,780)	(48,332)
Proceeds from issuance of ordinary shares, net of underwriting commission	904,518	—
Payments of listing expenses	(2,856)	—
Proceeds from draw down of bank borrowings	61,900	60,000
Repayments of short-term bank borrowings	(70,000)	(36,000)
Net cash generated from/(used in) financing activities	840,002	(25,886)
Net increase in cash and cash equivalents		
Cash and cash equivalents at beginning of the year	710,761	574,219
Effects of exchange rate changes on cash and cash equivalents	19,975	(5,591)
Cash and cash equivalents at end of the year	1,166,148	710,761

NOTES

1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit and loss, convertible redeemable preferred shares and derivative financial instruments, which are carried at fair value.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

The Group has applied the following amendments to standards for the first time for their annual reporting period commencing on 1 January 2024:

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

The adoption of these amended standards does not have any significant impact on the consolidated financial statements of the Group.

2 REVENUE

Revenue disaggregated by revenue source as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Intelligent robotics solutions	162,771	86,692
Drug discovery solutions	103,662	87,728
	<u>266,433</u>	<u>174,420</u>
Timing of revenue recognition:		
A point in time	196,394	130,760
Over time	70,039	43,660
	<u>266,433</u>	<u>174,420</u>

Revenue disaggregated by geography, based on the billing address of the customers is as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Mainland China	151,349	95,530
United States	79,887	52,245
Other regions	35,197	26,645
	<u>266,433</u>	<u>174,420</u>

Revenue from external customers contributing over 10% to the total revenue of the Group during the years ended 31 December 2024 and 2023 is as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Customer A	36,293	N/A*
Customer B	<u>N/A*</u>	<u>21,048</u>

* Less than 10% of the total revenue of the Group in the respective year.

3 EXPENSE BY NATURE

Expenses included in research and development expenses, general and administrative expenses, contract fulfillment costs and selling and marketing expenses are analysed as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Employee benefit expenses	602,378	591,202
Professional service fees	69,055	50,489
Depreciation of property, plant and equipment	83,382	70,812
Sample material costs	62,444	58,379
Depreciation of right-of-use assets	52,662	45,232
Network and cloud service expenses	32,480	37,279
Short-term rental and utilities	13,644	13,695
Property management fees	28,176	25,217
Listing expense	46,036	20,575
Auditor's remuneration	4,097	2,380
— Audit and audit-related services	3,750	2,380
— Non-audit services	347	—
Others	55,766	50,050
	<u>1,050,120</u>	<u>965,310</u>

4 OTHER GAINS, NET

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Net foreign exchange losses	(1,951)	(40,368)
Gains on derivative financial instruments	4,314	4,232
Net fair value changes on financial assets measured at FVTPL	25,278	(4,375)
Gain on a transfer of investment in an associate to financial assets measured at FVTPL	—	70,249
Gains on termination and modification of lease	7,229	13,686
Others	(76)	(2,142)
	<u>34,794</u>	<u>41,282</u>

5 INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax	—	—
Deferred income tax	—	—
	<hr/>	<hr/>
	<hr/>	<hr/>
	<hr/>	<hr/>
	<hr/>	<hr/>

The Group's principal applicable taxes and tax rates are as follows:

Cayman Islands

The Company and certain subsidiaries that were incorporated in the Cayman Islands as exempted companies with limited liability under the Companies Law of the Cayman Islands are not subject to the Cayman Islands income tax pursuant to the current laws of the Cayman Islands.

Hong Kong

The subsidiaries in Hong Kong are subject to Hong Kong profit tax at a rate of 16.5% during the years ended 31 December 2024 and 2023.

PRC

The Group's subsidiaries established in the PRC are generally subject to Corporate Income Tax at a rate of 25% on the estimated assessable profit in accordance with relevant PRC income tax laws and certain preferential tax treatments available to certain subsidiaries during the years ended 31 December 2024 and 2023.

Shenzhen Jingtai Technology Co., Ltd., Beijing Jingtai Technology Co., Ltd., Shanghai Zhiyao Technology Co., Ltd. and Jingtai Zhiyao Technology (Shanghai) Co., Ltd. were approved as "High and New Technology Enterprise" and entitled to a preferential income tax rate of 15% during the year ended 31 December 2024. Certain other subsidiaries of the Group in the PRC have been granted certain tax concessions for small scale entities by tax authorities in the PRC and enjoy reduced tax rates.

United States

The subsidiaries in the United States are subject to Federal Tax at a rate of 21% and State Tax at a rate of 8% during the years ended 31 December 2024 and 2023.

6 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2024	2023
Loss attributable to equity holders of the Company (<i>RMB'000</i>)	<u>1,516,606</u>	<u>1,914,384</u>
Weighted average number of ordinary shares in issue (<i>thousand shares</i>)	<u>1,929,429</u>	<u>483,979</u>
Basic loss per share (<i>RMB per share</i>)	<u>(0.79)</u>	<u>(3.96)</u>

(b) Diluted loss per share

During the year ended 31 December 2024, the Company's dilutive potential ordinary shares included CRPS, share options and restricted share units ("RSUs") (2023: CRPS and share options).

Diluted loss per share presented is the same as the basic loss per share as the inclusion of the potential ordinary shares in the calculation of dilutive loss per share would be anti-dilutive.

7 DIVIDENDS

No dividends have been paid or declared by the Company during each of the years ended 31 December 2024 and 2023.

8 TRADE AND NOTE RECEIVABLES

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	94,300	40,326
Less: credit loss allowance	(2,850)	(1,820)
	<u>91,450</u>	<u>38,506</u>
Note receivables	7,296	—
	<u>98,746</u>	<u>38,506</u>

The credit period granted to the Group's customers is usually from 30 to 60 days. As at 31 December 2024 and 2023, the aging analysis of trade receivables based on invoice dates is as follows:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	82,298	32,017
91 to 180 days	2,397	5,307
181 to 365 days	2,314	1,916
Over 1 year	7,291	1,086
	<u>94,300</u>	<u>40,326</u>

Movement on the Group's credit loss allowance for trade receivables is as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of the year	1,820	1,772
Increase in loss allowance recognised in the consolidated statements of profit or loss	1,126	48
Written off as uncollectible	(96)	—
	<u>2,850</u>	<u>1,820</u>

9 TRADE PAYABLES

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	<u>16,143</u>	<u>13,654</u>

Trade payables were mainly denominated in RMB as at 31 December 2024 and 2023. The credit periods granted by suppliers generally range from 30 to 180 days. The aging analysis of trade payables, based on invoice date, is as follows:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	11,761	11,683
90 to 180 days	<u>4,382</u>	<u>1,971</u>
	<u>16,143</u>	<u>13,654</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

We generate revenue from the provision of (i) intelligent robotics solutions and (ii) drug discovery solutions. We provide either standalone solutions or services or a combination of our solutions or services, depending on our customers' needs.

The table below sets forth a breakdown of our revenue by business line:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
	(Audited)	(Audited)
Intelligent robotics solutions ⁽¹⁾	162,771	86,692
Drug discovery solutions	103,662	87,728
Total	266,433	174,420

Note:

- (1) We have renamed this business line from “intelligent automation solutions” to “intelligent robotics solutions” to better describe our solutions which are designed for flexible demands in R&D environment.

Our revenue increased by 52.8% from RMB174.4 million for the year ended 31 December 2023 to RMB266.4 million for the year ended 31 December 2024.

Intelligent robotics solutions. Our revenue generated from intelligent robotics solutions increased significantly by 87.8% from RMB86.7 million for the year ended 31 December 2023 to RMB162.8 million for the year ended 31 December 2024, primarily attributable to substantial growth in our XtalPi R&D solutions (such as TCMs and electrolyte robotics solutions) driving strong revenue growth, coupled with growth in revenue generated from automated chemical synthesis services, slightly offset by the decrease in our revenue generated from solid-state R&D services.

Drug discovery solutions. Our revenue generated from our provision of drug discovery solutions increased by 18.2% from RMB87.7 million for the year ended 31 December 2023 to RMB103.7 million for the year ended 31 December 2024, primarily due to (i) the increase in the number of our customers for our drug discovery solutions and (ii) the increase in the number of revenue-generating programmes for our drug discovery solutions.

Research and Development Expenses

Our R&D expenses decreased by 13.0% from RMB480.7 million for the year ended 31 December 2023 to RMB418.2 million for the year ended 31 December 2024, primarily attributable to the enhanced capabilities of our technology platform and the increased efficiency in our R&D activities, as well as the decrease in sample material costs due to decreased consumption of materials in R&D activities after the validation of certain research platforms' capabilities. In the future, we will continue to recruit R&D talents with strong academic background and profound industry experience to upgrade and optimize our quantum physics-based closed-loop integrated technology platform, and to enhance our ability to develop solutions in the biotechnology, pharmaceutical, materials science (including agritech, energy and new chemicals, and cosmetics).

General and Administrative Expenses

Our general and administrative expenses increased by 41.2% from RMB296.0 million for the year ended 31 December 2023 to RMB417.9 million for the year ended 31 December 2024, primarily due to the increases in share-based compensation expenses, listing expenses and depreciation and amortisation expenses. Share-based compensation expenses and depreciation and amortisation expenses are non-cash in nature. Listing expenses are expenses relating to the Global Offering (as defined in the prospectus of the Company dated 4 June 2024 (the “**Prospectus**”)).

Contract Fulfillment Costs

Our contract fulfillment costs represent the direct expenses incurred in relation to the fulfillment of our obligations under contracts with our customers.

Our contract fulfillment costs increased by 13.3% from RMB126.2 million for the year ended 31 December 2023 to RMB143.0 million for the year ended 31 December 2024, primarily attributable to the increase of services we delivered. Benefiting from our increased delivery efficiency, our revenue in 2024 (with a growth rate of 52.8%) significantly outpaced the increase of our contract fulfillment cost in the same year.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 13.6% from RMB62.5 million for the year ended 31 December 2023 to RMB71.0 million for the year ended 31 December 2024, primarily due to the increases in share-based compensation expenses, which are non-cash in nature, and IT expenses.

Other Income

Our other income increased by 139.6% from RMB27.5 million for the year ended 31 December 2023 to RMB65.9 million for the year ended 31 December 2024, primarily due to an increase in the government grants recognised as the corresponding recognition conditions were fulfilled.

Other Gains, Net

Our other gains, net decreased by 15.7% from RMB41.3 million for the year ended 31 December 2023 to RMB34.8 million for the year ended 31 December 2024, primarily attributable to the decrease in the gain on fair value of financial assets at fair value through profit or loss (“**financial assets at FVTPL**”), partially offset by the decrease in net foreign exchange losses.

Operating Loss

Our operating loss narrowed, decreasing by 5.3% from RMB722.3 million for the year ended 31 December 2023 to RMB684.2 million for the year ended 31 December 2024, primarily attributable to the abovementioned factors.

Finance Income, Net

Our finance income, net decreased by 47.5% from RMB93.1 million for the year ended 31 December 2023 to RMB48.9 million for the year ended 31 December 2024, primarily due to the decrease in interest income from our term deposits, contributed by the decrease in average balance of our term deposits for the year ended 31 December 2024.

Changes in Fair Value of CRPS

Our fair value loss of CRPS decreased by 31.4% from RMB1,275.2 million for the year ended 31 December 2023 to RMB875.4 million for the year ended 31 December 2024, primarily due to the increase in our Company’s valuation. All of our CRPS were automatically converted into Ordinary Shares upon our Listing and no further gains or losses related to valuation changes in these instruments will be recorded after the conversion in 2024.

Loss for the year

As the result of the abovementioned factors, our net loss narrowed, decreasing by 20.5%, from RMB1,906.3 million for the year ended 31 December 2023 to RMB1,514.9 million for the year ended 31 December 2024.

Non-IFRS Measure

In evaluating our business, we consider and use adjusted net loss, a non-IFRS financial measure, to supplement the review and assessment of our operating performance. We believe such non-IFRS measure facilitates comparisons of our operating performance from period to period by eliminating the potential impact of certain items. We believe that the measure provides useful information to investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management. The use of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, as a substitute for analysis of, or superior to, our results of operations or financial conditions as reported under IFRS. In addition, the non-IFRS financial measure may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies.

We define adjusted net loss (non-IFRS measure) as net loss adjusted by adding back (i) changes in fair value of CRPS, (ii) share-based compensation expenses, and (iii) listing expenses. Share-based compensation expenses mainly represent expenses incurred in connection with our employee stock ownership plan, reflecting equity awards granted to employees. All of our CRPS were automatically converted into Ordinary Shares upon the Listing and no further gains or losses related to valuation changes in these instruments will be recorded after the conversion. These two reconciling items are non-cash items. Listing expenses are expenses related to the Global Offering.

The following table sets forth our adjusted net loss (non-IFRS measure) for the periods indicated:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year	(1,514,869)	(1,906,323)
Add:		
Changes in fair value of CRPS	875,356	1,275,165
Share-based compensation expenses	136,678	88,426
Listing expenses	46,036	20,575
	<hr/>	<hr/>
Adjusted net loss (non-IFRS measure)	<u>(456,799)</u>	<u>(522,157)</u>

Short-Term Bank Borrowings

Our short-term bank borrowings decreased by 13.5% from RMB60.0 million as of 31 December 2023 to RMB51.9 million as of 31 December 2024, reflecting the net decreased balance of our bank borrowings. Our short-term bank borrowings as of 31 December 2024 were denominated in Renminbi, repayable within one year, and guaranteed by our subsidiaries and one patent held by one of our subsidiaries, all of which carried fixed interest rate, ranging from 2.5% to 3.5% per annum.

Net current assets

We had net current assets of RMB2,648.0 million as of 31 December 2023 and RMB3,035.5 million as of 31 December 2024. The 14.6% increase in our net current assets was primarily attributable to our proceeds from the Global Offering.

Net Cash Position

We recorded a net cash position of RMB3,071.5 million, calculated by deducting our interest-bearing borrowings from the sum of our cash and cash equivalents, term deposits, current portion of financial assets at FVTPL, which represented the investments in wealth management products and funds within our treasury activities and restricted cash, as of 31 December 2024.

Gearing Ratio

Our gearing ratio is calculated using interest-bearing borrowings divided by total equity and multiplied by 100%, was 1.3% and -0.8% as of 31 December 2024 and 31 December 2023.

LIQUIDITY AND CAPITAL RESOURCES

For the year ended 31 December 2024, we financed our capital expenditure and working capital requirements primarily through capital contributions from our shareholders and cash inflows from our business operations. We intend to continue relying on cash flows from operations and those from financing activities including net proceeds from the Global Offering. As of 31 December 2024, the sum of our cash and cash equivalents, term deposits, current portion of financial assets at FVTPL and restricted cash was RMB3,123.4 million, as compared with RMB2,848.4 million as of 31 December 2023.

With respect to cash management, we have established treasury and investment policies, such as our treasury management policy (資金管理制度), to monitor and manage our settlement activities and financing activities (including broadening and diversification of fundraising channels and cash management tools), and to control the risks relating to bank deposits and/or the purchase of financial instruments. We place term deposits and/or purchase financial instruments only when we have spare cash in addition to sufficient cash for our operations and in the best interest of our Company.

Cash Burn Rate and Working Capital Sufficiency

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities, (ii) capital expenditures, and (iii) lease payment. Due to our strong revenue growth and effective cost control benefiting from our enhanced automation capabilities, primarily enabled by our technology platform capable of delivering results across different business lines, featuring cost efficiency and standardized scalability, our monthly average cash burn rate decreased by 22.6% from RMB62.2 million in 2023 to RMB48.1 million in 2024. Assuming our average cash burn rate going forward will be similar to the cash burn rate level in 2024, we estimate that our cash and cash equivalents, term deposits, current portion of financial assets at FVTPL and restricted cash as of 31 December 2024, being RMB3,123.4 million, will be able to maintain our financial viability for approximately 65 months; if we take into account the net proceeds raised from the two placings in the first quarter of 2025, being approximately HK\$3,205 million (RMB2,968 million) in total, we have sufficient working capital to support our operations for approximately ten years.

CONTINGENT LIABILITIES

For the years ended 31 December 2024 and 2023, we did not have material contingent liabilities that were expected to materially and adversely affect our financial condition or results of operations.

RESEARCH AND DEVELOPMENT EXPENDITURE

For the years ended 31 December 2023 and 2024, our R&D expenditure primarily consisted of R&D expenses adjusted by adding back intangible assets acquired from third parties and capitalised, and deducting amortisation expenses for capitalised intangible assets for R&D purposes included in R&D expenditure. The table below sets forth our R&D expenditure for the periods indicated:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
R&D expenses	418,238	480,664
Adjustments:		
Add: Intangible assets for R&D purposes acquired from third parties and capitalised	1,997	4,263
Less: Amortisation expenses of capitalised intangible assets included in R&D expenditure	(1,740)	(4,593)
R&D expenditure	<u>418,495</u>	<u>480,334</u>

CAPITAL EXPENDITURES

Our capital expenditures are used to expand our operations and upgrade our facilities. For the years ended 31 December 2023 and 2024, we incurred capital expenditures of RMB130.0 million and RMB46.7 million, respectively, primarily consisting of expenditures on property, plant and equipment, and intangible assets.

FOREIGN EXCHANGE

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not our entities' functional currency. We closely monitor our foreign exchange exposures and will take actions as necessary to mitigate the impact of exchange rate fluctuations.

PLEDGE OF ASSETS

As of 31 December 2024, one patent held by one of our subsidiaries was pledged by our Group (As at 31 December 2023: one patent held by one of our subsidiaries was pledged by our Group).

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed below, there were no other significant investments held, and no material acquisitions or disposals of subsidiaries, associates or joint ventures for the year ended 31 December 2024 (For the year ended 31 December 2023: nil).

The following table summarises the information regarding the Group's investments classified as financial assets at FVTPL with a carrying amount that accounted for 5% or more of the Group's total assets as of 31 December 2024:

Product invested	Description of the underlying investments	Principal amount held as of 31 December 2024 <i>RMB</i> <i>(million)</i>	Cost of investment <i>RMB</i> <i>(million)</i>	Fair value as of 31 December 2024 <i>RMB</i> <i>(million)</i>	Percentage of fair value relative to total assets	Fair value gain during the year ended 31 December 2024 <i>RMB</i> <i>(million)</i>
Notes issued by Guosen Securities (HK) Asset Management Company Limited	The product primarily invests in US Dollar short-term deposit or notes issued by government, quasi government, international organisations and financial institutions.	215.7	215.7	219.3	5.0%	3.6
Notes issued by Fosun Hani Global Limited	The product primarily invests in US Dollar time deposit, US treasury bill, US treasury note and US treasury bond, fixed rate notes and private equity assets.	575.2	575.2	595.5	13.7%	20.3

The investments in wealth management products under financial assets at FVTPL were made for treasury management purposes to maximise return on available funds held by the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

We did not have any plan for material investments or acquisition of capital assets other than the above mentioned and those mentioned in the Prospectus or in our previous announcements during the Reporting Period.

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2024, we had a total of 809 employees. For the Reporting Period, the total remuneration cost incurred by the Group was RMB602.4 million.

The remuneration of our Group's employees comprises salaries, bonuses, employees' provident fund, share-based payment, and social security contributions and other welfare payments, which are determined by their responsibilities, qualifications, positions and seniority. In accordance with applicable laws and regulations, we make 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.

We provide formal and comprehensive company-level and department-level training to our new employees, followed by on-the-job training. We also provide training and development programs to our employees from time-to-time to ensure their awareness and compliance with our various policies and procedures. Some of the training is conducted jointly by departments serving different functions but working with or supporting each other in our day-to-day operations.

SUBSEQUENT EVENTS

On 24 January 2025, the Group successfully completed a placing of 264,000,000 new Shares at the price of HK\$4.28 per Share. The total gross proceeds from the placing are approximately HK\$1,130 million, and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) arising from the placing amounted to approximately HK\$1,125 million.

On 19 February 2025, the Group successfully completed a further placing of 342,288,000 new Shares at the price of HK\$6.10 per Share. The total gross proceeds from the placing are approximately HK\$2,088 million, and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) arising from the placing amounted to approximately HK\$2,080 million.

Up to the report date, the Group has entered into several equity related investments with several entities with total consideration of approximately RMB69 million.

FINAL DIVIDEND

The Board does not recommend the distribution of any final dividend for the Reporting Period (For the year ended 31 December 2023: nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As the ordinary shares of the Company were listed on the Stock Exchange on the Listing Date of 13 June 2024, the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”) was not applicable to the Company prior to the Listing Date.

The Company aims to achieve high standards of corporate governance, which are crucial to the Company’s development and safeguard the interests of the Company’s shareholders. Since the Listing Date, the Company has applied the principles of good corporate governance and adopted the code provisions of the Corporate Governance Code as its own code of corporate governance. The Company has complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code during the period from the Listing Date to 31 December 2024. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct for dealings in the securities of the Company by the Directors since the Listing Date.

Upon specific enquiry of all Directors, each of the Directors confirmed that they have complied with the Model Code during the period from the Listing Date to 31 December 2024.

USE OF PROCEEDS FROM LISTING

In connection with the Company’s Global Offering, 187,373,000 ordinary shares with a nominal value of US\$0.00001 each were issued at HK\$5.28 per share on the Listing Date. On 10 July 2024, an additional 8,796,000 ordinary shares with a nominal value of US\$0.00001 each were issued at HK\$5.28 per share pursuant to the partial exercise of the over-allotment option.

The net proceeds from the Global Offering (including net proceeds raised from the shares issued as a result of the partial exercise of the over-allotment option) were approximately HK\$915.18 million. As at 31 December 2024, details of the utilisation of such net proceeds were as follows:

Use of proceeds from Global Offering	Amount of net proceeds for planned applications (HK\$ million)	Percentage of total net proceeds	Utilized net proceeds during the year ended 31 December 2024 (HK\$ million)	Unutilized net proceeds as of 31 December 2024 (HK\$ million)	Expected timeline for utilizing the remaining balance of net proceeds
Enhancing R&D capabilities and solutions provision	686.39	75%	72.41	613.98	By 2029
(i) upgrading and optimizing the quantum physics-based closed-loop integrated technology platform:					
— recruit automation-related talents and compound talents	91.52	10%	1.58	89.94	
— build automated workstations, centrifuges and other ancillary equipment	91.52	10%	3.55	87.97	
— build an intelligent computing center and further upgrade and improve the intelligent computing resource allocation system	183.04	20%	14.51	168.53	
(ii) enhancing the ability to develop solutions in the biotechnology, pharmaceutical, materials science (including agritech, energy and new chemicals, and cosmetics):					
— recruit five professionals in the biotechnology and pharmaceutical sectors and build a team that can fully operate and support the R&D and delivery of materials	137.28	15%	3.64	133.64	
— purchase protein chromatography purifiers, cryo-EM accessories, flow cytometers, mass spectrometers, microplate readers and other instruments	109.82	12%	2.45	107.37	
(iii) lease of properties for and improvements of the R&D centers in Shanghai and Shenzhen	73.21	8%	46.68	26.53	

Use of proceeds from Global Offering	Amount of net proceeds for planned applications (HK\$ million)	Percentage of total net proceeds	Utilized net proceeds during the year ended 31 December 2024 (HK\$ million)	Unutilized net proceeds as of 31 December 2024 (HK\$ million)	Expected timeline for utilizing the remaining balance of net proceeds
Improving commercialization capability in and beyond China	137.28	15%	20.44	116.84	By 2029
(i) expanding business development and marketing team with a focus on development of relationship with potential customers that are famous pharmaceutical companies/contract research organization/contract development and manufacturing organization companies in China and overseas countries or regions, especially in the United States	73.21	8%	2.72	70.49	
(ii) business development activities overseas in addition to the recruitment of business development and marketing staff as mentioned above	64.06	7%	17.72	46.34	
For working capital and general corporate purposes	91.52	10%	91.52	—	By 2029
Total	915.18	100%	184.37	730.81	

Notes:

- (1) The sum of the data may not add up to the total due to rounding.
- (2) The above expected time frame of unutilized amount is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the future development of the Group and the market conditions.

As of 31 December 2024, the Directors were not aware of any material change in the planned use of the net proceeds. All the unused net proceeds have been deposited in short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions maintained by the Group.

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

The ordinary shares of the Company were first listed on the Main Board of the Stock Exchange on the Listing Date. On 11 September 2024, 2,045,000 ordinary shares of US\$0.00001 each in the capital of the Company had been cancelled due to the surrender of shares by a member of the Company for no consideration pursuant to the written notice from such member. Save for the aforesaid, during the period from the Listing Date to 31 December 2024, 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 of 31 December 2024, the Company did not hold any treasury shares.

REVIEW OF ANNUAL RESULTS

The Company has established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code. The Audit Committee currently consists of three independent non-executive Directors, namely, Mr. Law Cheuk Kin Stephen, Ms. Chan Wing Ki and Mr. Chow Ming Sang. The Audit Committee is chaired by Mr. Law Cheuk Kin Stephen. The Audit Committee has reviewed the annual results of the Group for the Reporting Period and discussed with the management and auditors of the Company the accounting principles and practices adopted by the Group.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of cash flows and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

AGM AND CLOSURE OF THE REGISTER OF MEMBERS

The Company will arrange the time of convening an annual general meeting (“AGM”) as soon as practicable and in accordance with the Listing Rules. A notice convening the AGM will be published and disseminated to shareholders of the Company in the manner required by the Listing Rules and the articles of association of the Company in due course. Once the date of the AGM is finalised, the Company will publish the period of closure of register of members of the Company in the notice of the AGM.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the respective websites of the Company (www.xtalpi.com) and the Stock Exchange (www.hkexnews.hk). The annual report for the Reporting Period will be made available on the respective websites of the Company and the Stock Exchange as and when appropriate.

By order of the Board
XtalPi Holdings Limited
Dr. Wen Shuhao

Chairman of the Board and Executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises Dr. Wen Shuhao, Dr. Ma Jian, Dr. Lai Lipeng and Dr. Jiang Yide Alan as executive Directors, and Mr. Law Cheuk Kin Stephen, Ms. Chan Wing Ki and Mr. Chow Ming Sang as independent non-executive Directors.