HighTide Therapeutics, Inc.

君圣泰医药

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2511)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the "**Board**") of directors (the "**Director(s)**") of HighTide Therapeutics, Inc. (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2024 (the "**Reporting Period**"). These annual results have been reviewed by the audit committee of the Board (the "**Audit Committee**").

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group. Certain amount and percentage figure included in this announcement have been subject to rounding adjustments or have been rounded to one or two decimal places, as appropriate. Any discrepancies in any table, chart or elsewhere totals and sums of amounts listed therein are due to rounding.

MANAGEMENT DISCUSSION AND ANALYSIS

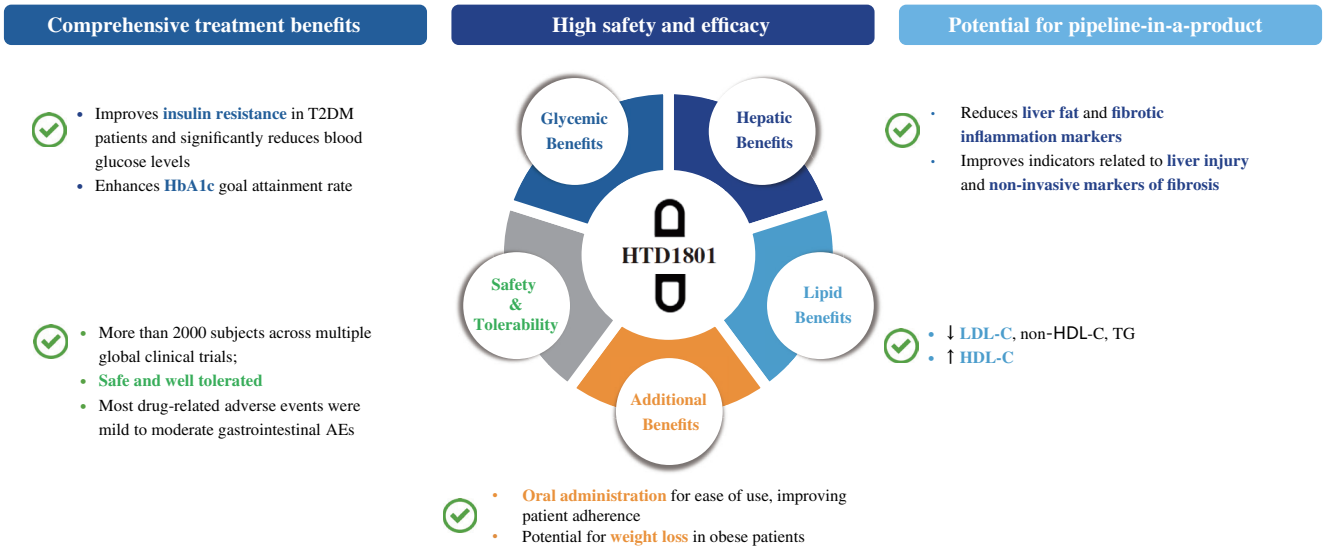
OVERVIEW

We are an innovative biopharmaceutical company specializing in the research and development of transformative therapeutic solutions for metabolic diseases. Our products deliver comprehensive benefits to patients worldwide.

Chronic metabolic diseases represent a significant unmet medical need and a tremendous burden for patients and caregivers worldwide. These diseases broadly share a pathogenic relationship that leads to the development of multiple metabolic comorbidities, complicating patient management and worsening prognosis. We are developing breakthrough therapies that simultaneously target the core disease as well as the comorbidities that increase a patient's risk, thus taking a holistic approach.

Our Core Product berberine ursodeoxycholate (HTD1801) is a new molecular entity (NME), an ionic salt consisting of two active components (berberine and ursodeoxycholic acid). HTD1801 is a gut-liver anti-inflammatory metabolic modulator and exhibits a unique dual mechanism of action – AMP kinase (AMPK) activation and NLRP3 inflammasome inhibition. AMPK activation enhances energy homeostasis and NLRP3 inhibition reduces systemic inflammation – both pathways working to mitigate dysfunctions associated with chronic metabolic and cardiovascular disease. Consistent with this dual mechanism of action, HighTide has strong clinical proof of concept data showing that HTD1801 exerts a broad range of cardiometabolic benefits, including improved glycemic control, reduction in body weight, lipid-lowering (including atherogenic lipoproteins Lp(a), & ApoB), markers of systemic inflammation including hs-CRP, and lastly liver-specific benefits including lowering of ALT/AST, liver fat and fibrosis biomarkers. Preclinical studies have further revealed HTD1801's potential in tumor prevention, anti-aging, and neuroprotection. We believe that HTD1801 has the potential to serve as a unique broad-spectrum metabolic regulator, capable of being used as a monotherapy or in combination with existing approved treatments for metabolic disorders, enabling optimal therapeutic outcomes and addressing patient needs.

The following diagram illustrates how HTD1801 may drive metabolic homeostasis through multiple mechanisms:



We are confident that our pipeline of innovative therapies positions us to seize opportunities in the rapidly growing global market for the treatment of significant metabolic diseases, which are expected to be associated with a market size of US$458 billion in 2032. With a focus on addressing metabolic and inflammatory comorbidities, the core strategy is to unlock the potential for indication expansion, HTD1801 is being developed globally to treat metabolic and liver diseases, including MASH, T2DM, SHTG, PSC. Along with HTD1801, we have developed a strong pipeline of similarly innovative product candidates comprising HTD4010, HTF1037, HTF1057, HTD1804, HTD1805, and HTD2802, targeting nine potential indications collectively.

We have and are currently conducting multi-center clinical trials globally including in the United States, China, Canada, and Australia in a cost-effective and time-efficient manner, enabling us to leverage market opportunities worldwide. We have further developed a portfolio of intellectual property rights to protect our technologies and products on a global scale. As of the end of the Reporting Period, the Company has a total of 134 patents and patent applications, with patent rights covering major countries and regions around the world including the United States, Europe, Australia, New Zealand, Russia, Singapore and Japan. We believe that this expansive intellectual property portfolio creates an effective barrier to market entry and serves as a cornerstone for advancing our global commercialization objectives. With our lead product HTD1801 approaching commercialization in 2025, we are well-positioned to seize substantial market opportunities.

OUR PRODUCTS AND PRODUCT PIPELINE

As of the date of this report, we have researched and developed an in-house pipeline with 7 proprietary drug candidates covering 9 indications, including 2 compounds that are at the clinical stage for 5 different indications. The following chart summarizes the development status of our drug candidates as of the date of this report:

Candidate	Mechanism/Target	Indication	Right	Designations	Pre-Clinical	Phase I	Phase II	Phase III
HTD1801 Berberine Ursodeoxycholate ★	Dual Mechanisms AMPK Activation + NLRP3 Inflammasome Inhibition	MASH	Global	FTD	Ph IIa completed in US; Patient enrollment in Ph IIb completed in US, HK and Mainland China			
		T2DM	Global		Ph II completed in Mainland China; Ph III trials are ongoing in Mainland China, with patient enrollment completed.			
		SHTG	Global			(1)		
		PSC	Global	FTD, ODD	Ph II completed in US and Canada			
HTD4010	Polypeptide Drug	AH	Global		Ph I completed in Australia			
HTD1804	Undisclosed	Obesity	Global					
HTD1805	Undisclosed	Metabolic Disease	Global					
HTD2802	Undisclosed	IBD	Global					
HTF1037	Mitochondria Uncoupler	Obesity	Global					
HTF1057	Mitochondria Uncoupler	Neurodegenerative Diseases	Global					

★ Core Assets

Note: (1) We have completed a Phase Ib/IIa trial for hypercholesterolemia in Australia and a Phase IIa trial for MASH in the United States. Based on the FDA's written responses to the pre-investigational new drug meeting, the FDA concluded that the available preclinical and clinical data of the above trials was adequate to support the initiation of Phase II trial for SHTG.

HTD1801

Our Core Product, HTD1801 is an orally delivered, first-in-class gut-liver anti-inflammatory metabolic modulator being developed for the treatment of several metabolic and liver diseases, including MASH, T2DM, PSC, SHTG.

As of the date of this report, HTD1801 has been granted two FTDs and one ODD from the FDA, and has been supported by the Major National Science and Technology Projects for "Major New Drugs Development" during the "Thirteenth Five-Year Plan" period in China. Benefiting from these favourable regulatory designations and programs, the global development programs for HTD1801 are advancing toward the commercialization stage, with late-stage clinical studies currently being conducted in China and the US. In China, multiple Phase III studies for T2DM have completed patient enrollment, with topline data results expected in first half of 2025, and an NDA submission for T2DM expected by the end of 2025. In the United States, the Phase IIb study for MASH has completed patient enrollment and is also expected to be completed in 2025.

MASH

- Given the disease's pathogenetic complexity and heterogeneity, the treatment of MASH is trending toward a multifunctional therapeutic approach.

- We have completed a randomized, double-blind, placebo-controlled Phase IIa study of HTD1801 in patients with MASH and T2DM in the United States. The Phase IIa study met the primary endpoint, which showed that HTD1801 resulted in statistically significant, meaningful improvements in liver fat content, as assessed by MRI-PDFF, compared to a placebo. Throughout 2024, we presented Phase IIa results in global conferences.

- At the American Association for the Study of Liver Diseases' (AASLD) The Liver Meeting held in November 2024, two post-hoc analyses for the MASH Phase IIa study were presented. These data provide additional characterization of the efficacy and safety of HTD1801, a novel, multifunctional therapy being developed for the treatment of patients with MASH and T2DM. Key messages from these AASLD 2024 presentations are as follows:

  – HTD1801 provides greater improvements in markers of liver injury and inflammation, glycemic control, weight loss, and lipid metabolism compared to ongoing GLP-1RA use. HTD1801 could provide additional benefit to patients with MASH and T2DM, on concomitant GLP-1RA treatment.

  – HTD1801 is generally well-tolerated and with continued treatment, GI tolerance improves supporting its potential long-term use in chronic diseases.

- At the 8th Annual MASH Drug Development Summit taking place in September 2024, we made an oral presentation highlighting MASH and metabolic disease risk factors, along with preliminary metabolic and hepatic benefits observed in Phase IIa studies of HTD1801.

- At the EASL Congress in June 2024 multiple post-hoc analyses for the MASH Phase IIa study were presented including an evaluation of ongoing GLP-1 receptor agonists (GLP-1RAs) use compared to newly initiated HTD1801 treatment; analysis of the effects of HTD1801 response based on degree of insulin resistance; and a characterization of the time-course and severity of gastrointestinal (GI) adverse events (AEs) after treatment with HTD1801. Key messages from the EASL 2024 presentations are as follows:

  – HTD1801 provides greater benefit across multiple cardiometabolic endpoints compared to ongoing GLP-1RA use and that patients with MASH and T2DM, on concomitant GLP-1RAs, could achieve additional benefit in terms of further glucose and lipid lowering as well as weight loss with HTD1801.

  – Insulin resistance is a significant risk factor for T2DM, obesity and MASH. HTD1801 can alleviate the metabolic inhibitory effects caused by hyperinsulinemia, leading to even greater metabolic benefits in patients with MASH and more severe insulin resistance and therefore may offer a unique therapeutic approach for individuals with MASH and co-morbid T2DM.

  – With continued treatment with HTD1801, GI tolerability improves supporting its potential for long-term use for the treatment of chronic disease, such as MASH.

- We are currently conducting a Phase IIb study of MASH. The study has been initiated in the United States, Hong Kong and Mainland China. The patient enrollment of Phase IIb has been completed. The data readout is expected to be conducted in 2025.

T2DM

- T2DM and MASLD are intricately and bi-directionally associated, where T2DM aggravates MASLD into more severe forms of liver disorders, such as MASH, cirrhosis and hepatocellular carcinoma, while the presence of MASLD increases the incidence and severity of T2DM and makes T2DM patients more susceptible to comorbidities such as CVDs.

- Our completed Phase Ib and Phase II clinical trials of T2DM in China have demonstrated a strong therapeutic effect of HTD1801 in improving glucose metabolism, including statistically significant decreases in HbA1c and fasting glucose levels, which may be the result of decreased insulin resistance based on observed reductions in HOMA-IR with HTD1801. Collective results from our Phase Ib T2DM trial, Phase II T2DM trial and Phase IIa MASH and T2DM trial suggest that HTD1801 has broad efficacy on glucose homeostasis, other cardiometabolic markers and liver health, supporting a differentiated profile compared to other anti-diabetic agents.

- In March 2025, we published data from a Phase II study evaluating HTD1801 for treating T2DM in JAMA Network Open. The randomized, placebo-controlled 12-week study demonstrated that HTD1801 was generally well tolerated and had comprehensive beneficial therapeutic effect in improving glycemic, hepatic and cardiometabolic parameters. The multifaceted effects demonstrated by HTD1801 support this new molecular entity as a unique oral treatment option for T2DM and its comorbidities.

- In addition to this primary publication, in 2024 the data from this trial was presented at global conferences.

- At the 60th European Association for the Study of Diabetes (EASD) Annual Meeting held in September 2024, two post-hoc analyses for the T2DM Phase II clinical study were presented, focusing on the efficacy of HTD1801 in Chinese and Western Patients with T2DM and the effects of HTD1801 response based on degree of insulin resistance. Key messages from these EASD 2024 presentations are as follows:

  – HTD1801 improves glycemic, cardiometabolic, and hepatic outcomes in both Chinese and Western patients with T2DM and/or MASH. Despite ethnic differences and distinct disease presentations, HTD1801 provides holistic benefits that effectively address core aspects of both T2DM and MASH.

  – HTD1801 can alleviate the metabolic inhibitory effects caused by hyperinsulinemia, leading to even greater hepatic and metabolic benefits in patients with more severe insulin resistance, offering a unique therapeutic approach for individuals with T2DM and/or MASH.

- At the American Diabetes Association's (ADA) 84th Scientific Session held in June 2024, a post-hoc analysis from the Phase II T2DM study presented the effectiveness of HTD1801 in patients with T2DM across the disease spectrum based on baseline HbA1c. Regardless of baseline disease severity, HTD1801 treatment resulted in significant improvements in key glycemic and lipid metabolism markers, as well as indicators of liver injury with a greater improvement in subjects with more severe disease. Such data suggests HTD1801 may offer a unique therapeutic approach for individuals with T2DM and other comorbidities (i.e. MASH and dyslipidemia), as managing these conditions effectively is crucial in controlling T2DM and reducing its associated complications.

- The patient enrollments of the two Phase III registration trials of HTD1801 for the treatment of T2DM (SYMPHONY-1 and SYMPHONY-2) have been completed in June 2024.

- The patient enrollment of the dapagliflozin-controlled Phase III clinical trial of HTD1801 for the treatment of T2DM (HARMONY) has been completed in January 2025. The head-to-head non-inferiority trial is a randomized, double-blind, active parallel-controlled (dapagliflozin), multicenter Phase III clinical trial designed to evaluate the efficacy of HTD1801 versus dapagliflozin in adult subjects with T2DM inadequately controlled with metformin alone. The primary efficacy endpoint is the change in hemoglobin A1c relative to baseline after 24 weeks of treatment.

- SYMPHONY trials are expected to have data readout in first half of 2025. HARMONY trial is expected to have data readout in second half of 2025.

- NDA of T2DM trial is expected to be submitted by end of 2025.

PSC

- PSC is a rare, chronic cholestatic liver disease characterized by intrahepatic and extrahepatic bile duct injury. Inflammation and fibrosis of the bile ducts lead to structural damage, impaired bile flow and progressive liver dysfunction. PSC has been identified by the European Association for the Study of the Liver as one of the largest unmet clinical needs in the category of liver disease. HTD1801 is precisely engineered to target the disease's complex pathogenic mechanisms through a multifunctional synergistic approach.

- HTD1801 provides a unique and comprehensive treatment of the gut-liver-biliary system, acting through multiple mechanisms to address the complex pathogenesis of PSC, including a choleretic effect achieved by displacing toxic bile acids from the bile acid pool and a variety of anti-inflammatory effects. In addition, HTD1801 treatment has demonstrated positive changes in the gut microbiome, an important contributor to the pathogenesis of PSC.

- We completed a Phase II clinical trial of HTD1801 for PSC in the United States and Canada in August 2020, with the HTD1801 treatment group demonstrating a statistically significant reduction in serum alkaline phosphatase, a key biomarker indicating the presence of cholestatic liver disease, compared to the placebo group. HTD1801 treatment was also associated with improvements in markers of liver injury and inflammation. In addition to its efficacy profile, HTD1801 demonstrated a good safety profile in this patient population including liver-related safety. HTD1801 has been granted FTD and ODD from FDA for the treatment of PSC, which allows for expedited regulatory review. We had also held a successful end of Phase II (EOP2) meeting with FDA and was permitted to commence Phase III clinical trial.

SHTG

- SHTG is the presence of high levels of triglycerides, a type of fat, in the blood. SHTG is well known to be associated with other complex and serious disorders such as acute pancreatitis and CVDs. Existing pharmacological interventions primarily include the use of fibrates, omega-3 fatty acids, statins and niacin, but these treatment options either have limited efficacy or are associated with safety concerns. It is clear that there remains a medical need for safe and effective therapies for the treatment of adult patients with SHTG, therapies that address not only triglycerides levels but also comorbid conditions.

- For SHTG, preclinical studies demonstrated that HTD1801 could improve lipids in hamster models of dyslipidemia and MASLD. In addition, in a pooled analysis of clinical studies of MASH and hypercholesterolemia, focusing on subjects with baseline TGs above 200 mg/dL (hypertriglyceridemia), treatment with HTD1801 was associated with clinically meaningful reductions in TG levels, which supports the therapeutic potential of HTD1801 in SHTG.

- We have completed Phase I clinical trial in healthy subjects in Australia. We will continue to evaluate the clinical progress of HTD1801 and, taking into account the overall strategy and resources allocation of the Group, assess the timeframe of initiating the Phase II clinical trial of HTD1801 for the treatment of SHTG.

HTD4010

- Building on our expertise in the development of HTD1801, we have also invested in and developed our pipeline to cover AH, obesity, IBD and other metabolic diseases to address large unmet medical needs of other patient populations. For the treatment of AH, we are advancing the early clinical development of HTD4010. AH is one of the manifestations from alcohol-associated liver disease characterized by acute liver inflammation.

- Our HTD4010 is a Phase I clinical-stage, polypeptide drug for the treatment of complex, life-threatening diseases such as AH, which is caused by chronic heavy alcohol abuse or a sudden, drastic increase in alcohol consumption. It is characterized by severe inflammation and, ultimately, liver failure and death. HTD4010 is a Toll-like receptor 4 inhibitor potentially capable of modulating the innate immune response and the resulting liver inflammation, a major contributor to AH pathogenesis. The Company plans to present preclinical findings highlighting HTD4010's therapeutic potential at major international scientific conferences in 2025, including the EASL Congress and Digestive Disease Week (DDW).

HTF1037

- HTF1037 is a preclinical-stage, potentially best-in-class mitochondrial uncoupler with a mechanism of elevating energy expenditure for the treatment of obesity and comorbidities as a monotherapy or combination with a GLP-1RA or other calorie restriction approach. In preclinical studies, HTF1037 demonstrated muscle sparing weight loss along with many other metabolic benefits, including improvement of liver health (reductions in liver total cholesterol and triglyceride, NAS, AST, ALT), deceased of fasting insulin/glucose levels, as well as reactive oxygen species (ROS). It also demonstrated type I muscle adaptation with muscle endurance functional improvement. In combination with Semaglutide, HTF1037 showed additive weight loss and reversed muscle loss due to Semaglutide mono-therapy and suppressed weight rebound after cessation of treatment with Semaglutide. Preclinical safety evaluations suggested acceptable margin of safety for projected human efficacious exposure.

HTF1057

- HTF1057 is a preclinical-stage mitochondria uncoupler being developed as a drug candidate for the treatment of neurodegenerative diseases. In preclinical studies HTF1057 has demonstrated significant neuroprotection effects, including improvements in behavior deficits, rescue neuron loss induced by toxin lesion, and suppress in microglial cells and astrocytes activation. Additionally, HTF1057 increased brain derived neurotrophic factor (BDNF) levels. These findings support its potential as a therapeutic agent for PD.

HTD1804

- An additional drug candidate, HTD1804, is under evaluation for the treatment of obesity, which is a growing global health risk associated with a wide range of comorbidities, most notably CVDs and T2DM.

- Our HTD1804 is a preclinical-stage, small molecule multifunctional therapy for the treatment of obesity, a growing global health risk associated with a wide range of comorbidities, most notably CVDs and T2DM. Preclinical studies have shown that HTD1804 may be an important modulator of energy metabolism to provide cardiovascular protection, and can effectively reduce the body weight of animals with obesity as well as lipid- and glucose-lowering effects.

HTD1805

- HTD1805, another drug candidate in our pipeline, is a preclinical-stage, multifunctional small molecule drug for the treatment of metabolic diseases. HTD1805 is prepared with the similar design rational as HTD1801, and the efficacy and safety profiles of the active moieties forming demonstrate the potential of HTD1805 in treating various metabolic diseases.

HTD2802

- Our HTD2802 is a preclinical-stage, multifunctional drug for the treatment of IBD, a common GI tract disorder. The existing IBD drugs fail to adequately control the symptoms and complications in many patients. In preclinical studies, HTD2802 has shown positive effects on improving stool formation, relieving abnormal weight loss and reducing the occurrence of fecal occult blood, as well as reducing inflammatory cytokine levels and preventing pathological injury.

Looking forward, we will continue to advance our pipeline of drug candidates through clinical development and continue to seek to expand indication coverage of our pipeline. With respect to commercialization, based on the expected approval timeline of each indication of HTD1801 in our pipeline, we expect to file an NDA submission for HTD1801 for T2DM by the end of 2025. In anticipation of the upcoming milestone, we are actively seeking domestic partners with a strong commercialization network and expertise in T2DM. Subject to our global clinical development plan, we also plan to commercialize HTD1801 for MASH, T2DM, SHTG and PSC in multiple jurisdictions, including but not limited to the United States, European Union and China.

THERE IS NO ASSURANCE THAT WE WILL BE ABLE TO ULTIMATELY DEVELOP AND MARKET ANY OF OUR PIPELINE PRODUCTS SUCCESSFULLY.

RESEARCH AND DEVELOPMENT CAPABILITY

We believe that our continued R&D is the key driver of our business growth and competitiveness.

Our R&D team has strong expertise, deep understanding, and broad development experience in metabolic and digestive diseases. Our R&D team is generally responsible for the global development of our pipeline products. For our internally discovered and developed drug candidates, we conducted drug discovery, quality assurance and clinical activities including: (i) coordinating all clinical development activities; (ii) designing the key aspects of the clinical studies; (iii) designing and coordinating the selection process for qualified CROs to assist in engaging clinical sites and coordinating clinical studies once commenced; (iv) supervising the clinical studies; and (v) overseeing extensive regulatory outreach and coordination in China and other jurisdictions. Our R&D team is led by a team of world-class scientists with years of drug development experience.

We have worked on our product candidates' advancement for more than ten years and developed product candidates in-house. Our drug discovery team members have expertise in biology, medicinal chemistry, drug metabolism and pharmacokinetics, chemistry and early clinical areas, which support our product development.

The clinical development team consisted of scientists and physicians with strong drug development experience, who participate in clinical development strategy development, clinical trial protocol design, clinical trial operation organization, drug safety monitoring, and clinical trial quality control. Our clinical development staff represent a highly skilled and experienced team of professionals who work collaboratively to design and execute complex clinical trials and drug

development programs. Our core capabilities in the area of development include clinical trial design, regulatory and quality compliance, project management, clinical operations, medical writing, safety monitoring and drug development strategy. Our team has the expertise to design clinical trials that are rigorous and compliant with regulatory requirements. This involves collaborating internally, with experts and regulatory authorities to determine the appropriate patient population, defining endpoints, and selecting appropriate control groups. The clinical development unit of our Company manages all stages of clinical trials, including protocol design and oversees, operations/conduct, and the collection and analysis of clinical data.

FINANCIAL OVERVIEW

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

Other Income

Our other income increased by RMB33.8 million from RMB34.2 million for the year ended December 31, 2023 to RMB68.0 million for the year ended December 31, 2024, representing an increase of 98.8%. The increase in the other income was primarily because of an increase of approximately RMB28.5 million in government grants.

Fair Value Losses on Convertible Redeemable Preferred Shares

Our fair value changes of convertible redeemable preferred shares decreased from a loss of RMB522.2 million for the year ended December 31, 2023 to nil for the year ended December 31, 2024. The changes in 2023 are non-recurring after the completion of the listing (the "**Listing**") of the ordinary shares of the Company (the "**Share(s)**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on December 22, 2023 (the "**Listing Date**") as all of the Company's preferred shares were converted to ordinary shares upon the Listing Date.

Other Gains and Losses, Net

We recorded other losses of RMB2.6 million for the year ended December 31, 2023, as compared to other losses of RMB3.2 million for the year ended December 31, 2024, which was primarily attributable to fair value losses on financial assets at FVTPL of approximately RMB6.1 million and foreign exchange gains of approximately RMB3.1 million in 2024.

Research and Development Costs

Our research and development costs primarily consist of (i) third-party contracting expenses primarily including early stage discovery expenses, preclinical expenses, and clinical development expenses for our drug candidates; (ii) staff costs, primarily consisting of salaries and benefits for our R&D team; (iii) expenses under the employee long-term incentive plans, representing expenses associated with share options granted to our R&D team; and (iv) others, primarily including rental, depreciation and amortization in relation to fixed assets, right-of-use assets and raw materials.

Our research and development costs increased by 16.7% from RMB311.6 million for the year ended December 31, 2023 to RMB363.5 million for the year ended December 31, 2024. The increase was mainly attributable to an increase of approximately RMB60.7 million in third-party contracting expenses.

The following table sets forth a breakdown of our research and development costs for the years indicated:

	Year ended December 31,			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
Third-party contracting expenses	**263,913**	**73**	203,258	65
Staff costs	**35,350**	**10**	39,288	13
Expenses under the employee long-term incentive plans	**56,708**	**15**	59,711	19
Others	**7,554**	**2**	9,310	3
Total	**363,525**	**100**	311,567	100

Administrative Expenses

Our administrative expenses decreased by 40.6% from RMB136.7 million for the year ended December 31, 2023 to RMB81.2 million for the year ended December 31, 2024. The decrease in administrative expenses was primarily attributable to the decrease in professional service fees.

Finance Costs

Our finance costs were RMB1.5 million for the year ended December 31, 2024, as compared to RMB400,000 for the year ended December 31, 2023. Our finance costs primarily consist of interest on interest-bearing bank borrowings and lease liabilities. The increase in finance costs was primarily attributable to the increase of RMB0.7 million in interest on lease liabilities.

Loss for the Year

As a result of the above, we recorded a loss of RMB381.8 million for the year ended December 31, 2024, as compared to RMB939.3 million for the year ended December 31, 2023.

Capital Management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize value to the holders of the Shares (the "**Shareholders**").

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may return capital to the Shareholders or issue new Shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Reporting Period.

Liquidity and Capital Resources

The Group has always adopted a prudent treasury management policy. The Group places strong emphasis on having funds readily available and accessible and is in a stable liquidity position with sufficient funds in standby banking facilities to cope with daily operations and meet its future development demands for capital.

As of December 31, 2024, the current assets of the Group were RMB513.4 million, of which cash and cash equivalents amounted to RMB310.8 million and other current assets amounted to RMB202.6 million. The Group's cash and cash equivalents decreased by 48.9% from RMB608.2 million as at December 31, 2023 to RMB310.8 million as at December 31, 2024. The decrease was mainly due to expenditure on research and development cost. As at December 31, 2024, cash and bank balances were mainly denominated in United States dollars, Renminbi and Hong Kong dollars.

As of December 31, 2024, the current liabilities of the Group were RMB109.9 million, including trade payables of RMB51.5 million, interest-bearing bank borrowings of RMB46.9 million, other payables and accruals of RMB6.0 million and lease liabilities of RMB5.5 million.

Bank Borrowings

As of December 31, 2024, the Group had outstanding interest-bearing bank borrowings of approximately RMB56.9 million (December 31, 2023: RMB3.5 million) which were denominated in RMB and bearing interest on commercial bank borrowings at fixed annual interest rates ranging from 3.2% to 3.7%.

Charges on Group Assets

As of December 31, 2024, there were no charges on assets of the Company (December 31, 2023: nil).

Key Financial Ratios

The following table sets forth the key financial ratios for the dates indicated:

	As at December 31,	
	2024	2023
Gearing Ratio [(1)]	**13.4%**	0.5%
Current Ratio [(2)]	**4.7**	9.8

Notes:

(1) Equals bank loans and other borrowings divided by total equity as of the same date.

(2) Equals current assets divided by current liabilities as of the same date.

Significant Investments

During the year ended December 31, 2024, the Group held investments through two structured entities, Apollo Multi-Asset Growth Fund and Chaince Capital Fund LP (together the "**Funds**"), that the Group invested with initial capital contribution of US$12.5 million each. Such investments were made before the Listing Date. As at December 31, 2024, the underlying assets purchased by Apollo Multi-Asset Growth Fund and Chaince Capital Fund LP mainly included listed equity investments, treasury bills and money market funds, which were classified as financial instruments at FVTPL of RMB130.5 million and RMB49.3 million (representing 23.3% and 8.8% of the Group's total assets as at December 31, 2024), respectively. The listed equity investments are non-principal guaranteed with floating return. During the year ended December 31, 2024, the underlying assets purchased by the Funds generated an investment income of approximately RMB11.2 million.

Save as disclosed above, the Group did not have any significant investments and did not have other plans for significant investments or capital assets as at the date of this announcement.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures for the year ended December 31, 2024.

Contingent Liabilities

The Group did not have any material contingent liabilities as at December 31, 2024.

Capital Expenditure and Commitments

Our capital expenditure for the year ended December 31, 2024 was RMB4.3 million, compared to RMB0.8 million for the year ended December 31, 2023. The increase was primarily attributable to increase in leasehold improvements. Our capital expenditure primarily consisted of the purchase of (i) machinery and equipment, (ii) furniture, fittings and equipment and (iii) leasehold improvements.

As of December 31, 2024 and December 31, 2023, the Group had capital commitments contracted for but not yet provided of nil and RMB2.6 million, respectively, primarily in connection with leasehold improvements.

Foreign Currency Risk

We have transactional currency exposures. Our Group's transactions were primarily denominated in US dollars, Renminbi and Hong Kong dollars. Certain of our cash and bank balances and trade and other payables are denominated in non-functional currency of the Company and exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Non-IFRS Measures

To supplement our consolidated statements of profit or loss which are presented in accordance with IFRS, we also use adjusted net loss as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. We believe that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS measures provides useful information to investors and management in facilitating a comparison of our operating performance from year to year by eliminating potential impacts of certain non-operational or one-off expenses that do not affect our ongoing operating performance, including changes in fair value of convertible redeemable preferred shares, expenses under the employee long-term incentive plans and listing expenses. Such non-IFRS measures allow investors to consider metrics used by our management in evaluating our performance. Changes in fair value of convertible redeemable preferred shares represent the changes in fair value of various rights associated with the preferred shares, which is non-recurring and non-operational in nature. Expenses under the employee long-term incentive plans are non-operational expenses arising from granting options to selected directors, employees and consultants of the Company, the amount of which may not directly correlate with the underlying performance of our business operations, and is also affected by non-operating performance related factors that are not closely or directly related to our business activities. With respect to share awards, determining its fair value involves a high-degree of judgment. Historical occurrence of expenses under the employee long-term incentive plans is not indicative of any future occurrence. Listing expenses are one-off expenses in relation to the Listing. Therefore, we do not consider changes in fair value of convertible redeemable preferred shares, expenses under the employee long-term incentive plans and Listing expenses to be indicative of our ongoing core operating performance and exclude them in reviewing our financial results. From time to time in the future, there may be other items that we may exclude in reviewing our financial results.

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

The following table shows reconciliation of net loss for the year to our adjusted net loss for the years indicated:

	2024	2023
	RMB'000	*RMB'000*
Net loss for the year	**(381,788)**	(939,306)
Added:		
Fair value changes on convertible redeemable preferred shares	**–**	522,160
Expenses under the employee long-term incentive plans	**96,932**	93,493
Listing expenses	**–**	35,210
Adjusted net loss	**(284,856)**	(288,443)

Employees and Remuneration Policy

As at December 31, 2024, we had 70 employees in total. The following table sets forth the number of our employees categorized by function as of December 31, 2023 and December 31, 2024.

	Number of employees as at December 31, 2024	Number of employees as at December 31, 2023
Discovery and Clinical Development	**43**	40
Regulatory Affairs	**6**	5
Management Operations	**21**	21
Total	**70**	66

The total employee benefit expense (excluding Directors' and chief executive's remuneration) incurred by the Group was RMB108.2 million for the year ended December 31, 2024 (2023: RMB116.3 million). The decrease in remuneration cost was primarily attributable to the decrease in wages and salaries.

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

To maintain our workforce's quality, knowledge, and skill levels, we provide continuing education and training programs, including internal training, to improve their technical, professional or management skills. We also provide training programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects. Furthermore, we provide various incentives and benefits to our employees, including competitive salaries, bonuses and share-based payment, particularly our key employees.

The Company has adopted share incentive plans on January 22, 2020 and May 24, 2023, respectively. For further details, please refer to the paragraph headed "D. Incentive Plans" in Appendix IV to the prospectus of the Company dated December 14, 2023 (the "**Prospectus**").

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the Corporate Governance Code (the "**Corporate Governance Code**") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. The Directors are of the view that throughout the Reporting Period, the Company has complied with all applicable code provisions of the Corporate Governance Code save and except for the following deviation from code provision C.2.1 of the Corporate Governance Code.

Under code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. Liu Liping ("**Dr. Liu**") has been serving as the chairwoman of the Board since the Listing and Chief Executive Officer since February 2018. With extensive experience in the pharmaceutical industry and having served in our Company since its establishment, Dr. Liu is in charge of overall strategic planning, business direction and operational management of our Group. Our Board considers that vesting the roles of chairwoman and chief executive officer in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of our Board and our senior management, which comprises experienced and diverse individuals. Our Board currently comprises two executive Directors, three non-executive Directors and three independent non-executive Directors, and therefore has a strong independence element in its composition.

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

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code")

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company's employees who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities.

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

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares, as defined in the Listing Rules) during the Reporting Period. The Company did not hold any treasury shares (as defined in the Listing Rules) as of December 31, 2024.

Material Litigation

The Company was not involved in any material litigation or arbitration during the Reporting Period which could have a material and adverse effect on our financial condition or results of operations. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Company during the Reporting Period which could have a material and adverse effect on our financial condition or results of operations.

Use of Net Proceeds from the Listing

The total net proceeds from the issue of shares by the Company in its Listing amounted to approximately HK$194.1 million, after deducting the underwriting commission and other expenses payable by the Company in connection with the Listing. During the Reporting Period, the net proceeds were used according to the intentions previously disclosed by the Company in the Prospectus. The balance of unutilized net proceeds amounted to approximately HK$132.2 million as at the end of the Reporting Period and the Company intends to use them in the same manner and proportions as described in the Prospectus and proposes to use the unutilized net proceeds in accordance with the expected timetable disclosed in the table below.

	Use of proceeds in the same manner and proportion as stated in the Prospectus *HK$ in million*	**Net proceeds unutilized as at the beginning of the Reporting Period** *HK$ in million*	**Actual use of proceeds as at the end of the Reporting Period** *HK$ in million*	**Net proceeds unutilized as at the end of the Reporting Period** *HK$ in million*	**Expected timeframe for utilizing the remaining unutilized net proceeds**[*Note*]
Approximately 80.0% to fund the continuing clinical research and development activities of our HTD1801	155.2	155.2	59.9	95.3	December 2025
Approximately 5.0% to fund the ongoing research and development including R&D personnel costs and third party contracting expenses for HTD1804 for obesity	9.7	9.7	0.2	9.5	December 2025
Approximately 10.0% for the early drug discovery and development of other drug candidates from continuously upgrading and enhancing our FUSIONTX™ development approach	19.5	19.5	1.8	17.7	December 2025
Approximately 5.0% for working capital and other general corporate purposes	9.7	9.7	–	9.7	December 2025
Total	194.1	194.1	61.9	132.2	

Note: The expected timeframe for utilizing the remaining unutilized net proceeds is based on the best estimation of the factual business needs and future business development of the Group. It will be subject to change based on the current and future developments of market conditions and future business needs of the Group.

Audit Committee and Auditor

The Audit Committee has three members comprising three independent non-executive Directors, being Mr. TAN Bo (譚擘) (chairman of the Audit Committee with the appropriate professional qualifications), Dr. Jin LI (李靖) and Mr. HUNG Tak Wai (孔德偉), with terms of reference in compliance with the Listing Rules. The Audit Committee has considered and reviewed the annual financial results for the year ended December 31, 2024, the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control, risk management and financial reporting with the management. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company. The Audit Committee considers that the annual financial results for the year ended December 31, 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. The Audit Committee has met with the independent auditor of the Company, Moore CPA Limited, and has also discussed matters with respect to the accounting policies and practices adopted by the Company and financial reporting matters. The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Company's auditors to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditors on the preliminary announcement.

Events after the Reporting Period

As announced by the Company on January 2, 2025, the dapagliflozin-controlled Phase III clinical trial of berberine ursodeoxycholate (HTD1801), an in-house developed gut-liver anti-inflammatory metabolic modulator, in patients with type 2 diabetes mellitus (T2DM), has completed patient enrollment. For details, please refer to the announcement of the Company dated January 2, 2025.

Save as disclosed in this annual results announcement, there were no important events affecting the Group occurred since December 31, 2024 and up to the date of this announcement.

Final Dividend

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2024 (2023: nil).

Closure of Register of Members and Record Date

The register of members of the Company will be closed from Tuesday, June 24, 2025 to Friday, June 27, 2025, both days inclusive, in order to determine the identity of Shareholders who are entitled to attend and vote at the annual general meeting to be held on Friday, June 27, 2025. In order to be eligible to attend and vote at the annual general meeting, all transfer accompanied by relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, June 23, 2025.

Publication of Annual Results Announcement and Annual Report

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hightidetx.com). The annual report for the year ended December 31, 2024 containing all the information required by the Listing Rules will be dispatched to the Shareholders (if appropriate) in accordance with the Listing Rules and published on the websites of the Stock Exchange and the Company in due course.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
Other income	*4*	**67,971**	34,214
Fair value losses on convertible redeemable preferred shares		**–**	(522,160)
Other gains and losses , - net	*4*	**(3,202)**	(2,647)
Research and development costs		**(363,525)**	(311,567)
Administrative expenses		**(81,229)**	(136,670)
Finance costs	*5*	**(1,534)**	(400)
LOSS BEFORE INCOME TAX		**(381,519)**	(939,230)
Income tax expenses	*6*	**(269)**	(76)
LOSS FOR THE YEAR AND ATTRIBUTABLE TO EQITY HOLDERS OF THE PARENT		**(381,788)**	(939,306)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
For loss for the year (RMB per share)	*8*	**(0.84)**	(3.62)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

Year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(381,788)**	(939,306)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the financial statements of subsidiaries	**(4,530)**	(2,031)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the financial statements of the company	**10,780**	(11,411)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**6,250**	(13,442)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(375,538)**	(952,748)
Attributable to:		
Owners of the parent	**(375,538)**	(952,748)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	**2024** ***RMB'000***	2023 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**5,270**	2,410
Right-of-use assets		**18,621**	12,571
Rental deposits		**1,580**	1,302
Long-term bank deposit		**21,089**	–
Total non-current assets		**46,560**	16,283
CURRENT ASSETS			
Prepayments, other receivables and other assets		**22,284**	42,748
Income tax recovery		**565**	304
Financial assets at fair value through profit or loss ("**FVTPL**")		**179,772**	127,489
Cash and cash equivalents		**310,750**	608,212
Total current assets		**513,371**	778,753
CURRENT LIABILITIES			
Trade payables	*9*	**51,473**	30,507
Other payables and accruals		**6,054**	43,336
Interest-bearing bank borrowings	*10*	**46,934**	3,500
Lease liabilities		**5,485**	2,468
Total current liabilities		**109,946**	79,811
NET CURRENT ASSETS		**403,425**	698,942
TOTAL ASSETS LESS CURRENT LIABILITIES		**449,985**	715,225
NON-CURRENT LIABILITIES			
Lease liabilities		**15,531**	10,464
Interest-bearing bank borrowings	*10*	**9,955**	–
Deferred income		**331**	1,987
Total non-current liabilities		**25,817**	12,451
Net assets		**424,168**	702,774
EQUITY			
Equity attributable to owners of the parent			
Share capital		**364**	364
Treasury shares		**(44)**	(44)
Reserves		**423,848**	702,454
Total equity		**424,168**	702,774

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

HighTide Therapeutics, Inc. was established in the Cayman Islands on 28 February 2018 by Great Mantra Group Limited and its registered address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the address of principal place of business is 40/F, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai Hong Kong.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively referred to as the "**Group**") are involved in the research and development of pharmaceutical products. In the opinion of the directors of the Company (the "**Directors**"), the ultimate holding company of the Group is HighTide Therapeutics, Inc., a company incorporated in the Cayman Islands which is ultimately controlled by Dr. LIU Liping.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 22 December 2023 (the "**Listing Date**").

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("**IFRSs**"), which include all standards and interpretations approved by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for unlisted fund investments which have been measured at fair value. These consolidated financial statements are presented in Renminbi (RMB) and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the preparation of the consolidated financial statements for the year ended 31 December 2024, the Group has applied the following amendments to IFRSs, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2024:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	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

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not adopted the early application of the following new and amendments to IFRSs that have been issued but are not yet effective:

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – Dependent Electricity	1 January 2026
Amendments to IFRS Accounting Standards	Annual improvements to IFRS Accounting Standards-Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs *(Continued)*

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial adoption. So far the directors of the Company have concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

The Group is engaged in biopharmaceutical research and development, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographical information

During the reporting period, since almost all of the Group's non-current assets were located in Chinese Mainland, no geographical segment information in accordance with IFRS 8 Operating Segments is presented.

Information about major customers

No revenue was derived during the year ended 31 December 2024 and no information about major customers is presented (2023: same).

4. OTHER INCOME AND OTHER GAINS AND LOSSES, - NET

An analysis of other income and other gains and losses is as follows:

	2024	2023
	RMB'000	*RMB'000*
Other income		
Government grants related to expense items*	**38,195**	9,769
Government grants related to assets**	**157**	132
Bank interest income	**3,051**	1,854
Investment income from short-term time deposits	**14,700**	22,245
Other investment income from financial assets at FVTPL	**11,429**	181
Others	**439**	33
Total other income	**67,971**	34,214
Other gains and losses, - net		
Fair value losses of financial assets at FVTPL	**(6,109)**	–
Foreign exchange gains/(losses), net	**3,119**	(885)
Loss on disposal of items of property, plant and equipment	**(212)**	–
Others	**–**	(1,762)
	(3,202)	(2,647)

* Government grants related to expense items mainly represent subsidies received from the local governments for the purpose of compensation of expense spent on research and clinical trial activities, allowance for new drug development and talent funds. The main grantors for the year are the Development and Reform Commission of Shenzhen and Construction and Development Affairs Office of Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone, Futian District, Shenzhen. Government grants received for which related expenses have not yet been incurred are included in deferred income in the statement of financial position

** Government grants related to assets are credited to deferred income and released to the consolidated statement of profit or loss in equal annual instalments over the estimated useful lives of the related assets.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on interest-bearing bank borrowings	**697**	262
Interest on lease liabilities	**837**	138
Total	**1,534**	400

6. INCOME TAX

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

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

British Virgin Islands

Under the current laws of the British Virgin Islands ("**BVI**"), the subsidiary incorporated in the BVI is not subject to tax on income or capital gains. In addition, upon payments of dividends by these subsidiaries to their shareholders, no BVI withholding tax is imposed.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to income tax at the rate of 8.25% (2023: 8.25%) on the estimated assessable profits arising in Hong Kong during the year.

Chinese Mainland

No provision for Chinese Mainland income tax pursuant to the Corporate Income Tax Law of the People's Republic of China (the "**PRC**") and the respective regulations (the "**CIT Law**") has been made as the Group's subsidiaries which operate in Chinese Mainland are in loss position and have no estimated taxable profits.

Shenzhen HighTide was approved as a high technology enterprise under the relevant tax rules and regulations in December 2019, and accordingly, is entitled to a reduced preferential CIT rate of 15% from 2019 to 2021. This qualification is subject to review by the relevant tax authority in the PRC for every three years. The renewed qualification was obtained in December 2022 and Shenzhen HighTide is entitled a preferential income tax rate of 15% from 2022 to 2024.

JSK Consumer Healthcare Ltd, Hebei Puhui Pharmaceutical Co., Ltd., Shanghai HighTide, Shanghai Fusion Therapeutics Inc. and Nanchang Fusion Therapeutics Inc. have met the requirement under the relevant tax rules and regulations for small and low-profit enterprises, and accordingly, are subject to a reduced preferential CIT rate of 20%, and the portion of the annual taxable income at reduced rates of 25% in 2023 and 2024.

Australia

The subsidiary incorporated in Australia is subject to income tax at the rate of 25% (2023: 25%) on the estimated assessable profits arising in Australia during the year.

6. INCOME TAX *(Continued)*

USA

The subsidiary incorporated in Maryland, the USA is subject to statutory United States federal corporate income tax at a rate of 21% (2023: 21%). In addition, it is also subject to the state income tax in Maryland at a rate of 8.25% (2023: 8.25%) during the year. Other states including California, Florida, and New Jersey also impose state income tax on the subsidiary to the extent that a sufficient nexus, or taxable connection, exists between the subsidiary and the respective states. The subsidiary was subject to the state income tax in California at a rate of 8.84% (2023: 8.84%), in Florida at a rate of 5.50% (2023: 5.50%), and in New Jersey at a rate of 7.50% (2023: 7.50%) during the year.

7. DIVIDENDS

No dividend was paid or declared by the Company during the year (2023: Nil).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 452,076,548 (2023: 259,688,923) in issue (excluding shares reserved for share incentive scheme) during the year.

In the calculation of the weighted average number of ordinary shares outstanding for the year ended 31 December 2023, the shares issued to existing shareholders before the global offering through the capitalisation issue, had been adjusted retrospectively as if those shares have been issued since 1 January 2023.

No adjustment was made to the basic loss per share amounts presented for the year ended 31 December 2024 and 2023 in respect of a dilution as the impact of the convertible redeemable preferred shares and share-based payment had an anti-dilutive effect on the basic loss per share amounts presented.

9. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within one year	**51,473**	30,507

The trade payables are non-interest-bearing and are normally settled within one month after the receipt of the invoice.

10. INTEREST-BEARING BANK BORROWINGS

	Effective interest rate (%) per annum	Maturity	RMB'000
As at 31 December 2024			
Bank loans – unsecured, repayable within one year or on demand*	3.20%-3.7%	2025	46,934
Bank loans – unsecured, repayable over one year but within two years	3.50%	2026	9,955
			56,889
As at 31 December 2023			
Bank loans – unsecured, repayable within one year or on demand	3.65% – 3.80%	2024	3,500

* As at 31 December 2024, included in the balance is an unsecured bank loan of RMB4,400,000 which is guaranteed by Shenzhen Hi-Tech Investment & Financing Guarantee Company, an independent third party.

All bank loans are denominated in RMB.

By order of the Board
HighTide Therapeutics, Inc.
Dr. LIU Liping
Executive Director and Chief Executive Officer

Hong Kong, March 28, 2025

As at the date of this announcement, the Board comprises Dr. LIU Liping and Ms. YU Meng as executive Directors; Dr. ZHU Xun, Mr. MA Lixiong and Mr. JIANG Feng as non-executive Directors; and Mr. TAN Bo, Dr. Jin LI and Mr. HUNG Tak Wai as independent non-executive Directors.