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友芝友生物製藥

WUHAN YZY BIOPHARMA CO., LTD.

武漢友芝友生物製藥股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 2496)

PROPOSED CHANGE OF NON-EXECUTIVE DIRECTOR

Reference is made to the announcement of Wuhan YZY Biopharma Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated August 27, 2024 (the “**Announcement**”) in relation to the disciplinary review and investigation of a non-executive director of the Company (the “**Director(s)**”), Dr. Guo Hongwei (“**Dr. Guo**”) (the “**Investigation**”).

As mentioned in the Announcement, according to recent information released on the official website of the CPC Central Commission for Discipline Inspection (中共中央紀律檢查委員會) and the National Supervisory Commission of the People's Republic of China (中華人民共和國國家監察委員會), as advised by the discipline inspection and supervision team accredited to the Bank of Communications by the CPC Central Commission for Discipline Inspection and the National Supervisory Commission of the People's Republic of China and the CPC Tianjin Municipal Commission for Discipline Inspection (中共天津市紀律檢查委員會) and the Tianjin Municipal Supervisory Commission (天津市監察委員會), Dr. Guo, former Party secretary and president of Tianjin Branch of the Bank of Communications, is currently under disciplinary review and investigation for suspected serious violation of Party disciplinary rules and laws. As of the date of this announcement, the Company is not aware of any further information relating to the Investigation. The Investigation is not expected to have any material adverse impact on the Group's day-to-day operation and management.

I. PROPOSED REMOVAL OF NON-EXECUTIVE DIRECTOR

The board of Directors (the “**Board**”) is of the view that, due to Dr. Guo being under the Investigation, he is unable and unsuitable to continue to serving as a Director. The Board hereby announces that, on September 30, 2024, it resolved to remove Dr. Guo as a non-executive Director, subject to approval by the shareholders of the Company (the “**Shareholders**”). According to the Company's articles of association, the proposed removal of Dr. Guo as a non-executive Director will take effect upon approval by the Shareholders at the Company's general meeting.

Other than serving as a non-executive Director, Dr. Guo has not served any other position in the Group, nor has he participated in the day-to-day operation and management of the Group. The Board confirms that the proposed removal of Dr. Guo as a non-executive Director has not, and will not, adversely affect its functions or the Company's normal operations.

The Company has been unable to reach Dr. Guo and, therefore, can not obtain his confirmation regarding whether there is any disagreement or unresolved matter between Dr. Guo and the Board in respect of the proposed removal. The Board is not aware of any disagreement between Dr. Guo and the Board, and there is no other matter that needs to be brought to the attention of the Shareholders or The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

II. PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR

The Board has nominated Mr. Wen Zhicheng (溫植成) (“**Mr. Wen**”) as a non-executive Director for the first session of the Board, with a term commencing from the date of approval at the Company’s extraordinary general meeting and ending upon the expiry of the first session of the Board.

The biographical details of Mr. Wen are set out below:

Mr. Wen Zhicheng (溫植成), aged 43, has extensive experience in investment management, fund raising, accounting and financing. Mr. Wen has served as a director at Wuhan Nusun Landscape Co., Ltd. (武漢農尚環境股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300536)) since August 2024 and an independent director at Beijing Huifengrenhe Science and Technology Co., Ltd. (北京慧峰仁和科技股份有限公司) (a company whose shares are quoted on the National Equities Exchange and Quotations (stock code: 430249)) since December 2023. He founded Tongde Qianyuan (Beijing) Investment Management Co., Ltd. (同德乾元(北京)投資管理有限公司, “**Tongde Qianyuan**”) in April 2015 and has served as its general manager since then. He served as a director of Shanxi Aokun Biological Agriculture Corporation (山西澳坤生物農業股份有限公司, “**Aokun Biological**”) from October 2011 to July 2017. He served as the deputy general manager of direct investment department at Zhongrong International Trust Co., Ltd. (中融國際信託有限公司) and the chief executive officer at Beijing ZRT Investment Management Co., Ltd. (北京中融鼎新投資管理有限公司) from April 2013 to March 2015. He served as the vice president of fund operation department at JD Capital Co., Ltd. (昆吾九鼎投資管理有限公司) from August 2008 to March 2013. He served as an audit manager of audit department at Deloitte Touche Tohmatsu Certified Public Accountants LLP (德勤華永會計師事務所) from September 2003 to July 2008.

Mr. Wen obtained a bachelor’s degree in international accounting from University of International Business and Economics (對外經濟貿易大學) in the PRC in July 2003 and an EMBA degree at Tsinghua University (清華大學) in the PRC in September 2013. He has been a non-practicing member of the Chinese Institute of Certified Public Accountants since November 2009.

Mr. Wen is deemed to be interested in 11,822,970 H shares of the Company and 5,059,039 unlisted shares of the Company under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Details of Mr. Wen’s interest in the shares of the Company are provided in the section headed “Substantial Shareholders’ Interests and Short Positions in the Shares and Underlying Shares of the Company” under “Corporate Governance and Other Information” section in the Company’s interim report for the six months ended June 30, 2024. As of the date of this announcement, Mr. Wen holds approximately 72.4% of the equity interest in Tongde Qianyuan and serves as its general manager, while Dr. Guo holds approximately 5.7% of the equity interest in Tongde Qianyuan and serves as its chairman.

As at the date of this announcement and to the best knowledge of the Board, except as disclosed above, Mr. Wen did not (i) have any relationship with any directors, supervisors, senior management, substantial shareholders or controlling shareholders (as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)) of the Company; (ii) have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); or (iii) hold any other directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

The Company will enter into a service contract with Mr. Wen upon approval by the Shareholders. Mr. Wen will not receive any director remuneration from the Company during his term of office as a non-executive Director.

The following particulars relating to Mr. Wen are disclosed pursuant to Rule 13.51(2)(n)(iv) of the Listing Rules.

On June 12, 2020, Aokun Biological, whose shares were listed on the National Equities Exchange and Quotations (全國中小企業股份轉讓系統, “NEEQ”) from January 2015 to May 2022, received an administrative penalty decision (No. [2020]2) from the Shanxi Regulatory Bureau of the China Securities Regulatory Commission (中國證監會山西監管局), which included warnings and a fine of RMB300,000 against Aokun Biological as well as warnings and fines of RMB50,000 each for three individuals (excluding Mr. Wen) (the “**Administrative Penalties Decision**”). According to the Administrative Penalties Decision, Aokun Biological’s 2016 annual report contained false statements, which violated the Measures for the Supervision and Administration of Non-listed Public Companies (《非上市公眾公司監督管理辦法》).

Mr. Wen was nominated as a director by a shareholder of Aokun Biological as its representative to the board in a non-executive capacity and was not involved in the day-to-day operation and management (including financial management) of Aokun Biological. According to the Administrative Penalties Decision, taking into account, among others, Mr. Wen’s representation that he was not aware of or involved in the aforesaid non-compliance and had fulfilled his director’s responsibilities, the Shanxi Regulatory Bureau did not subject Mr. Wen to any personal sanctions or penalties. In addition, this incident has not affected Mr. Wen’s suitability for being a director in two other public companies which he was elected to be after the Administrative Penalty Decision was issued.

For more information regarding of the Administrative Penalties Decision, please refer to the press release published by the Shanxi Regulatory Bureau of the China Securities Regulatory Commission at <http://www.csrc.gov.cn/shanxi/c103674/c1350525/content.shtml>.

The nomination committee of the Board (the “**Nomination Committee**”) and the Board (excluding Dr. Guo Hongwei) have carefully assessed the issues addressed in the Administrative Penalties Decision concerning Mr. Wen (the “**Relevant Issues**”). Taking into account that (i) Mr. Wen was not among the individuals against whom the Shanxi Regulatory Bureau has issued a warning or administrative penalties; (ii) there is no evidence suggesting dishonesty, fraud or any concerns regarding Mr. Wen’s character or integrity that would affect his suitability as a Director; and (iii) Mr. Wen has extensive experience in investment management, fund raising, accounting and financing and has fulfilled his duties and responsibilities as a director of two other public companies as disclosed above, the Nomination Committee and the Board consider that Mr. Wen is suitable to act as a non-executive Director.

Save as disclosed above, there is no other information in relation to the appointment of Mr. Wen which is required to be disclosed pursuant to the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules nor are there any matters which need to be brought to the attention of the Shareholders or the Stock Exchange.

III. OTHERS

An extraordinary general meeting of the Company will be convened to seek the Shareholders' approval for the proposed removal of Dr. Guo as non-executive Director and, subject to and conditional upon the Shareholders' approval of this removal, the proposed appointment of Mr. Wen as non-executive Director. A circular containing, among other things, details of the relevant matters will be despatched to the Shareholders (if requested) and published on the Company's website (www.yzybio.com) and the website of the Stock Exchange (www.hkexnews.hk) in due course.

By order of the Board
Wuhan YZY Biopharma Co., Ltd.
Dr. Zhou Pengfei
*Chairman of the Board, Executive Director
and Chief Executive Officer*

Wuhan, PRC, September 30, 2024

As of the date of this announcement, the Board comprises Dr. Zhou Pengfei as executive Director, Dr. Yuan Qian, Dr. Zhou Hongfeng, Mr. Pang Zhenhai, Dr. Hui Xiwu, Ms. Liang Qian, Dr. Guo Hongwei and Mr. Xie Shouwu as non-executive Directors, and Dr. Cheng Bin, Ms. Fu Lili, Dr. Deng Yuezhen and Dr. Chen Bin as independent non-executive Directors.