

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

GRANT OF OPTIONS UNDER THE 2024 H SHARE OPTION PLAN

This announcement is made by the Company pursuant to Rule 17.06A of the Listing Rules.

THE GRANT OF OPTIONS

The Board hereby announces that on May 27, 2025, an aggregate of 3,550,000 Options to subscribe for 3,550,000 H Shares were granted to four eligible participants (collectively, the “**Grantees**”, and each a “**Grantee**”) in accordance with the terms of the 2024 H Share Option Plan, subject to acceptance of the Options by the Grantees.

Details of the Options granted are set out below:

Grant Date	: May 27, 2025
Number of Options Granted	: 3,550,000 Options, each Option entitling the Grantee to subscribe for one H Share
Grantee Category	: Employees of the Company
Exercise Price	: HK\$4.23 per H Share, which represents the highest of: <ul style="list-style-type: none">(i) the closing price of the H Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, being HK\$4.23;(ii) the average closing prices of the H Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Grant Date, being HK\$4.226; and(iii) the nominal value of the H Share.
Closing Price of H Shares on the Grant Date	: HK\$4.23 per H Share

- Exercise Period : The Options shall be valid within ten (10) years from the Grant Date and will lapse upon the expiry of such period.
- Vesting Period and Performance Targets : (i) 25% of the Options shall vest on February 1, 2026;
- (ii) 25% of the Options shall vest on February 1, 2027;
- (iii) 25% of the Options shall vest on February 1, 2028; and
- (iv) 25% of the Options shall vest on February 1, 2029.

Each vesting of the Options will be subject to fulfillment of the annual performance targets at the individual's level and the Grantee's performance appraisal grade achieving the level of excellent for the relevant year. If the Grantee's performance appraisal grade does not reach the level of excellent, the general manager will determine the proportion of the Options to be vested for that year with reference to the fulfillment of the performance assessment indicators at the individual's level.

The performance targets, as performance-based vesting conditions, will be determined by the Board or the administrator of the 2024 H Share Option Plan as it considers appropriate. Such performance targets may include, but are not limited to, the Company's overall performance, licensing collaborations for the product pipeline, the achievement of milestones in the product development plans, and the Grantees' contribution to the Company's level milestones (as the case may be).

The vesting period for the first tranche of Options granted to the Grantees is shorter than 12 months. Under the 2024 H Share Option Plan, Options granted to employee participants may have a vesting period of less than 12 months in cases where performance-based vesting conditions replace time-based criteria or when a mixed vesting schedule applies. Given that (i) the Options are granted under a mixed vesting schedule in four tranches over three years, and (ii) the Options granted are subject to performance-based vesting conditions, the vesting period for the first tranche being shorter than 12 months is permissible under the 2024 H Share Option Plan.

Having considered the above, and taking into account the grant of Options to the Grantees serves as a recognition of their past contribution to the Group and the expected significant contribution they will make to the Group, the remuneration committee of the Board is of the view that a vesting period shorter than 12 months for the first tranche of Options granted is appropriate for retaining, incentivizing and rewarding the Grantees, as well as encouraging the Grantees to continuously contribute to the operation, development and long-term success and growth of the Group, which is in line with the purpose of the 2024 H Share Option Plan.

Clawback Mechanism

- : The Options granted are subject to the clawback mechanism under the 2024 H Share Option Plan in the event the employment or service relationship between a Grantee and any member of the Group is terminated under the following situations:
- (a) (i) retirement; (ii) permanent physical or mental disability; (iii) death; (iv) resignation; (v) employment or service contract not renewed due to the Grantee's reason; or (vi) employment or service contract terminated due to unsatisfactory performance or incompetence, the right to all unvested Options shall automatically and immediately lapse. Subject to and conditional upon compliance with the applicable laws by the Company, the vested but unexercised Options shall automatically lapse three (3) months after the occurrence of the situation. Upon request by the relevant member of the Group, such Grantee shall enter into non-competition and confidentiality agreements before the expiry of such Grantee's employment or service relationship with such member of the Group. In the event that the Grantee fails to enter into the non-competition or confidentiality agreement as requested or violates the same, the vested but unexercised Options shall automatically and immediately lapse. In the case of death of the Grantee, subject to the requirements set out in the 2024 H Share Option Plan, the inheritor of the Grantee shall inherit the legitimate rights and interests of the vested but unexercised Options under the applicable laws and exercise his/her inherited vested but unexercised Options according to the relevant grant letter.

- (b) (i) behaviors including corruption, bribery, theft, revealing of the Company's confidential secrets, negligence or misconduct or any other law offence behaviors that have caused serious damage to the Company or have brought the Company into disrepute; (ii) criminal behaviors investigated for criminal responsibility according to acts; or (iii) other causes as defined under the 2024 H Share Option Plan, all unexercised Options, regardless vested or not, shall lapse. The Company will reserve the rights to take legal actions, including but not limited to claw back all profits made by such Grantee by selling such H Shares acquired from exercising the Options granted, for dealing with such situations.

For details of the clawback mechanism, please refer to the circular of the Company dated May 29, 2024.

Financial Assistance : The Group has not provided any financial assistance to the Grantees to facilitate the purchase of H Shares under the 2024 H Share Option Plan.

Following the grant of the Options above, the number of H Shares available for future grant under the scheme mandate limit and service provider sublimit of the 2024 H Share Option Plan is 15,834,800 Shares and 1,938,400 Shares, respectively.

As at the date of this announcement, to the knowledge, information and belief of the Directors, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them; or (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit (as defined under the Listing Rules); or (iii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue (excluding treasury shares).

REASONS FOR AND BENEFITS OF THE GRANT OF OPTIONS

The purposes of the 2024 H Share Option Plan are (a) to recognize and acknowledge the contributions that eligible participants have or may have made or may make to the Group; (b) to enhance eligible participants' motivation and loyalty, thereby promoting long-term corporate development and increasing shareholder value; and (c) to establish a sound mechanism for sharing interests and bearing risks among employees, Shareholders, and the Company.

The Board is of the view that the grant of the Options to the Grantees will provide incentives for the Grantees to continue to exert maximum efforts and reward their past performance and contributions to the Group, and to provide a means by which the Grantees may be given an opportunity to benefit from increases in value of the Shares through the grant of Options. In determining the number of Options to be granted and the terms of such grant, the Board has taken into account factors such as the Grantees' background, positions in the Company and contributions to the Company so as to better align their interests with those of the Company and the Shareholders.

Therefore, the Board (including all the independent non-executive Directors) is of the view that the terms of the grant of Options to the Grantees are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

DEFINITIONS

“2024 H Share Option Plan” or “Plan”	the 2024 H share option plan adopted by the Company on June 27, 2024
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司)
“Director(s)”	the director(s) of the Company
“Grant Date”	May 27, 2025, being the date on which an Option is granted to the Grantees
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Option(s)”	option(s) granted to a Grantee to subscribe for H Shares pursuant to the terms of the 2024 H Share Option Plan
“PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, references herein to “China” and the “PRC” do not apply to Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of the Company with a nominal value of RMB1.00 each, comprising the Unlisted Shares and H Shares
“Shareholder(s)”	shareholder(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“Unlisted Shares”	domestic shares and unlisted foreign shares of the Company which are currently not listed or traded on any stock exchange
“%”	per cent

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, May 27, 2025

As at 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, Mr. Wen Zhicheng 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.