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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

The board (the "**Board**") of directors (the "**Directors**") of Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司) (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the unaudited consolidated interim results of the Group for the six months ended June 30, 2025 (the "**Reporting Period**"), together with the comparative figures for the six months ended June 30, 2024 (the "**Corresponding Period**").

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures 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.

FINANCIAL SUMMARY

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue	**37,187**	–
Cost of revenue	**(29,518)**	–
Gross profit	**7,669**	–
Other income	**7,684**	4,786
Other gains and losses	**471**	2,201
Research and development expenses	**(60,186)**	(70,290)
Administrative expenses	**(12,088)**	(13,064)
Finance costs	**(2,384)**	(2,029)
Loss before tax	**(58,834)**	(78,396)
Income tax expense	**–**	–
Loss for the period	**(58,834)**	(78,396)

	As of	As of
	June 30, 2025	December 31, 2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Non-current assets	**44,332**	46,508
Current assets	**195,295**	221,335
Non-current liabilities	**54,620**	51,172
Current liabilities	**212,452**	186,136
Net (Liabilities) Assets	**(27,445)**	30,535

OVERVIEW

Founded in 2010, the Company is a biotechnology company dedicated to developing bispecific antibody (BsAb)-based therapies. The Company has been forward-looking in deploying its presence in a number of promising therapeutic fields, including but not limited to tumor-associated complications, tumors, ophthalmology and autoimmune diseases. The Company also proactively established several self-developed technology platforms, such as Y-BODY®, Check-Body, and Nano-Ybody®, promoting the development of more candidates to clinical stages with high efficiency.

PRODUCT PIPELINE

As of the date of this announcement, three of our four clinical-stage drug candidates are BsAbs designed for tumor treatment or tumor-associated complications such as malignant ascites (MA) and malignant pleural effusion (MPE). In particular, we have been focusing on developing the T cell-engaging BsAb (including M701), and the tumor microenvironment (TME)-targeted BsAbs, including Y101D and Y332. As of the date of this announcement, we have two Core Products, M701 and Y101D. M701 is a recombinant BsAb that targets cancer cells expressing human EpCAM and T cells expressing human CD3. M701 is primarily being developed for the treatment of MA and MPE, which are severe complications of cancer characterized by the accumulation of fluids in the abdominal or chest cavity of cancer patients. Y101D is a recombinant anti-PD-L1 and anti-TGF-β humanized BsAb being developed for the treatment of pancreatic cancer.

The following chart summarizes our main product pipelines as of the date of this announcement:

Candidate	Target	Technology Platform	Type	Regimen	Indication	Pre-clinical	IND	Phase I		Phase II	Phase III/ Pivotal	Commercial Rights	Current Status/ Upcoming Milestone
								Phase Ia	Phase Ib				
★ M701[1]	EpCAM×CD3	YBODY®	BsAb	Mono	Malignant ascites							Domestic: CT Tianqing Overseas: YZY Bio	First patient enrolled for Phase III in March 2024; Plan to submit the BLA in 2025
					Malignant pleural effusion								First patient enrolled for Phase II portion of Phase Ib/II in March 2024
★ Y101D	PD-L1×TGF-β	Check-BODY	BsAb	Combo with gemcitabine and albumin paclitaxel	Pancreatic cancer							Global	Completed enrollment for Phase Ib/II
Y332	VEGF×TGF-β	Nano-YBODY	BsAb	Mono	Solid tumors							Global	Completed Phase I dose-escalation study
Y400[2]	VEGF×ANG2	Nano-YBODY	BsAb	Mono	nAMD, DME and other ocular neovascularization related diseases							Global *Shenzhen Kangzhe Vision and CMS R&D*	First patient enrolled for Phase II in October 2024
Y225	FIXa×FX	—	BsAb	Mono	Hemophilia								Expect to obtain IND approval by the end of 2025
Y232	TL1A×X	Check-BODY	BsAb	Mono	Inflammatory bowel disease							Global	Expect to obtain IND approval by the end of 2026

★ Core Product IND/Clinical Trial Phase Pre-clinical Study Phase

Notes:

(1) We have granted the domestic rights of M701 to CT Tianqing, and the Company retains all overseas rights. With respect to domestic rights, we are entitled to receive an upfront payment, milestone payments upon the occurrence of certain pre-agreed milestone events, and tiered royalties based on net sales.

(2) In compliance with the specific agreement between both parties concerning the rights related to the U.S., Europe and Japan, we have transferred all the rights and assets of Y400 to Shenzhen Kangzhe Vision and CMS R&D. We are entitled to receive an upfront payment, milestone payments upon the occurrence of certain pre-agreed milestone events, and tiered royalties based on net sales. We are negotiating new right arrangements of Y400 with Shenzhen Kangzhe Vision and CMS R&D.

(3) All of our drug candidates are in-house developed.

Abbreviations: Mono refers to monotherapy; Combo refers to combination therapy; EpCAM refers to epithelial cell adhesion molecule; CD3 refers to cluster of differentiation 3; PD-L1 refers to programmed death ligand 1; TGF-β refers to transforming growth factor-β; VEGF refers to vascular endothelial growth factor; ANG2 refers to angiopoietin-2; nAMD refers to neovascular age-related macular degeneration; DME refers to diabetic macular edema.

BUSINESS REVIEW

As of the date of this announcement, the Company has made significant progress in its pipeline products and business operations. The following sets out the progress the Company has made during the Reporting Period.

M701

M701, our Core Product, is a recombinant BsAb targeting cancer cells expressing human EpCAM and T cells expressing human CD3. M701 is primarily being developed for the treatment of MA and MPE, which are severe complications of cancer characterized by the accumulation of fluids in the abdominal or chest cavity of cancer patients.

In October 2024, we reached a license cooperation with CT Tianqing, including granting CT Tianqing an exclusive, sublicensable license to develop, register, manufacture and commercialize M701 within the licensed territory and the licensed field. For details, please refer to the announcement of the Company dated October 7, 2024.

In March 2025, we submitted a patent application for the M701 formulation to the China National Intellectual Property Administration.

In April 2025, the M701 sequence patent was granted in China.

In May 2025, the M701 sequence patent was granted in Russia.

- **MA:** We are currently conducting a Phase III clinical trial of M701 for treatment of MA in China, which is designed to evaluate the efficacy of M701 monotherapy in combination with systematic treatment (including targeted therapy, immunotherapy or chemotherapy) for MA.

  As of July 2025, the enrollment of all subjects for the Phase III clinical trial of M701 for the treatment of MA had been completed, with a total of 312 subjects enrolled, and follow-up is ongoing.

- **MPE:** We are conducting a Phase Ib/II clinical trial of M701 for the treatment of MPE in China. We completed the Phase Ib portion of this trial, with a total of 24 patients enrolled. The Phase Ib clinical data demonstrates preliminary efficacy of M701 in controlling MPE in NSCLC patients.

  As of July 2025, 93% of subject enrollment for the Phase II clinical trial of M701 for the treatment of MPE had been completed.

  Current data show that M701 has demonstrated good safety and significant potential in controlling MPE in NSCLC patients. The interim results of Phase II have been accepted by the European Society for Medical Oncology (ESMO) Congress 2025 and will be presented as a poster in October.

As of the date of this announcement, the Phase III clinical trial of M701 for the treatment of MA and the Phase II clinical trial of M701 for the treatment of MPE have progressed smoothly and the drug's safety is good.

Y101D

Y101D, our Core Product, a recombinant anti-PD-L1 and anti-TGF-β humanized BsAb, is being developed for the treatment of solid tumors. Y101D is designed to simultaneously inhibit the programmed death receptor 1 (PD-1) and its ligand (PD-L1 axis) and the TGF-β signaling pathways, thus having the potential to unleash a synergistic anti-tumor activity and relieve drug resistance. We completed a Phase I clinical trial of Y101D for the treatment of metastatic or locally advanced solid tumors in September 2024.

- **Pancreatic cancer:** We are conducting a Phase Ib/II clinical trial of Y101D in combination therapy for the treatment of advanced/metastatic pancreatic cancer. We completed the Phase Ib portion and commenced the Phase II portion of this Phase Ib/II trial in June 2023. We completed the enrollment and follow-up of all subjects in the second quarter of 2025, and are currently analyzing the data and writing the summary report. The CSR report is expected to be completed before October 2025.

Y332

Y332, a recombinant anti-VEGF and anti-TGF-β BsAb, is being developed for the treatment of a variety of solid tumors. In preclinical studies, Y332 showed high affinity to both VEGF and TGF-β, favorable bioactivity and stability, and demonstrated encouraging anti-tumor effects. We commenced a Phase I clinical trial of Y332 for the treatment of metastatic or locally advanced solid tumors in October 2023.

In February 2025, we completed the Phase I clinical trial of Y332, with a total of 18 subjects enrolled. The drug's safety was preliminarily evaluated, and the current overall safety profile is good.

We are evaluating the feasibility of developing Y332 in combination therapy through preclinical studies.

Y400

As a testament to our research and development capability, in compliance with the specific agreement between both parties concerning the rights related to the U.S., Europe and Japan, we have transferred all the rights and assets of Y400 to Shenzhen Kangzhe Vision and CMS R&D. Y400 is a Class I Innovative Biological Product targeting ocular fundus neovascular diseases. It is a VEGFA/ANG2 tetravalent bispecific antibody designed with a proprietary nano-antibody structure. This innovative molecule can inhibit neovascularization while enhancing stability of vascular through dual pathways (VEGFA and ANG2), offering the potential for enhanced efficacy and reduced dosing frequency compared to existing anti-VEGF therapies. As at the date of this announcement, Y400 progressed to a multicenter Phase II clinical trial in China, evaluating the safety, tolerability, pharmacokinetics, and efficacy of intravitreal injections in patients with neovascular age-related macular degeneration (nAMD). The Phase I trial demonstrated favorable safety and efficacy profiles, and the first patient had been enrolled in the Phase II trial.

Y225

Y225 is a biosimilar of Emicizumab for the treatment of hemophilia. Y225 has completed cell line construction, drug substance process and formulation development, technology transfer, toxicology batch production and testing (500L scale), and GMP batch production and testing (500L scale).

In January 2025, we submitted a patent application for the Y225 formulation to the China National Intellectual Property Administration.

We expect to obtain IND approval for Y225 by the end of 2025.

Y232

Y232 is a BsAb for the treatment of inflammatory bowel disease of TL1A × X, which can simultaneously inhibit two inflammatory signaling pathways to effectively alleviate the occurrence and development of inflammation. It is currently in the stage of candidate molecule screening confirmation.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that we may be able to ultimately develop and market M701, Y101D, Y332, Y225 and Y232 successfully. There is no assurance that Y400 may be ultimately developed and marketed successfully. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Manufacturing Facilities and Collaboration with CMOs/CDMOs

As of the date of this announcement, we maintain a manufacturing base of approximately 1,400 square meters with a scale of 500L (two 200L bioreactors and two 50L bioreactors) and a maximum annual production of 20-24 batches with single bioreactor to accommodate the manufacturing demands for our preclinical studies and earlier phases of clinical trials for a majority of our drug candidates, including M701, Y332, and our preclinical candidates. From January to July 2025, we completed the production of 3 batches of drug substance and 6 batches of drug product for the Y225 project.

Besides manufacturing conducted at our own facilities, we currently also engage third-party CMOs/CDMOs for the sample production for pivotal clinical trials, process characterization and process validation of M701, as well as the production of application batches for the Y225 project, and those projects require larger production volumes. We are responsible for the development of manufacturing process of our drug candidates, and CMOs/CDMOs are responsible for the manufacturing.

Commercialization

We plan to promote the marketization of our Core Products through commercialization licensing and international cooperation. On the one hand, we proactively seek in-depth collaboration in the clinical stage with global partners who have rich resources and experience to jointly advance the development of product pipeline and lay a solid foundation for the future market landscape of our products. On the other hand, we will accelerate the commercialization of our Core Products through flexible and diverse product licensing, injecting strong momentum into the Company's long-term development.

FUTURE DEVELOPMENT

Looking forward to the second half of 2025, the promotion of overseas collaborative development of our core pipelines and the acceleration of our R&D progress for our drug candidates are our top priorities. We will continue to rapidly advance the clinical development of our drug candidates and introduce new drugs to clinical pipeline. In particular, we will: (i) actively promote overseas clinical research and cooperative development of M701, especially the obtaining of IND approval for M701 for the treatment of MPE in the U.S., and continue to complete Phase III and II clinical trials of M701 for the treatment of MA and MPE, and accelerate its domestic registration application; (ii) obtain IND approval for Y225 in China; (iii) complete the Phase II portion of the Phase Ib/II clinical trial of Y101D for pancreatic cancer, as well as the Phase I clinical trial of Y332 for the treatment of a variety of solid tumors; and (iv) further develop our preclinical drug candidates, with an aim to advance additional new candidates into clinical development. We also plan to complete the production process characterization studies for M701 and carry out process validation, in preparation for its commercial launch.

FINANCIAL REVIEW

Revenue

During the Reporting Period, our revenue consisted of (i) license fee income and (ii) R&D service income.

License fee income

The license fee income is mainly due to a license and collaboration agreement entered into by and between the Company and CT Tianqing. During the six months ended June 30, 2025, the Group recognised revenue of RMB4.7 million in relation to the grant of a right to use the license for the achievement of development milestone.

R&D service income

R&D service income is mainly based on the license and collaboration agreement entered into by and between the Company and CT Tianqing, for which the Company provides entrusted R&D services. During the six months ended June 30, 2025, the Company recognized R&D service income of RMB32.5 million on a progressive basis based on the relative proportion of effort or input to satisfy the performance obligation and the total input expected to be required to satisfy the performance obligation.

The following table sets forth a breakdown of our revenue for the years indicated:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Types of goods or services		
Recognised at a point in time		
License fee income	**4,717**	–
Recognised over time		
R&D service income	**32,470**	–
	37,187	–

Other Income

During the Reporting Period, our other income consisted of (i) government grants, (ii) bank interest income and (iii) others.

Government grants included grants received from various PRC government authorities mainly including various incentives for the Group's research and development activities which had certain conditions imposed by the respective PRC government authorities. The relevant conditions have been fully met upon recognition. Bank interest income included interest from bank deposits. Others included other miscellaneous non-operating income.

The following table sets forth a breakdown of our other income for the periods indicated:

	Six months ended June 30,			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
Government grants	**7,171**	**93.3**	2,825	59.0
Bank interest income	**502**	**6.5**	1,950	40.8
Others	**11**	**0.2**	11	0.2
Total	**7,684**	**100.0**	4,786	100.0

Our other income increased by RMB2.9 million from RMB4.8 million for the Corresponding Period to RMB7.7 million for the Reporting Period, primarily due to an increase in government grants of RMB4.4 million, as we received grants from local government for the items we applied during the Reporting Period, including life health industrial development fund, 3551 Special Fund Subsidy and awards granted by the local government for Wuhan Talent Program for Industry Leadership Talents, amounting to RMB7.2 million in aggregate, as compared to RMB2.8 million for the Corresponding Period, which was partially offset by a decrease in bank interest of RMB1.4 million, mainly due to decrease in interest from cash deposits arising from equity financing and bank loans during the Reporting Period.

Other Gains and Losses

During the Reporting Period, our other gains and losses consisted mainly of (i) loss on disposal of property and equipment and (ii) foreign exchange gains.

The following table sets forth a breakdown of our other gains and losses for periods indicated:

	Six months ended June 30,				
	2025		2024		
	RMB'000	***%***	*RMB'000*	*%*	
Loss on disposal of property and equipment	**(15)**	**(3.2)**	–	–	
Gain on termination of lease agreement	**–**	**–**	7	–	*(Note)*
Foreign exchange gains	**486**	**103.2**	2,194	100.0	
Total	**471**	**100.0**	2,201	100.0	

Note: the percentage ratio is less than 0.1%

Loss on disposal of property and equipment represented our loss from disposing of certain assets.

We recorded other gains of RMB0.5 million for the Reporting Period, compared with other gains of RMB2.2 million for the Corresponding Period. The decrease of RMB1.7 million for the Reporting Period was mainly because the foreign exchange gains in relation to the proceeds from the Global Offering denominated in Hong Kong dollars decreased by RMB1.7 million compared with that of the Corresponding Period.

Research and Development Expenses

During the Reporting Period, our research and development expenses consisted of (i) technical service fees, (ii) raw materials costs, (iii) employee benefit expenses, (iv) depreciation and amortization expenses and (v) others. Technical service fees are mainly related to our engagement with third party service providers including CROs, SMOs, CMOs/CDMOs, clinical trial sites and principal investigators, as well as other expenses incurred in connection with our pre-clinical studies and clinical trials. Raw materials costs mainly included expenses for procuring materials and consumables used to support our preclinical studies and clinical trials. Employee benefit expenses consisted of wages and salaries, bonuses and other employee benefits for research and development employees. Depreciation and amortization expenses mainly represented the depreciation and amortization of our right-of-use assets, property and equipment for research and development purposes. Others mainly included general expenses including utilities, traveling and transportation expenses and other miscellaneous expenses incurred for research and development purposes.

The following table sets forth breakdowns by activities of our research and development expenses in absolute amount and as percentages of our total research and development expenses for the periods indicated:

	Six months ended June 30,			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
Technical service fees	**42,844**	**71.2**	47,782	68.0
Raw material costs	**5,032**	**8.4**	5,062	7.2
Employee benefit expenses	**7,877**	**13.1**	12,140	17.3
Depreciation and amortization expenses	**1,968**	**3.3**	2,771	3.9
Others	**2,465**	**4.0**	2,535	3.6
Total	**60,186**	**100.0**	70,290	100.0

Our research and development expenses were RMB60.2 million for the Reporting Period, representing a decrease of RMB10.1 million as compared to RMB70.3 million for the Corresponding Period, mainly due to the combined effect of (i) a decrease of RMB5 million in technical service fees as compared to that of the Corresponding Period, (ii) a decrease of RMB4.3 million in employee benefit expenses as compared to that of the Corresponding Period and (iii) a decrease of RMB0.8 million in depreciation and amortization expenses as compared to that of the Corresponding Period.

Administrative Expenses

During the Reporting Period, our administrative expenses consisted of (i) employee benefits expenses, (ii) professional parties' fees, (iii) depreciation and amortization expenses, (iv) business development fees, (v) freight and miscellaneous fees and (vi) others. Employee benefits expenses consisted of wages and salaries, bonuses and other employee benefits for administrative employees. Professional parties' fees represented our engagement of professional parties during our ordinary course of business. Depreciation and amortization expenses represented the depreciation and amortization of our right-of-use assets, property and equipment for administrative purposes. Business development expenses represented administrative fees incurred as a result of our business development activities. Freight and miscellaneous fees are comprised of transportation expenses. Others mainly included short-term leases expenses, utility fees, traveling expenses, office consumables, and other miscellaneous expenses.

The following table sets forth breakdowns of our administrative expenses in absolute amount and as percentages of our total administrative expenses for the periods indicated:

	Six months ended June 30,			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
Employee benefits expenses	**4,854**	**40.2**	4,563	34.9
Professional parties' fees	**2,968**	**24.6**	3,974	30.4
Depreciation and amortization expenses	**403**	**3.3**	770	5.9
Business development fees	**365**	**3.0**	653	5.0
Freight and miscellaneous fees	**491**	**4.1**	207	1.6
Others	**3,007**	**24.8**	2,897	22.2
Total	**12,088**	**100.0**	13,064	100.0

Our administrative expenses were RMB12.1 million for the Reporting Period, which remained relatively stable as compared to RMB13.1 million for the Corresponding Period.

Finance Costs

Our finance costs primarily represented our interest expenses on bank and other borrowings. Our finance costs were RMB2.4 million for the Reporting Period, representing an increase of RMB0.4 million as compared to RMB2.0 million for the Corresponding Period, mainly due to an increase in interest expense resulting from an increase of bank borrowings.

Income Tax Expense

For the Corresponding Period and the Reporting Period, we incurred no income tax expenses.

Loss and Total Comprehensive Expenses

As a result of the foregoing, our losses and total comprehensive expenses were RMB58.8 million for the Reporting Period, representing a decrease of RMB19.6 million as compared to RMB78.4 million for the Corresponding Period.

Liquidity and Capital Resources

Our primary sources of liquidity consisted of cash and cash equivalents, which we have historically generated primarily through capital contributions from our shareholders, private equity financing and bank loans. We expect that our cash needs in the near future will primarily relate to progressing the development of our drug candidates towards receiving regulatory approval and commencing commercialization, as well as expanding our drug candidate portfolio.

As of June 30, 2025, our cash and cash equivalents increased to RMB166.2 million from RMB126.3 million as of December 31, 2024. The increase was primarily attributable to the improvement in cash flows from operating activities and financing activities.

As of June 30, 2025, we had current assets of RMB195.3 million, including cash and cash equivalents of RMB166.2 million, trade and other receivables and prepayments of RMB24.1 million, value-added tax recoverable of RMB1.3 million and inventories of RMB3.7 million. As of June 30, 2025, we had current liabilities of RMB212.5 million, including bank borrowings of RMB101.8 million, trade and other payables of RMB56.2 million, advance from transfer agreement of RMB39.5 million, contract liabilities of RMB14.2 million, deferred income of RMB0.5 million and lease liabilities of RMB0.3 million.

For the Reporting Period, our net cash from operating activities was RMB12.2 million (the Corresponding Period: our net cash used in operating activities was RMB58.2 million), which was primarily attributable to our loss before tax of RMB58.8 million, adjusted for non-cash and non-operating items. Positive adjustments primarily included (i) an increase in trade and other payables of RMB6.8 million, (ii) depreciation of equipment of RMB2.1 million, and (iii) interest expenses on finance costs of RMB2.4 million. Negative adjustment mainly included (i) a decrease in trade and other receivables and prepayments of RMB60.3 million, (ii) an increase in value-added tax recoverable of RMB1.3 million, and (iii) bank interest income of RMB0.5 million.

For the Reporting Period, our net cash from investing activities was RMB0.3 million (the Corresponding Period: our net cash used in investing activities of RMB4.5 million). Such cash inflow was mainly due to the cash inflow from bank interest income of RMB0.5 million, which was partially offset by cash outflow of RMB0.2 million from purchase of property and equipment.

For the Reporting Period, our net cash from financing activities was RMB26.9 million (the Corresponding Period: our net cash from financing activities was RMB27.8 million). Such cash inflow was due to the new bank borrowing raised of RMB69.9 million, which was partially offset by cash outflow mainly in relation to the repayment of bank borrowings of RMB40.4 million.

Capital Structure

The capital structure of the Group consists of bank borrowings, lease liabilities, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves. The Group's debts and monetary assets are denominated in Renminbi and/or Hong Kong dollars.

As of June 30, 2025, the carrying amounts of the bank borrowings were mainly repayable within one to two years.

Indebtedness

As of June 30, 2025, we had bank borrowings of RMB156.4 million, consisting of secured bank loans of RMB76.4 million and unsecured bank loans of RMB80.0 million. Our bank borrowings increased from RMB126.9 million as of December 31, 2024 to RMB156.4 million as of June 30, 2025, in relation to additional loans we obtained from banks as our working capital. As of June 30, 2025, we had unutilized banking facilities of RMB150.0 million.

As of June 30, 2025, we had lease liabilities of RMB0.3 million, remaining at a relatively stable level as compared to RMB0.5 million as of December 31, 2024.

Gearing Ratio

Gearing ratio represents liability divided by equity as of the same dates and multiplied by 100%. Liability is defined as short-term loan and lease liabilities. Our gearing ratio decreased from 249.8% as of December 31, 2024 to -317.8% as of June 30, 2025, primarily due to a decrease in equity mainly as a result of our loss recorded for the first half of 2025.

Significant Investments Held

We did not make or hold any significant investments during the Reporting Period.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

We did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Future Plans for Material Investments or Capital Asset

As of the date of this announcement, we do not have any concrete future plans for material capital expenditure, investments or capital assets. We will make further announcement(s) in accordance with the Listing Rules, where applicable, if any investments and acquisition opportunities materialize.

Contingent Liabilities

As of June 30, 2025, we did not have any contingent liabilities. As of the date of this announcement, there have been no material changes or arrangements to our contingent liabilities.

Capital Commitments

As of June 30, 2025, we did not have any significant capital commitments.

Charges on Group Assets

As of June 30, 2025, certain of our bank borrowings were secured by our property and equipment, right-of-use assets and investment properties with carrying amount of RMB5.1 million, RMB7.7 million, and RMB0.4 million as of the same date.

Foreign Exchange Exposure

Certain financial liabilities of respective group entities are denominated in foreign currency, which are exposed to foreign currency risk. We did not have a foreign currency hedging policy against our exposure to currency risk during the Reporting Period. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employee Remuneration and Relations

As of June 30, 2025, the Group had a total of 106 employees with 82 employees for research and development and 24 employees for general and administrative.

We are committed to making sure that working conditions throughout our business network are safe and that employees are treated with care and respect. We believe we offer our employees competitive compensation packages, reflecting our stakeholder-centric ethos which we believe leads to sustainable and durable growth. As required by PRC regulations, we participate in various government statutory employee benefit plans, including social insurances, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing funds. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government regulations from time to time. Our compensation package also comprises year-end bonuses, communication, transport and meal allowances, staff dormitory, paid leaves, and holiday benefits. In addition, we provide career development opportunities and promote an inventive, collaborative, and productive work environment, which we believe fosters strong and long-lasting self-motivation for our employees.

We offer employees a variety of professional development opportunities and encourage a performance-driven environment. We focus on creating a culture to encourage retention and engagement. Given our emphasis on our integrated in-house research and development capabilities, we attach great importance to internal talent growth. We continually pursue progression opportunities for our staff through various internal and external training and development programs, including pre-job training, on-the-job practice, cross-training, special skills training, and talent echelon development training.

In recognition of the contributions of our employees and to incentivize them to further promote our development, the Company had adopted the Wuhan Caizhi Employee Incentive Scheme of Wuhan YZY Biopharma Co., Ltd. (the "**Wuhan Caizhi Employee Incentive Scheme**") and the Caizhi No. 2 Employee Incentive Scheme of Wuhan YZY Biopharma Co., Ltd. (the "**Caizhi No. 2 Employee Incentive Scheme**") (collectively, the "**Employee Incentive Schemes**"). Additionally, the Company's 2024 H Share Option Plan is currently being implemented. For details of such employee incentive plan, please refer to the Company's circular dated May 29, 2024 and announcement dated May 27, 2025.

An award under the Employee Incentive Schemes (the "**Award(s)**") gives a participant in the Employee Incentive Schemes a right when granted the Award to obtain partnership interest in the employee incentive platforms (namely, Wuhan Caizhi, Caizhi No. 2, Huiyou Jucai and Huiyou Juzhi) as a limited partner. The Employee Incentive Schemes do not involve any grant of share options or awards after the Listing and therefore are not subject to the provisions of Chapter 17 of the Listing Rules. As of the date of this announcement, Wuhan Caizhi and Caizhi No. 2, in aggregate, directly hold 28,413,118 Shares (comprising of 22,602,913 Unlisted Shares and 5,810,205 H Shares) (representing approximately 14.66% of the total issued share capital of the Company as of the date of this announcement), while some of the participants indirectly held partnership interest in Wuhan Caizhi through holding partnership interest in Huiyou Jucai and/or Huiyou Juzhi. For details of the Employee Incentive Schemes, please refer to the section headed "Employee Incentive Schemes" in Appendix VI to the Prospectus.

Subsequent Events After the Reporting Period

As of the date of this announcement, there are no other significant events that might affect our Group since June 30, 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules.

During the Reporting Period, the Company has complied with the code provisions in the CG Code, except for code provision C.2.1 as explained below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Dr. Zhou Pengfei is the founder of the Group, the chairman of the Board and the chief executive officer of the Company who has been participating in the Group's business and overall strategic planning since its establishment. The Board believes that vesting the roles of both the chairperson and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of the chairperson of the Board and the chief executive officer of the Company at an appropriate time if necessary, taking into account the circumstances of the Group as a whole.

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code and also devised its own code of conduct regarding Directors' dealings in the Company's securities (the "**Code of Conduct**") on terms no less exacting than the Model Code to regulate all dealings by Directors, Supervisors and relevant employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities.

Specific enquiry has been made to all the Directors and Supervisors, and the Directors (including Ms. Liang Qian who retired as a non-executive Director with effect from June 25, 2025) and Supervisors (including Mr. Sun Jumin who retired as a Supervisor with effect from June 25, 2025) have confirmed that they have complied with the Code of Conduct during the Reporting Period. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company during the Reporting Period.

CHANGES SINCE DECEMBER 31, 2024

There have been no other material changes in the Group's financial position or in the information disclosed under Management Discussion and Analysis in the Company's annual report for the year ended December 31, 2024.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise our financial reporting process and internal control system, and provide advice and comments to the Board. The Audit Committee comprises three members, Ms. Fu Lili, Dr. Zhou Hongfeng and Dr. Deng Yuezhen, with Ms. Fu Lili (being our independent non-executive Director with the appropriate professional qualifications) as chairwoman of the Audit Committee.

The Audit Committee has considered and reviewed the unaudited interim financial information for the Reporting Period and the accounting principles and practices adopted by the Group as set out in this announcement, and has discussed with management on issues in relation to internal control, risk management and financial reporting. The Audit Committee is of the opinion that the unaudited interim financial information of the Group for the Reporting Period is in compliance with the relevant accounting standards, laws and regulations.

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

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

As at the end of the Reporting Period, the Company did not hold any treasury shares.

INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend to the Shareholders for the Reporting Period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the Company's website at www.yzybio.com and the website of the Stock Exchange at www.hkexnews.hk. The interim report of the Company for the Reporting Period containing all the information required by the Listing Rules will be available on the above-mentioned websites of the Company and the Stock Exchange and will be dispatched to the requesting shareholders of the Company in due course.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2025

		Six months ended June 30,	
	NOTES	**2025**	2024
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*4*	**37,187**	–
Cost of revenue		**(29,518)**	–
Gross profit		**7,669**	–
Other income	*6*	**7,684**	4,786
Other gains and losses	*7*	**471**	2,201
Research and development expenses		**(60,186)**	(70,290)
Administrative expenses		**(12,088)**	(13,064)
Finance costs	*8*	**(2,384)**	(2,029)
Loss before tax	*9*	**(58,834)**	(78,396)
Income tax expense	*10*	**–**	–
Loss for the period		**(58,834)**	(78,396)
Loss per share			
– Basic and diluted (RMB)	*11*	**(0.30)**	(0.40)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2025

	NOTES	**At June 30, 2025** ***RMB'000*** **(unaudited)**	At December 31, 2024 *RMB'000* (audited)
Non-current Assets			
Property and equipment		**35,079**	37,039
Right-of-use assets		**8,089**	8,375
Investment properties		**425**	448
Value-added tax recoverable		**511**	511
Prepayment for acquisition of property and equipment		**228**	135
		44,332	46,508
Current Assets			
Inventories		**3,680**	4,260
Trade and other receivables and prepayments	*13*	**24,093**	90,718
Value-added tax recoverable		**1,340**	82
Cash and cash equivalents		**166,182**	126,275
		195,295	221,335
Current Liabilities			
Trade and other payables	*14*	**56,204**	49,378
Bank borrowings	*15*	**101,770**	75,820
Contract liabilities	*16*	**14,218**	20,591
Lease liabilities		**275**	362
Deferred income		**490**	490
Advance from transfer agreement		**39,495**	39,495
		212,452	186,136
Net Current (Liabilities) Assets		**(17,157)**	35,199
Total Assets less Current Liabilities		**27,175**	81,707
Non-current Liabilities			
Bank borrowings	*15*	**54,620**	51,080
Lease liabilities		**–**	92
		54,620	51,172
Net (Liabilities) Assets		**(27,445)**	30,535
Capital and Reserves			
Share capital		**193,849**	193,849
Reserves		**(221,294)**	(163,314)
Total Equity		**(27,445)**	30,535

1. GENERAL INFORMATION

Wuhan YZY Biopharma Co., Ltd. (the "**Company**") was established in the People's Republic of China (the "**PRC**") on July 8, 2010, as a limited liability company. On January 13, 2022, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC, with its name changed from Wuhan YZY Biopharma Limited Company (武漢友芝友生物製藥有限公司) to Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司). The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on September 25, 2023 (the "**Listing**"). The respective address of the registered office and the principal place of business is No. 666 Gaoxin Avenue, Wuhan East Lake New Technology Development District, Wuhan, Hubei Province, PRC.

The principal activities of the Company and its subsidiaries (the "**Group**") are mainly committed to develop bispecific antibody (BsAb)-based targeted and immune-oncology therapies to address the significant unmet medical needs of patients with cancer and age-related opthalmologic diseases.

The condensed consolidated financial statements for the six months ended June 30, 2025 are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company and its subsidiaries.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("**IAS 34**") "Interim Financial Reporting" issued by the International Accounting Standards Board (the "**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated financial statements of the Group for the six months ended June 30, 2025 have been prepared on the assumption that the Group will continue as a going concern, which assumes that the Group will be able to meet its obligations and continue its operations for the coming twelve months notwithstanding the fact that as at June 30, 2025, the Group has net current liabilities of RMB17,157,000, net liabilities of RMB27,445,000 and the Group's accumulated losses has increased to RMB569,221,000 after recognising RMB58,834,000 loss and total comprehensive expense attributable to owners of the Company for the six months ended 30 June, 2025. In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have the necessary liquid fund to finance its working capital and capital expenditure requirements for the next twelve months after June 30, 2025, which include, but not limited to, the following:

(a) The Group had cash and cash equivalents of RMB166.2 million; and

(b) The Directors of the Company are confident of those banking facilities being able to be continuously renewed upon their respective expirations in the foreseeable future based on the Group's past experience and good credit standing.

3. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional/change in accounting policies resulting from application of amendments to International Financial Reporting Standards Accounting Standards, and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE

The Group derives its revenue from contracts with customers in relation to the transfer of goods and services over time and at a point in time, as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Types of goods or services		
Recognised at a point in time		
License fee income	**4,717**	–
Recognised over time		
R&D service income	**32,470**	–
	37,187	–

In October 2024, the Group entered into a license and collaboration agreement with Chia Tai Tianqing Pharmaceutical Group Co. Ltd. (正大天晴藥業集團股份有限公司) ("**CT Tianqing**"), pursuant to which the Group granted to CT Tianqing an exclusive, sublicensable license to develop, register, manufacture and commercialize the Licensed Product within the Licensed Territory and the Licensed Field.

The considerations for the license and collaboration agreement comprise fixed element (i.e. the first non-refundable upfront payment and payments to provision of research and development services) and variable elements (i.e. the second non-refundable upfront payment, development and sales milestone payments and sales-based royalties). The Group determined that the consideration relates to multiple distinct performance obligations which including the grant of a right to use the license to intellectual property rights (the "**License**"), provision of research and development services (the "**R&D services**") and option to additional license of intellectual property right.

License fee income

For the grant of a right to use the License, revenue is recognised at a point in time when the Group has granted the license to the customer and the customer obtains control on the usage of the license. During the six months ended June 30, 2025, the Group recognised a total revenue of RMB4,717,000 in relation to the grant of a right to use the license for the achievement of development milestone (six months ended June 30, 2024: Nil), and the remaining fixed transaction price is allocated to the performance obligation of provision of R&D services and option to additional license of intellectual property right as stated below.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group update the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Notwithstanding the above criteria, the Group shall recognise revenue for a sales-based royalty promised in exchange for a license of IP only when (or as) the later of the following events occurs:

- the subsequent sale occurs; and
- the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied).

R&D services income

R&D services under contract with CT Tianqing is performance obligation which is capable of being distinct. Accordingly, the transaction price is allocated based on the relative stand-alone selling prices of the services.

Revenue is recognised over time as the Group does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date. For over time revenue recognition, the progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognize revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

When another party is involved in providing R&D services to the customer, the Group determines whether the nature of its promise is a performance obligation to provide specified services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent). The Group concluded that the Group acts as the principal for provision of R&D services as it controls the specified services before it is transferred to the customer.

Contract liabilities represents the Group's obligation to R&D services to the customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Option to additional license of intellectual property right

The Group evaluated the non-refundable payments for option to additional license of intellectual property right to determine if the option represents a material right and is distinct from the other performance obligations identified in the arrangement. The Group determined that the option to additional license of intellectual property right is a material right and distinct, the Group defers the non-refundable payments allocated to the option as contract liability and recognizes revenues at a point in time, at the earlier of when the option is exercised or lapses unexercised.

5. SEGMENT INFORMATION

For the purpose of resource allocation and performance assessment, the Group's chief executive officer, being the chief operating decision maker ("CODM"), reviews the overall results and financial position of the Group as a whole and no further analysis of the single segment is presented.

Geographical information

The Group's operations and all of the Group's non-current assets are located in the PRC.

Information about the Group's revenue and non-current assets is presented based on the location of operations and the geographical location of the assets.

Revenue from external customer

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
PRC	**37,187**	–

Non-current assets

	At	At
	June 30,	December 31,
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
PRC	**44,332**	46,508

Information about the major customers

Revenue from customers of the corresponding periods contributing over 10% of the total revenue of the Group are as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Customer A	**37,187**	–

6. OTHER INCOME

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Government grants *(note)*	**7,171**	2,825
Bank interest income	**502**	1,950
Others	**11**	11
	7,684	4,786

Note: The amounts represent government grants received from various PRC government authorities as incentives for the Group's research and development activities. Some subsidies had certain conditions imposed by the respective PRC government authorities. The relevant conditions have been fully met upon recognition.

7. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss on disposal of property and equipment	**(15)**	–
Gain on termination of lease agreement	**–**	7
Foreign exchange gains	**486**	2,194
	471	2,201

8. FINANCE COSTS

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expenses on bank and other borrowings	**2,377**	2,026
Interest expenses on lease liabilities	**7**	3
	2,384	2,029

9. LOSS BEFORE TAX

Loss before tax for the period has been arrived at after charging the following items:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss before tax for the period has been arrived at after charging:		
Directors' and supervisors' emoluments	**1,936**	2,477
Other staff costs:		
– salaries and other allowances	**10,927**	10,895
– discretionary bonuses *(note)*	**1,882**	1,269
– retirement benefit scheme contributions	**1,656**	1,731
– share-based payments	**854**	331
Total staff costs	**17,255**	16,703
Depreciation of property and equipment	**2,063**	3,225
Depreciation of right-of-use assets	**286**	316
Depreciation of investment properties	**22**	22
Total depreciation	**2,371**	3,563
Cost of inventories recognized as an expense	**5,032**	5,062

Note: Discretionary bonuses are determined based on the duties and performances of the relevant individuals and the operating result of the Group.

10. INCOME TAX EXPENSE

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current PRC enterprise income tax	**–**	–

No provision for PRC income tax was made as the Company and its PRC subsidiaries incurred tax losses for both periods.

As at June 30, 2025, the Group has unrecognized tax losses of approximately RMB1,275,146,000 (December 31, 2024: RMB1,150,530,000). As at June 30, 2025, the Group has deductible temporary differences of approximately RMB35,823,000 (December 31, 2024: RMB28,860,000). No deferred tax asset has been recognized in respect of the tax losses or temporary differences due to the unpredictability of future profit streams.

11. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of calculating basic and diluted loss per share (RMB'000)	**(58,834)**	(78,396)
Number of shares ('000)		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**193,849**	193,849
Basic and diluted loss per share (RMB)	**(0.30)**	(0.40)

The computation of basic and diluted loss per share for the six months ended June 30, 2025 did not consider the Post-IPO Share Option Scheme since its inclusion would be anti-dilutive.

No adjustment has been made to the basic loss per share for the six months ended June 30, 2024 as there was no potential ordinary shares in issue for the six months ended June 30, 2024.

12. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period (six months ended June 30, 2024: nil).

13. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	At June 30, 2025	At December 31, 2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Prepayments for research and development services *(note)*	**11,657**	32,090
Trade receivables from license and collaboration agreement	**5,000**	51,108
Receivables from transfer agreement	**6,752**	6,752
Advance to staff	**107**	203
Others	**577**	565
	24,093	90,718

Note: Prepayments mainly include upfront fee paid for research and development services for the clinical and non-clinical study of drugs.

The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the revenue recognition dates:

	At June 30, 2025	At December 31, 2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0-90 days	**5,000**	51,108

14. TRADE AND OTHER PAYABLES

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
Trade payables for research and development expenses	**3,712**	6,516
Accrued research and development expenses	**43,623**	32,420
Other payables to government *(note)*	**3,600**	3,600
Accrued staff costs and benefits	**3,917**	5,183
Accrued audit fee	**950**	1,050
Other tax payables	**308**	470
Others	**94**	139
	56,204	49,378

Note: This amount was asset related government subsidy and attached with conditions that the construction of the buildings should be completed and approved by the respective PRC government authority before December 31, 2016. The Group has not fulfilled the conditions attached to this subsidy at December 31, 2024 and June 30, 2025. Therefore, the amount was repayable to the respective PRC government authority on demand.

The credit period on purchases of goods/services of the Group is 0 to 90 days.

The following is an ageing analysis of trade payables of the Group based on the invoice dates at the end of each reporting period:

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
0-30 days	**1,209**	1,989
31-90 days	**768**	2,704
91-180 days	**459**	1,456
181-365 days	**954**	26
Over 365 days	**322**	341
	3,712	6,516

Analysis of trade payables and other payables of the Group and the Company denominated in currencies other than the functional currency of relevant group entities is set out below:

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
British Pound	**150**	–
United States dollars	**28**	28
Swiss Franc	**754**	754
	932	782

15. BANK BORROWINGS

During the current interim period, the Group obtained new bank loans amounting to RMB69,900,000 (six months ended June 30, 2024: RMB80,000,000). The loans carry interest at fixed market rates ranging from 2.5% to 3.4% (six months ended June 30, 2024: 3.4% to 3.5%) per annum and are repayable within seven months to three years. The proceeds were used to finance the research and development activities.

The new bank loan of RMB60,000,000 (six months ended June 30, 2024: RMB30,000,000) was unsecured and unguaranteed. The new bank loans of RMB9,900,000 (six months ended June 30, 2024: Nil) were secured, unguaranteed. Such loan was secured by the Group's patent rights of drug candidate.

16. CONTRACT LIABILITIES

	At June 30, 2025 ***RMB'000*** **(unaudited)**	At December 31, 2024 *RMB'000* (audited)
Contract liabilities		
– from license and collaboration agreement	**14,218**	20,591

The contract liabilities represent unrecognized received consideration (or an amount of consideration is due) in relation to the license and collaboration agreement, where there are still implied obligations to be provided by the Company as stipulated in the agreement.

DEFINITIONS AND GLOSSARIES

In this announcement, unless the context otherwise requires, the following terms have the following meanings. These terms and their definitions may not correspond to any industry standard definition and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as the Company.

"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or the "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
"Company," "our Company," or "the Company"	Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司), a joint stock company established in the PRC with limited liability on January 13, 2022, or, where the context requires (as the case may be), its predecessor, Wuhan YZY Biopharma Limited Company (武漢友芝友生物製藥有限公司), a limited liability company established in the PRC on July 8, 2010
"Corresponding Period"	for the six months ended June 30, 2024
"Director(s)"	the director(s) of our Company
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in Renminbi and are unlisted Shares which are currently not listed or traded on any stock exchange
"Global Offering"	the offer of Shares for subscription as described in the prospectus of the Company dated September 13, 2023

"Group," "our Group," "we," "us," or "our"	our Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the content may require), or where the context so requires, in respect of the periods before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
"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
"Huiyou Jucai"	Nanjing Huiyou Jucai Enterprise Management Partnership (Limited Partnership) (南京匯友聚才企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 26, 2021 and one of our employee incentive platforms
"Huiyou Juzhi"	Nanjing Huiyou Juzhi Enterprise Management Partnership (Limited Partnership) (南京匯友聚智企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 27, 2021 and one of our employee incentive platforms
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Reporting Period"	for the six months ended June 30, 2025
"RMB" or "Renminbi"	the lawful currency of the PRC
"R&D"	research and development
"Share(s)"	ordinary share(s) in the share capital 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
"Supervisor(s)"	member(s) of the supervisory committee of the Company

"treasury shares"	the meaning as defined under the Listing Rules
"Unlisted Foreign Share(s)"	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each which is/are held by foreign investors and not listed on any stock exchange
"Unlisted Shares"	Domestic Shares and Unlisted Foreign Shares
"Wuhan Caizhi"	Wuhan Caizhi Investment Management Partnership (Limited Partnership) (武漢才智投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on September 21, 2015 and one of our employee incentive platforms
"%"	per cent

In this announcement, unless otherwise indicated, the terms "affiliate", "associate", "associated corporation", "connected person", "controlling shareholder", "subsidiary" and "substantial Shareholder" shall have the meanings given to such terms in the Listing Rules.

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, August 26, 2025

As at the date of this announcement, the Board comprises Dr. Zhou Pengfei and Mr. Wen Zhicheng as executive Directors; Dr. Yuan Qian, Dr. Zhou Hongfeng, Mr. Pang Zhenhai, Dr. Hui Xiwu 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.