



绿竹生物
LUZHU BIOTECH

Beijing Luzhu Biotechnology Co., Ltd.
北京綠竹生物技術股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code : 2480

2025 | Interim Report

Contents

02	Corporate Information
04	Financial and Operational Data Highlights
05	Corporate Profile
06	Management Discussion and Analysis
15	Other Information
25	Report on Review of Condensed Consolidated Financial Statements
26	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
27	Condensed Consolidated Statement of Financial Position
28	Condensed Consolidated Statement of Changes in Equity
29	Condensed Consolidated Statement of Cash Flows
30	Notes to the Condensed Consolidated Financial Statements
45	Definitions and Glossary of Technical Terms



Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. KONG Jian (孔健) (*Chairman*)

Ms. JIANG Xianmin (蔣先敏)

Ms. ZHANG Yanping (張琰平)

Non-executive Directors

Mr. MA Biao (馬彪)

Mr. KONG Shuangquan (孔雙泉)

Independent non-executive Directors

Ms. HOU Aijun (侯愛軍)

(*Lead independent non-executive Director*)

Mr. LEUNG Wai Yip (梁偉業)

Mr. LIANG Yeshe (梁冶矢)

SUPERVISORS

Ms. PENG Ling (彭玲)

Ms. KONG Xi (孔茜)

Mr. CHEN Liang (陳亮)

JOINT COMPANY SECRETARIES

Mr. LIU Siyu (劉斯宇)

Ms. YUEN Wing Yan, Winnie (袁穎欣) (*FCG HKFCG(PE)*)

AUTHORIZED REPRESENTATIVES

Mr. KONG Jian (孔健)

Ms. YUEN Wing Yan, Winnie (袁穎欣) (*FCG HKFCG(PE)*)

AUDIT COMMITTEE

Ms. HOU Aijun (侯愛軍) (*Chairlady*)

Mr. KONG Shuangquan (孔雙泉)

Mr. LEUNG Wai Yip (梁偉業)

REMUNERATION COMMITTEE

Mr. LIANG Yeshe (梁冶矢) (*Chairman*)

Mr. KONG Jian (孔健)

Mr. LEUNG Wai Yip (梁偉業)

NOMINATION COMMITTEE

Mr. KONG Jian (孔健) (*Chairman*)

Mr. LIANG Yeshe (梁冶矢)

Ms. HOU Aijun (侯愛軍)

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

35/F, One Pacific Place

88 Queensway

Hong Kong

LEGAL ADVISORS

As to Hong Kong law

Eric Chow & Co. in Association with

Commerce & Finance Law Offices

3401, Alexandra House

18 Chater Road, Central

Hong Kong

As to PRC law

Commerce & Finance Law Offices

12-14/F, China World Office 2

No. 1 Jianguomenwai Avenue

Beijing

PRC

PRINCIPAL BANKS

Agricultural Bank of China Limited Beijing Pilot Free
Trade Zone Zhangjiawan Design Town Branch
Room 006-007, 1/F, Building B
No. 16 Guanghua Road
Zhangjiawan Town
Tongzhou District
Beijing
PRC

China Construction Bank Corporation Beijing Desheng
Branch
Hesheng Fortune Plaza
No. 13 Dewai Street
Xicheng District
Beijing
PRC

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 3 Guangtong Street
Industrial Development Zone
Tongzhou District
Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1922, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

REGISTERED OFFICE

No. 3 Guangtong Street
Industrial Development Zone
Tongzhou District
Beijing
PRC

H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

2480

COMPANY'S WEBSITE

www.luzhubiotech.com

DATE OF LISTING

May 8, 2023

Financial and Operational Data Highlights

The following table summarizes our results of operations for the six months ended June 30, 2024 and 2025:

	For the six months ended June 30,		Change
	2025	2024	
	RMB'000	RMB'000	(%)
	(unaudited)	(unaudited)	(unaudited)
Other income	4,850	9,732	(50.2)
Other expenses	(585)	(189)	209.5
Other gains and losses, net	2,405	6,255	(61.6)
Impairment losses recognized on property, plant and equipment	(5,441)	–	100.0
Administrative expenses	(25,801)	(44,962)	(42.6)
Research and development expenses	(50,273)	(80,376)	(37.5)
Finance costs	(2,725)	(398)	584.7
Loss before tax	(77,570)	(109,938)	(29.4)
Income tax expense	–	–	–
Loss and total comprehensive expense for the period	(77,570)	(109,938)	(29.4)
Loss per share	RMB	RMB	%
– Basic	(0.39)	(0.54)	(27.8)
– Diluted	(0.39)	(0.54)	(27.8)

	As of June 30, 2025	As of December 31, 2024
	RMB'000	RMB'000
	(unaudited)	(audited)
Non-current assets	613,642	577,587
Current assets	461,433	472,876
Current liabilities	97,637	98,857
Net current assets	363,796	374,019
Non-current liabilities	238,307	98,015
Net assets	739,131	853,591

OVERVIEW

The Company is a biotechnology company committed to developing innovative human vaccines and therapeutic biologics to prevent and control infectious diseases and treat cancer and autoimmune diseases.

Since its inception in 2001, the Group has focused on human medicine and has established technology platforms with its understanding of immunology and protein engineering, which empowers the Group to develop the recombinant vaccine and antibody product candidates with favorable efficiency, high purity and improved stability.

As of June 30, 2025, the Group's product pipeline consisted of three clinical-stage product candidates, including its Core Product, LZ901, and six pre-clinical-stage product candidates.

As of June 30, 2025, the Group had seven invention patents in Russia, the PRC, Japan, Australia, the U.S., South Korea and Canada and two pending applications relating to its Core Product in Europe and the United Kingdom. All of the registered patents and patent applications for the Core Product are related to the same set of patent claims filed to nine different jurisdictions to protect its intellectual property, given that in addition to the PRC and the U.S., the other jurisdictions are also the target markets or potential markets in the future for LZ901.

Management Discussion and Analysis

BUSINESS REVIEW

Research and development of product candidates

After two decades of research and development and introduction of technologies, the Group has established an innovative precision protein engineering platform empowering the full cycle of drug development, which provides a solid foundation for the development of the Group's human vaccines candidates, monoclonal antibody product candidates and bispecific antibody product candidates.

The Group's innovative antigen presentation technology for vaccine development starts from the concept of enhancing the immunogenicity of a target antigen, streamlines the design of a recombinant virus vaccine antigen while retaining the primary structure of the natural antigen to enhance immunogenicity, improve safety and patient vaccination experience. The Group has an internally developed next-generation bispecific antibody development platform, Fabite®, of which the Group owns intellectual property rights, has competitive advantages in the development of bispecific antibody products for the treatment of relapsed/refractory hematological malignancies. Fabite® has a fully controllable mechanism of action and mode of administration to ensure the safety of patients. It can be used in a variety of immunotherapies based on the activation of T cells to kill cancer cells. Fabite® optimizes the purification process of bispecific antibodies, achieving high purity of monomers. At the same time, the Group has developed several types of liquid formulations to address stability issues, resulting in bispecific antibody solutions that can be stable for more than three years in storage conditions of 2-8°C.

By employing the Fabite® technology platform and mammalian expression technology platform and leveraging its in-house biologics manufacturing infrastructure and capabilities, the Group established a diversified and advanced product pipeline covering human vaccine candidates, monoclonal antibody product candidates and bispecific antibody product candidates.

LZ901

LZ901, the independently developed recombinant herpes zoster vaccine candidate and Core Product of the Group, has a tetrameric molecular structure to prevent shingles caused by VZV. Its molecular structure has doubled the fragment crystallizable (Fc) regions for antigen presenting cells to bind to compared to naturally occurring VZV antigen. LZ901 actively presents VZV antigens to immune cells to trigger an immune response. In addition, LZ901 has demonstrated high immunogenicity, efficacy and safety profile in both the pre-clinical studies and the Phase I/II/III clinical trial in China, while inducing specific humoral and cellular immunity.

The Group has initiated the multi-center, randomized, double-blind, placebo-controlled Phase III clinical trial for LZ901 in China in September 2023, and completed the subjects enrollment of a total of 26,000 healthy subjects aged 40 years and older in January 2024. The Group also launched a head-to-head clinical trial of LZ901 and HZ/su vaccine (Shingrix®), a recombinant glycoprotein E subunit vaccine, in November 2023, which was successfully completed during the first half of 2025. Results of the comparison study showed that LZ901 induced superior cellular immunogenicity and exhibited a better safety profile than HZ/su vaccine in adults aged 50 or above. The Group held a mid-term summary meeting for the Phase III clinical trial of LZ901 in June 2024, and based on the interim analysis of the Phase III clinical trial, a BLA for LZ901 was submitted to the NMPA in January 2025, which was subsequently accepted in February 2025. The NMPA will take further steps, including but not limited to technical evaluation, clinical trial on-site inspection, and production site inspection, to assess the BLA, and the Group currently expects to commercialize LZ901 in the PRC in 2026.

In addition, the Group has received IND approval from the FDA in July 2022 for LZ901. The Group has initiated a Phase I clinical trial for LZ901 in the U.S. in February 2023 and has completed its subject enrollment in July 2023. The Group has completed the on-site research on LZ901 Phase I clinical trial in the U.S. in the first half of 2024, and plans to complete the Phase I clinical trial for LZ901 in the U.S. in the third quarter of 2025.

K3

K3, the independently developed recombinant human anti-tumor necrosis factor (“**TNF**”)- α monoclonal antibody injection product candidate of the Group, is a biosimilar of Humira® (adalimumab) and mainly used for the treatment of various autoimmune diseases, such as rheumatoid arthritis, ankylosing spondylitis and plaque psoriasis. The Group has initiated the Phase I clinical trial in China in September 2018, in which K3 displayed pharmacokinetics consistent with adalimumab, and completed the Phase I clinical trial in December 2019. The Group will further assess the appropriate timing for initiation of Phase III clinical trial for K3 in China depending on, among others, the market conditions and prospect, as well as resources available to the Group. It is currently expected that the Phase III clinical trial for K3 in China will commence no earlier than the second half of 2026.

K193

K193 is an independently developed bispecific antibody injection (B-lymphocyte antigen CD19 (“**CD19**”)-cluster of differentiation 3 (“**CD3**”)) product candidate of the Group for the treatment of B cell leukemia and lymphoma. K193 is the world’s first bispecific antibody against CD19/CD3 with an asymmetric structure. K193 has an innovative molecular structure that was developed based on the internally developed bispecific antibody development platform of the Group, Fabite®, and the Group’s mammalian expression technology platform, which makes it less prone to polymerization and decreased activity compared to other similar products in the market. During pre-clinical studies, K193 displayed high *in vivo* and *in vitro* anti-tumor activity, and its optimized formulation is stable and convenient to use. K193’s unique mechanism of action endows it with a strong ability to treat various types of B cell leukemia and lymphoma. The safe and controllable administration of K193 also reduces the impact of patient stress caused by medication administration. In December 2019, the Group initiated a Phase I clinical trial of K193 in China and expects to complete the Phase I clinical trial in 2026.

UPDATES ON OTHER PRE-CLINICAL PRODUCT CANDIDATES

The Group had a total of six pre-clinical stage product candidates as of June 30, 2025, namely, recombinant varicella vaccine, recombinant RSV vaccine, recombinant HSV-1 vaccine, recombinant HSV-2 vaccine, K333 bispecific antibody for the treatment of myeloid leukemia and K1932 bispecific antibody for the treatment of lymphoma.

Management Discussion and Analysis

The following diagram summarizes the status of the product pipeline of the Group as of June 30, 2025:

Product Type	Product Pipeline	Indications	Pre-clinical	I	Clinical Trials II	III	BLA
Vaccine							
Recombinant Vaccine	LZ901 ⁽¹⁾	Herpes zoster	China				
		Herpes zoster	US				
Recombinant Vaccine	Recombinant Varicella Vaccine	Varicella	China				
Recombinant Vaccine	Recombinant RSV Vaccine	LRTD caused by RSV	China				
Recombinant Vaccine	Recombinant HSV-1 Vaccine	Oral herpes or cold sores caused by HSV-1	China				
	Recombinant HSV-2 Vaccine	Genital herpes caused by HSV-2	China				
Antibody							
Monoclonal Antibody	K3 ⁽²⁾	Ankylosing spondylitis, rheumatoid arthritis, plaque psoriasis	China				
Bispecific Antibody	K193 ⁽³⁾	r/r B-cell lymphoma/leukemia	China				
Bispecific Antibody	K333	Myeloid leukemia	China				
Bispecific Antibody	K1932	r/r B-cell lymphoma	China				

Notes:

- (1) Core Product.
- (2) K3 is a biosimilar of adalimumab and therefore, is not required to conduct a Phase II clinical trial.
- (3) K193 is used for serious life-threatening diseases for which there are no effective treatment. The Group may obtain conditional approval and conduct the Phase III clinical trial afterwards in accordance with the Drug Registration Regulation 《藥品註冊管理辦法》.

THE COMPANY MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND/OR MARKET THE CORE PRODUCT, OR ANY OTHER PRODUCT CANDIDATES.

Research and development

The in-house R&D team of the Group is involved in all stages of novel vaccine and biologic therapeutic candidates development, from pre-clinical studies, laboratory research to clinical trials, regulatory filing and manufacturing process development, and the Group has thereby established a full range of in-house product discovery capabilities, including recombinant protein design and optimization, amplification, cultivation and harvesting. As of June 30, 2025, the in-house R&D team of the Group consisted of 18 personnel. With its R&D capabilities, the Group now possesses a diversified and advanced product pipeline covering human vaccine candidates, monoclonal antibody product candidates and bispecific antibody product candidates.

Manufacturing and quality assurance

The Group has R&D and manufacturing facilities in both Beijing and Zhuhai, and is currently constructing a new R&D and manufacturing facility with gross floor area of approximately 45,072.87 sq.m. in Beijing. The Group provides training to its manufacturing team to ensure that each team member possesses the skill sets and techniques required in the relevant product process, and complies with the quality control requirements, as well as applicable laws and regulations. As of June 30, 2025, the manufacturing team of the Group consisted of 57 personnel.

The Group also has a quality management system designed to adhere to national standards, including the GMP standards, covering substantially every aspect of the operations including product design, raw materials and manufacturing, among others. As of June 30, 2025, the Group had an experienced quality management team consisting of 57 personnel, all of whom had received professional training in regulations, GMP standards and quality control analysis methods.

Future and outlook

The Group plans to implement the following strategies to achieve the goals and visions of the Group:

- actively promote the clinical development of the Group's pipeline candidates, in particular for LZ901, the Core Product of the Group;
- rapidly advance the development of the other pre-clinical product candidates of the Group, including recombinant varicella vaccine, recombinant RSV vaccine, recombinant HSV-1 vaccine, recombinant HSV-2 vaccine, K333 and K1932;
- lay out strategic plans to promote commercialization in China and abroad; and
- expand the product pipeline of the Group through independent development and/or collaboration.

FINANCIAL REVIEW

The following table summarizes the Group's results of operations for the six months ended June 30, 2025 and 2024:

	For the six months ended June 30,		
	2025	2024	Change
	RMB'000	RMB'000	(%)
	(unaudited)	(unaudited)	(unaudited)
Other income	4,850	9,732	(50.2)
Other expenses	(585)	(189)	209.5
Other gains and losses, net	2,405	6,255	(61.6)
Impairment losses recognized on property, plant and equipment	(5,441)	–	100.0
Administrative expenses	(25,801)	(44,962)	(42.6)
Research and development expenses	(50,273)	(80,376)	(37.5)
Finance costs	(2,725)	(398)	584.7
Loss before tax	(77,570)	(109,938)	(29.4)
Income tax expense	–	–	–
Loss and total comprehensive expense for the period	(77,570)	(109,938)	(29.4)
Loss per share	RMB	RMB	%
– Basic	(0.39)	(0.54)	(27.8)
– Diluted	(0.39)	(0.54)	(27.8)

Other income

Other income of the Group decreased by approximately 50.2% from approximately RMB9.7 million for the six months ended June 30, 2024 to approximately RMB4.9 million for the six months ended June 30, 2025, which was primarily due to the decrease of government grants.

Set out below are the components of other income for the periods indicated:

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Income from sales of VZV		
Vaccine Immunogenicity Detection Kits	1,473	650
Government grants related to		
• Plant and machinery	1,507	1,267
• Right-of-use assets	1,335	1,335
• Others	155	4,718
Interest income on bank balances and term deposits	370	1,752
Interest income from rental deposits	10	10
Total	4,850	9,732

Management Discussion and Analysis

Other expenses

Other expenses of the Group increased by approximately 209.5% from approximately RMB0.2 million for the six months ended June 30, 2024 to approximately RMB0.6 million for the six months ended June 30, 2025, which reflected the increase in the cost of immunoreagent testing kits sold.

Other gains and losses, net

Net other gains of the Group decreased by approximately 61.6% from approximately RMB6.3 million for the six months ended June 30, 2024 to approximately RMB2.4 million for the six months ended June 30, 2025, which was primarily attributable to the decrease in (i) fair value gains on financial assets at fair value through profit or loss (“FVTPL”) and (ii) net foreign exchange gains.

Set out below are the components of net other gains for the periods indicated:

	For the six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Fair value gains on financial assets at FVTPL	3,531	5,309
Foreign exchange (losses) gains, net	(1,126)	975
Loss on early termination of a lease	—	(29)
Total	2,405	6,255

Administrative expenses

Administrative expenses of the Group decreased by approximately 42.6% from approximately RMB45.0 million for the six months ended June 30, 2024 to approximately RMB25.8 million for the six months ended June 30, 2025, which was primarily due to the fact that there was no amortization of fees in relation to share-based payments in 2025.

Research and development expenses

Research and development expenses of the Group decreased by approximately 37.5% from approximately RMB80.4 million for the six months ended June 30, 2024 to approximately RMB50.3 million for the six months ended June 30, 2025, which was primarily due to the reduction in expenses incurred for the Phase III clinical trial for LZ901 in China.

Finance costs

Finance costs of the Group increased by approximately 584.7% from approximately RMB0.4 million for the six months ended June 30, 2024 to approximately RMB2.7 million for the six months ended June 30, 2025, primarily due to the additional bank loans obtained by the Group.

Loss before tax

As a result of the foregoing, the loss before tax of the Group decreased by approximately 29.4% from approximately RMB109.9 million for the six months ended June 30, 2024 to approximately RMB77.6 million for the six months ended June 30, 2025.

Income tax expense

No Hong Kong profit tax was provided for as there was no estimated assessable profit of the Group's subsidiary in Hong Kong, which was subject to Hong Kong profit tax during the six months ended June 30, 2025.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation regulations of the EIT Law, the basic tax rate of the Company and the PRC subsidiaries of the Group is 25%. As the Group was loss-making for the six months ended June 30, 2024 and 2025, no income tax expenses were incurred.

Liquidity and capital resources

The bank balances and cash (inclusive of term deposits) decreased by approximately RMB39.9 million from approximately RMB140.1 million as of December 31, 2024 to approximately RMB100.2 million as of June 30, 2025, which was primarily due to share repurchase made by the Company during the six months ended June 30, 2025.

As of June 30, 2025, the Group had bank borrowings of approximately RMB207.3 million (December 31, 2024: approximately RMB54.9 million), of which approximately RMB11.5 million would be payable within one year (December 31, 2024: approximately RMB1.8 million). Such bank borrowings are denominated in RMB with term from three to five years, and bear interest rates from 2.85% to 3.50% per annum with such interest being payable on a quarterly basis. Such bank borrowings are secured by properties of the Group and/or guaranteed by Mr. KONG and Ms. ZHANG, the executive Directors and Controlling Shareholders. For the avoidance of doubt, the personal guarantee given by Mr. KONG and Ms. ZHANG is on normal commercial terms or better and is not secured by assets of the Group. Therefore, such guarantee is fully exempt under Rule 14A.90 of the Listing Rules. As of June 30, 2025, approximately RMB397.7 million of the bank facilities secured by the Group remained unutilized.

There had been no breach of loan agreement by the Group during the six months ended June 30, 2025.

Pledge of assets

As of June 30, 2025, properties comprising of offices, laboratories and manufacturing facility of the Group as well as construction in progress, had been pledged to secure the bank borrowings and bank facility of the Group. Save as disclosed above, the Group had no other pledge of assets as of June 30, 2025.

Management Discussion and Analysis

Contingent liabilities

As of June 30, 2025, the Group did not have any material contingent liabilities.

Gearing ratio

The gearing ratio is calculated using the Group's total liabilities divided by its total assets. As of June 30, 2025, the Group's gearing ratio was 31.2% (December 31, 2024: 18.7%).

Capital expenditure

The Group regularly incurs capital expenditures to expand and enhance its research and development facilities, establish manufacturing capacities and increase operating efficiency. The capital expenditures of the Group during the six months ended June 30, 2025 primarily consisted of expenditures on construction in progress and leasehold lands.

The Group's capital commitments decreased from approximately RMB38.3 million as of December 31, 2024 to approximately RMB7.4 million as of June 30, 2025, which was primarily attributable to the completion of certain of our construction projects during the six months ended June 30, 2025.

Foreign exchange

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect their financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars. The conversion of foreign currencies into RMB, including Hong Kong dollars, has been based on rates set by the People's Bank of China. The Group seeks to limit the exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. During the six months ended June 30, 2025, the Group did not enter into any currency hedging transactions.

Significant investments, material acquisitions and disposals

The Group did not have any significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures for the six months ended June 30, 2025.

Future plans for material investments or capital assets

As of June 30, 2025, the Group had no concrete plans for material capital expenditure, investments or capital assets. The Company will make further announcement(s) in accordance with the Listing Rules, where applicable, if any investments and acquisition opportunities materialize.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2025 (for the six months ended June 30, 2024: nil).

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The H Shares were listed on the Stock Exchange on May 8, 2023. The aggregate net proceeds received by the Company from the global offering of its H Shares ("Global Offering") after deducting underwriting commissions and other expenses payable by the Company in connection with the Global Offering, amounted to approximately HK\$241.6 million. In such connection, the over-allotment option as described in the Prospectus had not been exercised. For details of the Global Offering, please refer to the Prospectus, the allotment results announcement of the Company dated May 5, 2023 and the announcement of the Company dated May 28, 2023 in relation to, among others, lapse of the over-allotment option.

The net proceeds from the Global Offering have been and will be used in accordance with the purposes as set out in the Prospectus. The following table sets forth the use of the net proceeds from the Global Offering as of June 30, 2025:

Use of Proceeds	Allocation of the net proceeds from the Global Offering (HK\$ million)	Percentage of total net proceeds (%)	Unutilized amount as of December 31, 2024 (HK\$ million)	Utilized amount during the six months ended June 30, 2025 (HK\$ million)	Unutilized amount as of June 30, 2025 ⁽¹⁾ (HK\$ million)	Expected timeline of full utilization of the remaining proceeds from the Global Offering as of June 30, 2025
For clinical development, manufacturing and commercialization of the Core Product, LZ901.	140.7	58.2	46.0	–	46.0	By the end of 2026
To fund ongoing and planned clinical trials in China and the U.S. for LZ901	97.0	40.2	2.3	–	2.3	By the end of 2026
To fund commercial manufacturing of LZ901	14.6	6.0	14.6	–	14.6	By the end of 2026
To fund marketing and sales activities	29.1	12.0	29.1	–	29.1	By the end of 2026
For clinical development and manufacturing of K3.	53.4	22.1	53.4	–	53.4	By the end of 2027
To fund planned clinical trials for K3	38.8	16.1	38.8	–	38.8	By the end of 2026
To fund commercial manufacturing of K3	14.6	6.0	14.6	–	14.6	By the end of 2027
For construction of the second-phase commercial manufacturing facility in Zhuhai.	38.8	16.1	0.1	–	0.1	By the end of 2026
For working capital and other general corporate purposes.	8.7	3.6	6.8	1.3	5.5	By the end of 2026
Total	241.6	100.0	106.3	1.3	105.0	

Other Information

Note:

(1) As of June 30, 2025, the unutilized net proceeds were deposited with licensed bank(s) in Hong Kong or the PRC.

The Company currently expects that the net proceeds from the Global Offering will be fully utilized by the end of 2027.

EMPLOYEE AND REMUNERATION POLICY

As of June 30, 2025, the Group employed 197 full-time employees. The following table sets forth the number of the full-time employees of the Group by function as of June 30, 2025:

Function	Number of Employees	Percentage (%)
Management and General Administrative (including Financial Department)	37	18.8
R&D (including Manufacturing Department and Quality Management Department)	133	67.5
Medical Affairs and Clinical Operations	9	4.6
Engineering	18	9.1
Total	197	100.0

The Group has designed an evaluation system to assess the performance of its employees periodically. Such system forms the basis of the Group's determinations of whether an employee should receive a salary raise, bonus, or promotion. The Group believes the salaries and bonuses the employees receive are competitive with market rates.

The Group places strong emphasis on providing training to its employees in order to enhance their technical and product knowledge. The Group designs and offers different training programmes for its employees in various positions. The Group makes contributions to the social insurance and housing provident fund for all of its employees in the PRC.

FUNDING AND TREASURY POLICY

The Group adopts a stable, conservative approach in its finance and treasury policy, aiming to maintain an optimal financial position, the most economic finance costs, and minimal financial risks. Cash and cash equivalents are normally placed at financial institutions that the Group considers the credit risk to be low. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its business operations as well as its research and development, future investments and expansion plans.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of June 30, 2025, the interests and short positions of the Directors, Supervisors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, are set out as follows:

(i) Interest in Shares and underlying Shares

Name of Directors/Supervisors	Nature of interest	Number of H Shares ⁽¹⁾	Approximate percentage of shareholding in the total issued share capital of the Company (H Shares) ⁽⁷⁾⁽⁸⁾
Mr. KONG	Beneficial interest	58,294,513	28.79%
	Interest of spouse ⁽²⁾	20,200,000	9.98%
	Interest in controlled corporation ⁽³⁾	15,526,700	7.67%
Ms. ZHANG	Beneficial interest	20,200,000	9.98%
	Interest of spouse ⁽²⁾	73,821,213	36.46%
Ms. JIANG	Beneficial interest	4,000,000	1.98%
Mr. MA Biao	Interest in controlled corporation ⁽⁴⁾⁽⁵⁾	51,721,196	25.55%
Ms. PENG Ling	Interest in controlled corporation ⁽⁶⁾	12,307,500	6.08%
Ms. KONG Xi	Beneficial interest	550,000	0.27%
Mr. CHEN Liang	Beneficial interest	400	0.0002%

Notes:

- (1) All interests stated are long positions.
- (2) Mr. KONG and Ms. ZHANG are the spouse of each other. Accordingly, they are deemed to be interested in the same number of Shares that the other person is interested in for the purpose of the SFO.
- (3) These Shares comprised (i) 12,307,500 H Shares held by Hengqin Luzhu LP, and (ii) 3,219,200 H Shares held by the Company in treasury. As of June 30, 2025, Mr. KONG was the sole general partner of Hengqin Luzhu LP. Therefore, Mr. KONG is deemed to be interested in the Shares held by Hengqin Luzhu LP under the SFO. Further, as Mr. KONG controls one-third or more of the total issued share capital of the Company, Mr. KONG is deemed to be interested in the Shares held by the Company in treasury under the SFO.

Other Information

- (4) As of June 30, 2025, (i) E-town Sun was the general partner and fund manager of Beijing Yizhuang and Beijing Yizhuang II, and in turn E-town Sun was owned as to approximately 34.00% and 46.00% by Saiding Fangde and Saide Ruibo, respectively; and (ii) Mr. MA Biao and Mr. MA Jianan (馬嘉楠) (the son of Mr. MA Biao) were the respective general partner of Saiding Fangde and Saide Ruibo, holding approximately 60.00% and 80.00% partnership interest thereof, respectively. Further, Saiding Fangde and Saide Ruibo have confirmed that they are acting in concert with respect to their shareholdings in E-town Sun. Accordingly, under the SFO, (i) E-town Sun is deemed to be interested in the Shares held by Beijing Yizhuang and Beijing Yizhuang II; (ii) Saiding Fangde and Saide Ruibo are deemed to be interested in the Shares in which E-town Sun is interested; (iii) Mr. MA Biao is deemed to be interested in the Shares in which Saiding Fangde is interested; and (iv) Mr. MA Jianan is deemed to be interested in the Shares in which Saide Ruibo is interested.
- (5) Mr. MA Biao is the Actual Controller of Beijing Science Sun and held approximately 49.51% of the issued shares of Beijing Science Sun as of June 30, 2025. Mr. MA Biao is therefore deemed to be interested in the Shares held by Beijing Science Sun under the SFO.
- (6) Hengqin Luzhu LP was owned as to 40.67% by Beijing Luzhu Kangrui Enterprise Management Partnership (Limited Partnership) (北京綠竹康瑞企業管理合夥企業(有限合夥)) ("**Beijing Luzhu Kangrui**"), and Ms. PENG Ling was the general partner of Beijing Luzhu Kangrui. Accordingly, under the SFO, (i) Beijing Luzhu Kangrui is deemed to be interested in the Shares held by Hengqin Luzhu LP; and (ii) Ms. PENG Ling is deemed to be interested in the Shares in which Beijing Luzhu Kangrui is interested in.
- (7) As of June 30, 2025, the total issued share capital of the Company was 202,449,032 H Shares (inclusive of 3,219,200 H Shares held by the Company in treasury).
- (8) The Shares that are held by the Company in treasury are included for the purpose of calculating the percentage of shareholding.

(ii) *Interest in associated corporations*

To the best knowledge of the Directors, as of June 30, 2025, none of the Directors, Supervisors or chief executives of the Company had interests or short positions in the Shares, underlying Shares or debentures of the associated corporations of the Company.

Save as disclosed above, as of June 30, 2025, none of the Directors, Supervisors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO; or which were required, pursuant to the Model Code as contained in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2025, to the best knowledge of the Directors, the following persons (other than the Directors, Supervisors or chief executives of the Company as disclosed above) had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register of the Company maintained under Section 336 of the SFO, or otherwise disclosed to the Company:

Name of Shareholders	Nature of interest	Number of H Shares ⁽¹⁾	Approximate percentage of shareholding in the total issued share capital of the Company (H Shares) ⁽⁶⁾⁽⁷⁾
Hengqin Luzhu LP	Beneficial interest	12,307,500	6.08%
Beijing Luzhu Kangrui	Interest in controlled corporation ⁽²⁾	12,307,500	6.08%
Beijing Yizhuang	Beneficial interest	19,645,000	9.70%
Beijing Yizhuang II	Beneficial interest	18,324,696	9.05%
E-town Sun	Interest in controlled corporation ⁽³⁾	37,969,696	18.76%
Saiding Fangde	Interest in controlled corporation ⁽³⁾	37,969,696	18.76%
Saide Ruibo	Interest in controlled corporation ⁽³⁾	37,969,696	18.76%
Mr. MA Jianan (馬嘉楠)	Interest in controlled corporation ⁽³⁾	37,969,696	18.76%
Beijing Science Sun	Beneficial interest	13,751,500	6.79%
CCB International Capital Management (Tianjin) Ltd. (建銀國際資本管理(天津)有限公司) ("CCB Capital")	Beneficial interest	11,367,675	5.62%
CCB International (China) Limited (建銀國際(中國)有限公司) ("CCB China")	Interest in controlled corporation ⁽⁴⁾	11,367,675	5.62%
CCB International (Holdings) Limited (建銀國際(控股)有限公司) ("CCB Holdings")	Interest in controlled corporation ⁽⁴⁾	11,367,675	5.62%
CCB Financial Holdings Limited (建行金融控股有限公司) ("CCB Financial")	Interest in controlled corporation ⁽⁴⁾	11,367,675	5.62%
CCB International Group Holdings Limited (建行國際集團控股有限公司) ("CCB Group")	Interest in controlled corporation ⁽⁴⁾	11,367,675	5.62%
China Construction Bank Corporation (中國建設銀行) ("China Construction Bank")	Interest in controlled corporation ⁽⁴⁾	11,367,675	5.62%

Other Information

Name of Shareholders	Nature of interest	Number of H Shares ⁽¹⁾	Approximate percentage of shareholding in the total issued share capital of the Company (H Shares) ⁽⁶⁾⁽⁷⁾
Central Huijin Investment Ltd. ("Central Huijin")	Interest in controlled corporation ⁽⁴⁾	11,367,675	5.62%
Herui Venture Capital Fund Management (Shenzhen) Co., Ltd. (和瑞創業投資 基金管理(深圳)有限公司) ("Herui VC")	Interest in controlled corporation ⁽⁵⁾	10,000,744	4.94%
Mr. CHEN Ruolin (陳若霖)	Interest in controlled corporation ⁽⁵⁾	10,000,744	4.94%
Mr. WANG Zhixian (王智顯)	Interest in controlled corporation ⁽⁵⁾	10,000,744	4.94%

Notes:

- (1) All interests stated are long positions.
- (2) As of June 30, 2025, Hengqin Luzhu LP was owned as to approximately 40.67% by Beijing Luzhu Kangrui, and Ms. PENG Ling was the general partner of Beijing Luzhu Kangrui. Accordingly, under the SFO, (i) Beijing Luzhu Kangrui is deemed to be interested in the Shares held by Hengqin Luzhu LP; and (ii) Ms. PENG Ling is deemed to be interested in the Shares in which Beijing Luzhu Kangrui is interested in.
- (3) As of June 30, 2025, (i) E-town Sun was the general partner and fund manager of Beijing Yizhuang and Beijing Yizhuang II, and in turn E-town Sun was owned as to approximately 34.00% and 46.00% by Saiding Fangde and Saide Ruibo, respectively; and (ii) Mr. MA Biao and Mr. MA Jianan (the son of Mr. MA Biao) were the respective general partner of Saiding Fangde and Saide Ruibo, holding approximately 60.00% and 80.00% partnership interest thereof, respectively. Further, Saiding Fangde and Saide Ruibo have confirmed that they are acting in concert with respect to their shareholdings in E-town Sun. Accordingly, under the SFO, (i) E-town Sun is deemed to be interested in the Shares held by Beijing Yizhuang and Beijing Yizhuang II; (ii) Saiding Fangde and Saide Ruibo are deemed to be interested in the Shares in which E-town Sun is interested; (iii) Mr. MA Biao is deemed to be interested in the Shares in which Saiding Fangde is interested; and (iv) Mr. MA Jianan is deemed to be interested in the Shares in which Saide Ruibo is interested.
- (4) As of June 30, 2025, (i) CCB Capital was wholly-owned by CCB China, and in turn CCB China was wholly-owned by CCB Holdings; (ii) CCB Holdings was wholly-owned by CCB Group via CCB Financial; and (iii) CCB Group was wholly-owned by China Construction Bank. China Construction Bank is a listed company on the Shanghai Stock Exchange (stock code: 601939) and was owned as to approximately 57.11% by Central Huijin. Accordingly, each of CCB China, CCB Holdings, CCB Financial, CCB Group, China Construction Bank and Central Huijin is deemed to be interested in the Shares in which CCB Capital is interested in under the SFO.
- (5) As of June 30, 2025, (i) Herui VC was the general partner and fund manager of Jinjiang Zhenrui Equity Investment Partnership (Limited Partnership) (晉江禎睿股權投資合夥企業(有限合夥)) ("Jinjiang Zhenrui") and Jinjiang Xuanhong No.1 Equity Investment Partnership (Limited Partnership) (晉江軒弘壹號股權投資合夥企業(有限合夥)) ("Jinjiang Xuanhong"); and (ii) Herui VC was owned as to approximately 40.00%, 40.00% and 20.00% by Mr. Chen Ruolin (陳若霖), Mr. WANG Zhixian (王智顯) and Mr. LIN Bei (林貝), respectively. Jinjiang Zhenrui and Jinjiang Xuanhong respectively held 7,776,050 Shares and 2,224,694 Shares as of June 30, 2025. Accordingly, under the SFO (i) Herui VC is deemed to be interested in the Shares held by Jinjiang Zhenrui and Jinjiang Xuanhong; and (ii) each of Mr. Chen Ruolin and Mr. WANG Zhixian is deemed to be interested in the Shares in which Herui VC is interested.
- (6) As of June 30, 2025, the total issued share capital of the Company was 202,449,032 H Shares (inclusive of 3,219,200 H Shares held by the Company in treasury).
- (7) The Shares that are held by the Company in treasury are included for the purpose of calculating the percentage of shareholding.

Save as disclosed above, to the best of knowledge of the Directors, as of June 30, 2025, there was no other person (other than the Directors, the Supervisors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares which would be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register maintained under Section 336 of the SFO.

EMPLOYEE INCENTIVE SCHEMES

Employee incentive scheme adopted prior to the Listing

The Company adopted an employee incentive scheme (“**Employee Incentive Scheme**”) on December 15, 2021 prior to the Listing. The Employee Incentive Scheme does not involve the grant of new Shares, nor options to subscribe for new Shares. Instead, eligible participants, being employees and consultants of the Group, are granted interests in Hengqin Luzhu LP, the Group’s employee incentive platform. All interests under the Employee Incentive Scheme had been granted prior to the Listing. Please refer to “B. Further Information about the business of our Company – 3. Employee Incentive Scheme” in Appendix VII to the Prospectus for a summary of the principal terms of the Employee Incentive Scheme.

2025 Share Award Scheme

On June 12, 2025, the adoption of the 2025 Share Award Scheme was approved by the Shareholders, and the 2025 Share Award Scheme became effective on June 13, 2025. The purpose of the 2025 Share Award Scheme is to provide the selected participants an opportunity to obtain a proprietary interest in the Company, to provide incentives to such selected participants to contribute to the Company and to enable the Company to recruit and retain high-caliber employees and attract human resources that are valuable to the Group. Eligible participants of the 2025 Share Award Scheme include but are not limited to the Directors (but excluding independent non-executive Directors) and employees of the Group. Unless otherwise cancelled or amended, the 2025 Share Award Scheme will remain in force for ten years. Please refer to the circular of the Company dated May 20, 2025 for a summary of the principal terms of the 2025 Share Award Scheme.

During the six months ended June 30, 2025 and up to the Latest Practicable Date, no awards had been granted under the 2025 Share Award Scheme. The number of Shares available for grant under the 2025 Share Award Scheme as of June 13, 2025 (the effective date of the 2025 Share Award Scheme) and June 30, 2025 remained at 19,922,983 H Shares. Accordingly, there were no Shares that might be issued in respect of awards granted under the 2025 Share Award Scheme during the six months ended June 30, 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of the Shareholders, and the Directors recognize the importance of good corporate governance. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules (in effect as of June 30, 2025) and the Company has adopted the Corporate Governance Code as its own code of corporate governance. The Corporate Governance Code has been applicable to the Company with effect from the Listing Date.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive should be segregated and should not be performed by the same individual. Mr. KONG currently serves as both the chairman of the Board and the general manager of the Company. While this will constitute a deviation from Code Provision C.2.1 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that (i) the Board consists of three independent non-executive Directors, and the Directors believe that there is sufficient check and balance in the Board to protect the interests of the Group and the Shareholders; (ii) Mr. KONG is a Controlling Shareholder, the Directors are of the view that vesting both roles on him helps to maintain the continuity of the policies and the stability of the operations of the Company. The Board will continue to review the effectiveness of the corporate governance structure of the Group from time to time in order to assess whether separation of the roles of chairman and general manager is necessary.

Save as disclosed above, the Company has complied with all applicable code provisions of the Corporate Governance Code up to June 30, 2025. The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the Corporate Governance Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules to regulate all dealings by Directors, Supervisors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made to each Director and Supervisor, and all Directors and Supervisors have confirmed that they have complied with the applicable standards set out in the Model Code up to June 30, 2025. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

MATERIAL LITIGATION AND ARBITRATION

During the six months ended June 30, 2025, the Group did not have any material litigation or arbitration.

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

During the Reporting Period, the Company repurchased a total of 1,759,200 H Shares at an aggregate consideration of approximately HK\$39.7 million (equivalent to approximately RMB36.9 million), and such repurchases of H Shares were funded by the Group's internal resources and the repurchased H Shares are held by the Company as treasury shares. Further details of the repurchase are set out below:

Month	Number of H Shares repurchased	Highest purchase price per H Share	Lowest purchase price per H Share	Aggregate consideration paid
May 2025	1,759,200	HK\$23.00	HK\$21.95	HK\$39,713,280

As of June 30, 2025, the Company held a total of 3,219,200 H Shares in treasury (as of December 31, 2024: 1,460,000). The Company may use such treasury shares to fund the 2025 Share Award Scheme.

Subsequent to June 30, 2025 and up to the Latest Practicable Date, the Company further repurchased a total of 316,600 H Shares at an aggregate consideration of approximately HK\$6.8 million in July 2025. Such repurchase was likewise funded by the Group's internal resources, and the repurchased H Shares are held by the Company as treasury shares, and may be used by the Company to fund the 2025 Share Award Scheme.

Save as disclosed above, during the Reporting Period and up to the Latest Practicable Date, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL REPORT

The Audit Committee consists of three members, namely Ms. HOU Aijun, Mr. KONG Shuangquan and Mr. LEUNG Wai Yip, with Ms. HOU Aijun being the chairlady of the committee and Mr. LEUNG Wai Yip possessing the appropriate accounting or related financial management expertise in compliance with the requirements under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee are to provide the Board with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the Company's unaudited consolidated interim results for the six months ended June 30, 2025, and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The interim results for the six months ended June 30, 2025 is unaudited, but has been reviewed by Deloitte Touche Tohmatsu, the independent auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants.

CHANGES TO DIRECTORS' AND SUPERVISORS' INFORMATION

At the annual general meeting of the Company held on June 12, 2025, the Shareholders approved, among others, (a) the election and/or re-election of the Directors of the fifth session of the Board, and (b) the re-election of Shareholder representative Supervisor (whereas the employee representative Supervisors were elected by employees of the Company at the employees' representative congress). Accordingly, the fifth session of the Board shall comprise Mr. KONG, Ms. ZHANG and Ms. PENG Ling as executive Directors, Mr. MA Biao and Mr. KONG Shuangquan as non-executive Directors, and Ms. HOU Aijun, Mr. LEUNG Wai Yip and Mr. LIANG Yeshe as independent non-executive Directors. On the other hand, the fifth session of the board of Supervisors shall comprise Ms. KONG Xi, Mr. CHEN Liang and Ms. WANG Wei (王蔚). For details, please refer to the circular and announcement of the Company dated May 20, 2025 and June 12, 2025, respectively.

In addition, with effect from June 27, 2025, Ms. HOU Aijun was designated as the lead independent non-executive Director.

Save as disclosed above, as of June 30, 2025, there had been no change in the Directors' and the Supervisors' biographical details which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No arrangement has been made by the Company or any of its subsidiaries for any Director or Supervisor to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate, and no rights to any share capital or debt securities of the Company or any other body corporate were granted to any Director or Supervisor or their respective spouse or children under 18 years of age, nor were any such rights exercised during or at the end of the six months ended June 30, 2025.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, there was no important event affecting the Group which occurred after June 30, 2025 up to the date of this report.

Report on Review of Condensed Consolidated Financial Statements



德勤

TO THE BOARD OF DIRECTORS OF BEIJING LUZHU BIOTECHNOLOGY CO., LTD.

(北京綠竹生物技術股份有限公司)

(incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Beijing Luzhu Biotechnology Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 26 to 44, which comprise the condensed consolidated statement of financial position as of June 30, 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("HKSRE 2410") as issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

August 26, 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2025

	NOTES	For the six months ended June 30,	
		2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Other income	5	4,850	9,732
Other expenses		(585)	(189)
Other gains and losses, net	6	2,405	6,255
Impairment losses recognized on property, plant and equipment	9	(5,441)	–
Administrative expenses		(25,801)	(44,962)
Research and development expenses		(50,273)	(80,376)
Finance costs	7	(2,725)	(398)
Loss before tax		(77,570)	(109,938)
Income tax expense	8	–	–
Loss and total comprehensive expense for the period	9	(77,570)	(109,938)
Loss per share (“RMB”)	11		
Basic		(0.39)	(0.54)
Diluted		(0.39)	(0.54)

Condensed Consolidated Statement of Financial Position

At June 30, 2025

	NOTES	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
NON-CURRENT ASSETS			
Right-of-use assets		97,135	99,504
Property, plant and equipment	12	502,813	457,588
Intangible assets		8,615	8,329
Prepayments, deposits and other receivables	13	3,074	12,166
Investment in an associate	14	1,000	–
Term deposits		1,005	–
		613,642	577,587
CURRENT ASSETS			
Materials		4,398	5,735
Prepayments, deposits and other receivables	13	15,640	13,461
Financial assets at fair value through profit or loss (“FVTPL”)	20	342,176	313,554
Cash and cash equivalents		99,219	140,126
		461,433	472,876
CURRENT LIABILITIES			
Advance payments received and other payables	15	86,168	97,037
Bank borrowings	16	11,469	1,820
		97,637	98,857
NET CURRENT ASSETS		363,796	374,019
TOTAL ASSETS LESS CURRENT LIABILITIES		977,438	951,606
NON-CURRENT LIABILITIES			
Lease liabilities		12,992	12,619
Deferred government grants	17	29,460	32,302
Bank borrowings	16	195,855	53,094
		238,307	98,015
NET ASSETS		739,131	853,591
CAPITAL AND RESERVES			
Share capital	18	202,450	202,450
Reserves		536,681	651,141
TOTAL EQUITY		739,131	853,591

The condensed consolidated financial statements on pages 26 to 44 were approved and authorized for issue by the board of directors on August 26, 2025 and are signed on its behalf by:

Kong Jian
DIRECTOR

Zhang Yanping
DIRECTOR

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2025

	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Share-based payments reserve RMB'000 (Note 19)	Accumulated losses RMB'000	Total RMB'000
At January 1, 2025 (audited)	202,450	2,621,518	(32,305)	–	(1,938,072)	853,591
Loss and total comprehensive expense for the period	–	–	–	–	(77,570)	(77,570)
Repurchase of shares (Note 18)	–	–	(36,890)	–	–	(36,890)
At June 30, 2025 (unaudited)	202,450	2,621,518	(69,195)	–	(2,015,642)	739,131
At January 1, 2024 (audited)	202,450	2,448,245	–	139,770	(1,769,837)	1,020,628
Loss and total comprehensive expense for the period	–	–	–	–	(109,938)	(109,938)
Recognition of equity-settled share-based payments	–	–	–	33,503	–	33,503
Vesting of shares granted	–	173,273	–	(173,273)	–	–
At June 30, 2024 (unaudited)	202,450	2,621,518	–	–	(1,879,775)	944,193

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025

	For the six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(75,285)	(44,955)
INVESTING ACTIVITIES		
Interest received	365	1,843
Purchase of property, plant and equipment	(49,082)	(39,118)
Refund of rental deposits	–	4
Purchases of intangible assets	(1,216)	(2,425)
Purchase of financial assets at FVTPL	(441,646)	(151,758)
Proceeds from disposal of financial assets at FVTPL	416,555	148,712
Placement of term deposits with original maturity over three months	(1,000)	–
Investment in an associate	(1,000)	–
Withdraw of term deposits with original maturity over three months	–	7,000
NET CASH USED IN INVESTING ACTIVITIES	(77,024)	(35,742)
FINANCING ACTIVITIES		
New bank borrowing raised	152,288	16,564
Interest paid	(2,870)	(42)
Repayment of borrowings	–	(7,000)
Payment on repurchase of shares	(36,890)	–
NET CASH FROM FINANCING ACTIVITIES	112,528	9,522
NET DECREASE IN CASH AND CASH EQUIVALENTS	(39,781)	(71,175)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	140,126	257,891
Effect of foreign exchange rate changes	(1,126)	975
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	99,219	187,691

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

1. GENERAL INFORMATION

Beijing Luzhu Biotechnology Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in research, development and production of vaccines and therapeutic biologics in the People’s Republic of China (the “PRC”).

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.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 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 of Hong Kong Limited (the “Stock Exchange”).

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

Other than additional/change in accounting policies resulting from application of amendments to IFRS 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 Standard

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 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 an IFRS Accounting Standard 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.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025

4. SEGMENT INFORMATION

For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision makers, review the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one operating and reportable segment and no further analysis of this single segment is presented.

The Group did not record any revenue for the six months ended June 30, 2025 (six months ended June 30, 2024: nil). As at June 30, 2025, the Group's all non-current assets excluding financial instruments are located in the Mainland China and accordingly, no analysis of geographical information is presented.

5. OTHER INCOME

	For the six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Income from sales of Varicella-zoster virus ("VZV") Vaccine Immunogenicity Detection Kits	1,473	650
Government grants related to		
– Plant and machinery	1,507	1,267
– Right-of-use assets	1,335	1,335
– Others (<i>Note</i>)	155	4,718
Interest income on bank balances and term deposits	370	1,752
Interest income from rental deposits	10	10
Total	4,850	9,732

Note: These government grants are unconditional government subsidies received by the Group from relevant government bodies for the purpose of giving immediate financial support to the Group's operation.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025

6. OTHER GAINS AND LOSSES, NET

	For the six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Fair value gains on financial assets at FVTPL	3,531	5,309
Foreign exchange (losses) gains, net	(1,126)	975
Loss on early termination of a lease	—	(29)
Total	2,405	6,255

7. FINANCE COSTS

	For the six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Interest on bank borrowings	2,814	135
Interest on lease liabilities	373	356
Total borrowing costs	3,187	491
Less: amounts capitalized in construction in progress	(462)	(93)
	2,725	398

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025

8. INCOME TAX EXPENSE

	For the six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (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.

No Hong Kong profit tax was provided for as there was no estimated assessable profit of the Group's Hong Kong subsidiary that was subject to Hong Kong profit tax for both periods.

As at June 30, 2025, the Group had estimated unused tax losses of approximately RMB789,760,000 (December 31, 2024: RMB701,317,000) which are available for offset against future profits. Deferred tax asset has been recognized in respect of approximately RMB16,911,000 (December 31, 2024: RMB17,022,000) of such losses as at June 30, 2025. No deferred tax asset has been recognized in respect of the remaining approximately RMB772,849,000 (December 31, 2024: RMB684,295,000) due to the unpredictability of future profit streams as at June 30, 2025.

As at June 30, 2025, the Group recognized deferred tax liabilities of RMB4,228,000 and deferred tax assets of RMB4,228,000, respectively. For the purpose of presentation in the consolidated statement of financial position, these deferred tax assets and deferred tax liabilities have been offset.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025

9. LOSS FOR THE PERIOD

	For the six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Loss for the period has been arrived at after charging:		
Staff costs, including directors' and supervisors' remuneration		
– salaries and other allowances	15,544	13,897
– retirement benefits	1,814	1,352
– equity-settled share-based payments included in administrative expenses	–	24,479
– equity-settled share-based payments included in research and development expenses	–	9,024
Total staff costs	17,358	48,752
Depreciation of right-of-use assets	2,369	2,401
Depreciation of property, plant and equipment	11,645	10,498
Amortization of intangible assets	123	123
Less: capitalized in construction in process	(429)	(643)
Total depreciation and amortization	13,708	12,379
Impairment losses recognized on property, plant and equipment	5,441	–
Short-term lease expenses	16	32
Cost of materials included in research and development expenses	3,448	3,729
Sub-contracting costs included in research and development expenses	28,774	51,290

10. 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).

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025

11. LOSS PER SHARE

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

	For the six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Loss		
Loss for the period attributable to owners of the Company	(77,570)	(109,938)
	For the six months ended June 30,	
	2025 '000 (unaudited)	2024 '000 (unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	200,406	202,450

The denominators used are the same as those detailed above for both basic and diluted loss per share. The weighted average number of ordinary shares outstanding during the period is the number of shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor.

12. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group's construction in progress increased by RMB54,164,000 (six months ended June 30, 2024: RMB46,995,000) and RMB7,924,000 (six months ended June 30, 2024: RMB1,896,000) respectively for the research and development and commercial manufacturing facility located in Beijing and the commercial manufacturing facility located in Zhuhai.

The Group recognized impairment losses on property, plant and equipment of RMB5,441,000 during the current period, due to the upgrading and replacement of those equipment resulted in the recoverable value falling below their carrying amount.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Value added tax recoverable	7,905	5,627
Prepayments for purchase of property, plant and equipment	2,659	11,815
Prepayments to suppliers and service providers	5,452	6,629
Rental deposits	361	351
Receivables from detection kits	733	-
Others	1,604	1,205
Total	18,714	25,627

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Analyzed as:		
Non-current	3,074	12,166
Current	15,640	13,461
Total	18,714	25,627

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025

14. INVESTMENT IN AN ASSOCIATE

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Cost of investment in an associate (Note)	1,000	–

Details of the Group's associate at the end of the reporting period are as follows:

Name of company	Place of establishment	Proportion of ownership interest		Voting rights		Principal activity
		30/6/2025 %	31/12/2024 %	30/6/2025 %	31/12/2024 %	
Beijing Rumeng Biotechnology Co., Ltd. ("Rumeng") (Note)	The PRC	34.00	–	34.00	–	Technology research and development

Note: During the current period, the Group invested RMB1,000,000 in Rumeng. The Group holds 34% ownership interest in the entity, and can exercise significant influence over it because it has the power to appoint director under the articles of association and hence the investments in this entity were accounted for using the equity method.

15. ADVANCE PAYMENTS RECEIVED AND OTHER PAYABLES

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Payables for acquisition of property, plant and equipment	51,725	48,437
Payables for research and development activities	29,911	41,808
Payables for intangible assets	520	1,327
Accrued salaries and other allowances	2,400	5,091
Other tax payables	1,270	154
Others	342	220
	86,168	97,037
Advance payments received and other payables denominated in:		
RMB	82,946	94,915
United States dollars	2,944	2,098
Hong Kong dollars ("HK\$")	278	24
	86,168	97,037

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025

16. BANK BORROWINGS

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Analyzed as:		
Non-current	195,855	53,094
Current	11,469	1,820
Total	207,324	54,914

In January 2024, a subsidiary of the Group entered into a bank borrowing agreement in a principal amount of RMB200,000,000 in relation to construction of the research and development and commercial manufacturing facility located in Beijing and will mature in five years from the date of the first withdrawal. From April 2024 to June 2025, the Group withdrew bank borrowings of RMB91,730,000 which will mature from April 2027 and January 2029. The bank borrowings bear interest rate ranges from 3.05% to 3.50% per annum and the interest is payable quarterly.

In December 2024, another subsidiary of the Group obtained a RMB300,000,000 bank loan facility for Zhuhai research and development construction project with a five-year-term. By June 2025, RMB110,416,000 was drawn, maturing between December 2026 to December 2029. These borrowings carry a 2.95% annual interest rate with quarterly payments. Both long-term borrowings are guaranteed by the executive directors of the Company, Mr. Kong Jian and his spouse, Ms. Zhang Yanping. The Group also pledged certain leasehold land, construction in progress and property to secure bank borrowings.

Additionally, in June 2025, the Group obtained a loan of RMB5,000,000 due in June 2026. The borrowing carries an annual interest rate of 2.85%.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025

17. DEFERRED GOVERNMENT GRANTS

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Non-current	29,460	32,302

Movements in deferred government grants

	Deferred government grants related to			
	Plant and machinery RMB'000	Right-of-use assets RMB'000	Research and development activities RMB'000	Total RMB'000
At January 1, 2025 (audited)	28,298	4,004	–	32,302
Release of deferred government grants to profit or loss	(1,507)	(1,335)	–	(2,842)
At June 30, 2025 (unaudited)	26,791	2,669	–	29,460
At January 1, 2024 (audited)	21,593	6,674	9,400	37,667
Release of deferred government grants to profit or loss	(1,267)	(1,335)	–	(2,602)
At June 30, 2024 (unaudited)	20,326	5,339	9,400	35,065

Government grants include subsidies from local PRC governments which are specifically for (i) compensations of the capital expenditure incurred for purchase of plant and machinery and right-of-use assets, which are recognized over the useful life of the related assets and (ii) the research and development activities, which are recognized upon compliance with the attached conditions.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025

18. SHARE CAPITAL/TREASURY SHARES

Share capital

	Number of shares '000	Share capital RMB'000
At January 1, 2024, June 30, 2024, January 1, 2025 and June 30, 2025	202,450	202,450

Treasury shares

During the period, the Company repurchased its own ordinary shares through the Stock Exchange as follows:

Month of repurchase	No. of ordinary shares	Price per share		Aggregate consideration paid RMB'000
		Highest HK\$	Lowest HK\$	
May 2025	1,759,200	23.00	21.95	36,890

During the period ended June 30, 2025, the Company repurchased 1,759,200 of its own ordinary shares through the Stock Exchange with an aggregate consideration of RMB36,890,000 paid. All repurchased 3,219,200 (year ended December 31, 2024: 1,460,000) shares were maintained as treasury shares at the end of the reporting period.

19. SHARE-BASED PAYMENT TRANSACTIONS

(a) 2022 Restricted Shares

Zhuhai Hengqin Luzhu Enterprise Management Partnership (LP)* (珠海橫琴綠竹企業管理合夥企業(有限合夥)) (“Hengqin Luzhu LP”) was established in the PRC as a limited partnership in January 2021 as an employee incentive platform of the Group and is controlled by Mr. Kong Jian, the sole general partner of Hengqin Luzhu LP.

In April 2022, Zhuhai Luzhu Kangrui Enterprise Management Partnership (LP)* (珠海綠竹康瑞企業管理合夥企業(有限合夥)) (“Zhuhai Luzhu Kangrui”) and Beijing Luzhu Kangrui Enterprise Management Partnership (LP)* (北京綠竹康瑞企業管理合夥企業(有限合夥)) (“Beijing Luzhu Kangrui”) were established in the PRC as employee incentive platforms of the Group through an award of Hengqin Luzhu LP’s shares.

* English name is for identification purpose only.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025

19. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

(a) 2022 Restricted Shares (Continued)

In April 2022, an employee incentive scheme was implemented to incentive certain eligible employees of the Group to retain them for the continual operation and development of the Group or to replace certain outstanding share options. Restricted shares representing 8,110,132 ordinary shares of par value of RMB1 each in the share capital of the Company (the “RSs”) were granted to certain eligible employees (the “2022 Restricted Shares”). Including (i) an aggregate of 7,450,000 restricted shares of Zhuhai Luzhu Kangrui and Beijing Luzhu Kangrui were granted, representing 7,450,000 ordinary shares of par value of RMB1 each in the share capital of the Company with the price of RMB2.54, RMB5.09 or RMB7.19 each RS; (ii) 1,942,320 restricted shares of Hengqin Luzhu LP were granted representing 660,132 ordinary shares of par value of RMB1 each in the share capital of the Company with the price of RMB2.94 each RS. Included in 8,110,132 RSs, 3,875,000 RSs were granted to replace the Options Cancelled or Replaced in 2022 and the remaining 4,235,132 RSs were newly granted.

The consideration was fully settled in May 2022. The vesting of the RSs granted is conditional upon the fulfillment of requisite service conditions until end of the lock up period required by the securities and futures commission or the Stock Exchange after the completion of a qualified IPO. The employees have to transfer out their RSs to the person or entity designated by Mr. Kong Jian, the general partner of Hengqin Luzhu LP, at the original grant price, if their employments with the Group were terminated within the vesting period.

The following table discloses movements of the 2022 Restricted Shares.

Category	Outstanding as at January 1, 2024	Grant during the period	Forfeited due to resignation during the period	Vested during the period	Outstanding as at June 30, 2024
2022 Restricted Shares	8,110,132	–	–	(8,110,132)	–

The fair value of 2022 Restricted Shares at the grant date was determined with reference to the issue price of the series c financing or the market price of the Company’s shares at the relevant grant dates after deducting the purchase price. The amount previously recognized in share-based payments reserve of RMB102,717,000 in relation to the 2022 Restricted Shares and the outstanding share options replaced by 2022 Restricted Shares was transferred to share premium.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025

19. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

(b) Controlling Shareholders Restricted Shares

On June 18, 2022, Mr. Kong Jian and Ms. Zhang Yanping were granted 350,000 and 10,000,000 restricted shares of Hengqin Luzhu LP representing 118,952 and 3,398,680 ordinary shares of par value of RMB1 each in the share capital of the Company, respectively, with the price of RMB1.00 each restricted share (the “Controlling Shareholders Restricted Shares”).

The consideration was fully settled as at December 31, 2022 and the vesting of the restricted shares granted is conditional upon the fulfillment of requisite service conditions until end of the lock up period required by the securities and futures commission or the Stock Exchange after the completion of a qualified IPO. The grantees have to transfer out their restricted shares at the original grant price, if their employments with the Group were terminated within the vesting period.

The following table discloses movements of the Controlling Shareholders Restricted Shares.

Category	Outstanding as at January 1, 2024	Grant during the period	Forfeited due to resignation during the period	Vested during the period	Outstanding as at June 30, 2024
Controlling Shareholders Restricted Shares	3,517,632	–	–	(3,517,632)	–

The fair value of Controlling Shareholders Restricted Shares at the grant date was determined with reference to the issue price of the series c financing agreement after deducting the purchase price. The amount previously recognized in share-based payments reserve of RMB70,556,000 in relation to the Controlling Shareholders Restricted Shares was transferred to share premium.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025

19. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

(c) 2025 Share Award Scheme

On June 12, 2025, the adoption of the 2025 Share Award Scheme was approved by the Shareholders, and the 2025 Share Award Scheme became effective on June 13, 2025. During the six months ended June 30, 2025, no awards have been granted under the 2025 Share Award Scheme.

The share-based payment expenses of the Group recognized during the reporting period are as follows:

	For the six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
2022 Restricted Shares	–	20,331
Controlling Shareholders Restricted Shares	–	13,172
Total	–	33,503

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group use market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group determine the appropriate valuation techniques and inputs for fair value measurements.

Except for financial assets at FVTPL as set out below, there is no financial instrument measured at fair value on a recurring basis.

Financial assets

	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)		
Financial assets at FVTPL (Note)	342,176	313,554	Level 2	Redemption value quoted by financial institutions.

Note: The Group invested in certain financial products managed by banks and financial institutions which can be redeemed at any time or at maturity within one year. There is no predetermined or guaranteed return for each product. Such financial products are accounted for as financial assets at FVTPL under IFRS 9 Financial Instruments.

The directors consider that the carrying amounts of financial assets and financial liabilities measured at amortized cost in the condensed consolidated financial statements approximate their respective fair values at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025

21. RELATED PARTY BALANCES AND TRANSACTIONS

a. Compensation of key management personnel

The emoluments of key management during the reporting period were as follows:

	For the six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Salaries and other allowances	2,038	2,008
Retirement benefits	175	140
Equity-settled share-based payments	–	22,223
	2,213	24,371

b. Guarantee provided by related parties

As disclosed in Note 16, the bank borrowings outstanding as at June 30, 2025 were guaranteed by the executive directors of the Company, Mr. Kong Jian and his spouse, Ms. Zhang Yanping.

22. CAPITAL COMMITMENTS

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Capital expenditure in respect of the acquisition of equipment and machineries and construction projects contracted for but not provided in the condensed consolidated financial statements	7,432	38,304

Definitions and Glossary of Technical Terms

“2025 Share Award Scheme”	the 2025 share award scheme of the Company which was adopted by Shareholders on June 12, 2025 and became effective on June 13, 2025
“Actual Controller”	the individual or entity that can control the behavior of a company by way of investment, contract or other arrangements according to the Listing Rules of the Shenzhen Stock Exchange 《深圳證券交易所股票上市規則》 published and as amended from time to time by the Shenzhen Stock Exchange, where Beijing Science Sun is listed
“Audit Committee”	the audit committee of the Board
“Articles of Association”	the articles of association of the Company (as amended, supplemented or otherwise modified from time to time)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Science Sun”	Beijing Science Sun Pharmaceutical Co., Ltd. (北京賽升藥業股份有限公司), a joint stock company established in the PRC on May 20, 1999 and listed on the ChiNext board of the Shenzhen Stock Exchange (stock code: 300485)
“Beijing Yizhuang”	Beijing Yizhuang Biological Medicine Investment Center (Limited Partnership) (北京亦莊生物醫藥併購投資中心(有限合夥)), one of the pre-IPO investors of the Company
“Beijing Yizhuang II”	Beijing Yizhuang II Biological Medical Industry Investment Fund (Limited Partnership) (北京亦莊二期生物醫藥產業投資基金(有限合夥)), one of the pre-IPO investors of the Company
“BLA”	biologics license application
“Board” or “Board of Directors”	the board of directors of the Company
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China”, “Mainland China” or “the PRC”	the People’s Republic of China, excluding, for the purpose of this report, Hong Kong, Macau Special Administration Region and Taiwan
“Company”, “the Company”, or “Luzhu Biotechnology”	Beijing Luzhu Biotechnology Co., Ltd. (北京綠竹生物技術股份有限公司), a joint stock company established in the PRC with limited liability on July 19, 2013, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2480)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and, in the context of this report, refers to Mr. KONG, Ms. ZHANG and Hengqin Luzhu LP
“Core Product”	has the meaning ascribed to it in Chapter 18A of the Listing Rules and in this context, the Core Product refers to LZ901

Definitions and Glossary of Technical Terms

“Director(s)”	the director(s) of the Company
“E-town Sun”	Beijing E-town Sun Fund Management Co., Ltd. (北京屹唐賽盈基金管理有限公司), a company established in the PRC with limited liability on May 25, 2016
“FDA”	U.S. Food and Drug Administration, the U.S. federal agency responsible for regulating food and drugs
“GMP”	good manufacturing practice, and in the context of PRC laws and regulations, refers to guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (中華人民共和國藥品管理法) as part of quality assurance which aims to minimise the risks of contamination, cross contamination, confusion, and errors during the manufacturing process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use
“Group”	the Company and its subsidiaries
“Hengqin Luzhu LP”	Zhuhai Hengqin Luzhu Enterprise Management Partnership (LP) (珠海橫琴綠竹企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on January 14, 2021, and an employee incentive platform of the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Luzhu”	Luzhu Biologics (Hong Kong) Co., Limited (綠竹生物製品(香港)有限公司), a company incorporated in Hong Kong with limited liability on December 20, 2021, and a direct wholly-owned subsidiary of the Company
“HSV-1”	herpes simplex virus type 1
“HSV-2”	herpes simplex virus type 2
“H Share(s)”	ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each and listed on the Main Board of the Stock Exchange
“IND”	investigational new drug or investigational new drug application, also known as clinical trial application in China
“K3”	the anti-human tumor necrosis factor (“ TNF ”)- α monoclonal antibody injection product candidate
“Latest Practicable Date”	August 26, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this report prior to its publication

Definitions and Glossary of Technical Terms

“Listing” or “IPO”	the listing of the H Shares on the Main Board of the Stock Exchange on May 8, 2023
“Listing Date”	May 8, 2023, being the date on which the H Shares were listed on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“LZ901”	the recombinant herpes zoster vaccine candidate, a herpes zoster vaccine with a tetrameric molecular structure and the Core Product
“Main Board”	the Main Board of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Mr. KONG”	Mr. KONG Jian (孔健), the executive Director, general manager, chairman of the Board, one of the promoters of the Company and one of the Controlling Shareholders
“Ms. JIANG”	Ms. JIANG Xianmin (蔣先敏), the executive Director, the vice-chairlady of the Board and one of the promoters of the Company
“Ms. ZHANG”	Ms. ZHANG Yanping (張琰平), the executive Director, one of the promoters of the Company and one of the Controlling Shareholders
“NMPA”	the National Medical Products Administration of the People’s Republic of China
“Prospectus”	the prospectus issued by the Company dated April 25, 2023
“R&D”	research and development
“Reporting Period”	the six-month period from January 1, 2025 to June 30, 2025
“Renminbi” or “RMB”	Renminbi Yuan, the lawful currency of China
“RSV”	Respiratory Syncytial Virus
“Saide Ruibo”	Tianjin Saide Ruibo Asset Management Center (Limited Partnership) (天津賽德瑞博資產管理中心), a limited liability partnership established in the PRC on December 1, 2015, with Mr. MA Jianan (馬嘉楠) (the son of Mr. MA Biao) as its general partner holding approximately 80.00% partnership interest, and Ms. MA Li (馬麗) (the sister of Mr. MA Biao) as its limited partner holding approximately 20.00% partnership interest to the best knowledge of the Company, and is a connected person of the Company

Definitions and Glossary of Technical Terms

“Saiding Fangde”	Tianjin Saiding Fangde Asset Management Center (Limited Partnership) (天津賽鼎方德資產管理中心), a limited liability partnership established in the PRC on December 1, 2015, with (i) Mr. MA Biao (馬彪) as its general partner holding approximately 60.00% partnership interest; and (ii) Mr. WANG Xuefeng (王雪峰), Mr. MA Jianan (馬嘉楠) (the son of Mr. MA Biao) and Ms. MA Li (馬麗) (the sister of Mr. MA Biao) as its limited partners, holding approximately 10.00%, 10.00% and 20.00% partnership interest, respectively, to the best knowledge of the Company, and is a connected person of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising H Shares
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	member(s) of the board of supervisors of the Company
“U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“VZV”	Varicella-zoster virus
“%”	per cent

In this report, capitalized terms used shall have the same meanings as those defined in the Prospectus, and the terms “associate”, “close associate”, “connected person”, “core connected person”, “connected transaction”, “subsidiaries” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this report have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages; in the event of any inconsistency, the Chinese versions shall prevail.