友芝友生物製藥

武漢友芝友生物製藥股份有限公司
WUHAN YZY BIOPHARMA CO., LTD.

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

Stock Code: 2496

2026
INTERIM REPORT

CONTENTS

Definitions

In this interim report, 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.

"2024 H Share Option Plan"	the 2024 H share option plan adopted by the Company in accordance with Chapter 17 of the Listing Rules
"Administrator"	the Board and/or any committee of the Board or other person(s) to whom the Board has delegated its authority under the 2024 H Share Option Plan
"Audit Committee"	the audit committee of the Board
"bispecific antibody" or "BsAb"	an antibody directed at two different targets or two different epitopes on the same target
"Board"	the board of directors of the Company
"Business Day(s)"	any day on which the Stock Exchange is open for the business of dealing in securities
"Caizhi No. 2"	Nanjing Caizhi No. 2 Enterprise Management Partnership (Limited Partnership) (南京才智二號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 27, 2021 and one of our employee incentive platforms
"CDMO(s)"	contract development and manufacturing organization, which is a pharmaceutical company that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
"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 interim report 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
"CMO(s)"	contract manufacturing organization, a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing
"CMS R&D"	CMS RESEARCH & DEVELOPMENT PTE. LTD. (formerly known as SOTER BIOPHARMA PTE. LTD.), an indirect wholly-owned subsidiary of China Medical System Holdings Limited (0867.HK)
"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, 2025
"CRO(s)"	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research and development services outsourced on a contractual basis
"CT Tianqing"	Chia Tai Tianqing Pharmaceutical Group Co. Ltd. (正大天晴藥業集團股份有限公司), a limited liability company established in the PRC and a principal subsidiary of Sino Biopharmaceutical Limited
"Director(s)"	the director(s) of our Company
"Effective Date"	June 17, 2024
"Eligible Participant(s)"	participants as determined by the Board or the Administrator from time to time as eligible to participate in the 2024 H Share Option Plan
"Exercise Period"	the period during which an Option is exercisable by a Grantee
"Exercise Price"	the price per H Share at which a Grantee may subscribe the H Shares upon exercise of an Option pursuant to the terms of the 2024 H Share Option Plan
"Global Offering"	the offer of Shares for subscription as described in the prospectus of the Company dated September 13, 2023
"Grant Date"	the date on which an Option is granted to an Eligible Participant, which shall be a business day
"Grant Letter"	with respect to an Eligible Participant, a grant letter to be issued by the Company and accepted by the Eligible Participant in respect of the grant of Options under the 2024 H Share Option Plan
"Grantee"	any Eligible Participant approved for participation in the 2024 H Share Option Plan and who has been granted any Option in accordance with the terms of the 2024 H Share Option Plan
"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

Definitions

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"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
"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
"Option(s)"	option(s) granted to a Grantee to subscribe for H Shares pursuant to the terms of the 2024 H Share Option Plan
"Over-allotment Option"	the option granted by the Company as described in the Prospectus
"Plan Mandate Limit"	the total number of H Shares which may be issued in respect of all options and awards to be granted under all Share Plans, shall not exceed 19,384,800 H Shares, representing approximately 10.0% of the Shares in issue as at the date of Adoption of the 2024 H Share Option Plan
"Prospectus"	the prospectus of the Company dated September 13, 2023
"R&D"	research and development
"Reporting Period"	for the six months ended June 30, 2026
"RMB" or "Renminbi"	the lawful currency of the PRC
"Service Provider Participants"	service providers, being any person (natural person or corporate entity) who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long-term growth of the Group (but excluding any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity)

"Service Provider Sublimit"	within the Plan Mandate Limit, the total number of H Shares which may be issued in respect of all options and awards to be granted under all Share Plans to Service Provider Participants, shall not exceed 1,938,400 H Shares, representing approximately 1.0% of the Shares in issue as at the Adoption Date
"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 share capital of the Company with a nominal value of RMB1.00 each, comprising the Unlisted Shares and H Shares
"Share Plans"	all effective share plans of the Company which are governed by Chapter 17 of the Listing Rules, being the 2024 H Share Option Plan for the Reporting Period
"Shareholder(s)"	shareholder(s) of the Company
"Shenzhen Kangzhe Vision"	Shenzhen Kangzhe Vision Pharmaceutical Development Co., Ltd. (深圳市康哲維盛醫藥發展有限責任公司) (formerly known as Kangzhe Pharmaceutical Research and Development (Shenzhen) Limited (深圳康哲醫藥發展有限公司)), an indirect wholly-owned subsidiary of China Medical System Holdings Limited (0867.HK)
"SMO(s)"	site management organization, an organization that provides clinical trial-related services
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	member(s) of the supervisory committee of the Company
"Supervisory Committee"	the supervisory committee of the Company
"treasury shares"	the meaning as defined under the Listing Rules
"Unlisted Shares"	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
"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 interim report, 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.

Corporate Information

BOARD

Executive Directors

Dr. Zhou Pengfei *(Chairman of the Board and Chief Executive Officer)*
Mr. Wen Zhicheng (溫植成)

Non-executive Directors

Dr. Yuan Qian (袁謙)
Dr. Zhou Hongfeng (周宏峰)
Mr. Pang Zhenhai (龐振海)
Dr. Hui Xiwu (惠希武)
Mr. Xie Shouwu (謝守武)

Independent Non-executive Directors

Dr. Cheng Bin (程斌)
Ms. Fu Lili (付黎黎)
Dr. Deng Yuezhen (鄧躍臻)
Dr. Chen Bin (陳斌)

SUPERVISORS

Mr. Wang Junming (王軍明)
Ms. Liu Fang (劉芳)
Mr. Ji Changtao (紀昌濤)
Ms. Xiao Ying (肖瑩)
Ms. Fang Lijuan (方麗娟) *(appointed as an employee representative Supervisor with effect from May 15, 2026)*
Dr. Shi Jian (石劍) *(appointed as an employee representative Supervisor with effect from December 31, 2025 and resigned with effect from May 15, 2026)*

REGISTERED OFFICE, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

No. 666 Gaoxin Road
East Lake High Tech
Development Zone
Wuhan, Hubei Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

Room 1915, 19/F
Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

JOINT COMPANY SECRETARIES

Mr. Zheng Jianhua (鄭建華)
Ms. Lai Janette Tin Yun (賴天恩) *(associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)*

AUTHORIZED REPRESENTATIVES

Dr. Zhou Pengfei
Dr. Zhou Hongfeng (周宏峰)

AUDIT COMMITTEE

Ms. Fu Lili (付黎黎) *(Chairwoman)*
Dr. Zhou Hongfeng (周宏峰)
Dr. Deng Yuezhen (鄧躍臻)

NOMINATION COMMITTEE

Dr. Zhou Pengfei *(Chairman)*
Dr. Cheng Bin (程斌)
Ms. Fu Lili (付黎黎)

REMUNERATION COMMITTEE

Dr. Cheng Bin (程斌) *(Chairman)*
Dr. Chen Bin (陳斌)
Dr. Yuan Qian (袁謙)

STOCK CODE

2496

PRINCIPAL BANKS

Bank of Communications Co., Ltd.
Wuhan Jianghan Sub-branch
No. 488 Qingnian Road, Jianghan District
Wuhan, Hubei Province
PRC

China Zheshang Bank Co., Ltd
Wuhan Branch
Pacific Financial Plaza
Nos. 548, 550, 552 and 556 Jianshe Avenue
Jianghan District
Wuhan, Hubei Province
PRC

China Merchants Bank
Wuhan Jiefang Park Sub-branch
1/F, Hanfei Youth Town
No. 1338 Jiefang Avenue
Jiang'an District
Wuhan, Hubei Province
PRC

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

LEGAL ADVISERS TO THE COMPANY

Hong Kong laws
Sidley Austin
39/F, Two International Finance Centre,
Central
Hong Kong

PRC laws
DACHENG LAW OFFICES LLP (WUHAN)
32–33/F Wuhan Yuexiu International Finance Center Tower 5
No. 1 Jingwu Road,
Jianghan District
Wuhan, Hubei Province
PRC

COMPANY'S WEBSITE

www.yzybio.com

Financial Summary

	Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue	**33,143**	37,187
Cost of revenue	**(7,887)**	(29,518)
Gross profit	**25,256**	7,669
Other income	**2,886**	7,684
Other gains and losses	**(1,332)**	471
Research and development expenses	**(17,581)**	(60,186)
Administrative expenses	**(13,409)**	(12,088)
Finance costs	**(2,080)**	(2,384)
Loss before tax	**(6,260)**	(58,834)
Income tax expense	**–**	–
Loss for the period	**(6,260)**	(58,834)

	As of June 30, 2026 RMB'000 (unaudited)	As of December 31, 2025 RMB'000 (audited)
Non-current assets	**46,433**	43,107
Current assets	**130,605**	131,900
Non-current liabilities	**–**	27,500
Current liabilities	**235,595**	200,536
Net liabilities	**(58,557)**	(53,029)

OVERVIEW

WUHAN YZY BIOPHARMA CO., LTD. was established in 2010 and is a biotechnology company dedicated to the development of bispecific antibody (BsAb) therapies. The Company focuses on therapeutic areas with significant market potential, including oncology and its complications, age-related ophthalmologic diseases and autoimmune diseases, and has proactively established proprietary innovative technology platforms, including YBODY®, Check-BODY and Nano-YBODY®. Leveraging its strong research and development capabilities, the Company has established a pipeline of multiple drug candidates, including its core product M701, of which four are currently at the clinical development stage and two are at the preclinical research stage.

With respect to its core product, M701, a bispecific antibody targeting EpCAM/CD3 independently developed by the Company, has made significant clinical progress. To date, the new drug application (NDA) for M701 for the treatment of malignant ascites has been accepted by the China National Medical Products Administration, while the investigational new drug (IND) application for M701 for the treatment of malignant pleural effusion has been approved by the U.S. Food and Drug Administration (FDA). In addition, data from two important clinical studies of M701 were selected for presentation at the 2026 Annual Meeting of the American Society of Clinical Oncology (ASCO), further validating the clinical value and international potential of the product.

The Company continues to deepen its external technology collaborations. By entering into licensing cooperation agreements with leading companies in the industry, the Company has steadily advanced its research and development services and milestone recognition, effectively optimising its research and development expenditure structure. The Company will continue to uphold its mission of "discover and develop innovative drugs to improve the health and well-being of patients", accelerate the commercialisation of its core pipeline and strive to provide high-quality innovative treatment solutions to patients worldwide.

For details of any of the foregoing, please refer to other sections of this report, the Prospectus and the previous announcements published by the Company on the Stock Exchange and on the Company's website, where applicable.

PRODUCT PIPELINE

As of the date of this report, we have established a pipeline of multiple drug candidates, including our core product M701, of which four candidates (including M701, Y332, Y400 and Y225) are at the clinical development stage and two candidates (Y232 and Y180) are at the preclinical research stage. We have one core product, M701, which is a recombinant BsAb targeting EpCAM, a surface antigen on human cancer cells, and CD3, a surface antigen on human T cells. We are developing M701 primarily for the treatment of MA and MPE, which are severe complications of cancer characterised by the accumulation of fluid in the abdominal or thoracic cavity of cancer patients.

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

Candidate	Target	Technology Platform	Type	Regimen	Indication	Pre-clinical	IND	Phase I	Phase II	Phase III/ Pivotal	NDA	Commercial Rights	Current Status/ Upcoming Milestone
★ **M701**[1]	EpCAM × CD3	YBODY®	BsAb	Mono	Malignant ascites							**Domestic:** CT Tianqing **Overseas:** YZY Bio	NDA accepted in May 2026/ subject to review by regulatory authorities
					Malignant pleural effusion								First patient enrolled for Phase II portion of Phase Ib/II in March 2024
Y332	VEGF × TGF-β	Nano-YBODY	BsAb	Mono	Solid tumors							Global	Completed Phase I doseescalation study
Y400[2]	VEGF × ANG2	Nano-YBODY	BsAb	Mono	wAMD、DME and other ocular neovascularization related diseases							Global ***Shenzhen Kangzhe Vision and CMS R&D***	Commenced Phase II in October 2024
Y225	FIXa × FX	—	BsAb	Mono	Hemophilia								Obtained IND approval in December 2025, and expected to complete the Phase I in 2027
Y232	TL1A × X	Check-BODY	BsAb	Mono	Inammatory bowel disease							Global	Currently in the cell line development stage
Y180	MHC-II	Fc fusion protein	LAG3-Fc fusion protein	Combination therapy	Pan-solid tumour								Currently in the preclinical process development stage

★ **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 with Kangzhe.

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

BUSINESS REVIEW

As of the date of this report, the Company has made significant progress in the development of 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 fluid in the abdominal or chest cavity of cancer patients.

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

In June 2026, the M701 sequence patent was granted in Japan.

In July 2026, the M701 formulation patent was granted in China.

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

  In May 2026, the NMPA accepted the NDA of M701 for the treatment of MA.

  Phase III data show that M701 has demonstrated good safety and significant potential in controlling MA in patients. The primary results of the Phase III study have been selected for an oral presentation at the American Society of Clinical Oncology (ASCO) 2026 Annual Meeting.

- **MPE:** We are conducting a Phase Ib/II clinical trial of M701 for the treatment of MPE in China, with a total of 92 patients enrolled.

  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 presented as a poster at the American Society of Clinical Oncology (ASCO) 2026 Annual Meeting.

As of the date of this report, following the acceptance of the NDA application of M701 for the treatment of MA, it is awaiting review. The submission of EOP2 for the treatment of MPE is awaiting feedback from CDE.

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 certain 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 and completed such trial in February 2025. A total of 18 subjects were enrolled in the trial. Preliminary evaluation results demonstrate that Y332 has favourable overall safety profile. We are continuing to explore the feasibility of Y332 in combination with chemotherapy or ADCs for the treatment of specific tumour types.

Y400

As a testament to our R&D 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 the 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 report, Y400 has 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 has been enrolled in the Phase II trial.

Y225

Y225 is a biosimilar of Emicizumab for the treatment of hemophilia. Y225 has completed registration and production and IND submission, and has obtained clinical approval. We submitted a patent application for the Y225 formulation to the China National Intellectual Property Administration, and such patent has been granted.

Currently, we are initiating a Phase I clinical trial and a process change study. We expect to complete the enrollment and administration of Phase I clinical trial, and initiate a production validation for process change by the end of 2026.

Y232

Y232 is an antibody for the treatment of inflammatory bowel disease targeting TL1A, which can inhibit the inflammatory signaling pathway to effectively alleviate the occurrence and development of inflammation. It is currently in negotiation with an external party for joint development of mAbs oral preparation.

Y180

Y180 is a soluble LAG-3-Fc fusion protein developed for anti-tumor immunotherapy. It specifically binds to HLA class II molecules on the surface of antigen-presenting cells (APC), thereby promoting APC activation, antigen presentation, and T-cell immune priming, which in turn enhances anti-tumor immune responses. Based on its APC immune-amplification mechanism, Y180 has the potential to be developed in combination with PD-1/PD-L1 inhibitors, radiotherapy/chemotherapy, ADC, and other therapies.

This project is currently in the stage of pre-clinical process development.

After a comprehensive assessment of clinical needs, market environment and competitive landscape of drug candidates, we have decided to temporarily terminate the clinical R&D of the drug candidate, Y101D, in the pipeline as a combination therapy for the treatment of pancreatic cancer. This aims to efficiently allocate our R&D resources and focus on the most promising drug candidates in the pipeline.

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, Y332, Y225, Y232 and Y180 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 report, we maintain a pilot plant of approximately 1,400 square meters to support the pre-clinical studies for a majority of our drug candidates.

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 the manufacturing process of our drug candidates, and CMOs/CDMOs are responsible for the manufacturing.

Commercialization

We plan to promote the commercialization of our Core Products through 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 2026, the promotion of domestic registration and 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 domestic registration of M701 for the treatment of MA, promote overseas cooperative development of M701, and continue to promote Phase II clinical trials of M701 for the treatment of MPE; (ii) complete clinical enrolment and dosing for the Phase I clinical trial of Y225 in the PRC; (iii) further develop our pre-clinical drug candidates, with an aim to advance additional new drug candidates into clinical development.

FINANCIAL REVIEW

Revenue

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

License fee income

The license fee income is mainly due to a licensing and collaboration agreement entered into by and between the Company and CT Tianqing. During the six months ended June 30, 2026, the Group recognised revenue of RMB24.2 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 licensing 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, 2026, the Company recognized R&D service income of RMB8.9 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 periods indicated:

	Six months ended June 30,			
	2026		2025	
	RMB'000	%	RMB'000	%
License fee income	24,227	73.1	4,717	12.7
R&D service income	8,916	26.9	32,470	87.3
Total	33,143	100.0	37,187	100.0

Management Discussion and Analysis

Other Income

During the Reporting Period, our other income comprised of: (i) government grants and (ii) bank interest income.

Government grants included grants received from various PRC government authorities mainly including various incentives for the Group's R&D 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.

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

	Six months ended June 30			
	2026		2025	
	RMB'000	%	RMB'000	%
Government grants	2,631	91.2	7,171	93.3
Bank interest income	255	8.8	502	6.5
Others	–	–	11	0.2
Total	2,886	100.0	7,684	100.0

Our other income decreased by RMB4.8 million from RMB7.7 million for the Corresponding Period to RMB2.9 million for the Reporting Period, primarily due to a decrease in government grants of RMB4.6 million, as the "life health industrial development fund" we received from local government during the Reporting Period was RMB5.0 million lower than the Corresponding Period.

Other Gains and Losses

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

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

	Six months ended June 30,			
	2026		2025	
	RMB'000	%	RMB'000	%
Loss on disposal of property and equipment	(89)	6.7	(15)	(3.2)
Foreign exchange (losses) gains	(1,040)	78.1	486	103.2
Others	(203)	15.2	–	–
Total	(1,332)	100.0	471	100.0

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

We recorded other losses of RMB1.3 million for the Reporting Period, compared with other gains of RMB0.5 million for the Corresponding Period, mainly due to the increase in foreign exchange loss of RMB1.5 million in the first half of 2026 as compared with the Corresponding Period, resulting from exchange fluctuations of HK dollar.

R&D Expenses

During the Reporting Period, our R&D expenses comprised of (i) technical service fees, (ii) raw materials costs, (iii) employee benefit expenses, (iv) depreciation and amortization expenses and (v) others. Technical service fees mainly relate 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 consisted primarily of expenses for procuring materials and consumables used to support our preclinical studies and clinical trials. Employee benefit expenses comprised of wages and salaries, bonuses and other employee benefits for R&D personnel. Depreciation and amortization expenses mainly represented the depreciation and amortization of our right-of-use assets, property and equipment for R&D purposes. Others mainly included general expenses including utilities, traveling and transportation expenses and other miscellaneous expenses incurred for R&D purposes.

The following table sets forth a breakdown by activities of our R&D expenses in absolute amount and as percentages of our total R&D expenses for the periods indicated:

	Six months ended June 30,			
	2026		2025	
	RMB'000	**%**	RMB'000	%
Technical service fees	**6,708**	**38.1**	42,844	71.2
Raw material costs	**1,194**	**6.8**	5,032	8.4
Employee benefit expenses	**5,645**	**32.1**	7,877	13.1
Depreciation and amortization expenses	**1,334**	**7.6**	1,968	3.3
Others	**2,700**	**15.4**	2,465	4.0
Total	**17,581**	**100.0**	60,186	100.0

Our R&D expenses were RMB17.6 million for the Reporting Period, representing a decrease of RMB42.6 million as compared to RMB60.2 million for the Corresponding Period, mainly due to the combined effect of (i) a decrease of RMB36.1 million in technical service fees as compared to that of the Corresponding Period, (ii) a decrease of RMB3.8 million in raw material costs as compared to that of the Corresponding Period, (iii) a decrease of RMB2.2 million in employee benefit expenses as compared to that of the Corresponding Period, and (iv) a decrease of RMB0.6 million in depreciation and amortization expenses as compared to that of the Corresponding Period.

Administrative Expenses

During the Reporting Period, our administrative expenses comprised 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 personnel. 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 comprised of transportation expenses. Others mainly included short-term lease expenses, utility fees, traveling expenses, office consumables, and other miscellaneous expenses.

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

	Six months ended June 30,			
	2026		2025	
	RMB'000	%	RMB'000	%
Employee benefits expenses	8,496	63.4	4,854	40.2
Professional parties' fees	2,642	19.7	2,968	24.6
Depreciation and amortization expenses	481	3.6	403	3.3
Business development fees	173	1.3	365	3.0
Freight and miscellaneous fees	32	0.2	491	4.1
Others	1,585	11.8	3,007	24.8
Total	13,409	100.0	12,088	100.0

Our administrative expenses were RMB13.4 million for the Reporting Period, which remained relatively stable as compared to RMB12.1 million for the Corresponding Period. The increase in employee benefits expenses was primarily attributable to the increase in social insurance contribution bases in accordance with local compliance requirements, together with one-off severance payments arising from personnel optimization during the Reporting Period.

Finance Costs

Our finance costs primarily represented our interest expenses on bank and other borrowings. Our finance costs were RMB2.1 million for the Reporting Period, representing a decrease of RMB0.3 million as compared to RMB2.4 million for the Corresponding Period, mainly due to a decrease in 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 RMB6.3 million for the Reporting Period, representing a decrease of RMB52.5 million as compared to RMB58.8 million for the Corresponding Period. This was mainly attributable to (i) a decrease of RMB21.6 million in cost of revenue compared with that of the Corresponding Period during the Reporting Period; and (ii) a decrease of RMB42.6 million in R&D expenses during the Reporting Period compared with that of the Corresponding Period. The decrease of these two expenses resulted in a decrease in losses and total comprehensive expenses during the Reporting Period compared with that of the Corresponding Period.

Liquidity and Capital Resources

Our primary sources of liquidity comprised 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 advancing the development of our drug candidates toward regulatory approvals and commencing commercialization, as well as expanding our drug candidate portfolio.

As of June 30, 2026, our cash and cash equivalents decreased to RMB76.0 million from RMB100.1 million as of December 31, 2025. The decrease was primarily attributable to the loss from continuing operations during the Reporting Period.

As of June 30, 2026, we had current assets of RMB130.6 million, including cash and cash equivalents of RMB76.0 million, trade and other receivables and prepayments of RMB49.6 million, value-added tax recoverable of RMB2.6 million and inventories of RMB2.4 million. As of June 30, 2026, we had current liabilities of RMB235.6 million, including bank borrowings of RMB138.6 million, trade and other payables of RMB33.4 million, advance from transfer agreement of RMB39.5 million, contract liabilities of RMB19.8 million, deferred income of RMB0.2 million and other current liabilities of RMB4.0 million.

For the Reporting Period, our net cash used in operating activities was RMB26.6 million (the Corresponding Period: our net cash from operating activities was RMB12.2 million), which was primarily attributable to our loss before tax of RMB6.3 million, adjusted for non-cash and non-operating items. Positive adjustments primarily included (i) depreciation of property and equipment of RMB1.7 million, (ii) equity-settled share-based payment expenses of RMB0.7 million, (iii) finance costs of RMB2.1 million, and (iv) net exchange losses of RMB1.0 million. Negative adjustments mainly included (i) an increase of RMB24.1 million in trade and other receivables and prepayments, (ii) a decrease of RMB0.9 million in inventories, and (iii) a decrease of RMB7.3 million in trade and other payables and contract liabilities.

For the Reporting Period, our net cash used in investing activities was RMB5.2 million (the Corresponding Period: our net cash from investing activities of RMB0.3 million). Such cash outflow was mainly due to cash outflows of RMB5.4 million for the purchase of property and equipment, which was partially offset by cash inflows of RMB0.2 million from bank interest income.

For the Reporting Period, our net cash from financing activities was RMB8.8 million (the Corresponding Period: our net cash from financing activities was RMB26.9 million). Such cash inflow was due to the new bank borrowing raised of RMB85.0 million, which was partially offset by cash outflow mainly in relation to the repayment of bank borrowings of RMB73.9 million and interest payments on borrowings of RMB2.1 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, 2026, the carrying amounts of the bank borrowings were mainly repayable within one year.

Indebtedness

As of June 30, 2026, we had bank borrowings of RMB138.6 million, consisting of secured bank loans of RMB80.6 million and unsecured bank loans of RMB58.0 million. Our bank borrowings increased from RMB127.5 million as of December 31, 2025 to RMB138.6 million as of June 30, 2026, in relation to additional loans we obtained from banks as our working capital. As of June 30, 2026, we had unutilized banking facilities of RMB191.4 million.

As of June 30, 2026, we had lease liabilities of RMB0.025 million, as compared to RMB0.3 million as of December 31, 2025.

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. As of June 30, 2026, the Group had negative total equity, therefore, the gearing ratio is not applicable.

Significant Investments Held

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

Material Acquisitions and/or Disposals of Subsidiaries, Associates and Joint Ventures

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 report, 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, 2026, we did not have any contingent liabilities. As of the date of this report, there have been no material changes or arrangements to our contingent liabilities.

Capital Commitments

As of June 30, 2026, we did not have any significant capital commitments.

Charges on Group Assets

As of June 30, 2026, certain of our bank borrowings were secured by our property and equipment, right-of-use assets and investment properties with carrying amount of RMB4.1 million, RMB0 million, and RMB0.4 million as of the same date.

Foreign Exchange Exposure

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

Employee Remuneration and Relations

As of June 30, 2026, the Group had a total of 68 employees comprising 50 employees in R&D and 18 employees in general and administrative functions.

We are committed to ensuring safe working conditions across our operations and ensuring 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 insurance schemes, 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 R&D 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 (the "**Wuhan Caizhi Employee Incentive Scheme**") and the Caizhi No. 2 employee incentive scheme (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 granted under the Employee Incentive Schemes (the "**Award(s)**") entitles 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 are therefore not subject to the provisions of Chapter 17 of the Listing Rules. As of the date of this report, Wuhan Caizhi and Caizhi No. 2, in aggregate, directly hold 28,413,118 H Shares (representing approximately 14.66% of the total issued share capital of the Company as of the date of this report), 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 report, there are no other significant events that might affect our Group since June 30, 2026.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

Save as disclosed below, as at June 30, 2026, no other Directors, Supervisors and chief executive of the Company had any interests and/or short positions in the Shares, underlying Shares and debentures of the Company and any interests and/or short positions in shares, underlying shares or debentures of any of the Company's associated corporations (within the meaning of Part XV of the SFO) which (i) 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/or short positions which they are taken or deemed to have under such provisions of the SFO), (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange:

Name of Director, Supervisor or Chief Executive of the Company	Nature of Interest	Description of the Shares[6]	Number of Shares Held or Interested	Approximate percentage of interest in the Company[1]	Approximate percentage of interest in the Unlisted Shares/H Shares (as appropriate)[1][6]
Dr. Yuan Qian[2][3][4]	Beneficial owner; interest held jointly with other persons; interest in controlled corporations	H Shares	55,604,905	28.68%	30.98% *(H Shares)*
Dr. Zhou Pengfei[2][3][4]	Beneficial owner; interest held jointly with other persons; interest in controlled corporations	H Shares	55,604,905	28.68%	30.98% *(H Shares)*
Dr. Zhou Hongfeng[2][3][4]	Beneficial owner; interest held jointly with other persons; Interest of spouse	H Shares	55,604,905	28.68%	30.98% *(H Shares)*
Wen Zhicheng (溫植成)[5]	Interest in controlled corporations	H Shares	16,882,009	8.71%	9.41% *(H Shares)*

Notes:

(1) The calculation is based on the total number of 14,370,087 Unlisted Shares and 179,479,113 H Shares in issue as at June 30, 2026. All interests stated are long positions.

(2) Pursuant to the concert party agreement dated June 30, 2018 ("**Concert Party Agreement**") and supplemental concert party agreements dated October 26, 2020 and June 2, 2023 entered into by Dr. Yuan Qian, Dr. Zhou Hongfeng, Dr. Zhou Pengfei and Wuhan Caizhi (each an "**AIC Party**", collectively, "**AIC Parties**"), the AIC Parties agreed (i) to act in concert by way of reaching consensus on proposals related to the Group's daily management and operation presented to all general meetings and Board meetings of the Company; and (ii) that when no consensus can be reached, the AIC Parties shall vote in concurrence with Dr. Yuan Qian on the proposals, or, in the event of Dr. Yuan Qian's absence from voting, the AIC Parties shall vote in concurrence with the AIC Party with the highest shareholding percentage among the AIC Parties who votes at the meetings. As a result, each of the AIC Parties was deemed to be interested in all the Shares in which each of them is interested under the SFO.

(3) Among the shares held by Dr. Zhou Hongfeng, 1,342,600 H Shares were held by Ms. Huang Lin (黃琳), the spouse of Dr. Zhou Hongfeng. By virtue of the SFO, Dr. Zhou Hongfeng was deemed to be interested in the 1,342,600 H Shares held by Ms. Huang Lin.

(4) Wuhan Caizhi was owned as to approximately 50.76% by Huiyou Jucai as its largest limited partner and was managed by Wuhan Caizhi Technology Co. Ltd. (武漢才智科技有限責任公司) as the executive partner. Wuhan Caizhi Technology Co. Ltd. was owned as to 67% by Dr. Yuan Qian and as to 33% by Dr. Zhou Hongfeng. Huiyou Jucai was owned as to approximately 49.95% by Dr. Zhou Pengfei and was managed by Dr. Zhou Pengfei as the general partner. As a result, Dr. Yuan Qian, through Wuhan Caizhi Technology Co. Ltd., and Dr. Zhou Pengfei, through Huiyou Jucai, were each deemed to be interested in the 16,792,707 H Shares held by Wuhan Caizhi under the SFO.

(5) (i) Nanning Yaoyou Business Consulting Partnership (Limited Partnership) (南寧曜友商務諮詢合夥企業(有限合夥)) ("**Nanning Yaoyou**") was the general partner of Nanning Huiyou Xingyao Equity Investment Fund Partnership (Limited Partnership) (南寧匯友興曜股權投資基金合夥企業(有限合夥)) ("**Huiyou Xingyao**"). Tongde Qianyuan (Beijing) Investment Management Co., Ltd. (同德乾元(北京)投資管理有限公司) ("**Tongde Qianyuan**") was the general partner of Nanning Yaoyou, and Tongde Qianyuan was owned as to approximately 72.38% by Wen Zhicheng; (ii) Beijing Tongde Tongxin Investment Center (Limited Partnership) (北京同德同鑫投資中心(有限合夥)) ("**Tongde Tongxin**") was the general partner of Nanning Zhongheng Tongde Pharmaceutical Industry Investment Fund Partnership (Limited Partnership) (南寧中恒同德醫藥產業投資基金合夥企業(有限合夥)) ("**Zhongheng Tongde**"), and Tongde Qianyuan was the general partner of Tongde Tongxin; and (iii) Gongqingcheng Yaoyou Investment Center (Limited Partnership) (共青城曜友投資中心(有限合夥)) ("**Gongqingcheng Yaoyou**") was the general partner of Gongqingcheng Huiyou Xingyao Phase II Equity Investment Partnership (Limited Partnership) (共青城匯友興曜二期股權投資合夥企業(有限合夥)) ("**Gongqingcheng Huiyou**"), and Tongde Qianyuan was the general partner of Gongqingcheng Yaoyou. As a result, Wen Zhicheng was deemed to be interested in (i) the 10,142,797 H Shares held by Huiyou Xingyao, (ii) the 3,700,872 H Shares held by Zhongheng Tongde, and (iii) the 3,038,340 H Shares held by Gongqingcheng Huiyou under the SFO.

(6) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of the Company, and are considered as one class of Shares.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at June 30, 2026, the following persons (other than the Directors, Supervisors or chief executive of the Company as disclosed above) had interests and/or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, and which would be recorded in the register required to be kept under Section 336 of the SFO, or, who are, directly or indirectly interested in 5% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of Shareholders	Nature of Interest	Description of the Shares[12]	Number of Shares Held or Interested	Approximate percentage of interest in the Company[1]	Approximate percentage of interest in the Unlisted Shares/H Shares (as appropriate)[1][12]
Wuhan Caizhi[2][3]	Beneficial owner; interest held jointly with other persons	H Shares	55,604,905	28.68%	30.98% *(H Shares)*
Wuhan Caizhi Technology Co. Ltd. (武漢才智科技有限責任公司)[2][4]	Interest in controlled corporations	H Shares	55,604,905	28.68%	30.98% *(H Shares)*
Huiyou Jucai[2][5]	Interest in controlled corporations	H Shares	55,604,905	28.68%	30.98% *(H Shares)*
CSPC NBP Pharmaceutical Co., Ltd. (石藥集團恩必普藥業有限公司) ("**CSPC-NBP**")[6]	Beneficial owner	H Shares	51,241,785	26.43%	28.55% *(H Shares)*
CSPC Pharmaceutical Group Limited (石藥集團有限公司) ("**CSPC**")[6]	Interest in controlled corporation	H Shares	51,241,785	26.43%	28.55% *(H Shares)*
Dragon Merit Holdings Limited[6]	Interest in controlled corporation	H Shares	51,241,785	26.43%	28.55% *(H Shares)*
Robust Sun Holdings Limited[6]	Interest in controlled corporation	H Shares	51,241,785	26.43%	28.55% *(H Shares)*

Name of Shareholders	Nature of Interest	Description of the Shares[12]	Number of Shares Held or Interested	Approximate percentage of interest in the Company[1]	Approximate percentage of interest in the Unlisted Shares/H Shares (as appropriate)[1][12]
Caizhi No. 2	Beneficial owner	H Shares	11,620,411	5.99%	6.47% *(H Shares)*
Tongde Qianyuan[7]	Interest in controlled corporation	H Shares	16,882,009	8.71%	9.41% *(H Shares)*
Huiyou Xingyao[7]	Beneficial owner	H Shares	10,142,797	5.23%	5.65% *(H Shares)*
Nanning Yaoyou[7]	Interest in controlled corporation	H Shares	10,142,797	5.23%	5.65% *(H Shares)*
Dr. Guo Hongwei[8]	Beneficial owner	Unlisted Shares	370,087	0.19%	2.58% *(Unlisted Shares)*
	Interest in controlled corporations	H Shares	13,181,137	6.80%	7.34% *(H Shares)*
Wuhan Optics Valley New Technology Industry Investment Co., Ltd (武漢光谷新技術產業投資有限公司) ("**Guanggu New Technology**")[9]	Beneficial owner	Unlisted Shares	7,000,000	3.61%	48.71% *(Unlisted Shares)*
Wuhan Hi-Tech Holding Group Co., Ltd. (武漢高科國有控股集團有限公司) ("**Wuhan Hi-Tech**")[9]	Interest in controlled corporation	Unlisted Shares	7,000,000	3.61%	48.71% *(Unlisted Shares)*
Wuhan Optics Valley Health Industry Investment Ltd. (武漢光谷健康產業投資有限公司) ("**Guanggu Health**")[10]	Beneficial owner	Unlisted Shares	5,600,000	2.89%	38.97% *(Unlisted Shares)*
		H Shares	2,686,000	1.39%	1.50% *(H Shares)*

Name of Shareholders	Nature of Interest	Description of the Shares(12)	Number of Shares Held or Interested	Approximate percentage of interest in the Company(1)	Approximate percentage of interest in the Unlisted Shares/H Shares (as appropriate)(1)(12)
Hubei Science and Technology Investment Group Co, Ltd. (湖北省科技投資集團有限公司)	Interest in controlled corporation	Unlisted Shares	7,000,000	3.61%	48.71% *(Unlisted Shares)*
("**Hubei Science & Technology Investment**")(10)(11)		H Shares	2,686,000	1.39%	1.50% *(H Shares)*
Wuhan East Lake New Technology Development Zone Management Committee (武漢東湖新技術開發區	Interest in controlled corporations	Unlisted Shares	14,000,000	7.22%	97.42% *(Unlisted Shares)*
管理委員會) ("**East Lake Management Committee**")(9)(10)(11)		H Shares	2,686,000	1.39%	1.50% *(H Shares)*

Notes:

(1) The calculation is based on the total number of 14,370,087 Unlisted Shares and 179,479,113 H Shares in issue as at June 30, 2026. All interests stated are long positions.

(2) Pursuant to the Concert Party Agreement and supplemental concert party agreements dated October 26, 2020 and June 2, 2023 entered into by Dr. Yuan Qian, Dr. Zhou Hongfeng, Dr. Zhou Pengfei and Wuhan Caizhi, the AIC Parties agreed (i) to act in concert by way of reaching consensus on proposals related to the Group's daily management and operation presented to all general meetings and Board meetings of the Company; and (ii) that when no consensus can be reached, the AIC Parties shall vote in concurrence with Dr. Yuan Qian on the proposals, or, in the event of Dr. Yuan Qian's absence from voting, the AIC Parties shall vote in concurrence with the AIC Party with the highest shareholding percentage among the AIC Parties who votes at the meetings. As a result, each of the AIC Parties was deemed to be interested in all the Shares in which each of them is interested under the SFO.

(3) Among the shares held by Dr. Zhou Hongfeng, 1,342,600 H Shares were held by Ms. Huang Lin (黃琳), the spouse of Dr. Zhou Hongfeng. By virtue of the SFO, Dr. Zhou Hongfeng was deemed to be interested in the 1,342,600 H Shares held by Ms. Huang Lin.

(4) Wuhan Caizhi Technology Co. Ltd. (武漢才智科技有限責任公司) was owned as to 67% by Dr. Yuan Qian and as to 33% by Dr. Zhou Hongfeng, which was the executive partner of Wuhan Caizhi and able to exercise the voting rights held by Wuhan Caizhi in the Company pursuant to the Concert Party Agreement. As a result, Wuhan Caizhi Technology Co. Ltd. was deemed to be interested in, through Wuhan Caizhi (one of the AIC Parties), all the Shares in which each of the AIC Parties is interested under the SFO.

(5) Wuhan Caizhi was owned as to approximately 50.76% by Huiyou Jucai as its largest limited partner and was managed by Wuhan Caizhi Technology Co. Ltd. (武漢才智科技有限責任公司) as the executive partner. Huiyou Jucai was owned as to approximately 49.95% by Dr. Zhou Pengfei and was managed by Dr. Zhou Pengfei as the general partner. As a result, Huiyou Jucai was deemed to be interested in, through Wuhan Caizhi (one of the AIC Parties), all the Shares in which each of the AIC Parties is interested under the SFO.

(6) CSPC-NBP was owned as to 54.06% and 45.94% by CSPC and Dragon Merit Holdings Limited, respectively; and Dragon Merit Holdings Limited was owned as to 100.00% by Robust Sun Holdings Limited, which was wholly owned by CSPC. As a result, each of CSPC, Dragon Merit Holdings Limited and Robust Sun Holdings Limited was deemed to be interested in the 51,241,785 H Shares held by CSPC-NBP under the SFO.

(7) (i) Nanning Yaoyou was the general partner of Huiyou Xingyao, Tongde Qianyuan was the general partner of Nanning Yaoyou, Tongde Qianyuan was owned as to approximately 72.38% by Wen Zhicheng; (ii) Beijing Tongde Tongxin Investment Center (Limited Partnership) (北京同德同鑫投資中心(有限合夥)) ("**Tongde Tongxin**") was the general partner of Nanning Zhongheng Tongde Pharmaceutical Industry Investment Fund Partnership (Limited Partnership) (南寧中恒同德醫藥產業投資基金合夥企業(有限合夥)) ("**Zhongheng Tongde**"), Tongde Qianyuan was the general partner of Tongde Tongxin; and (iii) Gongqingcheng Yaoyou was the general partner of Gongqingcheng Huiyou, Tongde Qianyuan was the general partner of Gongqingcheng Yaoyou. As a result, each of Tongde Qianyuan and Wen Zhicheng was deemed to be interested in (i) the 10,142,797 H Shares held by Huiyou Xingyao, (ii) the 3,700,872 H Shares held by Zhongheng Tongde, and (iii) the 3,038,340 H Shares held by Gongqingcheng Huiyou under the SFO.

(8) (i) Nanning Yaoyou was the executive partner of Huiyou Xingyao, and Dr. Guo Hongwei was the largest limited partner of Nanning Yaoyou with the limited partnership interests of 60.00%; and (ii) Gongqingcheng Yaoyou was the executive partner of Gongqingcheng Huiyou, and Dr. Guo Hongwei was the largest limited partner of Gongqingcheng Yaoyou with the limited partnership interests of 60.00%. As a result, Dr. Guo Hongwei was deemed to be interested in (i) the 10,142,797 H Shares held by Huiyou Xingyao and (ii) the 3,038,340 H Shares held by Gongqingcheng Huiyou under the SFO.

(9) Guanggu New Technology was owned as to approximately 99.5% by Wuhan Hi-Tech, which was in turn wholly owned by the state-owned East Lake Management Committee. As a result, each of Wuhan Hi-Tech and East Lake Management Committee was deemed to be interested in the 7,000,000 Unlisted Shares held by Guanggu New Technology under the SFO.

(10) Guanggu Health was wholly owned by Hubei Science & Technology Investment, which was in turn wholly owned by the state-owned East Lake Management Committee. As a result, each of Hubei Science & Technology Investment and East Lake Management Committee was deemed to be interested in the 2,686,000 H Shares and 5,600,000 Unlisted Shares held by Guanggu Health under the SFO.

(11) Wuhan Optics Valley Growth Venture Capital Fund Co., Ltd (武漢光谷成長創業投資基金有限公司) ("**Guanggu Growth**") was owned as to approximately 100.00% by Wuhan Optics Valley Venture Technology Investment Co., Ltd. (武漢光谷創業科技投資有限公司) ("**Guanggu Venture**"). Guanggu Venture was owned as to 100.00% by Wuhan Optics Valley Financial Holding Group Co., Ltd. (武漢光谷金融控股集團有限公司) ("**Guanggu Financial Holding Group**"). Guanggu Financial Holding Group was owned as to approximately 50.96% by Hubei Science & Technology Investment, which was in turn wholly owned by the state-owned East Lake Management Committee. As a result, each of Hubei Science & Technology Investment and East Lake Management Committee was deemed to be interested in the 14,000,000 Unlisted Shares held by Guanggu Growth under the SFO.

(12) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of the Company, and are considered as one class of Shares.

Save as disclosed above, the Directors are not aware of any person who had an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, and which would be recorded in the register required to be kept under Section 336 of the SFO, or, who are, directly or indirectly interested in 5% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "2024 H Share Option Plan" below, no arrangement has been made by the Company, its holding company, or any of its subsidiaries for any Director or Supervisor to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate during the Reporting Period.

2024 H SHARE OPTION PLAN

At the annual general meeting of the Company ("**Annual General Meeting**") held on June 27, 2024 ("**Adoption Date**"), the Company adopted a share option plan ("**2024 H Share Option Plan**" or "**Plan**") in accordance with Chapter 17 of the Listing Rules.

A summary of the principal terms of the Share Option Scheme is recapped below.

Purposes: The purposes of the 2024 H Share Option Plan are:

(a) to recognize and acknowledge the contributions that Eligible Participants have or may have made or may make to the Group;

(b) to enhance Eligible Participants' motivation and loyalty, thereby promoting long-term corporate development and increasing shareholder value; and

(c) to establish a sound mechanism for sharing interests and bearing risks among employees, Shareholders, and the Company.

Duration: Subject to any early termination as determined by the Board in accordance with the Plan rules, the 2024 H Share Option Plan shall be valid and effective for a period of ten (10) years commencing from the Effective Date, after which no further Option shall be granted under the 2024 H Share Option Plan but the provisions of the 2024 H Share Option Plan shall remain in full force and effect in all other respects. In particular, all Options granted during the term of the 2024 H Share Option Plan shall continue to be valid and shall be administered in accordance with the 2024 H Share Option Plan and the relevant Grant Letter.

As at the date of this interim report, the 2024 H Share Option Plan had a remaining life of approximately seven years and nine months.

Eligible Participants: Eligible Participants as determined by the Board or the Administrator from time to time shall be eligible to participate under the 2024 H Share Option Plan and shall comprise two categories:

(a) employee participants, being director(s) (including executive director(s), non-executive director(s) and independent non-executive director(s)) and employee(s) (whether full-time or part-time) of any member of the Group, including any person who is granted Options under the 2024 H Share Option Plan as an inducement to enter into employment contracts with any member of the Group (the "**Employee Participants**"); and

(b) service providers, being any person (natural person or corporate entity) who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long-term growth of the Group, and falls into any of the following categories (excluding any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) (the "**Service Provider Participants**"):

(i) Contractors and suppliers

This category refers to (1) contractors that undertake sub-contracting work for the Group's research and development, manufacturing and innovation upgrading; (2) suppliers of raw materials, parts and components for the Group's production requirements; and (3) dealers, distributors or sales channels who provide distribution and promotion services which are in the interests of long-term growth of the Group.

(ii) Consultants and advisers

This category refers to independent consultants and advisers who provide advisory services, consultancy services, and/or other professional services to any member of the Group in connection with the research and development, manufacturing or commercialization of the Group's products, or in areas relating to the Group's principal business activities that are being carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial or strategic perspective and help maintain or enhance the competitiveness of the Group by way of introducing new business opportunities and/or applying their specialized skills and/or knowledge in the abovementioned fields.

In determining the eligibility of an Eligible Participant, the Board or the Administrator may take into account various factors that it in its sole and absolute discretion considers relevant in assessing his/her contribution to the long-term development and growth of the Group.

Overall Mandate Limit: Subject to the limit refreshment and separate approval of the Shareholders as stipulated in the Plan rules, assuming that the total issued share capital of the Company remains unchanged on the date of the Annual General Meeting (i) the total number of H Shares which may be issued in respect of all options and awards to be granted under all Share Plans, shall not exceed 19,384,800 H Shares, representing approximately 10.0% of the Shares in issue as at the Adoption Date; and (ii) within the Plan Mandate Limit, the total number of H Shares which may be issued in respect of all options and awards to be granted under all Share Plans to Service Provider Participants, shall not exceed 1,938,400 H Shares, representing approximately 1.0% of the Shares in issue as at the Adoption Date.

Individual Limit:

Where any grant of Options to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards under all Share Plans granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of all Share Plans) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue (excluding any treasury shares of the Company) as at the date of such grant, such grant shall be subject to certain requirements as stipulated in the Plan rules (including separate approval of the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if such Eligible Participant is a connected person of the Company) abstaining from voting).

Any grant of Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates under the 2024 H Share Option Plan shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of such Options).

Where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted under all Share Plans (excluding any options and awards lapsed in accordance with the terms of all Share Plans) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares of the Company) as at the date of such grant, such further grant of Options shall be subject to certain requirements as stipulated in the Plan rules (including separate approval of the Shareholders in a general meeting with such grantee and their associates and all core connected persons of the Company to abstain from voting).

Vesting Period:

The Board or the Administrator may subject to all applicable laws, rules and regulations determine vesting periods for vesting of the Options in its sole and absolute discretion. The vesting period of the Options shall not be less than twelve (12) months, save and except that Options to be granted to an Employee Participant may be subject to a vesting period of less than twelve (12) months (or no vesting period) in the following circumstances:

(a) grants of "make-whole" Options to a new joiner to replace the Options he forfeited when leaving his/her previous employers;

(b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;

(c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;

(d) grants that are made in batches during a year for administrative and compliance reasons. They may include Options that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which the Options would have been granted; and

(e) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months.

Exercise Period: The Board or the Administrator may in its sole and absolute discretion determine the Exercise Period of the Options, but in all circumstances the Exercise Period shall not be more than ten (10) years from the Grant Date.

Exercise Price: The Exercise Price of the Options shall be at least the highest of:

(a) the closing price of the H Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date;

(b) the average closing prices of the H Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Grant Date; and

(c) the nominal value of the H Share.

MOVEMENT OF THE OPTIONS GRANTED

Details of movement of the Options granted under the H Share Option Plan during the six months ended June 30, 2026 were as follows:

Category of grantees	Outstanding as at January 1, 2026	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2026	Date of grant	Vesting period	Exercise period	Exercise Price (HK$)
Employees	1,250,000	–	–	–	–	1,250,000	May 27, 2025	Till February 1, 2029[1]	Ten years from the date of grant	4.23 per H Share[2]

Notes:

(1) These Options will be vested in four tranches as follows: 25% on each of February 1, 2026, February 1, 2027, February 1, 2028 and February 1, 2029. For details, please refer to the announcement of the Company dated May 27, 2025.

(2) Representing the highest of (i) the closing price of the H Shares as stated in the Stock Exchange's daily quotations sheet on the grant date, being HK$4.23; (ii) the average closing prices of the H Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the grant date, being HK$4.226; and (iii) the nominal value of the H Share. Closing price of the H Shares immediately before the date of grant (i.e. May 26, 2025) is HK$4.23 per H Share.

For details of the fair value of outstanding Options at the date of grant, please refer to Note 22 to the condensed consolidated financial statements.

As at January 1, 2026, the number of options available for grant under the scheme mandate limit and service provider sublimit of the 2024 H Share Option Plan was 18,134,800 H Shares and 1,938,400 H Shares, respectively.

As no share option was granted under the 2024 H Share Option Plan during the Reporting Period, the number of Shares that may be issued in respect of options and awards granted during the Reporting Period divided by the weighted average number of Shares of the relevant class in issue (excluding any treasury shares) for the Reporting Period is therefore not applicable.

As at June 30, 2026, the number of options available for grant under the scheme mandate limit and service provider sublimit of the 2024 H Share Option Plan was 18,134,800 H Shares and 1,938,400 H Shares, respectively.

As at June 30, 2026, 1,250,000 H Shares are issuable under the options granted under the 2024 H Share Option Plan, representing approximately 0.64% of the issued Shares as at the date of this interim report.

As at the date of this interim report, 18,134,800 H Shares are available for issue under the 2024 H Share Option Plan, representing 9.36% of the issued Share under the 2024 H Share Option Plan.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds received by the Company from the Global Offering and the partial exercise of the Over-allotment Option (after deducting the underwriting fees and related listing expenses) amounted to approximately RMB124.4 million, which has been fully utilized as at June 30, 2026.

The net proceeds have been utilized in accordance with the purposes set out in the Prospectus. The table below sets out the planned applications of the net proceeds and actual usage as of the date of this interim report and any discrepancies in this table between the total and sums of amounts are due to rounding.

Use of Proceeds		**Allocation of Net Proceeds** (RMB in million)	**Utilized Amount (as of June 30, 2026)** (RMB in million)	**Unutilized Amount (as of June 30, 2026)** (RMB in million)	**Expected Timeline for Full Utilization of the Unutilized Net Proceeds**
For planned clinical trials, preparation for registration filings, and the planned commercial launch (including sales and marketing activities) of M701	80%	99.5	99.5	0	N/A(1)
For planned clinical trials of Y101D	12%	14.9	14.9	0	N/A(2)
For working capital and general corporate purposes	8%	10.0	10.0	0	N/A(3)
	100%	124.4	124.4	0	

Notes:

(1) The net proceeds allocated for planned clinical trials, preparation for registration filings, and commercial launch of M701 were fully utilized in October 2024 in line with the previously disclosed timeline.

(2) The net proceeds allocated for planned clinical trials of Y101D were fully utilized in January 2025.

(3) The net proceeds allocated for working capital and general corporate purposes were fully utilized in July 2024 in line with the previously disclosed timeline.

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 (including sale of treasury shares).

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

CONVERTIBLE BONDS

During the Reporting Period, the Group did not issue any convertible bonds.

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, 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 officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Dr. Zhou Pengfei currently performs these two roles. 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 chairman 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 chairman 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 and Supervisors (including Dr. Shi Jian who retired as an employee representative Supervisor with effect from May 15, 2026) 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 IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY

During the Reporting Period and as at the date of this interim report, save as disclosed below, there were no material changes in the Directors', Supervisors' and chief executive's information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

(i) Dr. Zhou Pengfei has ceased to be the general manager of our subsidiary, namely, Nanjing Youbodi Biotechnology Co., Ltd (南京友博迪生物技術有限公司) with effect from April 1, 2026.

(ii) Ms. Fu Lili has ceased to serve as an independent director of Zhejiang Nandu Power Co., Ltd. (浙江南都電源動力股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 300068) with effect from May 19, 2026.

(iii) Ms. Xiao Ying has ceased to be a supervisor of our subsidiary, namely, Nanjing Youbodi Biotechnology Co., Ltd (南京友博迪生物技術有限公司) with effect from April 1, 2026.

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 report, 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.

INTERIM DIVIDENDS

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

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 28, 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2026

	NOTES	Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue	4	**33,143**	37,187
Cost of revenue		**(7,887)**	(29,518)
Gross profit		**25,256**	7,669
Other income	6	**2,886**	7,684
Other gains and losses	7	**(1,332)**	471
Research and development expenses		**(17,581)**	(60,186)
Administrative expenses		**(13,409)**	(12,088)
Finance costs	8	**(2,080)**	(2,384)
Loss before tax	9	**(6,260)**	(58,834)
Income tax expense	10	**–**	–
Loss for the period		**(6,260)**	(58,834)
Loss per share			
— Basic and diluted (RMB)	11	**(0.03)**	(0.30)

Condensed Consolidated Statement of Financial Position

At June 30, 2026

	NOTES	At June 30, 2026 RMB'000 (unaudited)	At December 31, 2025 RMB'000 (audited)
Non-current Assets			
Property and equipment	13	**35,201**	34,166
Right-of-use assets	13	**7,581**	7,870
Investment properties		**382**	404
Value added tax recoverable		**544**	544
Prepayment for acquisition of property and equipment		**2,725**	123
		46,433	43,107
Current Assets			
Inventories	14	**2,382**	3,285
Trade and other receivables and prepayments	15	**49,616**	25,553
Value added tax recoverable		**2,610**	2,997
Bank balances and cash		**75,997**	100,065
		130,605	131,900
Current Liabilities			
Trade and other payables	16	**33,415**	45,063
Bank borrowings	17	**138,620**	100,005
Contract liabilities	18	**19,800**	15,480
Lease liabilities		**25**	253
Deferred income	19	**240**	240
Advance from transfer agreement	20	**39,495**	39,495
Other current liabilities		**4,000**	–
		235,595	200,536
Net Current Liabilities		**(104,990)**	(68,636)
Total Assets Less Current Liabilities		**(58,557)**	(25,529)

Condensed Consolidated Statement of Financial Position

At June 30, 2026

	NOTES	At June 30, 2026 RMB'000 (unaudited)	At December 31, 2025 RMB'000 (audited)
Non-current Liabilities			
Bank borrowings	17	–	27,500
		–	27,500
Net Liabilities		(58,557)	(53,029)
Capital and Reserves			
Share capital	21	193,849	193,849
Reserves		(252,406)	(246,878)
Total Deficits		(58,557)	(53,029)

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026

	Share capital *RMB'000*	Share premium *RMB'000*	Share-based payment reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
At January 1, 2026 (audited)	**193,849**	**345,009**	**3,232**	**(595,119)**	**(53,029)**
Loss and total comprehensive expenses for the period (unaudited)	**–**	**–**	**–**	**(6,260)**	**(6,260)**
Recognition of equity-settled share-based payment (note 22) (unaudited)	**–**	**–**	**732**	**–**	**732**
At June 30, 2026 (unaudited)	**193,849**	**345,009**	**3,964**	**(601,379)**	**(58,557)**
At January 1, 2025 (audited)	193,849	345,009	2,064	(510,387)	30,535
Loss and total comprehensive expenses for the period (unaudited)	–	–	–	(58,834)	(58,834)
Recognition of equity-settled share-based payment (note 22) (unaudited)	–	–	854	–	854
At June 30, 2025 (unaudited)	193,849	345,009	2,918	(569,221)	(27,445)

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026

	Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	**(26,634)**	12,203
INVESTING ACTIVITIES		
Interest received from banks	**255**	502
Purchase of property and equipment	**(5,412)**	(211)
Net cash (used in) from investing activities	**(5,157)**	291
FINANCING ACTIVITIES		
New bank borrowing raised	**85,000**	69,900
Repayment of bank borrowings	**(73,885)**	(40,410)
Payments of lease liabilities	**(228)**	(179)
Interest paid on borrowings	**(2,079)**	(2,377)
Interest paid on lease liabilities	**(1)**	(7)
Net cash from financing activities	**8,807**	26,927
Effect of foreign exchange rate changes	**(1,084)**	486
Net (decrease) increase in cash and cash equivalents	**(24,068)**	39,907
Cash and cash equivalents at the beginning of the period	**100,065**	126,275
Cash and cash equivalents at the end of the period	**75,997**	166,182

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 ophthalmologic diseases.

The condensed consolidated financial statements for the six months ended June 30, 2026 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, 2026 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, 2026, the Group has net current liabilities of RMB104,990,000, net liabilities of RMB58,557,000 and the Group's accumulated losses has increased to RMB601,379,000 after recognising RMB6,260,000 loss and total comprehensive expenses attributable to owners of the Company for the six months ended June 30, 2026. 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, 2026, which include, but not limited to, the following:

(a) The Group has been actively negotiating with banks for extension of banking facilities. At the date of the announcement, the Group has obtained aggregate banking facilities of RMB330,000,000 from reputable banks in the PRC, and as at June 30, 2026, the unutilised committed bank facilities are RMB191,380,000;

(b) The Group has entered into a transfer agreement on January 23, 2026 to dispose certain leasehold land and building of the Group and additional cash will be realised from the disposal;

(c) The Group has been actively advancing the research and development progress to receive development milestone payments from the licensing 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) which entered in October 2024 as disclosed in note 4; and

(d) The Group has planned or implemented various measures to control administrative costs and research and development costs, such as further reprioritisation of pipelines and containment of employee costs.

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 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, 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a 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, 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11

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,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Types of goods or services		
Recognised at a point in time		
License fee income	**24,227**	4,717
Recognised over time		
R&D service income	**8,916**	32,470
	33,143	37,187

4. REVENUE (continued)

In October 2024, the Group entered into a licence 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 licence and collaboration agreement comprise fixed element (i.e. the first non-refundable upfront payment and payments for the 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 rights.

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, 2026, the Group recognised a total revenue of RMB24,227,000 in relation to the grant of a right to use the license for the achievement of development milestone (six months ended June 30, 2025: RMB4,717,000), 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 updates 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 intellectual property 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).

4. REVENUE (continued)

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 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 the 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 represent the Group's obligation to provide 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 whether 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 will recognise revenue 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,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
PRC	**33,143**	37,187

Non-current assets

	At	At
	June 30,	December 31,
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
PRC	**46,433**	43,107

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,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Customer A	**33,143**	37,187

6. OTHER INCOME

	Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Government grants (note)	**2,631**	7,171
Bank interest income	**255**	502
Others	**–**	11
	2,886	7,684

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, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Loss on disposal of property and equipment	**(89)**	(15)
Foreign exchange (losses) gains	**(1,040)**	486
Others	**(203)**	–
	(1,332)	471

8. FINANCE COSTS

	Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Interest expenses on bank and other borrowings	**2,079**	2,377
Interest expenses on lease liabilities	**1**	7
	2,080	2,384

9. LOSS BEFORE TAX

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

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss before tax for the period has been arrived at after charging:		
Directors' and supervisors' emoluments	**2,651**	1,936
Other staff costs:		
— salaries and other allowances	**8,930**	10,927
— discretionary bonuses (note)	**492**	1,882
— retirement benefit scheme contributions	**1,914**	1,656
— share-based payments	**732**	854
Total staff costs	**14,719**	17,255
Depreciation of property and equipment	**1,686**	2,063
Depreciation of right-of-use assets	**289**	286
Depreciation of investment properties	**22**	22
Total depreciation	**1,997**	2,371
Cost of inventories recognized as an expense	**1,194**	5,032

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,	
	2026	2025
	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, 2026, the Group has unrecognized tax losses of approximately RMB1,348,617,000 (December 31, 2025: RMB1,330,530,000). As at June 30, 2026, the Group has deductible temporary differences of approximately RMB26,158,000 (December 31, 2025: RMB28,181,000). 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,	
	2026	2025
	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)	**(6,260)**	(58,834)
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)	**(0.03)**	(0.30)

The computation of basic and diluted loss per share for the six months ended June 30, 2026 did not consider the Post-IPO Share Option Scheme as disclosed in note 22 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, 2026 as there was no potential ordinary shares in issue for the six months ended June 30, 2026.

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, 2025: Nil).

13. PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group disposed of certain equipment and furniture and fixture with an aggregate carrying amount of RMB89,000 (six months ended June 30, 2025: RMB15,000) resulting in a loss on disposal of RMB89,000 (six months ended June 30, 2025: RMB15,000).

In addition, during the current interim period, the Group incurred RMB319,000 (six months ended June 30, 2025: RMB118,000) for acquisitions of equipment and furniture and fixture.

As at June 30, 2026, the Group's lease liabilities of RMB25,000 (year ended December 31, 2025: RMB253,000) are recognised with related right-of-use assets of RMB34,000 (year ended December 31, 2025: RMB216,000), respectively.

14. INVENTORIES

	At June 30, 2026 ***RMB'000*** **(unaudited)**	At December 31, 2025 *RMB'000* (audited)
Materials for research and development project	**2,382**	3,285

15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	At June 30, 2026 ***RMB'000*** **(unaudited)**	At December 31, 2025 *RMB'000* (audited)
Prepayments for research and development services (note)	**9,604**	13,372
Trade receivables from licence and collaboration agreement	**39,612**	11,600
Advance to staff	**–**	400
Others	**400**	181
	49,616	25,553

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

15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (continued)

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, 2026	At December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0–90 days	**39,612**	11,600

16. TRADE AND OTHER PAYABLES

	At June 30, 2026	At December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade payables for research and development expenses	**662**	4,499
Accrued research and development expenses	**25,086**	30,937
Other payables to government (note)	**3,600**	3,600
Accrued staff costs and benefits	**2,833**	4,701
Accrued audit fee	**950**	900
Other tax payables	**248**	398
Others	**36**	28
	33,415	45,063

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, 2025 and June 30, 2026. 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.

16. TRADE AND OTHER PAYABLES (continued)

The following is an aging analysis of trade payables presented based on the invoice dates:

	At June 30, 2026 RMB'000 (unaudited)	At December 31, 2025 RMB'000 (audited)
0–30 days	41	2,757
31–90 days	39	548
91–180 days	74	112
181–365 days	29	361
Over 365 days	479	721
	662	4,499

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

	At June 30, 2026 RMB'000 (unaudited)	At December 31, 2025 RMB'000 (audited)
United States dollars ("**US$**")	27	28
Swiss Franc ("**CHF**")	842	885
	869	913

17. BANK BORROWINGS

During the current interim period, the Group obtained new bank loans amounting to RMB85,000,000 (six months ended June 30, 2025: RMB69,900,000). The loans of RMB105,620,000 (six months ended June 30, 2025: RMB100,005,000) carry interest at fixed market rates ranging from 3.0% to 3.5% (six months ended June 30, 2025: 2.5% to 3.4%) per annum and are repayable within two months to one years. The loans of RMB33,000,000 (six months ended June 30, 2025: Nil) carried a variable-rate interest rate of Loan Prime Rate ("**LPR**") plus a margin per annum, which are repayable within one year. The proceeds were used to finance the research and development activities.

New bank loans of RMB60,000,000 (six months ended June 30, 2025: RMB60,000,000) were unsecured, unguaranteed. New bank loans of RMB25,000,000 (six months ended June 30, 2025: RMB9,900,000) were secured, unguaranteed, such loan were secured with the Group's patent rights of drug candidate, property and equipment, right-of-use assets, and investment properties.

18. CONTRACT LIABILITIES

	At June 30, 2026	At December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Contract liabilities		
— from licence and collaboration agreement	**19,800**	15,480

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

19. DEFERRED INCOME

	At June 30, 2026	At December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Subsidies related to research and development activities (note)	**240**	240

Note: Subsidies are in relation to research and development activities of the Group and the Company. The subsidies can be regarded as fully granted until certain conditions are fulfilled. As at December 31, 2025 and June 30, 2026, the relevant conditions have not been fully fulfilled and therefore the government subsidies were classified as deferred income. Such deferred income is categorized as current liabilities because the fulfilment date are reasonably estimated within one year.

20. ADVANCE FROM TRANSFER AGREEMENT

	At June 30, 2026 *RMB'000* **(unaudited)**	At December 31, 2025 *RMB'000* (audited)
Upfront fee received from transfer agreement	**39,495**	39,495

In July 2022, the Company entered into an agreement with an independent third party (the "**Transferee**") (the "**Agreement**") to transfer all of the rights and assets relating to one of its drug candidates (the "**Transfer**").

The Company is entitled to a fixed upfront fee amounting to USD5,000,000 for the Transfer and a fixed milestone fee amounting to USD1,000,000 when the Transferee get an approval for clinical trial of the drug candidate from the National Medical Products Administration of the People's Republic of China (the "**NMPA**"). On April 27, 2023, the Transferee received an approval for drug clinical trials from NMPA, and settled the milestone fee with the Company in June 2023. The Transferee settled the upfront fee and milestone fee in October 2022 and June 2023, respectively.

According to the Agreement, the upfront fee and the milestone fee will be required to refund upon the condition, which is not possible to predict the possibility of occurrence, and the upfront fee and the milestone fee were recognised as advance from transfer agreement and classified as current liabilities.

In April 2024, the Company entered into a supplemental agreement (the "**Supplemental agreement**") with the Transferee and a subsidiary of the Transferee. Pursuant to the Supplemental agreement, all rights and assets relating to the drug candidate in Mainland China, Hong Kong Special Administrative Region, Macao Special Administrative Region was transferred to the Transferee, while rights and assets relating to the drug candidate in other territories of the world was transferred to the subsidiary of the Transferee. In addition, the total amount of received upfront fee and milestone fee (collectively referred as the "**Upfront Fee**") was modified from USD6,000,000 to RMB39,495,000 (excluding Value added tax). The Upfront Fee amounting to RMB35,115,000 and RMB6,752,000 (including Value added tax) should be paid by the Transferee and the subsidiary of the Transferee respectively, since the Transferee already paid RMB40,843,000, the Company should refund RMB5,728,000 to the Transferee. In June 2024, the Company refunded RMB5,728,000 to the Transferee. Meanwhile, the Company declared output VAT on the advance from the transfer agreement. In July 2025, the Upfront Fee of RMB6,752,000 was received from the subsidiary of the Transferee.

21. SHARE CAPITAL

Share capital as at December 31, 2025 and June 30, 2026 represented the issued share capital of the Company.

Share capital

	Number of shares	Nominal value of shares *RMB'000*
Authorized and issued		
At December 31, 2025 (audited) and June 30, 2026 (unaudited)	193,849,200	193,849

22. SHARE-BASED PAYMENT TRANSACTIONS

RS plan under Caizhi I RS Scheme

The Company adopted equity incentive plan ("**ESOP Plan**") in order to provide incentives to employees and directors to promote the success of the business of the Group.

To implement the ESOP plan, the founders of the Company established an employee stock ownership platform, namely Caizhi in August 2015, to hold the Company's paid-in capital of RMB16,500,000, which was transferred from the founders. Upon exercise of the options, eligible employees and directors shall subscribe for partnership interest of Caizhi at a consideration price ranges from RMB0.8 to RMB6.36 for RMB1 registered capital and indirectly hold the equity interests of the Company. In August 2021, the Company terminated the ESOP Plan and all the share options granted. The share options which account for RMB3,285,000 of the Company's paid-in capital, have been exercised in Caizhi before termination.

As a replacement for the ESOP Plan, the Company has formulated restricted shares scheme ("**Caizhi I RS Scheme**"). To implement Caizhi I RS Scheme, another two employee stock ownership platforms, namely Nanjing Huiyou Jucai Enterprise Management Partnership (Limited Partnership) ("**Huiyou Jucai**") and Nanjing Huiyou Juzhi Enterprise Management Partnership (Limited Partnership) ("**Huiyou Juzhi**") were established in August 2021. On the date of establishment, Caizhi transferred the Company's paid-in capital of RMB8,375,000 and RMB4,840,000 to Huiyou Jucai and Huiyou Juzhi respectively, and the Company's paid-in capital of RMB3,285,000 were retained in Caizhi.

Under the Caizhi I RS Scheme, eligible employees and directors shall subscribe for partnership interest of Huiyou Jucai and Huiyou Juzhi at a consideration price ranges from RMB1.58 to RMB6.36 for RMB1 registered capital and indirectly hold the incentive shares of the Company.

The RS issued under Caizhi I RS Scheme have been vested upon issuance in August 2021.

From issue date to January 31, 2024, several granted employees terminated their employments with the Company and transferred the partnership interests of Huiyou Juzhi which representing 550,000 ordinary shares of the par value of RMB1 each in the share capital of the Company to Dr. Zhou Pengfei, the general partner of Huiyou Juzhi, at the original grant price.

22. SHARE-BASED PAYMENT TRANSACTIONS (continued)

RS plan under Caizhi I RS Scheme (continued)

In February 2024, 275,000 RSs in Huiyou Juzhi were granted to certain selected employees who make contribution to the development of the Company with the price of RMB6.36 each share, 25% of RSs granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

In June 2025, 39,375 RSs in Huiyou Jucai and 820,000 RSs in Huiyou Juzhi were granted to certain selected employees who make contribution to the development of the Company with the price of RMB6.36 each share, 25% of RSs granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

The directors of the Group determined the fair values of the RSs at the grant date based on the market trading price of the share with reference to valuation reports carried out by AVISTA Valuation Advisory Limited ("**AVISTA**"), an independent qualified valuer. During the six months ended June 30, 2026, amount of RMB48,000 share-based payment expenses has been recognised by the Company (six months ended June 30, 2025: RMB71,000), related to the Caizhi I RS scheme.

RS plan under Caizhi II Enterprise Management

In August 2021, Mr. Yuan Qian and Mr. Zhou Hongfeng, two of the founders and investors who entered into investment agreements with the Company in December 2020 ("**Series A investors**") of the Company established an employee stock ownership platform, namely Nanjing Caizhi No. 2 Enterprise Management Partnership (Limited Partnership) ("**Caizhi II**") to hold the Company's paid-in capital of RMB11,418,000, to implement RS scheme ("**Caizhi II RS Scheme**").

Under the Caizhi II RS Scheme, eligible employees and directors shall subscribe for partnership interest of Caizhi II at a consideration of RMB6.36 for RMB1.00 registered capital and indirectly hold the incentive shares of the Company.

All restricted shares issued under Caizhi II RS Scheme have been vested upon issuance in August 2021.

From issue date to January 31, 2024, one granted employee terminated his employment with the Company and transferred the 575,000 RSs back to Caizhi II at the original grant price.

In February 2024, 575,000 RSs in Caizhi II were granted to certain selected employees who make contribution to the development of the Company with the price of RMB6.36 each share, 25% of RSs granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

In June 2025, 1,000,000 RSs in Caizhi II were granted to certain selected employees who make contribution to the development of the Company with the price of RMB6.36 each share, 25% of RSs granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

The directors of the Company determined the fair values of the RSs at the grant date based on the market trading price of the share with reference to valuation reports carried out by AVISTA. During the six months ended June 30, 2026, amount of RMB54,000 share-based payment expenses has been recognised by the Company (six months ended June 30, 2025: RMB367,000), related to the Caizhi II RS scheme.

22. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Share Option Scheme

In May 2025, 3,550,000 share options were granted to certain selected employees who make contribution to the development of the Company with the exercise price of HK$4.23 each share. 25% share options are vested on February 1, of 2026, 2027, 2028 and 2029 respectively with performance targets requirement.

The following table disclose movements of the Company's share options:

Date of grant	Exercise price HK$	Vesting date	Expiry date	Number of share options: Outstanding at January 1, 2026	Granted during the period	Forfeited during the period	Outstanding at June 30, 2026
May 27, 2025	4.23	February 1, 2026	May 27, 2035	312,500	–	–	312,500
May 27, 2025	4.23	February 1, 2027	May 27, 2035	312,500	–	–	312,500
May 27, 2025	4.23	February 1, 2028	May 27, 2035	312,500	–	–	312,500
May 27, 2025	4.23	February 1, 2029	May 27, 2035	312,500	–	–	312,500
				1,250,000	–	–	1,250,000
Exercisable at the end of the period							1,250,000
Weighted average exercise price (HK$)				4.23	4.23	4.23	4.23

The directors of the Company determined the fair values of the share options at the grant date based on the market trading price of the share with reference to valuation reports carried out by AVISTA. During the six months ended June 30, 2026, RMB630,000 share-based payment expenses has been recognised by the Company (six months ended 30 June 2025: RMB416,000), related to the share options.

The estimated fair value of the share options granted on May 27, 2025 was RMB7,398,000. The closing price of the Company's shares immediately before May 27, 2025, the date of grant, was HK$4.23. The share options outstanding at June 30, 2026 had a weighted average remaining contractual life of 9 years.

23. CAPITAL COMMITMENT

	At June 30, 2026 ***RMB'000*** **(unaudited)**	At December 31, 2025 *RMB'000* (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements:		
— Property and equipment	**3,103**	18

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

There is no Group's financial assets and financial liabilities are measured at fair value at the six months ended of June 30, 2026 and the year ended December 31, 2025. The directors of the Company consider that the carrying amounts of the Group's financial assets and financial liabilities recorded at amortized cost in the condensed consolidated financial statements, however, approximate their fair values.

25. RELATED PARTY BALANCES AND TRANSACTIONS

The Group has the following transactions and balances with the related parties during the period.

(a) Related party transactions

During the six months ended June 30, 2026 and June 30, 2025, the Group has no transactions with related parties.

(b) Related party balances

As at June 30, 2026 and December 31, 2025, the Group has no outstanding balances with related parties.

(c) Compensation of key management personnel

The remuneration of the directors of the Company and other members of key management of the Group during the period were as follows:

	Six months ended June 30,	
	2026 ***RMB'000*** **(unaudited)**	2025 *RMB'000* (unaudited)
Salaries and other benefits	**2,012**	3,300
Discretionary bonuses	**447**	36
Retirement benefit scheme contributions	**153**	142
Share-based payments	**632**	354
	3,244	3,832