友芝友生物製藥

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

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

(Stock code: 2496)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the "**Board**") of directors (the "**Directors**") of Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司) (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2024 (the "**Reporting Period**"), together with the comparative figures for the year ended December 31, 2023 (the "**Corresponding Period**"). The consolidated financial statements of the Group for the Reporting Period have been reviewed by the Board and the Audit Committee and audited by the Company's auditor.

In this announcement, "we", "us" and "our" refer to the Company and where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments or have been rounded to one or two decimal places, as appropriate. Any discrepancies in any table, chart or elsewhere totals and sums of amounts listed therein are due to rounding.

FINANCIAL SUMMARY

	Year ended December 31,			
	2024	2023	2022	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**107,813**	–	–	–
Cost of revenue	**(22,744)**	–	–	–
Gross profit	**85,069**	–	–	–
Other income	**11,096**	13,014	2,560	12,798
Other gains and losses	**1,892**	(334)	671	716
Research and development expenses	**(164,986)**	(155,054)	(157,329)	(112,893)
Administrative expenses	**(26,592)**	(22,311)	(20,525)	(31,497)
Listing expenses	**–**	(24,629)	(11,775)	(2,670)
Finance costs	**(4,078)**	(2,388)	(2,468)	(14,972)
Loss before tax	**(97,599)**	(191,702)	(188,866)	(148,518)
Loss for the year	**(97,599)**	(191,702)	(188,866)	(148,518)

	As of December 31,			
	2024	2023	2022	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets	**46,508**	51,523	63,885	74,517
Current assets	**221,335**	250,101	238,957	125,638
Non-current liability	**51,172**	150	–	83
Current liabilities	**186,136**	173,820	146,960	56,908
Net assets	**30,535**	127,654	155,882	143,164

OVERVIEW

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

PRODUCT PIPELINE

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

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

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

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

Notes:

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

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

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

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

BUSINESS REVIEW

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

M701

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

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

  In February 2024, the Phase III clinical trial of M701 for the treatment of MA was approved by Center for Drug Evaluation (CDE).

  In March 2024, the first patient was successfully dosed in the Phase III clinical trial of M701 for the treatment of MA.

  In June 2024, the interim analysis data on Phase II clinical trial of M701 in treatment for MA was published at the 2024 American Society of Clinical Oncology (ASCO) Annual Meeting and the Company's website, which demonstrates good preliminary efficacy and safety of M701.

  In December 2024, the final analysis data on Phase II clinical trial of M701 for the treatment of MA was published as an oral report at the ESMO-ASIA Congress 2024 and the Company's website, which demonstrates good efficacy and safety of M701.

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

  In March 2024, the first patient was successfully dosed in the Phase II clinical trial.

  In September 2024, the Phase Ib interim data was published at the European Society for Medical Oncology (ESMO) Congress 2024 and the Company's website, which demonstrates good efficacy and safety of M701.

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

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

Y101D

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

- **Pancreatic cancer:** We are conducting a Phase Ib/II clinical trial of Y101D in combination therapy for the treatment of advanced/metastatic pancreatic cancer. We completed the Phase Ib portion and commenced the Phase II portion of this Phase Ib/II trial in June 2023. We completed patient enrollment for the Phase II portion in October 2023. We expect to complete this Phase Ib/II trial in the second quarter of 2025.

  As of the date of this announcement, we have completed enrollment and follow-up of all patients in Phase II and are in the process of data cleansing and pooled data analysis for efficacy and safety.

- **HCC and other advanced solid tumors:** Based on commercialization considerations, we have decided to terminate the development of Y101D in combination with bevacizumab for the treatment of hepatocellular carcinoma (HCC) and other advanced solid tumors. We are conducting data cleaning and closure work at relevant clinical trial centers.

Y332

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

As of February 2025, we have completed the Phase I clinical trial of Y332, with a total of 18 patients enrolled, and the safety of the drug has been preliminarily evaluated and the overall safety of the drug is currently good. We are evaluating the feasibility of developing Y332 in combination with chemotherapy for the treatment of digestive tract tumors through preclinical studies.

Y400

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

Y225

Y225 is a biosimilar of Emicizumab for the treatment of hemophilia. Y225 has completed the cell lines selection and confirmation, process development, formulation confirmation, and preliminary subcutaneous irritability and pharmacokinetic studies in cynomolgus monkeys and the scale-up confirmation of 50L process, technological transfer, toxicological batch production and GMP batch drug substance production.

Y232

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

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

Manufacturing Facilities and Collaboration with CMOs/CDMOs

As of the date of this announcement, we maintain a manufacturing base of approximately 1,400 square meters with a scale of 500L (two 200L bioreactors and two 50L bioreactors) and a maximum annual production of 20-24 batches with single bioreactor to accommodate the manufacturing demands for our pre-clinical studies and earlier phases of clinical trials for a majority of our drug candidates, including M701, Y332, and our pre-clinical candidates. In 2024, we have completed process characterization and process validation of 3 batches of production in respect of M701, as well as technological transfer of Y225, and the technological development or transfer have been conducting for project Y400 and multiple other 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 and sample manufacture of other projects for clinical trials, and those projects require larger production volumes. We are responsible for the development of manufacturing process of our drug candidates, and CMOs/CDMOs are responsible for the manufacturing.

Commercialization

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

FUTURE DEVELOPMENT

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

FINANCIAL REVIEW

Revenue

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

License fee income

The license fee income is mainly due to a license and collaboration agreement entered into by and between the Company and CT Tianqing, and the Company recognized revenue of RMB82.8 million when the customer obtained control of the use of the intellectual property rights during the year ended December 31, 2024.

R&D Service Income

R&D service income is mainly based on the license and collaboration agreement entered into by and between the Company and CT Tianqing, for which the Company provides entrusted R&D services. During the year ended December 31, 2024, the Company recognized R&D service income of RMB25.0 million on a progressive basis based on the relative proportion of effort or input to satisfy the performance obligation and the total input expected to be required to satisfy the performance obligation.

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

	Year ended December 31,			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
License fee income	**82,795**	**76.8**	–	–
R&D service income	**25,018**	**23.2**	–	–
Total	**107,813**	**100.0**	–	–

Other Income

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

Government grants included grants received from various PRC government authorities mainly in connection with the enterprise development support and subsidies which had certain conditions imposed by the respective PRC government authorities. The relevant conditions have been fully met upon recognition. Bank interest income included interest from bank deposits. Others included other miscellaneous non-operating income.

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

	Year ended December 31,			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
Government grants	**8,508**	**76.7**	11,944	92.0
Bank interest income	**2,566**	**23.1**	1,047	7.9
Others	**22**	**0.2**	23	0.1
Total	**11,096**	**100.0**	13,014	100.0

Our other income decreased from RMB13.0 million for the Corresponding Period to RMB11.1 million for the Reporting Period, primarily due to a decrease in government grants of RMB3.4 million, as a result of a decrease in the life health industrial development fund that we received from local governments in 2024 compared with that of the Corresponding Period.

Other Gains and Losses

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

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

	Year ended December 31,			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
Loss on disposal of property and equipment	**(67)**	**(3.5)**	(23)	(6.9)
Gain on termination of lease agreement	**7**	**0.3**	–	–
Gain from changes in fair value of financial assets at FVTPL	–	–	1,608	481.4
Net foreign exchange gains (losses)	**1,952**	**103.2**	(1,919)	(574.6)
Total	**1,892**	**100.0**	(334)	(100.0)

Loss on disposal of property and equipment represented our loss from disposing of certain assets. Net foreign exchange gains (losses) refer to net gains or losses arising from foreign currency transactions or translation of foreign currency statements due to changes in exchange rates during the Reporting Period.

We recorded other gains of RMB1.9 million for the Reporting Period, as compared to other losses of RMB0.3 million for the Corresponding Period, primarily due to the combined effects of (i) the incurrence of net foreign exchange gains of RMB2.0 million in 2024 resulting from exchange rate fluctuations of Hong Kong dollar foreign currencies held by the Company; and (ii) a decrease in gain from changes in fair value of financial assets at FVTPL of RMB1.6 million as a result of our decreased investment in wealth management products and structured deposits in 2024.

Research and Development Expenses

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

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

	Year ended December 31,			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
Technical service fees	**115,117**	**69.8**	95,513	61.6
Raw material costs	**17,322**	**10.5**	20,310	13.1
Employee benefit expenses	**20,993**	**12.7**	27,206	17.5
Depreciation and amortization expenses	**5,070**	**3.1**	5,744	3.7
Others	**6,484**	**3.9**	6,281	4.1
Total	**164,986**	**100.0**	155,054	100.0

Our research and development expenses increased from RMB155.1 million for the Corresponding Period to RMB165.0 million for the Reporting Period. The increase was mainly due to the increase in costs incurred in the Phase III clinical trial of M701 for MA and the Phase II clinical trial for MA compared with that of the Corresponding Period. The increase was partially offset by the completion of the Phase Ib/II clinical trial of Y101D and the decrease in expenses incurred during the Reporting Period.

Administrative Expenses

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

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

	Year ended December 31,			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
Employee benefits expenses	**10,340**	**38.9**	8,847	39.7
Professional parties' fees	**8,549**	**32.1**	4,956	22.2
Depreciation and amortization expenses	**1,357**	**5.1**	1,572	7.0
Business development fees	**953**	**3.6**	1,426	6.4
Freight and miscellaneous fees	**512**	**1.9**	795	3.6
Others	**4,881**	**18.4**	4,715	21.1
Total	**26,592**	**100.0**	22,311	100.0

Our administrative expenses were RMB26.6 million for the Reporting Period, which remained relatively stable as compared to RMB22.3 million for the Corresponding Period.

Finance Costs

Our finance costs primarily represented our interest expenses on bank and other borrowings. Our finance costs were RMB4.1 million for the Reporting Period, representing an increase of RMB1.7 million as compared to RMB2.4 million for the Corresponding Period, mainly due to an increase of RMB37.4 million in the principal amount of bank borrowings as compared to the Corresponding Period, resulting in an increase in interest expense on bank borrowings compared with that of the Corresponding Period.

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 RMB97.6 million for the Reporting Period, representing a decrease of RMB94.1 million as compared to RMB191.7 million for the Corresponding Period. This was mainly attributable to (i) an increase of RMB107.8 million in revenue; (ii) an increase of RMB22.7 million in cost of revenue compared with that of the Corresponding Period during the Reporting Period; and (iii) listing expenses of nil was recorded for the Reporting Period while approximately RMB24.6 million was recorded for the Corresponding Period. The net effect of these factors 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 consisted of cash and cash equivalents, which we have historically generated primarily through capital contributions from our shareholders, private equity financing and bank loans. We expect that our cash needs in the near future will primarily relate to progressing the development of our drug candidates towards receiving regulatory approval and commencing commercialization, as well as expanding our drug candidate portfolio.

As of December 31, 2024, our cash and cash equivalents decreased to RMB126.3 million from RMB196.7 million as of December 31, 2023. The decrease was primarily attributable to the increase in our research and development investment during the Reporting Period.

As of December 31, 2024, we had current assets of RMB221.3 million, including cash and cash equivalents of RMB126.3 million, prepayments, deposits and other receivables of RMB90.7 million and inventories of RMB4.3 million. As of December 31, 2024, we had current liabilities of RMB186.1 million, including bank borrowings of RMB75.8 million, trade and other payables of RMB49.4 million, advance from transfer agreement of RMB39.5 million, contract liabilities of RMB20.6 million, deferred income of RMB0.5 million and lease liabilities of RMB0.4 million.

For the Reporting Period, our net cash used in operating activities was RMB100.7 million (the Corresponding Period: RMB186.0 million), which was primarily attributable to our loss before tax of RMB97.6 million, adjusted for non-cash and non-operating items. Positive adjustments primarily included (i) an increase in contract liabilities of RMB20.6 million, (ii) an increase in trade and other payables of RMB7.0 million, (iii) depreciation of property and equipment of RMB5.9 million and (iv) a decrease in value added tax recoverable of RMB16.0 million. Negative adjustment mainly included (i) an increase in trade and other receivables and prepayments of RMB54.7 million, and (ii) bank interest income of RMB2.6 million.

For the Reporting Period, our net cash used in investing activities was RMB4.7 million (the Corresponding Period: net cash from investing activities of RMB54.8 million). Such cash outflow was mainly due to the cash outflow from refund of the transfer agreement of RMB5.7 million and purchase of property and equipment of RMB1.5 million, which was partially offset by cash inflow of RMB2.6 million from bank interest received.

For the Reporting Period, our net cash from financing activities was RMB33.0 million (the Corresponding Period: RMB176.3 million). Such cash inflow was due to the new bank borrowing raised of RMB129.4 million, which was partially offset by cash outflow mainly in relation to the repayment of bank borrowings of RMB92.0 million.

As part of our treasury management, we invest in certain structured deposits and wealth management products to better utilize excess cash when our cash sufficiently covers our ordinary course of business. We have implemented a series of internal control policies and rules setting forth overall principles as well as detailed approval process of our treasury management activities, to ensure that the purpose of investment is to preserve capital and liquidity until free cash is used in our primary business and operation. We only allow investments in structured deposits and other principal-guaranteed wealth management products, if any, which are issued by large commercial banks in the PRC.

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 December 31, 2024, the carrying amounts of the bank borrowings were mainly repayable within one to three years.

Indebtedness

As of December 31, 2024, we had bank borrowings of RMB126.9 million, consisting of secured bank loans of RMB76.9 million and unsecured bank loans of RMB50.0 million. Our bank borrowings increased from RMB89.5 million as of December 31, 2023 to RMB126.9 million as of December 31, 2024, in relation to additional loans we obtained from banks as our working capital. As of December 31, 2024, we had unutilized banking facilities of RMB90.0 million.

As of December 31, 2024, we had lease liabilities of RMB0.5 million, as compared to RMB0.6 million as of December 31, 2023.

Gearing Ratio

Gearing ratio represents liability divided by equity as of the same dates and multiplied by 100%. Liability is defined as short-term loan and lease liabilities. Our gearing ratio increased from 70.6% as of December 31, 2023 to 249.8% as of December 31, 2024, mainly due to a decrease in total owner's equity resulted from our losses and comprehensive expenses for the Reporting Period.

Significant Investments Held

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

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

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

Future Plans for Material Investments or Capital Assets

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

Contingent Liabilities

As of December 31, 2024, we did not have any contingent liabilities. As of the date of this announcement, there have been no material changes or arrangements to our contingent liabilities.

Capital Commitments

As of December 31, 2024, we did not have any significant capital commitments.

Charges on Group Assets

As of December 31, 2024, certain of our bank borrowings were secured by our property and equipment, right-of-use assets and investment properties with carrying amount of RMB5.5 million, RMB7.9 million, and RMB0.4 million as of the same date.

Foreign Exchange Exposure

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

Subsequent Events After the Reporting Period

As of the date of this announcement, there are no other significant events that might affect our Group since December 31, 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company has adopted the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules. During the Reporting Period, the Company has complied with the code provisions in the CG Code, except for code provision C.2.1 as explained below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Dr. Zhou Pengfei is the founder of the Group, the chairman of the Board and the chief executive officer of the Company who has been participating in the Group's business and overall strategic planning since its establishment. The Board believes that vesting the roles of both the 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

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules to regulate all dealings by Directors, Supervisors and relevant employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. The Company has 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 as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and Supervisors, and the Directors and Supervisors 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.

Employees and Remuneration Policies

As of December 31, 2024, the Group had a total of 113 employees with 88 employees for research and development and 25 employees for general and administrative function.

We are committed to making sure that working conditions throughout our business network are safe and that employees are treated with care and respect. We believe we offer our employees competitive compensation packages, reflecting our stakeholder-centric ethos which we believe leads to sustainable and durable growth. As required by PRC regulations, we participate in various government statutory employee benefit plans, including social insurances, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing funds. We are required under PRC laws 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 long-lasting self-motivation for our employees.

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

In recognition of the contributions of our employees and to incentivize them to further promote our development, the Company had adopted the Wuhan Caizhi Employee Incentive Scheme of Wuhan YZY Biopharma Co., Ltd. (the "**Wuhan Caizhi Employee Incentive Scheme**") and the Caizhi No. 2 Employee Incentive Scheme of Wuhan YZY Biopharma Co., Ltd. (the "**Caizhi No. 2 Employee Incentive Scheme**") (collectively, the "**Employee Incentive Schemes**"). An award under the Employee Incentive Schemes (the "**Award(s)**") gives a participant in the Employee Incentive Schemes a right when granted the Award to obtain partnership interest in the employee incentive platforms (namely, Wuhan Caizhi, Caizhi No. 2, Huiyou Jucai and Huiyou Juzhi) as a limited partner. The Employee Incentive Schemes do not involve any grant of share options or awards after the Listing and therefore are not subject to the provisions of Chapter 17 of the Listing Rules.

As of the date of this announcement, Wuhan Caizhi and Caizhi No. 2, in aggregate, directly hold 28,413,118 Shares (comprising of 22,602,913 Unlisted Shares and 5,810,205 H Shares) (representing approximately 14.66% of the total issued share capital of the Company as of December 31, 2024), while some of the participants indirectly hold 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 of the Prospectus.

Material Litigation

During the Reporting Period, the Company was not engaged in any material litigation or arbitration of material importance, and the Directors were not aware of any material litigation or claim pending or threatened against the Group.

Profit Distribution Plan/Final Dividends

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2024.

Significant Investments, Acquisitions and Disposals

During the Reporting Period, the Group did not have any significant investments (including any investment in an investee company with a value of 5 percent or more of the Group's total assets as of December 31, 2024), acquisitions or disposals.

Purchase, Sale or Redemption of the Listed Securities of the Company

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

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

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 audited consolidated annual results of the Group for the year ended December 31, 2024 and the accounting principles and practices adopted by the Group 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 audited consolidated annual results of the Group for the year ended December 31, 2024 are in compliance with the relevant accounting standards, laws and regulations and appropriate disclosure has been made.

Scope of Work for Annual Results Announcement by Auditor

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on March 28, 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER

The Company will arrange the time for convening the AGM as soon as practicable. A notice convening the AGM will be published on the Company's website and the website of the Hong Kong Stock Exchange or dispatched to the Shareholders (if requested) in accordance with the requirements of the Listing Rules in due course. Once the date of the AGM is finalized, the Company will announce the period of closure of register of members of the Company in the notice of the AGM.

Corporate communications will be available electronically on both the Company's website at **www.yzybio.com** and the HKEXnews website at **www.hkexnews.hk**. Actionable Corporate Communications will be sent to Shareholders individually via the email address provided by them or in printed form (if no functional email addresses are provided).

If the Shareholders want to change the means of receipt and language of corporate communications, they may send an email to **YZYBIO.ecom@computershare.com.hk** specifying their name, address and request to receive the corporate communications in printed form. Any instructions to receive future communications in printed form will remain valid for one year from the receipt date of the Shareholder's instruction.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

		Year ended December 31,	
	NOTES	**2024**	2023
		RMB'000	*RMB'000*
Revenue	*3*	**107,813**	–
Cost of revenue		**(22,744)**	–
Gross profit		**85,069**	–
Other income	*5*	**11,096**	13,014
Other gains and losses	*6*	**1,892**	(334)
Research and development expenses		**(164,986)**	(155,054)
Administrative expenses		**(26,592)**	(22,311)
Listing expenses		**–**	(24,629)
Finance costs	*7*	**(4,078)**	(2,388)
Loss before tax	*9*	**(97,599)**	(191,702)
Income tax expense	*8*	**–**	–
Loss and total comprehensive expense for the year		**(97,599)**	(191,702)
Loss per share			
– Basic (RMB)	*10*	**(0.50)**	(1.04)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	NOTES	At December 31, **2024**	2023
		RMB'000	*RMB'000*
Non-current Assets			
Property and equipment		**37,039**	41,549
Right-of-use assets		**8,375**	8,830
Investment properties		**448**	492
Value added tax recoverable		**511**	512
Prepayment for acquisition of property and equipment		**135**	140
		46,508	51,523
Current Assets			
Inventories		**4,260**	5,770
Trade and other receivables and prepayments	*12*	**90,718**	31,615
Value added tax recoverable		**82**	16,032
Cash and cash equivalents		**126,275**	196,684
		221,335	250,101
Current Liabilities			
Trade and other payables	*13*	**49,378**	42,373
Bank borrowings		**75,820**	89,500
Contract liabilities	*14*	**20,591**	–
Lease liabilities		**362**	464
Deferred income		**490**	640
Advance from transfer agreement		**39,495**	40,843
		186,136	173,820
Net Current Assets		**35,199**	76,281
Total Assets less Current Liabilities		**81,707**	127,804
Non-current Liabilities			
Bank borrowings		**51,080**	–
Lease liabilities		**92**	150
		51,172	150
Net Assets		**30,535**	127,654
Capital and Reserves			
Share capital		**193,849**	193,849
Reserves		**(163,314)**	(66,195)
Total Equity		**30,535**	127,654

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 PRC Company Law, 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 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 developing bispecific antibody (BsAb)-based targeted and immune-oncology therapies to address the significant unmet medical needs of patients with cancer and age-related opthalmologic diseases.

The consolidated financial statements are presented in RMB, which is also the functional currency of the Company and its subsidiaries.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards have been issued which are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after 1 January 2025.

[3] Effective for annual periods beginning on or after 1 January 2026.

[4] Effective for annual periods beginning on or after 1 January 2027.

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements.

Except for the IFRS 18, the directors of the Company anticipate that the application of these amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

3. 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:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Types of goods or services		
Recognised at a point in time		
License fee income	**82,795**	–
Recognised over time		
R&D service income	**25,018**	–
	107,813	–

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

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

License fee income

For the grant of a right to use the License, revenue is recognised at a point in time when the Group has granted the license to the customer and the customer obtains control on the usage of the license. During the year ended December 31, 2024, the Group recognised a total revenue of RMB82,795,000 in relation to the grant of a right to use the license, and the remaining fixed transaction price is allocated to the performance obligation of provision of R&D services and option to additional license of intellectual property right as stated below.

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

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

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

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

R&D services income

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

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

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

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

Option to additional license of intellectual property right

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

4. 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 Year ended December 31,		**Non-current Assets At December 31**	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
PRC	**107,813**	–	**46,508**	51,523

Information about the major customers

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

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Customer A	**107,813**	–

5. OTHER INCOME

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Government grants *(note)*	**8,508**	11,944
Bank interest income	**2,566**	1,047
Others	**22**	23
	11,096	13,014

Note: The amounts represent government grants received from various PRC government authorities as incentives for the Group's research and development activities. Unconditional government grants are recognised in profit and loss when received while conditional government grants are recognised in profit or loss when the Group fulfilled the conditions.

6. OTHER GAINS AND LOSSES

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Losses on disposal of property and equipment	**(67)**	(23)
Gain on termination of lease agreement	**7**	–
Gain from changes in fair value of financial assets at FVTPL	**–**	1,608
Net foreign exchange gains (losses)	**1,952**	(1,919)
	1,892	(334)

7. FINANCE COSTS

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Interest expenses on bank borrowings	**4,065**	2,340
Interest expenses on lease liabilities	**13**	48
	4,078	2,388

8. INCOME TAX EXPENSE

Pursuant to the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulations of the EIT Law, the applicable tax rate of the Company's subsidiaries is 25% for the years ended December 31, 2024 and 2023.

In November 2023, the Company has been accredited as a High and New Technology Enterprise and enjoys a preferential tax rate of 15% for a term of three years starting from 2023 to 2025. Accordingly, the profit derived by the Company is subject 15% EIT rate for the reporting period.

The tax charge for the years ended December 31, 2024 and 2023 can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive expenses as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Loss before tax	**(97,599)**	(191,702)
Income tax expense calculated at 15% (2023: 15%)	**(14,640)**	(28,755)
Tax effect of different tax rates of subsidiaries	**(43)**	(359)
Tax effect of expenses that are not deductible for tax purpose	**66**	307
Effect of research and development expenses that are additionally deducted	**(21,558)**	(14,567)
Tax effect of deductible temporary differences not recognised	**(824)**	2,715
Tax effect of tax losses not recognised	**36,999**	40,659
	–	–

Note: Pursuant to Caishui 2023 circular No. 7, the Group are entitled to claim 200% qualified research and development expenses incurred as tax deductible expenses when determining their assessable profit since January 1, 2023.

As at December 31, 2024, the Group has unrecognised tax losses of approximately RMB1,150,530,000 (2023: RMB903,871,000) which will expire at various dates up to and including 2034. As at December 31, 2024, the Group has deductible temporary differences of approximately RMB28,860,000 (2023: RMB34,356,000). No deferred tax asset has been recognised in respect of the tax losses or temporary differences due to the unpredictability of future profit streams.

The unrecognised tax losses will be carried forward and expire in years as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
2028	**44,222**	44,222
2029	**117,457**	117,457
2030	**117,756**	117,756
2031	**106,312**	106,312
2032	**247,064**	247,064
2033	**271,060**	271,060
2034	**246,659**	–
	1,150,530	903,871

9. LOSS BEFORE TAX

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Loss before tax for the year has been arrived at after charging:		
Directors' emoluments	**3,903**	2,821
Other staff costs:		
– salaries and other benefits	**23,043**	24,343
– discretionary bonuses *(note)*	**3,454**	5,287
– retirement benefit scheme contributions	**3,536**	3,602
– share-based payments	**480**	–
	34,416	36,053
Depreciation of property and equipment	**5,927**	6,369
Depreciation of right-of-use assets	**601**	903
Depreciation of investment properties	**44**	44
	6,572	7,316
Auditors' remuneration	**2,350**	2,450
Cost of inventories recognised as an expense	**17,322**	20,310
Listing expenses	**–**	24,629
Research and development expenses		
– Technical service fees	**115,117**	95,513
– Raw material costs	**17,322**	20,310
– Employee benefit expenses	**20,993**	27,206
– Depreciation and amortization expenses	**5,070**	5,744
– Others	**6,484**	6,281
	164,986	155,054

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

10. LOSS PER SHARE

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Loss:		
Loss for the purpose of calculating basic loss per share	**(97,599)**	(191,702)
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic loss per share calculation	**193,849**	185,112
Loss per share		
– Basic	**(0.50)**	(1.04)

No diluted loss per share for both 2024 and 2023 were presented as there was no potential ordinary shares in issue for both 2024 and 2023.

11. DIVIDENDS

No dividend was declared or paid by the Company during the years ended December 31, 2024 and 2023.

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	At December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables from license and collaboration agreement	**51,108**	–
Prepayments for research and development services *(note)*	**32,090**	30,743
Receivables from transfer agreement	**6,752**	–
Advance to staff	**203**	180
Others	**565**	692
	90,718	31,615

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

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

	At December 31,	
	2024	2023
	RMB'000	*RMB'000*
0-90 days	**51,108**	–

13. TRADE AND OTHER PAYABLES

	At December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade payables for research and development expenses	**6,516**	2,954
Accrued research and development expenses	**32,420**	29,559
Other payables to government *(note)*	**3,600**	3,600
Accrued staff costs and benefits	**5,183**	4,384
Accrued listing expenses	**–**	106
Accrued audit fee	**1,050**	1,050
Other tax payables	**470**	500
Payables for acquisition of property and equipment	**–**	27
Others	**139**	193
	49,378	42,373

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 Company has not fulfilled the conditions attached to this subsidy at December 31, 2024 and 2023. Therefore, the amount was repayable to the respective PRC government authority on demand.

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

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

	At December 31,	
	2024	2023
	RMB'000	*RMB'000*
0-30 days	**1,989**	1,415
31-90 days	**2,704**	914
91-180 days	**1,456**	101
181-365 days	**26**	220
Over 365 days	**341**	304
	6,516	2,954

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

	At December 31,	
	2024	2023
	RMB'000	*RMB'000*
United States dollars ("US$")	**28**	28
Swiss Franc ("CHF")	**754**	361
	782	389

14. CONTRACT LIABILITIES

	At December 31,	
	2024	2023
	RMB'000	*RMB'000*
Contract liabilities		
– from license and collaboration agreement	**20,591**	–

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

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the Company's website (www.yzybio.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk). The 2024 annual report of the Company containing all relevant information required under the Listing Rules will be dispatched to the Shareholders (if requested) and published on the afore-mentioned websites in due course.

DEFINITIONS

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

"Actionable Corporate Communications"	any corporate communication that seeks instructions from the Shareholders on how they wish to exercise their rights or make an election as the Shareholders
"AGM"	the annual general meeting of the Company to be convened no later than June 2025
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of the Company
"bispecific antibody" or "BsAb"	an antibody directed at two different targets or two different epitopes on the same target
"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
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or the "PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only, references herein to "China" and the "PRC" do not apply to Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"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

"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 year ended December 31, 2023
"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
"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
"HCC"	hepatocellular carcinoma, a type of cancer arising from hepatocyte malignant transformation
"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
"HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"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
"MA"	the accumulation of fluid in the peritoneal cavity resulting from the growth of primary or metastatic malignant neoplasms in the peritoneum
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"MPE"	the collection of fluid in the pleural cavity resulting from malignant disease. Malignant pleural effusions often contain free floating malignant cells
"NSCLC"	non-small cell lung cancer
"Prospectus"	the prospectus of the Company dated September 13, 2023
"Reporting Period"	for the year ended December 31, 2024
"RMB" or "Renminbi"	the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising the Unlisted Shares and H Shares
"Shareholder(s)"	shareholder(s) of the Company
"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
"Supervisor(s)"	member(s) of the supervisory committee of the Company
"treasury shares"	the meaning as defined under the Listing Rules
"Unlisted Shares"	domestic shares and unlisted foreign shares of the Company
"U.S. dollar" or "US$"	United States dollar, the lawful currency of the United States
"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

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

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, March 28, 2025

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