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, 2023

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, 2023 (the "**Reporting Period**"), together with the comparative figures for the year ended December 31, 2022 (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,		
	2023	2022	2021
	RMB'000	*RMB'000*	*RMB'000*
Other income	**13,014**	2,560	12,798
Other gains and losses	**(334)**	671	716
Research and development expenses	**(155,054)**	(157,329)	(112,893)
Administrative expenses	**(22,311)**	(20,525)	(31,497)
Listing expenses	**(24,629)**	(11,775)	(2,670)
Finance costs	**(2,388)**	(2,468)	(14,972)
Loss before tax	**(191,702)**	(188,866)	(148,518)
Loss for the year	**(191,702)**	(188,866)	(148,518)

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

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a biotechnology company dedicated to developing bispecific antibody (BsAb)-based therapies to treat cancer-associated complications, cancer and age-related ophthalmologic diseases.

Founded in 2010, we have designed and developed a pipeline of four clinical-stage drug candidates. As of the date of this announcement, three of our four clinical-stage drug candidates are BsAbs designed for cancer treatment or cancer-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. Our Core Product, M701, is a recombinant BsAb that targets cancer cells expressing human EpCAM and T cells expressing human CD3. We are primarily developing M701 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.

PRODUCT PIPELINE

The following pipeline chart summarizes the development status of our selected drug candidates:

Notes:

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

(2) Specifically, we expect to hold a pre-BLA meeting with Center for Drug Evaluation (CDE) in the first quarter of 2025 as the initial phase of biologics license application (BLA) process.

(3) We have transferred all the rights and assets of Y400 to Shenzhen Kangzhe Vision and SOTER BIOPHARMA. 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.

* Several pre-clinical candidate drugs for the treatment of tumors and other diseases are currently in the early pre-clinical stage and are therefore not included in the pipeline. We plan to continue pre-clinical studies on these candidate drugs and progressively apply for IND approvals for them in the next few years.

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 at 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. We are primarily developing M701 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 completed patient enrollment for a Phase II clinical trial evaluating the efficacy of M701 monotherapy in combination with systemic treatment (targeted therapy, immunotherapy, or chemotherapy) for the treatment of MA, enrolling a total of 115 patients. The clinical data obtained in the Phase II clinical trial indicates that M701 is safe and well-tolerated, with good efficacy in controlling MA. In February 2024, we secured the written consent from CDE regarding the clinical design of a Phase III trial for M701 for the treatment of MA. We enrolled first patient this Phase III clinical trial in March 2024.

- **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. We enrolled first patient for the Phase II portion of this trial in March 2024.

Y101D

Y101D, 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 1 (PD-1)/PD-L1 axis and the TGF-β signaling pathways, thus having the potential to unleash a synergistic anti-tumor activity and relieve drug resistance.

- **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 patient enrollment for the Phase II portion of this Phase Ib/II clinical trial in October 2023.

- **HCC and other advanced solid tumors:** We are conducting a Phase Ib/II clinical trial of Y101D in combination therapy for the treatment of HCC and other advanced solid tumors.

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.

Y400

Y400 is a recombinant anti-VEGF and anti-ANG2 BsAb. Y400 has a high concentration formulation which is an important factor for the success of such ophthalmic drugs. As a testament to our research and development capability, we have transferred all the rights and assets of Y400 to Shenzhen Kangzhe Vision and SOTER BIOPHARMA. The CDE approved the IND application for Y400 in April 2023 and the Phase I clinical trial of Y400 for the treatment of neovascular age-related macular degeneration has commenced. The interim results of this Phase I clinical trial show a favorable safety profile for Y400.

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.

After a comprehensive assessment of clinical needs, market environment, and the competitive landscape for our product candidates, we decided to postpone our clinical research for our pipeline drug candidates M802, Y2019, Y150, Y101D monotherapy for solid tumors, and Y101D combination therapy for small cell lung cancer. By doing so, we aim to allocate our research and development resources more effectively and concentrate on the most promising drug candidates in our 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, Y101D, Y332 and Y225 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 prior to the pivotal clinical trials for a majority of our drug candidates, including M701, Y332, and our pre-clinical candidates. In 2023, we completed the technology transfer of the M701 project and the production of Phase III clinical trial samples for M701, the production of clinical trial samples for Y400, as well as the technological development or transfer for multiple other drug candidates.

Besides manufacturing conducted at our own facilities, we currently also engage third-party CMOs/CDMOs for (i) the production for pivotal clinical trials of M701, and (ii) the manufacturing for pre-clinical studies and clinical trials of Y101D, which 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 recruit capable marketing professionals and develop our capabilities of commercialization. As our current pipeline of drug candidates comes to the market, we will build an in-house commercialization team with medical and scientific background to maximize the reach of our product offering and expedite market acceptance of our products in China. We plan to seek collaboration and out-licensing opportunities to promote our drug candidates and brand in the overseas markets.

Our in-house commercialization team will initially focus on the marketing and sales of M701 once it is approved for commercialization. We plan to contract a 300-person contract sales organization (CSO) team in China with experience in selling oncology drugs and establish an in-house sales team of approximately 20 employees to meet the sales demands for M701 upon its commercialization. We also plan to further scale up our sales team in line with increasing sales demand of M701 in the future. We plan to initiate negotiations for CSO engagement in the second half of 2024.

KEY DEVELOPMENTS AFTER THE REPORTING PERIOD

Key Developments of Our Drug Candidates

We will continue to advance both our ongoing and planned clinical programs and trials for our pipeline products in the PRC and globally to prepare for the commercialization of our pipeline products. In particular, subsequent to the Reporting Period, we (i) enrolled first patient the Phase III clinical trial of M701 for the treatment of MA in March 2024, and (ii) enrolled first patient for the Phase II portion of a Phase Ib/II clinical trial of M701 for the treatment of MPE in March 2024.

FUTURE DEVELOPMENT

Looking forward to 2024, the acceleration of our R&D progress for our drug candidates is our top priority. We will continue to rapidly advance the development of our drug candidates. In particular, we will invest more resources in the following areas: (i) Phase III clinical trial of M701 for MA as well as Phase II portion of Phase Ib/II clinical trial of M701 for MPE; (ii) Phase II portion of the Phase Ib/II clinical trial of Y101D for pancreatic cancer; (iii) Phase I clinical trial of Y332; and (iv) the further development of 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

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,			
	2023		2022	
	RMB'000	***%***	*RMB'000*	*%*
Government grants	**11,944**	**92.0**	2,254	88.0
Bank interest income	**1,047**	**7.9**	283	11.1
Others	**23**	**0.1**	23	0.9
Total	**13,014**	**100.0**	2,560	100.0

Our other income increased from RMB2.6 million for the Corresponding Period to RMB13.0 million for the Reporting Period, primarily due to an increase in government grants of RMB9.7 million, as we received from local government (i) subsidies for rewarding our research and development of our drug candidates and (ii) rewards for our successful Listing in September 2023.

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 from changes in fair value of financial assets at fair value through profit or loss ("**FVTPL**") and (iii) net foreign exchange losses.

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

	Year ended December 31,			
	2023		2022	
	RMB'000	***%***	*RMB'000*	*%*
Loss on disposal of property and equipment	**(23)**	**(6.9)**	(3)	(0.4)
Gain from changes in fair value of financial assets at FVTPL	**1,608**	**481.4**	671	100.0
Net foreign exchange losses	**(1,919)**	**(574.6)**	–	–
Others	**–**	**–**	3	0.4
Total	**(334)**	**(100.0)**	671	100.0

Loss on disposal of property and equipment represented our loss from disposing of certain assets. Gain from changes in fair value of financial assets at FVTPL represented the gain from recognizing fair value changes in wealth management products and structured deposits purchased by us and managed by financial institutions in China.

We recorded other losses of RMB0.3 million for the Reporting Period, as compared to other gains of RMB0.7 million for the Corresponding Period, primarily due to the combined effects of (i) the incurrence of net foreign exchange losses of RMB1.9 million in 2023 in relation to the proceeds from the Global Offering denominated in Hong Kong dollars and (ii) an increase in gain from changes in fair value of financial assets at FVTPL of RMB0.9 million as a result of our increased investment in wealth management products and structured deposits in 2023.

Research and Development Expenses

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

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

	Year ended December 31,			
	2023		2022	
	RMB'000	***%***	*RMB'000*	*%*
Technical service fees	**95,513**	**61.6**	101,247	64.4
Raw material costs	**20,310**	**13.1**	21,481	13.7
Employee benefit expenses	**27,206**	**17.5**	24,072	15.3
Depreciation and amortization expenses	**5,744**	**3.7**	5,722	3.6
Others	**6,281**	**4.1**	4,807	3.0
Total	**155,054**	**100.0**	157,329	100.0

Our research and development expenses decreased slightly from RMB157.3 million for the Corresponding Period to RMB155.1 million for the Reporting Period. The decrease was mainly due to the combined effects of (i) a decrease in the expenses incurred from the technical service for pre-clinical studies of Y400 and Y332, as we completed the pre-clinical studies of Y400 and Y332 in 2022 while not incurring technical service fees for their pre-clinical studies in the Reporting Period; and (ii) an increase in the expenses incurred for the clinical trials of M701 and Y101D.

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,			
	2023		2022	
	RMB'000	***%***	*RMB'000*	*%*
Employee benefits expenses	**8,847**	**39.7**	9,114	44.4
Professional parties' fees	**4,956**	**22.2**	2,914	14.2
Depreciation and amortization expenses	**1,572**	**7.0**	1,222	6.0
Business development fees	**1,426**	**6.4**	2,704	13.2
Freight and miscellaneous fees	**795**	**3.6**	457	2.2
Others	**4,715**	**21.1**	4,114	20.0
Total	**22,311**	**100.0**	20,525	100.0

Our administrative expenses were RMB22.3 million for the Reporting Period, which remained relatively stable as compared to RMB20.5 million for the Corresponding Period.

Listing Expenses

Listing expenses represented expenses incurred for the Listing. Our listing expenses increased significantly from RMB11.8 million for the Corresponding Period to RMB24.6 million for the Reporting Period. The increase was mainly due to the fees to professional parties engaged for the Listing.

Finance Costs

Our finance costs primarily represented our interest expenses on bank and other borrowings. Our finance costs were RMB2.4 million for the Reporting Period, which remained relatively stable as compared to RMB2.5 million for 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 loss and total comprehensive expenses were RMB191.7 million for the Reporting Period, which remained relatively stable as compared to RMB188.9 million for the Corresponding Period.

Liquidity and Capital Resources

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

As of December 31, 2023, our cash and cash equivalents increased to RMB196.7 million from RMB153.5 million as of December 31, 2022. The increase was primarily attributable to the redemption of our investments in wealth management products and structured deposits.

As of December 31, 2023, we had current assets of RMB250.1 million, including cash and cash equivalents of RMB196.7 million, prepayments, deposits and other receivables of RMB31.6 million, value-added tax recoverable of RMB16.0 million and inventories of RMB5.8 million. As of December 31, 2023, we had current liabilities of RMB173.8 million, including bank borrowings of RMB89.5 million, trade and other payables of RMB42.4 million, advance from transfer agreement of RMB40.8 million, deferred income of RMB0.6 million and lease liabilities of RMB0.5 million.

For the Reporting Period, our net cash used in operating activities was RMB186.0 million (the Corresponding Period: RMB176.7 million), which was primarily attributable to our loss before tax of RMB191.7 million, adjusted for non-cash and non-operating items. Positive adjustments primarily included (i) an increase in trade and other payables of RMB12.5 million, (ii) depreciation of property and equipment of RMB6.4 million and (iii) a decrease in inventories of RMB4.9 million. Negative adjustments mainly included (i) an increase in prepayments, deposits, and other receivables of RMB10.5 million (ii) an increase in value added tax recoverable of RMB7.9 million and (iii) a decrease in deferred income of RMB2.3 million.

For the Reporting Period, our net cash from investing activities was RMB54.8 million (the Corresponding Period: RMB5.8 million). Such cash inflow was mainly due to our redemption of financial assets at FVTPL of RMB491.0 million, which was partially offset by cash outflow mainly in relation to our purchase of financial assets at FVTPL of RMB444.0 million.

For the Reporting Period, our net cash from financing activities was RMB176.3 million (the Corresponding Period: RMB241.3 million). Such cash inflow was due to the proceeds from issue of shares of RMB174.0 million and new bank borrowing raised of RMB89.5 million, which was partially offset by cash outflow mainly in relation to the repayment of bank borrowings of RMB76.5 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.

Indebtedness

As of December 31, 2023, we had bank borrowings of RMB89.5 million, consisting of secured bank loans of RMB71.0 million and unsecured bank loans of RMB18.5 million. Our bank borrowings increased from RMB76.5 million as of December 31, 2022 to RMB89.5 million as of December 31, 2023, in relation to additional loans we obtained from banks as our working capital. As of December 31, 2023, we had unutilized banking facilities of RMB160.5 million.

As of December 31, 2023, we had lease liabilities of RMB0.6 million, as compared to RMB0.2 million as of December 31, 2022.

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 49.2% as of December 31, 2022 to 70.6% as of December 31, 2023, due to (i) an increase in liability mainly as a result of an increase in short-term bank borrowings and (ii) a decrease in equity mainly as a result of our loss and total comprehensive expense recorded in 2023.

Significant Investments Held

We did not make or hold any significant investments during the Report 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, 2023, 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, 2023, we did not have any significant capital commitments.

Charges on Group Assets

As of December 31, 2023, certain of our bank borrowings were secured by our property and equipment, right-of-use assets and investment properties with carrying amount of RMB5.9 million, RMB8.1 million, and RMB0.5 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, 2023.

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 Board is of the opinion that the Company has complied with all the code provisions in the CG Code except for code provisions C.2.1, C.2.7 and C.5.1 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and the chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive 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 chairperson and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of the chairperson of the Board and the chief executive officer of the Company at an appropriate time if necessary, taking into account the circumstances of the Group as a whole.

Code provision C.2.7 of the CG Code stipulates that the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors, and code provision C.5.1 of the CG Code stipulates that the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. Due to the fact that the Company was listed on September 25, 2023, only three Board meetings and two Audit Committee meetings were held throughout the period from the Listing Date to December 31, 2023.

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 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. Specific inquiries have been made to all the Directors and Supervisors, and they have confirmed that they have complied with the Code of Conduct throughout the period from the Listing Date to December 31, 2023. No incident of non-compliance of the Model Code by the employees was noted by the Company throughout the period from the Listing Date to December 31, 2023.

Amendments to the Articles of Association

To reflect the changes in the registered capital and the total number of issued Shares after the completion of the Global Offering and the partial exercise of the over-allotment option, the Board proposed to amend the Articles of Association (the "**Proposed Amendments**") on October 25, 2023. The Proposed Amendments were approved at the first extraordinary general meeting of 2023 held on November 16, 2023 with immediate effect. For details, please refer to the Company's circular dated October 27, 2023 and announcement dated October 25, 2023.

Employees and Remuneration Policies

As of December 31, 2023, the Group had a total of 123 employees with 98 employees for research and development and 25 employees for general and administrative.

We are committed to making sure that working conditions throughout our business network are safe and that employees are treated with care and respect. We believe we offer our employees competitive compensation packages, reflecting our stakeholder-centric ethos which we believe leads to sustainable and durable growth. As required by PRC regulations, we participate in various government statutory employee benefit plans, including social insurances, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing funds. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government regulations from time to time. Our compensation package also comprises year-end bonuses, communication, transport and meal allowances, staff dormitory, paid leaves, and holiday benefits. In addition, we provide career development opportunities and promote an inventive, collaborative, and productive work environment, which we believe fosters 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 has 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 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, 2023), 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 of the Prospectus.

Material Litigation

During the Reporting Period, the Company was not engaged in any material litigation or arbitration of material importance, or 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, 2023.

Significant Investments, Acquisitions and Disposals

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

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 and published on the HKEx website accordingly. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group and provide advice and comments to the Board. As of the date of this announcement, the Audit Committee comprises three members, namely non-executive Director Dr. Zhou Hongfeng, independent non-executive Directors Dr. Deng Yuezhen and Ms. Fu Lili, with Ms. Fu Lili serving as the chairwoman. Ms. Fu has the appropriate professional experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has considered and reviewed the audited consolidated annual results of the Group for the year ended December 31, 2023 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, 2023 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, 2023 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, 2024. 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

The forthcoming AGM will be held on June 27, 2024. 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.

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 requested).

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.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the rights of H Shareholders to attend and vote at the AGM of the Company to be held on Thursday, June 27, 2024, the register of members of H Shares will be closed from Monday, June 24, 2024 to Thursday, June 27, 2024 (both days inclusive), during which period no transfer of H Shares will be registered. Members whose names appear on the register of members of the Company on Thursday, June 27, 2024 will be entitled to attend and vote at the AGM. In order to be eligible for attending the AGM, all completed transfer forms accomplished by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, June 21, 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2023

	NOTE	Year ended December 31, 2023 RMB'000	2022 RMB'000
Other income	4	**13,014**	2,560
Other gains and losses	5	**(334)**	671
Research and development expenses		**(155,054)**	(157,329)
Administrative expenses		**(22,311)**	(20,525)
Listing expenses		**(24,629)**	(11,775)
Finance costs	6	**(2,388)**	(2,468)
Loss before tax	8	**(191,702)**	(188,866)
Income tax expense	7	**–**	–
Loss and total comprehensive expense for the year		**(191,702)**	(188,866)
Loss per share			
– Basic and diluted (RMB)	9	**(1.04)**	(1.10)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	NOTE	At December 31, 2023 RMB'000	2022 RMB'000
Non-current Assets			
Property and equipment		**41,549**	46,042
Right-of-use assets		**8,830**	8,507
Investment properties		**492**	536
Value added tax recoverable		**512**	8,671
Prepayment for acquisition of property and equipment		**140**	129
		51,523	63,885
Current Assets			
Inventories		**5,770**	10,623
Prepayments, deposits and other receivables	*11*	**31,615**	27,814
Value added tax recoverable		**16,032**	–
Financial assets at fair value through profit or loss ("**FVTPL**")		**–**	47,000
Cash and cash equivalents		**196,684**	153,520
		250,101	238,957
Current Liabilities			
Trade and other payables	*12*	**42,373**	33,555
Bank borrowings		**89,500**	76,500
Lease liabilities		**464**	169
Deferred income		**640**	2,975
Advance from transfer agreement		**40,843**	33,761
		173,820	146,960
Net Current Assets		**76,281**	91,997
Total Assets less Current Liabilities		**127,804**	155,882
Non-current Liability			
Lease liabilities		**150**	–
		150	–
Net Assets		**127,654**	155,882
Capital and Reserves			
Paid-in capital		**–**	–
Share capital		**193,849**	182,000
Reserves		**(66,195)**	(26,118)
Total Equity		**127,654**	155,882

1. GENERAL INFORMATION

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

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

The 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 INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and amendments to IFRSs that are mandatorily effective for the current year

The Group has consistently adopted the IFRSs issued by the International Accounting Standards Board ("**IASB**"), which are effective for the accounting period beginning on January 1, 2023.

Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs have been issued which are not yet effective:

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 16	Lease Liability in a Sale and Leaseback[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to IAS 1	Non-current Liabilities with Covenants[2]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[2]
Amendments to IAS 21	Lack of Exchangeability[3]

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

[2] Effective for annual periods beginning on or after January 1, 2024.

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

3. SEGMENT INFORMATION

The Group has been operating in one reportable segment, being the discovering, developing and commercializing new class of innovative medicines in respect to anti-tumor bispecific antibody.

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 has not generated any revenue during the years ended December 31, 2023 and 2022. All of the Group's non-current assets are located in the PRC.

4. OTHER INCOME

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Government grants *(note)*	**11,944**	2,254
Bank interest income	**1,047**	283
Others	**23**	23
	13,014	2,560

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.

5. OTHER GAINS AND LOSSES

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Loss on disposal of property and equipment	**(23)**	(3)
Gain from changes in fair value of financial assets at FVTPL	**1,608**	671
Net foreign exchange losses	**(1,919)**	–
Others	**–**	3
	(334)	671

6. FINANCE COSTS

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Interest expenses on bank borrowings	**2,340**	2,448
Interest expenses on lease liabilities	**48**	20
	2,388	2,468

7. 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, 2023 and 2022.

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.

The tax charge for the years ended December 31, 2023 and 2022 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,	
	2023	2022
	RMB'000	*RMB'000*
Loss before tax	**(191,702)**	(188,866)
Income tax expense calculated at 15% (2022: 25%)	**(28,755)**	(47,217)
Tax effect of different tax rates of subsidiaries	**(359)**	–
Tax effect of expenses that are not deductible for tax purpose	**307**	1,730
Effect of research and development expenses that are additionally deducted *(note)*	**(14,567)**	(18,526)
Tax effect of deductible temporary differences not recognised	**2,715**	2,247
Tax effect of tax losses not recognised	**40,659**	61,766
	–	–

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 (2022:175%).

As at December 31, 2023, the Group has unrecognised tax losses of approximately RMB903,871,000 (2022: RMB632,811,000) which will expire at various dates up to and including 2033 (at 31 December 2022: 2027). As at December 31, 2023, the Group has deductible temporary differences of approximately RMB34,356,000 (2022: RMB16,256,000). 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,	
	2023	2022
	RMB'000	*RMB'000*
2023	**–**	44,222
2024	**–**	117,457
2025	**–**	117,756
2026	**–**	106,312
2027	**–**	247,064
2028	**44,222**	–
2029	**117,457**	–
2030	**117,756**	–
2031	**106,312**	–
2032	**247,064**	–
2033	**271,060**	–
	903,871	632,811

8. LOSS BEFORE TAX

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Loss before tax for the year has been arrived at after charging:		
Directors' emoluments	**2,821**	2,308
Other staff costs:		
– salaries and other benefits	**24,343**	22,915
– discretionary bonuses *(note)*	**5,287**	2,991
– retirement benefit scheme contributions	**3,602**	3,388
– share-based payments	**–**	1,584
	36,053	33,186
Auditors' remuneration	**2,450**	–
Depreciation of property and equipment	**6,369**	6,299
Depreciation of right-of-use assets	**903**	600
Depreciation of investment properties	**44**	45
	7,316	6,944
Cost of inventories recognised as an expense	**20,310**	21,481
Listing expenses	**24,629**	11,775
Research and development expenses		
– Technical service fees	**95,513**	101,247
– Raw material costs	**20,310**	21,481
– Employee benefit expenses	**27,206**	24,072
– Depreciation and amortization expenses	**5,744**	5,722
– Others	**6,281**	4,807
	155,054	157,329

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

9. LOSS PER SHARE

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Loss:		
Loss for the purpose of calculating basic and diluted loss per share	**(191,702)**	(188,866)
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share calculation	**185,112**	172,044
Loss per share		
– Basic and diluted	**(1.04)**	(1.10)

The Company was converted to a joint stock company on January 13, 2022, 168,000,000 ordinary shares with par value of RMB1.00 each were issued and allotted to the respective shareholders of the Company according to the paid-in capital registered under these shareholders on that day. This capitalization of share capital is applied retrospectively for the purpose of calculating basic loss per share, as adjusted for the capital contributions by the then shareholder.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There was no potential ordinary shares in issue for the years ended December 31, 2023 and 2022. In addition, for the purpose of calculation of diluted loss per share for the year ended 31 December 2023, the Company's Over-allotment options granted pursuant to the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited were not included as their inclusion would result in a decrease in loss per share. Accordingly, diluted loss per share for the years ended December 31, 2023 and 2022 are the same as basic loss per share respectively.

10. DIVIDENDS

No dividend was declared or paid by the Company during the years ended December 31, 2023 and 2022.

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At December 31,	
	2023	2022
	RMB'000	*RMB'000*
Prepayments for research and development services *(note)*	**30,743**	19,703
Deferred issue costs	**–**	6,560
Prepayments for listing expense and issue costs	**–**	557
Advance to staff	**180**	337
Others	**692**	657
	31,615	27,814

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

12. TRADE AND OTHER PAYABLES

	At December 31,	
	2023	2022
	RMB'000	*RMB'000*
Trade payables for research and development expenses	**2,954**	3,214
Accrued research and development expenses	**29,559**	15,503
Other payables to government *(note i)*	**3,600**	3,600
Accrued staff costs and benefits	**4,384**	3,456
Accrued listing expenses	**106**	4,318
Accrued issue costs	**–**	2,009
Accrued audit fee	**1,050**	–
Government grants received on behalf of staff *(note ii)*	**–**	877
Other tax payables	**500**	454
Payables for acquisition of property and equipment	**27**	47
Others	**193**	77
	42,373	33,555

Notes:

(i) 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, 2023 and 2022. Therefore, the amount was repayable to the respective PRC government authority on demand.

(ii) These amounts were government subsidy received on behalf of staff and repayable to staff 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,	
	2023	2022
	RMB'000	*RMB'000*
0-30 days	**1,415**	1,795
31-90 days	**914**	628
91-180 days	**101**	61
181-365 days	**220**	207
Over 365 days	**304**	523
	2,954	3,214

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,	
	2023	2022
	RMB'000	*RMB'000*
GBP	**–**	713
HK$	**–**	469
US$	**28**	5,361
CHF	**361**	754
	389	7,297

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 2023 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 held on June 27, 2024
"Articles of Association"	the articles of association of the Company, as amended from time to time
"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

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"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, 2022
"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
"Director(s)"	the director(s) of our Company
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in Renminbi and are unlisted Shares which are currently not listed or traded on any stock exchange
"Global Offering"	the offer of Shares for subscription as described in the Prospectus
"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 Date"	September 25, 2023, on which the H Shares were listed and dealings in the H Shares first commenced on 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, 2023
"RMB" or "Renminbi"	the lawful currency of the PRC
"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
"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
"SOTER BIOPHARMA"	SOTER BIOPHARMA PTE. LTD., an indirect wholly-owned subsidiary of China Medical System Holdings Limited (0867.HK)
"Supervisor(s)"	member(s) of the supervisory committee of the Company
"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, 2024

As of 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, Dr. Liu, Dan, Dr. Guo Hongwei and Mr. Xie Shouwu as non-executive Directors, and Dr. Cheng Bin, Dr. Dai Weiguo, Ms. Fu Lili, Dr. Deng Yuezhen and Dr. Chen Bin as independent non-executive Directors.