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If you have sold or transferred all your securities in Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司) you should at once hand this circular to the purchaser or transferee, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

- (1) CONNECTED TRANSACTION IN RESPECT OF THE PROPOSED
ISSUE OF NEW DOMESTIC SHARES UNDER SPECIFIC MANDATE;
(2) APPLICATION FOR WHITEWASH WAIVER;
(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION; AND
(4) NOTICE OF EGM**

**Financial Adviser to the Company in relation to
PRC aspects of the Share Subscription**



长江证券承销保荐有限公司
CHANGJIANG FINANCING SERVICES CO., LIMITED

**Independent Financial Advisor to the Independent Board Committees
and the Independent Shareholders**



BAOQIAO PARTNERS

BAOQIAO PARTNERS CAPITAL LIMITED

A letter from the Board is set out on pages 7 to 23 of this circular. A letter from the Connected Transaction IBC is set out on pages 24 to 25 of this circular. A letter from the Whitewash Waiver IBC is set out on pages 26 to 27 of this circular. A letter from BaoQiao Partners, the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committees and the Independent Shareholders is set out on pages 28 to 63 of this circular.

The Company will convene the EGM at 10:00 a.m. on Tuesday, 17 November 2026 at Conference Room 3, 2nd Floor, Building C2-1, No. 666 Gaoxin Road, East Lake High Tech Development Zone, Wuhan, Hubei Province, PRC. Whether or not you intend to attend such meetings, you are reminded to complete and sign the form of proxy enclosed with this circular, in accordance with the instructions printed thereon and return the same to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the EGM or at any adjournment thereof. Completion and return of form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

30 October 2026

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2024 H Share Option Plan”	the 2024 H share option plan adopted by the Company in accordance with Chapter 17 of the Listing Rules
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“AIC Parties”	Dr. Yuan Qian, Dr. Zhou Hongfeng, Dr. Zhou Pengfei and Wuhan Caizhi, each an “AIC Party”
“Announcement”	the announcement of the Company dated 9 September 2026 in relation to, among other things, the Share Subscription (including the Share Subscription Agreement and the Specific Mandate), the Whitewash Waiver and the proposed amendments to the Articles
“Articles”	the articles of association of the Company as revised from time to time
“associate(s)”	has the meaning ascribed to it under the Takeovers Code or the Listing Rules, as the context requires
“Board”	the board of Directors
“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 and one of the employee incentive platforms of the Company
“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, the H Shares of which are listed on Main Board of the Stock Exchange
“Completion”	completion of the Share Subscription
“Concert Parties”	parties acting in concert, or presumed to be acting in concert, with each of the Subscribers under the definition of “acting in concert” under the Takeovers Code, including, for the avoidance of doubt, Wuhan Caizhi, Ms. Huang Lin, Nanning Huiyou, Zhongheng Tongde, Gongqingcheng Huiyou, Caizhi No. 2 and CSPC-NBP

DEFINITIONS

“Concert Party Agreements”	the concert party agreement dated 30 June 2018 and supplemental concert party agreements dated 26 October 2020 and 2 June 2023 entered into by AIC Parties, details of which is set out in the section headed “Effect on the Shareholding Structure of the Company” in the “Letter from the Board” of this circular
“Conditions Precedent”	the conditions precedent to the Completion as set out under the section headed “Conditions Precedent” in the “Letter from the Board” in this circular
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Connected Transaction IBC”	an independent board committee of the Company, comprising all the independent non-executive Directors, namely Dr. Cheng Bin, Ms. Fu Lili, Dr. Deng Yuezhen and Dr. Chen Bin, established pursuant to the requirements of the Listing Rules to advise the Independent Shareholders on the Share Subscription and the Specific Mandate
“CSPC”	CSPC Pharmaceutical Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1093), Mr. Cai Dong Chen was the single largest shareholder of CSPC interested in 26.39% shares of CSPC, based on disclosure made pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as at 20 July 2026
“CSPC-NBP”	CSPC NBP Pharmaceutical Co., Ltd. (石藥集團恩必普藥業有限公司), a foreign investment enterprise with limited liability established in the PRC and a substantial Shareholder holding 26.43% of the issued share capital of the Company as at the Latest Practicable Date. CSPC-NBP is ultimately owned as to 100% by CSPC
“CSRC”	China Securities and Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary domestic share(s) with nominal value of RMB1.00 each in the share capital of the Company, which are subscribed for or credited as paid up in RMB

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“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, among others, the Share Subscription, the Specific Mandate, the Whitewash Waiver and the proposed amendments to the Articles
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director
“Gongqingcheng Huiyou”	Gongqingcheng Huiyou Xingyao Phase II Equity Investment Partnership (Limited Partnership) (共青城匯友興曜二期股權投資合夥企業(有限合夥)), a limited partnership established in the PRC
“Gongqingcheng Yaoyou”	Gongqingcheng Yaoyou Investment Center (Limited Partnership) (共青城曜友投資中心(有限合夥)), a limited partnership established in the PRC
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committees”	the Connected Transaction IBC and the Whitewash Waiver IBC
“Independent Financial Adviser” or “BaoQiao Partners”	BaoQiao Partners Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser appointed to advise the Independent Board Committees and the Independent Shareholders with regard to the Share Subscription, the Specific Mandate and the Whitewash Waiver
“Independent Shareholder(s)”	Shareholder(s) other than (i) the Subscribers, (ii) the Concert Parties and (iii) any other persons who are involved or interested in the Share Subscription, the Specific Mandate and/or the Whitewash Waiver (if any)

DEFINITIONS

“Latest Practicable Date”	28 October 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Last Trading Day”	28 August 2026, being the last full trading day immediately prior to the date of the Share Subscription Agreement and immediately prior to the trading halt in the Shares on the Stock Exchange pending the publication of the Announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and modified from time to time
“Long Stop Date”	30 June 2027, or such other date as may be agreed by the Company and the Subscribers from time to time in writing
“Mr. Wen”	Mr. Wen Zhicheng, an executive Director
“Nanning Huiyou”	Nanning Huiyou Xingyao Equity Investment Fund Partnership (Limited Partnership) (南寧匯友興曜股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC
“Nanning Yaoyou”	Nanning Yaoyou Business Consulting Partnership (Limited Partnership) (南寧曜友商務諮詢合夥企業(有限合夥)), a limited partnership established in the PRC
“PRC”	the People’s Republic of China
“Puhua Kaizhi”	Chengdu Puhua Kaizhi Biotechnology Co., Ltd. (成都樸華凱智生物科技股份有限公司), a company established in the PRC with limited liability, which, as at the date of the Puhua Transfer, was ultimately and beneficially owned (i) as to 50% by Dr. Yuan Qian, (ii) as to 30% by Dr. Zhou Hongfeng and (iii) as to 20% by Mr. Zhou Hongjun, brother of Dr. Zhou Hongfeng
“Puhua Transfer”	the 1,342,600 H Shares held by Ms. Huang Lin which was acquired on 11 June 2026 by Ms. Huang Lin from Puhua Kaizhi for a total consideration of HK\$5,065,247.45 (i.e. HK\$3.78 per H Share)
“Relevant Period”	the period commencing on the date falling six months immediately preceding the Announcement (i.e. 9 September 2026) and ending on the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and modified from time to time
“Share Subscription”	the proposed subscription of new Domestic Shares by the Subscribers pursuant to Share Subscription Agreement
“Share Subscription Agreement”	the share subscription agreement dated 30 August 2026 entered into between the Company and the Subscribers, pursuant to which the Company conditionally agreed to issue, and the Subscribers conditionally agreed to subscribe for, new Domestic Shares at the total subscription price of approximately RMB86,489,532.00 (equivalent to approximately HK\$99,999,458.90)
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Shareholder(s)”	the holder(s) of the Shares
“Specific Mandate”	the specific mandate proposed to be granted by the Independent Shareholders to the Directors at the EGM to issue the new Domestic Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, Dr. Yuan Qian, Dr. Zhou Hongfeng and Dr. Zhou Pengfei
“Subscription Price”	RMB2.43 per new Domestic Share
“Subscription Shares”	35,592,400 new Domestic shares to be allotted and issued by the Company and subscribed by the Subscribers pursuant to the Share Subscription Agreement
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Tongde Qian yuan”	Tongde Qian yuan (Beijing) Investment Management Co., Ltd. (同德乾元(北京)投資管理有限公司), a company established in the PRC with limited liability

DEFINITIONS

“Tongde Tongxin”	Beijing Tongde Tongxin Investment Center (Limited Partnership) (北京同德同鑫投資中心(有限合夥)), a limited partnership established in the PRC
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, in respect of the obligations of the Subscribers to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by the Subscribers and the Concert Parties which would otherwise arise as a result of the allotment and issue of the new Domestic Shares under the Share Subscription Agreement
“Whitewash Waiver IBC”	the independent board committee of the Company, which comprises the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Share Subscription and the Whitewash Waiver, namely Mr. Xie Shouwu, a non-executive Director; and Dr. Cheng Bin, Ms. Fu Lili, Dr. Deng Yuezheng and Dr. Chen Bin, each an independent non-executive Director to make a recommendation to the Independent Shareholders, in relation to the Share Subscription, the Specific Mandate and the Whitewash Waiver
“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
“Zhongheng Tongde”	Nanning Zhongheng Tongde Pharmaceutical Industry Investment Fund Partnership (Limited Partnership) (南寧中恒同德醫藥產業投資基金合夥企業(有限合夥)), a limited partnership established in the PRC
“%”	per cent

For the purposes of this circular, unless the context otherwise requires, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of HK\$1 to RMB0.8649 as at the Last Trading Day. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.

LETTER FROM THE BOARD



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)

Executive Directors:

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

Non-executive Directors:

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

Independent Non-executive Directors:

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

*Registered Office and Head Office
in the PRC:*

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

*Principal Place of Business
in Hong Kong:*

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

30 October 2026

To the Shareholders

Dear Sir or Madam,

- (1) CONNECTED TRANSACTION IN RESPECT OF THE PROPOSED
ISSUE OF NEW DOMESTIC SHARES UNDER SPECIFIC MANDATE;
(2) APPLICATION FOR WHITEWASH WAIVER;
(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION; AND
(4) NOTICE OF EGM**

1. INTRODUCTION

Reference is made to the Announcement. On 30 August 2026, the Company and the Subscribers entered into the Share Subscription Agreement, pursuant to which the Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 35,592,400 Domestic Shares at the Subscription Price of RMB2.43 per Domestic Share.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding, among others, (i) details of the Share Subscription, the Specific Mandate, the Whitewash Waiver and the proposed amendments to the Articles; (ii) a letter of recommendation from the Connected Transaction IBC to the Independent Shareholders on the Share Subscription and the Specific Mandate; (iii) a letter of recommendation from the Whitewash Waiver IBC to the Independent Shareholders on the Share Subscription, the Specific Mandate and the Whitewash Waiver; (iv) a letter of advice by the Independent Financial Adviser to the Independent Board Committees and the Independent Shareholders on the Share Subscription, the Specific Mandate and the Whitewash Waiver; (v) the valuation report of the properties of the Group; and (vi) a notice of the EGM together with the form of proxy, to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

2. THE SHARE SUBSCRIPTION AGREEMENT

Principal terms of the Share Subscription Agreement are set out below:

Date

30 August 2026

Parties

- (1) The Company; and
- (2) The Subscribers, namely, Dr. Yuan Qian, Dr. Zhou Hongfeng and Dr. Zhou Pengfei

Number of new Domestic Shares to be subscribed for

The Subscribers will subscribe for an aggregate of 35,592,400 new Domestic Shares. The details of the number of new Domestic Shares to be subscribed for by each of the Subscribers are set out below:

Name of the Subscriber	No. of new Domestic Shares
Dr. Yuan Qian	31,677,400
Dr. Zhou Hongfeng	3,559,200
Dr. Zhou Pengfei	<u>355,800</u>
Total	<u><u>35,592,400</u></u>

Subscription Shares

The Subscription Shares comprise 35,592,400 new Domestic Shares and represent:

- (i) approximately 247.68% of the existing issued Domestic Shares and 18.36% of the existing issued share capital of the Company as at the date of the Share Subscription Agreement and the Latest Practicable Date; and

LETTER FROM THE BOARD

- (ii) approximately 71.24% of the issued Domestic Shares and 15.51% of the issued share capital of the Company, in each case, as enlarged by the allotment and issue of the Subscription Shares immediately after Completion (assuming that there is no change in the issued share capital of the Company between the date of the Share Subscription Agreement and the Completion save for the allotment and issue of the Subscription Shares).

Based on the nominal value of RMB1.00 per Domestic Share, the aggregate nominal value of the Subscription Shares will be RMB35,592,400.

Subscription Price

The Subscription Price of RMB2.43 (equivalent to HK\$2.80957) per Domestic Share represents:

- (a) a discount of approximately 26.06% to the closing price of HK\$3.80 per H Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 14.86% to the closing price of HK\$3.30 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 14.86% to the average closing price of HK\$3.30 per H Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Share Subscription Agreement;
- (d) a premium of approximately RMB2.70 over the audited consolidated net liabilities attributable to the Shareholders as at 31 December 2025 of approximately RMB0.27 per Share calculated based on the audited consolidated net liabilities of the Group attributable to the Shareholders of approximately RMB53,029,000 as at 31 December 2025 as extracted from the annual results of the Company for the year ended 31 December 2025 and 193,849,200 Shares in issue as at the date of the Share Subscription Agreement;
- (e) a premium of approximately RMB2.73 over the unaudited consolidated net liabilities attributable to the Shareholders as at 30 June 2026 of approximately RMB0.30 per Share calculated based on the unaudited consolidated net liabilities of the Group attributable to the Shareholders of approximately RMB58,557,000 as at 30 June 2026 as extracted from the interim results of the Company for the six months ended 30 June 2026 and 193,849,200 Shares in issue as at the date of the Share Subscription Agreement;
- (f) a premium of approximately RMB2.60 over the adjusted unaudited consolidated net liabilities attributable to the Shareholders as at 30 June 2026 of approximately RMB0.17 per Share calculated based on the unaudited consolidated net liabilities attributable to the Shareholders as at 30 June 2026 as adjusted by the property valuation report set out in Appendix II. Such calculation is set out under the section headed “Adjusted Net Liabilities after the Property Valuation” in Appendix I to this circular; and

LETTER FROM THE BOARD

- (g) theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 4.09%, represented by the theoretical diluted price of approximately HK\$3.165 per Share to the benchmarked price of approximately HK\$3.30 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (a) the closing price of the Shares as quoted on the date prior to the date of the Share Subscription Agreement of HK\$3.30 per Share, and (b) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Share Subscription Agreement of HK\$3.30 per Share.

Basis for determining the Subscription Price

The Subscription Price was determined after arm's length negotiations between the Company and the Subscribers and with reference to (i) the prevailing market price and recent trading volume of the Shares, (ii) the current market conditions and (iii) the amount of funds that the Company intends to raise under the Share Subscription as primarily determined based on the outstanding amount of bank borrowings. The Directors (excluding members of the Independent Board Committees whose views have been set out in the letters of the Connected Transaction IBC and the Whitewash Waiver IBC, respectively, after considering the advice of the Independent Financial Adviser) consider that the Subscription Price is fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

Specific Mandate

The 35,592,400 Domestic Shares will be issued under the Specific Mandate to be sought from the Independent Shareholders at the EGM.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank *pari passu* in all respects among themselves and with the existing Domestic Shares in issue at the time of allotment and issue of such new Domestic Shares.

Any transfer of the new Domestic Shares to be issued pursuant to the Share Subscription Agreement shall comply with the relevant provisions of the Company Law of the PRC and other laws and regulations and the Articles regarding the transfer of Shares. Save for the foregoing, there are no other restrictions on the transfer of the new Domestic Shares.

Conditions Precedent

Completion is conditional upon the satisfaction of the following conditions:

- (1) the Share Subscription having been duly approved by the Board;

LETTER FROM THE BOARD

- (2) the Share Subscription Agreement and the transactions contemplated thereunder and the Specific Mandate having been duly approved by not less than two-thirds of the Independent Shareholders at the EGM;
- (3) the Whitewash Waiver having been duly approved by at least 75% of the Independent Shareholders at the EGM;
- (4) the Executive having granted, and not having withdrawn or revoked such grant, the Whitewash Waiver and the fulfilment of all conditions (if any) attached to the Whitewash Waiver; and
- (5) the Company having obtained the registration decision from the CSRC in respect of the Share Subscription.

None of the Conditions Precedent can be waived under the Share Subscription Agreement. As at the Latest Practicable Date, save for the Condition Precedent set out in (1) which has been fulfilled, none of the Conditions Precedent had been fulfilled.

If any of the Conditions Precedent is not satisfied on or before the Long Stop Date, the Share Subscription Agreement shall be terminated.

Pursuant to Article 116 of the Company Law of the PRC and articles 78 and 80 of the Articles, any increase of the registered capital of the Company shall be approved by two-thirds or more of the voting rights held by the Shareholders (including proxies of the Shareholders) attending the EGM.

Pursuant to Measures for the Supervision and Administration of Non-exchange Listed Public Companies issued by the CSRC, the Company is required to obtain the registration decision from the CSRC before it may issue new Domestic Shares. The Company was advised by its PRC legal adviser that it may take several months or up to a year before such registration decision may be issued.

Restriction

For the period until the date of Completion, the Company shall not effect any dividend distribution, issue of bonus shares or transfer of share capital.

Completion

Upon receiving the Subscription Price in full for the Share Subscription from the Subscribers, the Company shall engage an accounting firm that meets the requirements of the PRC Securities Law to complete a capital verification report and promptly complete the issuance filing procedures, the corresponding procedures for the change of industrial and commercial registration with the State Administration for Market Regulation in PRC in respect of the Company's change in registered capital and the change of share registration with China Securities Depository and Clearing Corporation Limited. All the

LETTER FROM THE BOARD

Conditions Precedent will have to be fulfilled before the Company can proceed to effect the change of share registration. The Share Subscription shall be deemed completed after completion of the aforementioned registration.

3. EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company as at the Latest Practicable Date and immediately after Completion (assuming no other changes to the issued share capital of the Company prior to Completion):

Shareholders	Class of Shares	As at the Latest Practicable Date		Immediately upon Completion	
		Percentage		Percentage	
		Number of	of total	Number of	of total
		Shares	issued Shares	Shares	issued Shares
(Note 1)					
(Note 2)					
(A) The Subscribers and the Concert Parties					
Dr. Yuan Qian (Note 3)	H Shares	20,399,933	10.52%	20,399,933	8.89%
	Domestic Shares	0	0.00%	31,677,400	13.81%
	Sub-total	20,399,933	10.52%	52,077,333	22.70%
Dr. Zhou Hongfeng (Note 3)	H Shares	10,199,921	5.26%	10,199,921	4.45%
	Domestic Shares	0	0.00%	3,559,200	1.55%
	Sub-total	10,199,921	5.26%	13,759,121	6.00%
Dr. Zhou Pengfei (Note 3)	H Shares	6,869,744	3.54%	6,869,744	2.99%
	Domestic Shares	0	0.00%	355,800	0.16%
	Sub-total	6,869,744	3.54%	7,225,544	3.15%
Sub-total for Subscribers	H Shares	37,469,598	19.33%	37,469,598	16.33%
	Domestic Shares	0	0.00%	35,592,400	15.51%
	Sub-total	37,469,598	19.33%	73,061,998	31.84%
Wuhan Caizhi (Notes 3 and 4)	H Shares	16,792,707	8.66%	16,792,707	7.32%
Ms. Huang Lin (Note 5)	H Shares	1,342,600	0.69%	1,342,600	0.59%
Nanning Huiyou (Note 6)	H Shares	10,142,797	5.23%	10,142,797	4.42%
Zhongheng Tongde (Note 6)	H Shares	3,700,872	1.91%	3,700,872	1.61%

LETTER FROM THE BOARD

Shareholders	Class of Shares	As at the Latest Practicable Date		Immediately upon Completion	
		Number of Shares	Percentage of total issued Shares (Note 1)	Number of Shares	Percentage of total issued Shares (Note 2)
Gongqingcheng Huiyou (Note 6)	H Shares	3,038,340	1.57%	3,038,340	1.32%
Caizhi No.2 (Note 7)	H Shares	11,620,411	5.99%	11,620,411	5.06%
CSPC-NBP (Note 8)	H Shares	51,241,785	26.43%	51,241,785	22.33%
Sub-total of (A)	H Shares	135,349,110	69.82%	135,349,110	58.99%
	Domestic Shares	0	0.00%	35,592,400	15.51%
	Sub-total	<u>135,349,110</u>	<u>69.82%</u>	<u>170,941,510</u>	<u>74.50%</u>
(B) Other public Shareholders					
	H Shares	44,130,003	22.77%	44,130,003	19.23%
	Domestic Shares	14,370,087	7.41%	14,370,087	6.26%
	Sub-total of (B)	<u>58,500,090</u>	<u>30.18%</u>	<u>58,500,090</u>	<u>25.50%</u>
Total issued Shares		<u>193,849,200</u>	<u>100.00%</u>	<u>229,441,600</u>	<u>100.00%</u>

Notes:

- (1) The calculation is based on the total number of 179,479,113 H Share and 14,370,087 Domestic Shares in issue as at the Latest Practicable Date.
- (2) The calculation is based on the total number of 179,479,113 H Share and 49,962,487 Domestic Shares in issue as at immediately upon Completion.
- (3) Pursuant to the Concert Party Agreements, the AIC Parties agreed (i) to act in concert by way of reaching consensus on proposals related to the Group's daily management and operation presented to all general meetings and Board meetings of the Company; and (ii) that when no consensus can be reached, the AIC Parties shall vote in concurrence with Dr. Yuan Qian on the proposals, or, in the event of Dr. Yuan Qian's absence from voting, the AIC Parties shall vote in concurrence with the AIC Party with the highest shareholding percentage among the AIC Parties who votes at the meetings.
- (4) Wuhan Caizhi is a limited partnership established in the PRC and one of the employee incentive platforms of the Company. The voting rights held by Wuhan Caizhi in the Company shall be exercised pursuant to the Concert Party Agreements. The executive partner of Wuhan Caizhi is Wuhan Caizhi Technology Co., Ltd. (武漢才智科技有限責任公司) ("Wuhan Caizhi GP"). Wuhan Caizhi is owned (i) as to 50.76% by 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), (ii) as to 29.33% by 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)), (iii) as to 8.66% by Dr. Zhou Pengfei, (iv) as to 0.55% by Wuhan Caizhi GP and (v) as to the remaining 10.70% interest by 21 individuals who are the limited partners of Wuhan Caizhi and current or former employees of the Group, each holding not more than 4%.

LETTER FROM THE BOARD

- (5) Ms. Huang Lin, the spouse of Dr. Zhou Hongfeng, is interested in 1,342,600 H Shares and she is a member of the Concert Parties. The 1,342,600 H Shares held by Ms. Huang Lin was acquired on 11 June 2026 by Ms. Huang Lin from Puhua Kaizhi for a total consideration of HK\$5,065,247.45 (i.e. HK\$3.78 per H Share). Puhua Kaizhi was owned (i) as to 50% by YZY Industrial Group Co., Ltd. (友芝友實業集團有限公司), a company wholly-owned by Dr. Yuan Qian, (ii) as to 30% by Dr. Zhou Hongfeng and (iii) as to 20% by Mr. Zhou Hongjun, brother of Dr. Zhou Hongfeng.
- (6) (a) Nanning Huiyou is a limited partnership established in the PRC and is owned (i) as to 26.55% by Chongqing Laimi Pharmaceutical Co., Ltd. (重慶萊美藥業股份有限公司) (stock code: 300006.SZ), (ii) as to 21.24% by Shenzhen Tianzheng Investment Co., Ltd. (深圳市天正投資有限公司), (iii) as to 13.27% by Anhui Youlian Huizhi Enterprise Management Consulting Partnership (Limited Partnership) (安徽友聯匯智企業管理諮詢合夥企業), (iv) as to 0.88% by Nanning Yaoyou, which is the general partner of Nanning Huiyou and (v) as to the remaining 38.06% interest by 16 individuals who are individual investors of Nanning Huiyou and are third parties independent of the Company and its connected persons, each holding not more than 8%. Nanning Yaoyou is owned (i) as to 60% by Mr. Guo Hongwei, (ii) as to 39.75% by Mr. Wen, who is one of the general partners of Nanning Yaoyou, and (iii) as to 0.25% by Tongde Qianyuan, which is one of the general partners of Nanning Yaoyou. Tongde Qianyuan is owned (i) as to approximately 72.38% by Mr. Wen, (ii) as to approximately 13.34% by Mr. Fan Xiaodong, (iii) as to approximately 8.57% by Mr. Sha Shi and (iv) as to approximately 5.71% by Mr. Guo Hongwei.
- (b) Zhongheng Tongde is a limited partnership established in the PRC and is owned (i) as to 98% by its limited partner, Guangxi Wuzhou Zhongheng Group Co., Ltd (廣西梧州中恒集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600252.SH) and (ii) as to 2% by its general partner, Tongde Tongxin. Tongde Tongxin is owned (i) as to 33% by Mr. Wang Jinxu, (ii) as to 33% by Mr. Guo Hongwei, (iii) as to 29% by Mr. Wen and (iv) as to 5% by its general partner, Tongde Qianyuan.
- (c) Gongqingcheng Huiyou is a limited partnership established in the PRC, whose general partner is Gongqingcheng Yaoyou and is owned (i) as to 25% by Mr. Peng Zhongxi, (ii) as to 15.5% by Mr. Zhang Hongtao, (iii) as to 10% by Mr. Li Longjun, (iv) as to 7.5% by Mr. Wu Haoshan, (v) as to 7.5% by Mr. Chen Wenping, (vi) as to 2.5% by Gongqingcheng Yaoyou and (vii) as to the remaining 32% by 8 individual investors, each holding not more than 5%. Gongqingcheng Yaoyou is owned (i) as to 60% by Mr. Guo Hongwei, (ii) as to 39% by Mr. Wen and (iii) as to 1% by its general partner, Tongde Qianyuan.

As Mr. Wen is interested in 72.38% of Tongde Qianyuan, which is the general partner of the general partner of each of Nanning Huiyou, Zhongheng Tongde and Gongqingcheng Huiyou, each of Nanning Huiyou, Zhongheng Tongde and Gongqingcheng Huiyou is considered to be controlled by Mr. Wen.

For the purpose of the Share Subscription involving the Whitewash Waiver, Mr. Wen is presumed to be acting in concert with the Subscribers by virtue of being Directors under Class (6) of the definition of “acting in concert” under the Takeovers Code, and therefore, each of Nanning Huiyou, Zhongheng Tongde and Gongqingcheng Huiyou, which is considered to be controlled by Mr. Wen, is also presumed to be acting in concert with the Subscribers.

None of the Subscribers is a general partner or limited partner of any of Nanning Huiyou, Zhongheng Tongde and Gongqingcheng Huiyou and there does not exist any of the relationship between any of the Subscribers on one hand and limited partners of any of Nanning Huiyou, Zhongheng Tongde and Gongqingcheng Huiyou on the other hand falling within any of the 9 classes of presumption of the definition of “acting in concert” under the Takeovers Code (except for Mr. Wen who is a Director), none of the limited partners of Nanning Huiyou, Zhongheng Tongde and Gongqingcheng Huiyou is a partner acting in concert with the Subscribers.

LETTER FROM THE BOARD

- (7) Caizhi No. 2 is a limited partnership established in the PRC and one of the employee incentive platforms of the Company. The general partner of Caizhi No. 2 is Wuhan Huiyou Juyou Enterprise Management Co., Ltd (武漢匯友聚友企業管理有限公司) (“**Caizhi No. 2 GP**”), which is owned as to 90% by Dr. Zhou Pengfei and 10% by Mr. Li Si. Caizhi No. 2 is held (i) as to 24.49% by CSPC-NBP, (ii) as to 23.72% by Dr. Zhou Pengfei, (iii) as to 9.75% by Dr. Yuan Qian, (iv) as to 5.03% by Mr. Yi Jizu, (v) as to 4.87% by Dr. Zhou Hongfeng, (vi) as to 4.38% by Mr. Wen, (vii) as to 0.04% by Caizhi No. 2 GP and (viii) as to the remaining 27.72% by 3 companies and 12 individuals, each holding less than 4%.

The general partner of Caizhi No. 2, Caizhi No. 2 GP, is controlled by Dr. Zhou Pengfei who is an executive Director and one of the Subscribers. Therefore, it is presumed to be acting in concert with the Subscribers under Class (2) of the definition of “acting in concert” under the Takeovers Code.

- (8) CSPC-NBP is directly and indirectly owned as to 100% by CSPC. Based on disclosure made pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as at 20 July 2026, Mr. Cai Dong Chen was the single largest shareholder of CSPC interested in 26.39% shares of CSPC. As CSPC-NBP is a limited partner of Caizhi No. 2 holding more than 20% interest in Caizhi No. 2 and is therefore presumed to be acting in concert with Dr. Zhou Pengfei, one of the Subscribers, under Class (1) of the definition of “acting in concert” under the Takeovers Code. Considering the Company’s previous discussions with CSPC with respect to their support for the Share Subscription, the Subscribers and the Company had decided to withdraw the rebuttal application of the aforesaid presumption.

- (9) Saved as disclosed above, none of the Directors holds any Shares.

4. REASONS FOR AND BENEFITS OF THE SHARE SUBSCRIPTION

The Group is under considerable operating cash pressure. As at 30 June 2026, the Group had bank balances and cash of approximately RMB75.9 million, while trade and other payables of approximately RMB33.4 million and bank borrowings of approximately RMB138.6 million. The Directors consider that the Share Subscription can raise capital in order to maintain a sufficient cash position of the Group to meet its current liabilities and to enhance the capital base of the Company. The replenishment of working capital will enhance the capital strength of the Company and effectively broaden the channels of capital reserve to expand the business development of the Company. The Share Subscription by the founders of the Company demonstrates continued commitment and confidence in the prospects of the Company. At the same time, the issue of the Share Subscription will effectively reduce the gearing ratio of the Company, optimise the capital structure, improve the overall financial position of the Company and lower the financial risks.

The Board is aware of the potential dilution effect on the shareholding interest of the existing Shareholders following the issue of the Subscription Shares. Save for the aforesaid potential dilution effect, the Board is of the view that the Subscription would not have any disadvantages to the Company. However, after taking into consideration that (i) the struggling financial position of the Group, (ii) the rationale of the use of proceeds as set out in the section headed “Proposed Use of Proceeds” and (iii) the terms of the Subscription Agreement (including the Subscription Price) is fair and reasonable, the Board considers that the dilution effect is justifiable.

LETTER FROM THE BOARD

As such, the Directors (excluding members of the Independent Board Committees whose views have been set out in the letters of the Connected Transaction IBC and the Whitewash Waiver IBC, respectively, after considering the advice of the Independent Financial Adviser) consider that the terms of the Share Subscription Agreement (including the Subscription Price) are fair and reasonable and on normal commercial terms, and in the interests of the Group and the Shareholders as a whole.

5. PROPOSED USE OF PROCEEDS

Subject to Completion, the net proceeds from the Share Subscription (after deduction of related costs, expenses and fees) are estimated to amount to approximately RMB83 million (the “**Net Proceeds**”), respectively, representing a net price of RMB2.33 per Subscription Share.

The Company intends to apply the Net Proceeds as follows:

- (i) approximately 90% (or approximately RMB74.7 million) of the Net Proceeds will be allocated to the repayment of bank borrowings; and
- (ii) approximately 10% (or approximately RMB8.3 million) of the Net Proceeds will be allocated to the general working capital and general corporate purposes of the Group, including but not limited to professional fees, payroll-related expenses, administrative fees and other corporate expenses.

6. FUTURE INTENTIONS OF THE SUBSCRIBERS REGARDING THE GROUP

The Subscribers consider and confirm that:

- (a) it is intended that the Group will continue its existing business following Completion;
- (b) they share the view of the Company that the Share Subscription is in the interests of the Group, as disclosed in the paragraphs headed “Reasons for and Benefits of the Share Subscription” and “Proposed Use of Proceeds” above; and
- (c) there is no intention to introduce any major changes to the existing business of the Group or the continued employment of the Group’s employees, and there is no intention to redeploy the fixed assets of the Group other than in its ordinary course of business.

7. FUND RAISING ACTIVITY IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities through any issue of equity securities within the 12 months immediately prior to the Latest Practicable Date.

8. INFORMATION ON THE PARTIES

Information on the Company

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.

Information on the Subscribers

Dr. Yuan Qian

Dr. Yuan Qian is a non-executive Director and a co-founder of the Group. He is also a substantial Shareholder. He is involved in the formulation of the general corporate business plans, strategies, and major decisions of the Group through the Board. As at the Latest Practicable Date, he was interested in 20,399,933 H Shares, representing approximately 10.52% of the issued share capital of the Company. Immediately after Completion, he will be interested in 20,399,933 H Shares (representing approximately 8.89% of the issued share capital of the Company) and 31,677,400 Domestic Shares (representing approximately 13.81% of the issued share capital of the Company), representing in aggregate approximately 22.70% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company between the Latest Practicable Date and the Completion save for the allotment and issue of the Subscription Shares).

Dr. Zhou Hongfeng

Dr. Zhou Hongfeng is a non-executive Director and a co-founder of the Group. He is currently responsible for participating in the formulation of the general corporate business plans, strategies and major decisions of the Group through the Board. As at the Latest Practicable Date, he was interested in 10,199,921 H Shares, representing approximately 5.26% of the issued share capital of the Company. Immediately after Completion, he will be interested in 10,199,921 H Shares (representing approximately 4.45% of the issued share capital of the Company) and 3,559,200 Domestic Shares (representing approximately 1.55% of the issued share capital of the Company), representing in aggregate approximately 6.00% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company between the Latest Practicable Date and the Completion save for the allotment and issue of the Subscription Shares).

LETTER FROM THE BOARD

Dr. Zhou Pengfei

Dr. Zhou Pengfei is an executive Director and a co-founder of the Group. He is responsible for the overall strategic planning of the Group and supervises and oversees the management of our business. He also serves as the general manager of all of the Company's subsidiaries, namely Shijiazhuang Shiyu Biotechnology Co., Ltd. (石家莊石友生物技術有限公司) and Wuhan Youwei Biotechnology Co., Ltd (武漢友微生物技術有限公司), respectively. As at the Latest Practicable Date, he was interested in 6,869,744 H Shares, representing approximately 3.54% of the issued share capital of the Company. Immediately after Completion, he will be interested in 6,869,744 H Shares (representing approximately 2.99% of the issued share capital of the Company) and 355,800 Domestic Shares (representing approximately 0.16% of the issued share capital of the Company), representing in aggregate approximately 3.15% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company between the Latest Practicable Date and the Completion save for the allotment and issue of the Subscription Shares).

9. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, each of the Subscribers is a Director and Dr. Yuan Qian is also a substantial Shareholder. The Subscribers are directly and indirectly interested in an aggregate of 55,604,905 Shares, representing approximately 28.68% of the total issued share capital of the Company. Pursuant to the Listing Rules, each of the Subscribers is a connected person of the Company. Accordingly, the Share Subscription constitutes a connected transaction of the Company and subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

10. BOARD'S APPROVAL

Dr. Yuan Qian, Dr. Zhou Hongfeng and Dr. Zhou Pengfei have abstained from voting at the Board meeting for approval of the relevant resolutions in respect of the Share Subscription, the Specific Mandate, the Whitewash Waiver and the proposed amendments to the Articles.

Save as disclosed above, none of the Directors has a material interest in the Share Subscription or is required to abstain from voting on the Board resolutions for considering and approving the Share Subscription, the Specific Mandate and the Whitewash Waiver pursuant to the Listing Rules and/or the Articles.

The Board has approved the resolutions for considering and approving the Share Subscription, the Specific Mandate, the Whitewash Waiver and the proposed amendments to the Articles, subject to the Independent Shareholders' approval at the EGM.

11. TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

As at the Latest Practicable Date, the Subscribers and the Concert Parties, hold an aggregate of 135,349,110 H Shares, representing 69.82% of the total issued share capital of the Company. Following Completion and assuming no other changes to the total issued share capital of the Company prior to Completion, the Subscribers and the Concert Parties will together be interested in an aggregate of 170,941,510 Shares (representing in aggregate approximately 74.50% of the issued share capital of the Company), which comprise 135,349,110 H Shares and 35,592,400 Domestic Shares, representing approximately 58.99% and 15.51% of the issued share capital of the Company as enlarged by the allotment and issue of Subscription Shares (assuming that there is no other change in the issued share capital of the Company), respectively.

As the Share Subscription will increase the aggregate shareholding of the Subscribers from approximately 19.33% to approximately 31.84% and, together with the Concert Parties, from approximately 69.82% to approximately 74.50%, pursuant to Rule 26.1 of the Takeovers Code, the issue of Subscription Shares to the Subscribers will give rise to an obligation on the part of the Subscribers to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by the Subscribers and the Concert Parties unless the Whitewash Waiver is obtained from the Executive.

Completion is conditional upon, among others, the granting of the Whitewash Waiver by the Executive and approval by the Independent Shareholders. An application has been made by the Company on behalf of the Subscribers to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the issue of the Subscription Shares pursuant to the Share Subscription. The Executive has indicated that the Whitewash Waiver will be granted subject to the approval by at least 75% and not less than two-third of the votes cast by the Independent Shareholders either in person or by proxy by way of poll in respect of the Whitewash Waiver and the Share Subscription (including the grant of the Specific Mandate and the approval of the Share Subscription Agreement), respectively, at the EGM.

The Subscribers and the Concert Parties and their respective associates and any other persons who are involved or interested in the Share Subscription, the Specific Mandate and/or the Whitewash Waiver will be required to abstain from voting in respect of the resolution(s) to approve the Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver at the EGM.

The Executive may or may not grant the Whitewash Waiver and in the event that it is not granted, the Share Subscription Agreement shall not take effect and the Share Subscription will not proceed.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company confirms that the Share Subscription will not give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). The Company notes that the Executive may not grant the Whitewash Waiver if the Share Subscription does not comply with other applicable rules and regulations. The Share Subscription will not proceed if the Whitewash Waiver is not granted or approved.

If the Whitewash Waiver is approved by the Independent Shareholders, upon the issue of the Subscription Shares to the Subscribers (and assuming there is no other change to the issued share capital of the Company), the aggregate interest of the Subscribers and the Concert Parties in the Company will exceed 50%. The Subscribers and the Concert Parties may further increase its shareholdings in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

12. ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEES

Pursuant to the Listing Rules, the Connected Transaction IBC (comprising all the independent non-executive Directors who have no direct or indirect interests in the Share Subscription Agreement and transactions contemplated thereunder, namely Dr. Cheng Bin, Ms. Fu Lili, Dr. Deng Yuezhen and Dr. Chen Bin) has been formed to advise the Independent Shareholders on whether the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) is fair and reasonable and make recommendations as to voting.

Pursuant to Rule 2.8 of the Takeovers Code, the Whitewash Waiver IBC (comprising all the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Share Subscription and the Whitewash Waiver, namely Mr. Xie Shouwu, a non-executive Director; and Dr. Cheng Bin, Ms. Fu Lili, Dr. Deng Yuezhen and Dr. Chen Bin, each an independent non-executive Director) has also been formed to advise the Independent Shareholders as to the Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver and make recommendations as to voting. Since the non-executive Directors, Dr. Yuan Qian and Dr. Zhou Hongfeng, are Subscribers, they are not included as members of the Whitewash Waiver IBC. In addition, Mr. Pang Zhenhai and Dr. Hui Xiwu, each a non-executive Director, are employees and directors nominated by CSPC-NBP. As CSPC-NBP is one of the Concert Parties, they are considered to have direct or indirect interest in the Share Subscription and the Whitewash Waiver and are not included as members of the Whitewash Waiver IBC.

13. PROPOSED AMENDMENTS TO THE ARTICLES

The Board proposed to make certain amendments to the Articles, to take effect subject to and upon Completion, in order to reflect the latest registered capital and shareholding structure of the Company as a result of the issue of the Subscription Shares.

The proposed amendments to the Articles are subject to approval by the Shareholders by way of special resolution at the EGM and the registration and filing with the relevant PRC government authorities.

LETTER FROM THE BOARD

Details of the proposed amendments to the Articles are as follows:

Article No.	Original Article	Amended Article
Article 6	The registered capital of the Company is RMB193,849,200.	The registered capital of the Company is RMB 229,441,600 .
Article 21	<p>With the approval of the CSRC on March 30, 2023 and the approval of the Hong Kong Stock Exchange on September 22, 2023, the Company may issue no more than 60,666,800 overseas listed foreign shares (assuming that the Over-allotment Option is not exercised) to overseas investors. If the Over-allotment Option is exercised, the Company may issue no more than 69,766,800 overseas listed foreign shares. The shareholders of unlisted shares will convert 99,619,614 domestic unlisted shares of the Company held by them into overseas listed foreign shares.</p> <p>After the completion of the abovementioned issuance of overseas listed foreign shares, the conversion of domestic unlisted shares into overseas listed foreign shares and the partial exercise of the over-allotment option, the share capital structure of the Company is: 193,849,200 ordinary shares, including 82,380,386 domestic unlisted shares and 111,468,814 overseas listed foreign shares (including 99,619,614 overseas listed foreign shares converted from domestic unlisted shares).</p>	<p><u>The total share capital of the Company is 229,441,600 shares, all of which are ordinary shares. Of these, 49,962,487 shares are unlisted shares, representing 21.7757% of the Company's total share capital, and 179,479,113 shares are overseas-listed foreign shares (including 167,629,913 overseas-listed foreign shares converted from domestic unlisted shares), representing 78.2243% of the Company's total share capital.</u></p>

Save for the proposed amendments to the Articles above, other provisions of the Articles shall remain unchanged. The English version of the above proposed amendments is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

LETTER FROM THE BOARD

14. EXTRAORDINARY GENERAL MEETING

The EGM will be convened at 10:00 a.m. on Tuesday, 17 November 2026 at Conference Room 3, 2nd Floor, Building C2-1, No. 666 Gaoxin Road, East Lake High Tech Development Zone, Wuhan, Hubei Province, PRC to consider and, if thought fit, approve, among others, (i) the Share Subscription (including the transactions contemplated under the Share Subscription Agreement); (ii) the Specific Mandate; (iii) the Whitewash Waiver; and (iv) the proposed amendments to the Articles. The voting in relation to the Share Subscription Agreement, the Specific Mandate, the Whitewash Waiver and proposed amendments to the Articles at the EGM will be conducted by way of poll.

The Subscribers and the Concert Parties and their respective associates and any other Shareholder who is involved or interested in the Share Subscription, the Specific Mandate and the Whitewash Waiver will be required to abstain from voting on the resolutions to be proposed at the EGM for approving the Share Subscription, the Specific Mandate and the Whitewash Waiver.

Save as disclosed above, as at the Latest Practicable Date, no Shareholder had any interest or involvement in the Share Subscription and the Whitewash Waiver, and no other Shareholder was required to abstain from voting at the EGM on the resolutions approving the Share Subscription, the Specific Mandate and the Whitewash Waiver.

A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular.

Pursuant to the Listing Rules and the Articles, any vote of Shareholders at a general meeting must be taken by poll. An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under the Listing Rules.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yzybio.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarized copy of that power of attorney or authority at the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the EGM (i.e. not later than 10:00 a.m. on Monday, 16 November 2026 or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM if you so wish.

LETTER FROM THE BOARD

15. RECOMMENDATION

Your attention is drawn to: (i) the letter from the Connected Transaction IBC set out on pages 24 to 25 of this circular and (ii) the letter from the Whitewash Waiver IBC is set out on pages 26 to 27 of this circular, containing its recommendation to the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver and (iii) the letter from the Independent Financial Adviser set out on pages 28 to 63 of this circular, containing its advice to the Independent Board Committees and the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver.

16. ADDITIONAL INFORMATION

Your attention is drawn to the additional information which is also set out in the appendices to this circular.

Shareholders and potential investors of the Company are advised to note that, as the Share Subscription is subject to the satisfaction of the Conditions Precedent, including but not limited to the granting of the Whitewash Waiver by the Executive and the approval of the Share Subscription and the Whitewash Waiver by Independent Shareholders, the proposed Share Subscription may or may not proceed. Therefore, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position and as to actions that they should take.

By order of the Board
Wuhan YZY Biopharma Co., Ltd.
Dr. Zhou Pengfei
*Chairman of the Board, Executive Director
and Chief Executive Officer*



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)

30 October 2026

To the Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION IN RESPECT OF THE PROPOSED
ISSUE OF NEW DOMESTIC SHARES UNDER SPECIFIC MANDATE
AND
(2) APPLICATION FOR WHITEWASH WAIVER**

We refer to the circular dated 30 October 2026 issued by the Company of which this letter forms part of (the “**Circular**”). Capitalised terms used in this letter have the same meaning as those defined in the Circular unless otherwise specified.

We have been authorized by the Board to form the Connected Transaction IBC to consider and advise the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) is fair and reasonable and make recommendations as to voting at the EGM.

We wish to draw your attention to the letter from the Board set out on pages 7 to 23 of the Circular and the letter of advice from BaoQiao Partners, the Independent Financial Adviser appointed to advise the Connected Transaction IBC and the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate), set out on pages 28 to 63 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of BaoQiao Partners as stated in its letter of advice, we consider that the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) are fair and reasonable, on normal commercial terms, and although not in ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders (including Independent Shareholders) as a whole.

LETTER FROM THE CONNECTED TRANSACTION IBC

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM in respect of the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate).

Yours faithfully,

For and on behalf of the Connected Transaction IBC

Wuhan YZY Biopharma Co., Ltd.

Dr. Cheng Bin

Ms. Fu Lili

Dr. Deng Yuezhen

Dr. Chen Bin

Independent non-executive Directors



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)

30 October 2026

To the Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION IN RESPECT OF THE PROPOSED
ISSUE OF NEW DOMESTIC SHARES UNDER SPECIFIC MANDATE
AND
(2) APPLICATION FOR WHITEWASH WAIVER**

We refer to the circular dated 30 October 2026 issued by the Company of which this letter forms part of (the “**Circular**”). Capitalised terms used in this letter shall have the same meaning as those defined in the Circular unless otherwise specified.

We have been authorized by the Board to form the Whitewash Waiver IBC to consider and advise the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver are fair and reasonable and make recommendations as to voting at the EGM.

We wish to draw your attention to the letter from the Board set out on pages 7 to 23 of the Circular and the letter of advice from BaoQiao Partners Capital Limited, the Independent Financial Adviser appointed to advise the Whitewash Waiver IBC and the Independent Shareholders in respect of the Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver, set out on pages 28 to 63 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of BaoQiao Partners as stated in its letter of advice, we consider that the Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver are fair and reasonable, on normal commercial terms, and although not in ordinary and usual course of business of the Group, are in the interests of the Company and the Independent Shareholders.

LETTER FROM THE WHITEWASH WAIVER IBC

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM in respect of the Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver.

Yours faithfully,

For and on behalf of the Whitewash Waiver IBC

Wuhan YZY Biopharma Co., Ltd.

Mr. Xie Shouwu

Non-executive Director

Dr. Cheng Bin

Ms. Fu Lili

Dr. Deng Yuezhen

Dr. Chen Bin

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from BaoQiao Partners Capital Limited to the Independent Board Committees and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



BAOQIAO PARTNERS CAPITAL LIMITED

Room C01, 26/F, United Centre,
95 Queensway, Admiralty, Hong Kong

30 October 2026

*To the Independent Board Committees and the Independent Shareholders of
Wuhan YZY Biopharma Co., Ltd.*

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION IN RESPECT OF THE PROPOSED
ISSUE OF NEW DOMESTIC SHARES UNDER SPECIFIC MANDATE;
AND
(2) APPLICATION FOR WHITEWASH WAIVER**

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committees and the Independent Shareholders on the Share Subscription, the Specific Mandate and the Whitewash Waiver, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 30 October 2026 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

Reference is made to the Announcement and the Letter from the Board, that, on 30 August 2026, the Company and the Subscribers entered into the Share Subscription Agreement, pursuant to which the Subscribers conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, an aggregate of 35,592,400 Domestic Shares at the Subscription Price of RMB2.43 per Domestic Share.

As at the Latest Practicable Date, each of the Subscribers is a Director and Dr. Yuan Qian is also a substantial Shareholder. The Subscribers are directly and indirectly interested in an aggregate of 55,604,905 Shares, representing approximately 28.68% of the total issued share capital of the Company. Pursuant to the Listing Rules, each of the Subscribers is a connected person of the Company. Accordingly, the Share Subscription constitutes a connected transaction of the Company and subject to reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, the Subscribers and the Concert Parties, hold an aggregate of 135,349,110 H Shares, representing 69.82% of the total issued share capital of the Company. Following Completion and assuming no other changes to the total issued share capital of the Company prior to Completion, the Subscribers and the Concert Parties will together be interested in a total of 170,941,510 Shares (representing in aggregate approximately 74.50% of the issued share capital of the Company), which comprise 135,349,110 H Shares and 35,592,400 Domestic Shares, representing approximately 58.99% and 15.51% of the issued share capital of the Company as enlarged by the allotment and issue of Subscription Shares, respectively.

As the Share Subscription will increase the aggregate shareholding of the Subscribers from approximately 19.33% to approximately 31.84% and, together with the Concert Parties, from approximately 69.82% to approximately 74.50%, pursuant to Rule 26.1 of the Takeovers Code, the issue of Subscription Shares to the Subscribers will give rise to an obligation on the part of the Subscribers to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by the Subscribers and the Concert Parties unless the Whitewash Waiver is obtained from the Executive.

Completion is conditional upon, among others, the granting of the Whitewash Waiver by the Executive and approval by the Independent Shareholders. An application has been made by the Company on behalf of the Subscribers to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the issue of the Subscription Shares pursuant to the Share Subscription. The Executive has indicated that the Whitewash Waiver will be granted subject to the approval by at least 75% and not less than two-third of the votes cast by the Independent Shareholders either in person or by proxy by way of poll in respect of the Whitewash Waiver and the Share Subscription (including the grant of the Specific Mandate and the approval of the Share Subscription Agreement), respectively, at the EGM.

Pursuant to the Listing Rules, the Connected Transaction IBC (comprising all the independent non-executive Directors who have no direct or indirect interests in the Share Subscription Agreement and transactions contemplated thereunder, namely Dr. Cheng Bin, Ms. Fu Lili, Dr. Deng Yuezhen and Dr. Chen Bin) has been formed to advise the Independent Shareholders on whether the Share Subscription (including the Share Subscription Agreement and transactions contemplated thereunder, and the Specific Mandate) is fair and reasonable and make recommendations as to voting.

Pursuant to Rule 2.8 of the Takeovers Code, the Whitewash Waiver IBC (comprising all the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Share Subscription and the Whitewash Waiver, namely Mr. Xie Shouwu, a non-executive Director; and Dr. Cheng Bin, Ms. Fu Lili, Dr. Deng Yuezhen and Dr. Chen Bin, each an independent non-executive Director) has also been formed to advise the Independent Shareholders as to the Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver and make recommendations as to voting. Since the non-executive Directors, Dr. Yuan Qian and Dr. Zhou Hongfeng, are Subscribers, they are not included as members of the Whitewash Waiver IBC. In addition, Mr. Pang Zhenhai and Dr. Hui Xiwu, each a non-executive Director, are

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

employees and directors nominated by CSPC-NBP. As CSPC-NBP is one of the Concert Parties, they are considered to have direct or indirect interest in the Share Subscription and the Whitewash Waiver and are not included as members of the Whitewash Waiver IBC.

We, BaoQiao Partners Capital Limited, have been appointed as the Independent Financial Adviser with the approval of the Independent Board Committees to advise the Independent Board Committees and the Independent Shareholders as to whether the Share Subscription, the Specific Mandate and the Whitewash Waiver are fair and reasonable and make recommendations as to voting.

OUR INDEPENDENCE

In the last two years, prior to the Latest Practicable Date, we have not acted in any capacity in relation to any transactions of the Company. As at the Latest Practicable Date, we do not have any relationship with, or have any interest in, the Group, the Subscribers and their respective associates that could reasonably be regarded as relevant to our independence. Apart from the normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangement exists whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. As such, we consider that we are independent pursuant to Rule 2.6 of the Takeovers Code and Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committees and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Announcement, the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company (collectively, the “**Management**”). We have reviewed, among others, the Share Subscription Agreement, the annual report of the Company for the year ended 31 December 2025 (“**FY2025**”) (the “**2025 Annual Report**”), the interim report of the Company for the six months ended 30 June 2026 (“**HY2026**”) (the “**2026 Interim Report**”), certain corporate and financial information of the Company, and the information set out in the Announcement and the Circular. We have assumed that all information and representations that have been provided by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all material respects and not misleading or deceptive at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and representations made by the Management in the Circular and/or discussed with/provided to us were reasonably made after due enquiries and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers, the Management, which have been provided to us.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs, financial condition and future prospects of the Group, the Subscribers and their respective associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Share Subscription, Specific Mandate and the Whitewash Waiver. Our opinion is necessarily based on financial, economic, market and other conditions in effect, and the facts, information, representations and opinions made available to us, at the Latest Practicable Date. The Independent Shareholders will be notified of any material changes to information contained in or referred to herein as well as any changes to our opinion, if any, as soon as possible in accordance with Rule 9.1 of the Takeovers Code after the Latest Practicable Date.

This letter is issued for the information for the Independent Board Committees and the Independent Shareholders solely in connection with their consideration of approving the Share Subscription, the Specific Mandate and the Whitewash Waiver, and this letter, except for its inclusion in the Circular and for publication on the websites of the SFC (www.sfc.hk), the Stock Exchange (www.hkexnews.hk) and the Company (www.yzybio.com) as required under the Takeovers Code and the Listing Rules, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendation to the Independent Board Committees and the Independent Shareholders in respect of the Share Subscription, Specific Mandate and the Whitewash Waiver, we have taken into consideration the following factors and reasons:

1. Background Information of the Group

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.

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Pipeline Products

As disclosed in 2026 Interim Report, the Group designed and developed a pipeline of four clinical-stage drug candidates, including its core product M701, a recombinant BsAb for which the Group has completed a Phase III clinical trial in treating malignant ascites (“MA”) and is currently a Phase Ib/II clinical trial in treating malignant pleural effusion (“MPE”), and three other drug candidates, namely Y332 (a recombinant anti-VEGF and anti-TGF- β BsAb for the treatment of a variety of solid tumors), Y400 (Class I innovative biological product targeting ocular fundus neovascular diseases) and Y225 (a biosimilar of Eficizumab for the treatment of hemophilia) at various clinical stages.

The Group is currently developing M701 primarily as the treatment of MA and MPE, which are severe complications of cancer characterized by the accumulation of fluid in the abdominal or chest cavity of cancer patients. As disclosed in the 2026 Interim Report, for the treatment of MA, the National Medical Products Administration (“NMPA” 國家藥品監督管理局) has accepted the New Drug Application (NDA) for M701, and such application is currently awaiting review by the Center for Drug Evaluation (“CDE” 藥品審評中心), a public institution under the NMPA responsible for the technical review of drug registration applications; for the treatment of MPE, the End of Phase application II (EOP2) has been submitted to the CDE and the Company is currently awaiting its feedback. As confirmed by the Management, there has been no material change in the development progress of M701 since the publication of the 2026 Interim Report. As at the Latest Practicable Date, none of the pipeline products had been fully developed or commercialised.

We conducted due diligence on the Group’s product pipelines through: (i) review of the Company’s prospectus dated 13 September 2023 and all publicly available disclosures published on the Stock Exchange’s website from 31 December 2025 up to the date of the Latest Practicable Date; (ii) review of relevant records and agreements relating to clinical-stage, NDA(New Drug Application)-stage and pre-clinical pipeline products; (iii) independent searches of the CDE website to verify the registration status, regulatory progress and clinical trial records of the Group’s products; and (iv) searches under the names of the Company and its subsidiaries on the CDE website to identify any undisclosed pipeline or commercialized products.

Based on our review, we did not identify any discrepancies between the Company’s disclosures and publicly available regulatory records, any undisclosed regulatory applications, or any undisclosed clinical-stage pipeline products or commercialised drug products attributable to the Group. We also noted that no regulatory applications had been submitted for the Group’s pre-clinical pipeline products. In addition, the Company and the Subscribers have confirmed in writing that, as at the Latest Practicable Date, there were no undisclosed material developments relating to the Group’s products known to them.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Customers and Business Collaboration

Collaboration with Shenzhen Kangzhe

In July 2022, the Company entered into an asset transfer agreement (“**Asset Transfer Agreement**”) with Shenzhen Kangzhe Vision Pharmaceutical Development Co., Ltd. (“**Shenzhen Kangzhe**”) (深圳市康哲維盛醫藥發展有限責任公司), a wholly-owned subsidiary of China Medical System Holdings Limited (Stock Code: 0867.HK), a company listed on the Stock Exchange and is currently owned as to approximately 47.86% by Mr. Lam Kong based on the public information available on the website of the Stock Exchange (the “**Transferee**”) to transfer all rights and assets relating to one of its drug candidates, namely Y400. Pursuant to the Asset Transfer Agreement, the Group agreed to transfer to Shenzhen Kangzhe substantially all rights, assets and intellectual property relating to Y400 worldwide (subject to certain arrangements for the United States, Europe and Japan), and granted a non-exclusive sublicense to an upstream cell line relating to Y400. The Group is responsible for the required pre-clinical studies, while the Transferee is responsible for the Investigational New Drug (IND) application, clinical development, regulatory activities, commercialization and manufacturing of Y400, either by itself or through the Group or a contract manufacture organization (CMO).

Under the Asset Transfer Agreement, the Company was entitled to an upfront fee of USD5.0 million and a milestone fee of USD1.0 million upon the Transferee obtaining NMPA approval to commence clinical trials. The upfront fee and milestone fee were received in October 2022 and June 2023, respectively.

In April 2024, the Company entered into a supplemental agreement with the Transferee and its subsidiary, pursuant to which the rights and assets relating to the drug candidate in Mainland China, Hong Kong and Macau were transferred to the Transferee, while the rights and assets in all other territories were transferred to the subsidiary. The aggregate consideration was revised from USD6.0 million to RMB39.5 million (excluding VAT).

As disclosed in 2025 Annual Report and 2026 Interim Report, the above fees were refundable upon the occurrence of certain contingent events (“**Contingent Events**”) under the above agreements, they were recognised as advances from the transfer agreement and classified as current liabilities in the consolidated accounts of the Group. No revenue has been recognised under the Asset Transfer Agreement. Pursuant to the Asset Transfer Agreement, the principal Contingent Events include, (i) loss or revocation of the sublicensed rights to the cell line of the target product attributable to the Company; (ii) invalidation, rejection or infringement of the core PRC patent without a timely or effective remedy; (iii) unresolved delay or obstacle in the clinical trials attributable to the Company (such as quality issues or delayed supply of clinical trial drugs); (iv) failure to complete a successful technology transfer or ensure stable commercial supply; and (v) breach of Company’s non-competition undertakings.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Collaboration with CT Tianqing

On 7 October 2024, the Company entered into a licensing and collaboration agreement (“**Licensing and Collaboration Agreement**”) with Chia Tai Tianqing Pharmaceutical Group Co. Ltd. (“**CT Tianqing**” 正大天晴藥業集團股份有限公司), a non wholly-owned subsidiary of Sino Biopharmaceutical Limited (Stock Code: 01177.HK), a company listed on the Stock Exchange. Based on the public information available on the website of the Stock Exchange, Sino Biopharmaceutical Limited is currently owned as to approximately 48.66% by members of Tse family, including Mr. Tse Ping, Ms. Cheng Cheung Ling, Ms. Tse, Theresa YY, Mr. Tse, Eric S Y and Mr. Tse Hsin. Pursuant to the Licensing and Collaboration Agreement, the Company has granted CT Tianqing an exclusive, sublicensable license to develop, register, manufacture and commercialize any product incorporating M701 together with its stabilizer, in the entire field relating to the prevention and treatment of human diseases in the PRC. The considerations for the Licence 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).

For the year ended 31 December 2024 (“**FY2024**”), FY2025 and HY2026 and up to the Latest Practicable Date, the Group’s revenue, comprising licensing income and R&D service income, was solely derived from the Licensing and Collaboration Agreement related to M701, with CT Tianqing being the Group’s only customer.

Potential collaborations

As disclosed in the 2026 Interim Report and as advised by the Management, the Group is currently in negotiations with an external party for joint development of mAbs oral preparation for Y232, no agreement has been finalised as at the Latest Practicable Date.

As disclosed in the 2025 Annual Report and 2026 Interim Report, consistent with the Group’s commercialization strategy, the Group continues to seek to advance the commercialization of its product candidates through licensing arrangements and international collaborations. The Group also actively pursues in-depth partnerships with global pharmaceutical companies possessing extensive resources and development expertise at the clinical stage, with a view to jointly advancing its product pipeline and strengthening the foundation for the future commercialization and market positioning of its products.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Financial Information of the Group

Set out below is a summary of audited consolidated financial information of the Group for FY2025 and FY2024 as extracted from the 2025 Annual Report and the unaudited consolidated financial information of the Group for HY2026 and the six months ended 30 June 2025 (“HY2025”) as extracted from the 2026 Interim Report:

	FY2025 <i>RMB'000</i> <i>(Audited)</i>	FY2024 <i>RMB'000</i> <i>(Audited)</i>	HY2026 <i>RMB'000</i> <i>(Unaudited)</i>	HY2025 <i>RMB'000</i> <i>(Unaudited)</i>
Revenue				
— License fee income	4,038	82,795	24,227	4,717
— R&D service income	<u>62,820</u>	<u>25,018</u>	<u>8,916</u>	<u>32,470</u>
	<u>66,858</u>	<u>107,813</u>	<u>33,143</u>	<u>37,187</u>
Gross profit	10,735	85,069	25,256	7,669
Research and development expenses	(78,198)	(164,986)	(17,581)	(60,186)
Loss attributable to owners of the Company	<u>(84,732)</u>	<u>(97,599)</u>	<u>(6,260)</u>	<u>(58,834)</u>
		As at	As at	
		30 June	31 December	
		2026	2025	
		<i>RMB'000</i>	<i>RMB'000</i>	
		<i>(Unaudited)</i>	<i>(Audited)</i>	
Total assets		177,038	175,007	
— Property and equipment		35,201	34,166	
— Right-of-use assets		7,581	7,870	
— Trade and other receivables and prepayments		49,616	25,553	
— Bank balances and cash		75,997	100,065	
Total liabilities		235,595	228,036	
— Bank borrowings		138,620	127,505	
Net current liabilities		(104,990)	(68,636)	
Net liabilities		<u>(58,557)</u>	<u>(53,029)</u>	

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2025 vs FY2024

For FY2025, revenue of the Group was approximately RMB66.9 million, representing a decrease of approximately 38.0% as compared to approximately RMB107.8 million for FY2024.

Revenue from license fee income decreased significantly from approximately RMB82.8 million for FY2024 to approximately RMB4.0 million for FY2025. This decline was primarily due to the recognition of the first upfront licensing fee payment of approximately RMB82.8 million under the Licensing and Collaboration Agreement, representing approximately 74% of the total upfront payment, upon signing of the Licensing and Collaboration Agreement in October 2024. In contrast, the Group recognised licensing fee income of approximately RMB4.0 million in relation to development milestone payments in FY2025.

Conversely, R&D service income surged from approximately RMB25.0 million for FY2024 to approximately RMB62.8 million for FY2025, primarily due to the Licensing and Collaboration Agreement taking effect in October 2024, resulting in a full year of service income being recognised in 2025 based on the progress of performance obligations, as compared to only three months in 2024.

For FY2025, the Group's gross profit decreased to approximately RMB10.7 million, with a gross margin of approximately 16.1%, compared to RMB85.1 million and 78.9% in the previous year. The decline was primarily attributable to the abovementioned decrease in revenue and the shift in revenue mix for FY2025 (in particular, there was no cost of revenue associated with the recognition of the first upfront licensing fee income in 2024), together with the full-year impact in 2025 of increased service costs under the Licensing and Collaboration Agreement.

Notwithstanding the decrease in revenue and gross profit, the Group reported a reduction in loss attributable to owners of the Company, from approximately RMB97.6 million for FY2024 to approximately RMB84.7 million, for FY2025. This improvement was primarily attributable to a decrease in research and development expenses, from approximately RMB165.0 million in FY2024 to approximately RMB78.2 million in FY2025. As advised by the Management, such decrease was mainly due to the reduction in costs incurred in the Phase III clinical trial of M701 for malignant ascites (MA) as compared with that of FY2024, given that the trial is approaching its conclusion.

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HY2026 vs HY2025

For HY2026, revenue decreased by approximately 11.0% to approximately RMB33.1 million from approximately RMB37.2 million for HY2025, of which license fee income increased significantly from approximately RMB4.7 million for HY2025 to approximately RMB24.2 million for HY2026, primarily due to the recognition of the second upfront licensing fee payment of approximately RMB24.2 million for HY2026 upon fulfilment of the milestone criteria under the Licensing and Collaboration Agreement. On the other hand, R&D service income decreased from approximately RMB32.5 million for HY2025 to approximately RMB8.9 million for HY2026. As advised by the Management, the decrease was mainly attributable to the completion of the Phase III clinical trial of M701 for malignant ascites (MA) during HY2026 which resulted in a corresponding reduction in the R&D service compared to HY2025.

For HY2026, the Group's gross profit increased to approximately RMB25.3 million, with a gross margin of approximately 76.2%, compared to RMB7.7 million and 20.6% in HY2025. The increase was primarily attributable to the recognition of the second upfront license fee income during HY2026, which carried no associated cost of revenue, as well as a reduction in R&D service income and the corresponding cost of services.

The Group reported a reduction in loss for HY2026, narrowing from approximately RMB58.8 million for HY2025 to approximately RMB6.3 million for HY2026. As advised by the Management, such improvement was primarily attributable to the aforementioned increase in gross profit for HY2026, coupled with a significant decline in research and development expenses from approximately RMB60.2 million for HY2025 to approximately RMB17.6 million for HY2026, due mainly to the abovementioned completion of the Phase III clinical trial of M701 and the lower expenditure resulting from the consolidation of resources on a few pipeline products during the period.

Financial position of the Group

Total assets

As at 30 June 2026, the Group's total assets were approximately RMB177.0 million compared to approximately RMB175.0 million as at 31 December 2025, which mainly comprised property and equipment, right-of-use assets, cash and cash equivalents and trade and other receivables and prepayments as follows:

Property and equipment and Rights-of-use assets

The Group's property and equipment mainly comprised of industrial and residential buildings, equipment and construction-in-progress. As at 30 June 2026 and 31 December 2025, the property and equipment remained at the similar level of approximately RMB35.2 million and RMB34.2 million respectively. In addition, the

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Group leases various properties in the PRC for its research and development activities. As at 30 June 2026 and 31 December 2025, the right-of-use assets amounted to approximately RMB7.6 million and RMB7.9 million respectively.

The Transfer

Including within right-of-use assets and property and equipment, the Group leases a parcel of land in Wuhan (the “**Land Use Right**”) with carrying values of approximately RMB7.6 million and RMB7.5 million as at 31 December 2025 and 30 June 2026, respectively. The Land Use Right is being developed into an industrial building (the “**Building**”), with construction in progress recorded at approximately RMB17.6 million and RMB20.1 million as at 31 December 2025 and 30 June 2026, respectively. As disclosed in the Company’s announcement dated 23 January 2026, the Company, as vendor, entered into an agreement (the “**Transfer Agreement**”) with Wuhan Yiruide Medical Treatment Equipment New Technology Co., Ltd. (武漢依瑞德醫療設備新技術有限公司), an Independent Third Party, as purchaser regarding the transfer of the Land Use Right and Building (the “**Transfer**”) at a total consideration amounted to not more than approximately RMB36.88 million, comprising: (i) RMB14.8 million for the transfer of the Land Use Right; (ii) RMB16.08 million for the transfer of the Building; and (iii) construction costs of not more than RMB6.0 million to satisfy the Investment Intensity Requirement (i.e. the construction on the existing building in order to meet the statutory conditions for registration of the transfer of existing assets, which requires completion of 25% or more of the total development investment).

As stated in the Transfer Agreement, the Investment Intensity Requirement is a prerequisite to the Transfer, and such requirement had not been satisfied as at the date of the Transfer Agreement.

Based on a Special Audit Report on the Development and Investment Progress of State-owned Construction Land (國有建設用地開發投資進度專項審計報告) dated 4 August 2026 prepared by Hubei Kaiyuan Certified Public Accountants Co. Ltd. (湖北開元會計師事務所有限公司), a licensed certified public accounting firm in the PRC provided by the Management, the Investment Intensity Requirement was met on 31 July 2026.

Pursuant to the Transfer Agreement, the Transfer is expected to complete before 31 October 2026. As advised by the Management, the Transfer has yet to complete as at the Latest Practicable Date, completion of the Transfer has been postponed and is expected to take place no later than 15 December 2026.

Cash and cash equivalents

The Group had cash and cash equivalent of approximately RMB100.1 million and RMB76.0 million as at 31 December 2025 and 30 June 2026, respectively, representing a decrease of approximately 24.0%. The decrease as at 30 June 2026 was mainly due to the operating cash outflows to fund continuing research and development activities and clinical pipeline advancements during HY2026.

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Trade and other receivables and prepayments

The Group reported trade and other receivables and prepayments of approximately RMB25.6 million and approximately RMB49.6 million as at 31 December 2025 and 30 June 2026 respectively. The increase was largely attributable to the increase in trade receivables of the second upfront licensing fee income of approximately RMB24.2 million under the Licence and Collaboration Agreement during HY2026.

Total liabilities

As at 30 June 2026, the Group's total liabilities were approximately RMB235.6 million compared to approximately RMB228.0 million as at 31 December 2025, which mainly comprised bank borrowings and advance from the Asset Transfer Agreement as follows:

Bank borrowings

The bank borrowings of the Group as at 31 December 2025 and 30 June 2026 remained at a similar level of RMB127.5 million and RMB138.6 million respectively. The bank borrowings accounted for over 50% of the total liabilities of the Group as at 31 December 2025 and 30 June 2026.

As at 30 June 2026, the bank borrowings carried interests at (i) fixed interest rates ranging from 3% to 3.5%; and (ii) variable-rate interest of Loan Prime Rate (the benchmark interest rate in China) plus a margin per annum.

As at 31 December 2025 the bank borrowings carried interests at fixed interest rates ranging from 2.5% to 3.4%.

Advance from the Asset Transfer Agreement

The advance from the Asset Transfer Agreement amounted to RMB39.5 million as at both 31 December 2025 and 30 June 2026 in relation to the upfront fee and milestone fee received under the Assets Transfer Agreement. Details of which have been disclosed in the paragraph headed "Background Information of Group" above.

As disclosed in 2025 Annual Report and 2026 Interim Report, the above fees were refundable upon the occurrence of certain contingent events under the above agreements, they were recognised as advances from the transfer agreement and classified as current liabilities in the consolidated accounts of the Group.

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Net current liabilities

The Group reported net current liabilities of approximately RMB68.6 million and RMB105.0 million as at 31 December 2025 and 30 June 2026, respectively. The increase in net current liabilities was primarily attributable to the fact that all bank borrowings as at 30 June 2026 were short term in nature and repayable within one year, whereas as at 31 December 2025, approximately RMB27.5 million and RMB100.0 million were recorded as non-current and current borrowings, respectively.

Net liabilities

Net liabilities of the Group increased from approximately RMB53.0 million as at 31 December 2025 to approximately RMB58.6 million as at 30 June 2026, due primarily to the net loss of approximately RMB6.3 million recorded by the Group for HY2026.

3. Valuation of the property interests and Adjusted Net Liabilities

AVISTA Valuation Advisory Limited, an independent property valuer (the “**Valuer**”), has prepared an independent valuation report (the “**Valuation Report**”) of the property interests of the Group as at 31 August 2026 (the “**Valuation Date**”). According to the Valuation Report, the valuation of the properties of the Group amounted to approximately RMB57.5 million as at the Valuation Date. Full details of the Valuation Report are set out in Appendix II — Property Valuation Report to this Circular.

	Market value in existing state attributable to the Group as at the Valuation Date RMB'000
Property interests held for sale by the Company in the PRC	34,940
Property interests held for owner occupation in the PRC	<u>22,590</u>
Total	<u><u>57,530</u></u>

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We have (i) reviewed the terms of engagement between the Valuer and the Company; and (ii) discussed with the Valuer their qualification and experience in relation to the preparation of the Valuation Report. Based on the relevant information provided by the Valuer and our discussion with it, we are satisfied with the terms of engagement (including the scope of work) of the Valuer as well as its qualification and experience for preparation of the Valuation Report. The Valuer also confirmed that it is independent to the Group, the Subscribers and the Concert Parties.

In addition, we have reviewed the Valuation Report, and have discussed with the Valuer (i) bases and assumptions used; (ii) valuation methodology adopted; and (iii) due diligence work performed. We note that the Independent Valuer has used two valuation methodologies to arrive at the valuations of the different property interests, which include (1) the market approach, which generally involves comparing recent market evidence of similar properties located in the neighborhood area of the subject properties; and (2) the depreciated replacement cost approach, which is based on an estimation of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the building, including the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization.

We have discussed with the Valuer the overall approach to the valuation and the selection of relevant valuation methodologies for the property interests. As disclosed in Valuation Report, the property interests of the Group are classified as (i) the property interests held for sale by the Company in the PRC (please refer to the Transfer as disclosed under the paragraph headed “Financial position of the Group” in this letter), which comprises a parcel of land (i.e. Land Use Right) with a site area of approximately 25,533.40 sq.m. which is being developed into an industrial development (i.e. Building) with a total planned gross floor area of approximately 15,151.43 sq.m.; (ii) the property interests held for owner occupation by the Company in the PRC comprising 4 industrial units and 6 residential units.

As disclosed in the Valuation Report, the Land Use Right and all the property interests held for owner occupation were valued using the market approach, whereas the Building under development was valued using the depreciated replacement cost approach as the Building was under development as at the Valuation Date, market sales comparables for similar properties under development were not readily available.

Based on the above, we concur with the valuation approaches the Valuer has taken in valuing the different types of properties.

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Adjusted Net Liabilities

As part of our assessment, we have considered the adjusted net liabilities of the Group based on the consolidated net liabilities of the Group attributable to owners of the Company as at 30 June 2026, adjusted as follows (the “**Adjusted Net Liabilities**”):

RMB'million

Consolidated net liabilities of the Group attributable to owners of the Company as at 30 June 2026	58.6
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Adjustments:

— Net revaluation surplus arising from the valuation of property interests attributable to the Group as at the Valuation Date (<i>Note 1</i>)	25.5
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Adjusted Net Liabilities	33.1
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Adjusted Net Liabilities per Share (<i>RMB</i>) (<i>Note 2</i>)	0.17
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Notes:

1. The net revaluation surplus represents the difference between the market value of the property interests attributable to the Group as valued by the Valuer of approximately RMB57.5 million in aggregate as at the Valuation Date and their corresponding book values of approximately RMB32.0 million as at 30 June 2026.
2. Calculated based on 193,849,200 Shares in issue as at the Latest Practicable Date.

The Group has recorded a net liabilities position as at 31 December 2025 and 30 June 2026, after factoring in the net revaluation surplus arising from the Valuation, the Group would continue to remain in a net liabilities position. The negative equity indicates that the market is unlikely to assess the value of the Shares solely with reference to the book value per Share. Accordingly, it would be appropriate for the Independent Shareholders to evaluate the Subscription Price having regard to other factors, including but not limited to: (i) the financial performance, liquidity position and business prospects of the Group; (ii) the comparison of the Subscription Price against the historical and prevailing H Share prices; (iii) the trading liquidity of the Shares; and (iv) the comparable analysis, as further discussed in this letter.

4. Information on the Subscribers***Dr. Yuan Qian***

Dr. Yuan Qian is a non-executive Director and a co-founder of the Group. He is also a substantial Shareholder. He is involved in the formulation of the general corporate business plans, strategies, and major decisions of the Group through the Board. As at the Latest Practicable Date, he was interested in 20,399,933 H Shares, representing approximately 10.52% of the issued share capital of the Company. Immediately after Completion, he will be interested in 20,399,933 H Shares (representing approximately 8.89% of the issued share capital of the Company) and 31,677,400 Domestic Shares (representing approximately 13.81% of the issued share capital of the Company), representing in aggregate approximately 22.70% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company between the Latest Practicable Date and the Completion save for the allotment and issue of the Subscription Shares).

Dr. Zhou Hongfeng

Dr. Zhou Hongfeng is a non-executive Director and a co-founder of the Group. He is currently responsible for participating in the formulation of the general corporate business plans, strategies and major decisions of the Group through the Board. As at the Latest Practicable Date, he was interested in 10,199,921 H Shares, representing approximately 5.26% of the issued share capital of the Company. Immediately after Completion, he will be interested in 10,199,921 H Shares (representing approximately 4.45% of the issued share capital of the Company) and 3,559,200 Domestic Shares (representing approximately 1.55% of the issued share capital of the Company), representing in aggregate approximately 6.00% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company between the Latest Practicable Date and the Completion save for the allotment and issue of the Subscription Shares).

Dr. Zhou Pengfei

Dr. Zhou Pengfei is an executive Director and a co-founder of the Group. He is responsible for the overall strategic planning of the Group and supervises and oversees the management of the business of the Group. He also serves as the general manager of all of subsidiaries of the Group, namely Shijiazhuang Shiyong Biotechnology Co., Ltd. (石家莊石友生物技術有限公司) and Wuhan Youwei Biotechnology Co., Ltd (武漢友微生物技術有限公司), respectively. As at the Latest Practicable Date, he was interested in 6,869,744 H Shares, representing approximately 3.54% of the issued share capital of the Company. Immediately after Completion, he will be interested in 6,869,744 H Shares (representing approximately 2.99% of the issued share capital of the Company) and 355,800 Domestic Shares (representing approximately 0.16% of the issued share capital of the Company), representing in aggregate approximately 3.15% of the issued share capital of the

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Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company between the Latest Practicable Date and the Completion save for the allotment and issue of the Subscription Shares).

Future intentions of the Subscribers regarding the Group

As disclosed in the Letter from the Board, the Subscribers intend to continue the listing of the Company and the existing business of the Group. In addition, the Subscribers do not intend to introduce any major changes to the existing operation and business of the Company or dispose of or redeployment of any of the assets of the Group or to discontinue the employment of the employees of the Group other than in the ordinary course of business.

We also note that the Subscribers share the view of the Company that the Share Subscription is in the interests of the Group, as disclosed in the paragraphs headed “Reasons for and Benefits of the Share Subscription” and “Proposed Use of Proceeds” in the Letter from the Board.

5. Fund raising activity in the past twelve months from the date of the Latest Practicable Date

The Company has not conducted any fund-raising activities through any issue of equity securities within the 12 months immediately prior to the Latest Practicable Date.

6. Reasons for and benefits of the Share Subscription and the proposed use of proceeds

The Company is a biotechnology company dedicated to developing bispecific antibody (BsAb)-based therapies. The Company is committed to anchoring M701 as its core development pipeline and prioritizing the rapid advancement of its clinical R&D, marketing applications at home and abroad, and commercialization of overseas rights.

As disclosed in the Letter from the Board, the Group is under considerable operating cash pressure. As at 30 June 2026, the Group had bank balances and cash of approximately RMB76.0 million, while trade and other payables of approximately RMB33.4 million and bank borrowings of approximately RMB138.6 million. The Directors (excluding the members of the Independent Board Committees) consider that the Share Subscription can raise capital in order to maintain a sufficient cash position of the Group to meet its current liabilities and to enhance the capital base of the Company. The replenishment of working capital will enhance the capital strength of the Company and effectively broaden the channels of capital reserve to expand the business development of the Company. The Share Subscription by the founders of the Company demonstrates continued commitment and confidence in the prospects of the Company. At the same time, the Share Subscription will effectively reduce the gearing ratio of the Company, optimise the capital structure, improve the overall financial position of the Company and lower the financial risks.

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As disclosed in the paragraph headed “Proposed Use of Proceeds” below, the Share Subscription is expected to generate approximately RMB83 million (equivalent to approximately HK\$95.96 million), of which RMB74.7 million (equivalent to approximately HK\$86.37 million) will be applied towards repayment of bank borrowings and approximately RMB8.3 million (equivalent to HK\$9.59 million) will be allocated to general working capital purposes. Based on the information provided by the Management, we note that approximately RMB60 million of the Group’s bank borrowings were due within six months from the Latest Practicable Date. Accordingly, this allocation will directly replenish the Group’s cash reserves, reduce short-term debt obligations, improve the overall financial position, and thus lower financial risks and provide financial flexibility to support its operations. In addition, participation by the founders of the Company further demonstrates their continued commitment and confidence in the Group’s prospects, reinforcing alignment between management and Shareholders.

Beyond immediate financial relief, we understand from the Management that the Share Subscription will provide support to the Group’s substantial research and development activities. The Group has not yet generated revenue from product sales, as no products have been approved for commercialisation, and revenue for FY2024, FY2025 and HY2026 was derived solely from license fee income and R&D service income under the Licensing and Collaboration Agreement with CT Tianqing. The Group continues to incur significant R&D expenses in connection with pre-clinical research, clinical development, regulatory approval processes and manufacturing preparation. Sustained investment in these areas is critical to advancing the pipeline and positioning the Group for future commercial success. The Share Subscription ensures that the Group can maintain momentum in its development programmes and enhance its financial strength to progress its drug candidates.

The strategic importance of the Share Subscription is further reinforced by the favourable regulatory environment and robust growth of China’s innovative drug industry. According to official releases by the State Council of the PRC, China’s pharmaceutical industry has become the second largest globally, accounting for approximately 30% of innovative drugs under development worldwide. In the first half of 2026, the total value of China’s innovative drug out-licensing deals (i.e. grant or transfer rights to develop, manufacture, and/or commercialize the innovative drug candidates to overseas enterprises in specified territories) exceeded USD100 billion, reaching a record high, while 38 innovative drugs were approved for marketing, of which 31 were developed by domestic companies. In addition, the National Healthcare Security Administration and the National Health Commission jointly issued Several Measures to Support the High-Quality Development of Innovative Drugs (《支持創新藥高質量發展的若干措施》) in June 2025, which prioritise support for innovative drug research and development. Against this backdrop, the Group has made steady progress, with the National Medical Products Administration accepting the New Drug Application of M701 for the treatment of malignant ascites (MA) as mentioned in the paragraph headed “Background Information of the Group” in this letter and the primary results of its Phase III study selected for oral presentation at the ASCO 2026 Annual Meeting in May 2026. Concurrently, the Group has expanded its global intellectual property protection, with patents granted in Japan and China during mid-2026.

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In light of these developments, we understand from the Management that the Share Subscription is regarded as both necessary and strategic. It will strengthen liquidity, reduce financial risks, and reinforces the Company's capital and financial strength to accelerate clinical progress, regulatory advancement, and commercialisation of the Group's pipeline. The Directors (excluding the members of the Independent Board Committees) therefore believe that the Share Subscription represents a sound and timely measure to safeguard the Group's financial stability, support its long-term growth strategy, and enhance Shareholder value.

Given the reasons for and benefits of the Share Subscription and the proposed use of proceeds discussed in this letter, the Directors (excluding the members of the Independent Board Committees) consider, and we concur that, the Share Subscription is in the interests of the Company and the Independent Shareholders as a whole.

Proposed Use of proceeds

As stated in the section headed "Proposed Use of Proceeds" in the Letter from the Board, the net proceeds from the Share Subscription are expected to be approximately RMB83 million in aggregate, among which, approximately 90% of the Net Proceeds (or approximately RMB74.7 million) will be allocated to the repayment of bank borrowings and approximately 10% of the Net Proceeds (or approximately RMB8.3 million) will be allocated to the general working capital and general corporate purposes of the Group, of which, approximately 40%, 30%, 20% and 10% will be allocated to professional fees, payroll-related expenses, administrative fees and other corporate expenses, respectively.

Financing alternatives of the Group

As discussed with the Management, other than the issuance of Domestic Shares to the Subscribers, the Company had considered the feasibility of alternative fund-raising methods including debt financing and other forms of equity financing such as, the placing of shares, rights issues and open offers.

However, given that the Group recorded a negative total equity as at both 31 December 2025 and 30 June 2026 alongside total bank borrowings amounting to approximately RMB138.6 million as at 30 June 2026, resorting to additional debt financing would inevitably exacerbate the net liability position and further elevate the overall financial burden of the Group.

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Furthermore, as detailed in the section headed “Historical trading liquidity of the H Shares” below, the consistently thin historical trading volume of the H Shares poses substantial challenges to the successful execution of secondary market equity fund-raising exercises, as such limited market liquidity would make it highly difficult to procure independent underwriters or attract sufficient participation from public shareholders for placing of new shares, rights issue or open offer. In contrast, the targeted Share Subscription of unlisted Domestic Shares serves as a more viable and certain fund-raising method than equity financing involving H Shares, as it directly secures the necessary funding for the Group while effectively bypassing the constraints associated with the prevailing low trading liquidity of the H Shares in the open market, thereby fulfilling the immediate capital requirements without increasing the debt level and concurrently serving as a strong testament to the unwavering confidence of the Subscribers in the long-term prospects and future development of the Group.

As advised by the Management, the Company has approached multiple financial institutions in last few months to seek equity financing involving H Shares, such as placing of new shares in the market. However, the responses received were negative, primarily due to the low level of trading liquidity of the H Shares.

Having considered the above, we concur with the Directors that the Share Subscription is currently the most appropriate and timely fundraising method available to the Company.

7. Principal terms of the Share Subscription Agreement

Set out below is a summary of the principal terms of the Share Subscription Agreement, further details of the Share Subscription Agreement are set out in the Letter from the Board contained in the Circular.

The Share Subscription Agreement

Set out below are the summary of principal terms of the Share Subscription Agreement as extracted from the Letter from the Board:

Date

30 August 2026

Parties

- (a) the Company; and
- (b) the Subscribers, namely, Dr. Yuan Qian, Dr. Zhou Hongfeng and Dr. Zhou Pengfei

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Number of new Domestic Shares to be subscribed for

The Subscriber will subscribe for an aggregate of 35,592,400 new Domestic Shares. The details of the number of new Domestic Shares to be subscribed for by each of the Subscribers are set out below:

Name of the Subscribers	No. of new Domestic Shares
Dr, Yuan Qian	31,677,400
Dr. Zhou Hongfeng	3,559,200
Dr. Zhou Pengfei	<u>355,800</u>
Total	<u><u>35,592,400</u></u>

Subscription Shares

The Subscription Shares comprise 35,592,400 new Domestic Shares and represent:

- (i) approximately 247.68% of the existing issued Domestic Shares and 18.36% of the existing issued share capital of the Company as at the Latest Practicable Date; and
- (ii) approximately 71.24% of the issued Domestic Shares and 15.51% of the issued share capital of the Company, in each case, as enlarged by the allotment and issue of the Subscription Shares immediately after Completion (assuming that there is no change in the issued share capital of the Company between Latest Practicable Date and the Completion save for the allotment and issue of the Subscription Shares).

Based on the nominal value of RMB1.00 per Share, the aggregate nominal value of the Subscription Shares will be RMB35,592,400.

Subscription Price

The Subscription Price of RMB2.43 (equivalent to HK\$2.80957) per Domestic Share represents:

- (a) a discount of approximately 26.06% to the closing price of HK\$3.80 per H Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 14.86% to the closing price of HK\$3.30 per H Share as quoted on the Stock Exchange on the Last Trading Day;

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- (c) a discount of approximately 14.86% to the average closing price of HK\$3.30 per H Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Share Subscription Agreement;
- (d) a premium of approximately RMB2.70 over the audited consolidated net liabilities attributable to the Shareholders as at 31 December 2025 of approximately RMB0.27 per Share calculated based on the audited consolidated net liabilities of the Group attributable to the Shareholders of approximately RMB53,029,000 as at 31 December 2025 as extracted from the annual results of the Company for FY2025 and 193,849,200 Shares in issue as at the date of the Share Subscription Agreement;
- (e) a premium of approximately RMB2.73 over the unaudited consolidated net liabilities attributable to the Shareholders as at 30 June 2026 of approximately RMB0.30 per Share calculated based on the unaudited consolidated net liabilities of the Group attributable to the Shareholders of approximately RMB58,557,000 as at 30 June 2026 as extracted from the interim results of the Company for the six months ended 30 June 2026 and 193,849,200 Shares in issue as at the date of the Share Subscription Agreement;
- (f) a premium of approximately RMB2.60 over the Adjusted Net Liabilities per Share of RMB0.17; and
- (g) theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 4.09%, represented by the theoretical diluted price of approximately HK\$3.165 per Share to the benchmarked price of approximately HK\$3.30 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (a) the closing price of the Shares as quoted on the date prior to the date of the Share Subscription Agreement of HK\$3.30 per Share, and (b) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Share Subscription Agreement of HK\$3.30 per Share.

As disclosed in the Letter from the Board, the Subscription Price was determined after arm's length negotiations between the Company and the Subscribers and with reference to (i) the prevailing market price and recent trading volume of the Shares, (ii) the current market conditions and (iii) the amount of funds that the Company intends to raise under the Share Subscription as primarily determined based on the outstanding amount of bank borrowings. As advised by the Management, the amount of funds to be raised under the Share Subscription was determined after taking into account the current portion of the Group's outstanding bank borrowings. As disclosed in the 2026 Interim Report and financial information of the Group above, the Group's bank borrowings were entirely short-term in nature and amounted to approximately RMB138.6 million as at 30 June 2026.

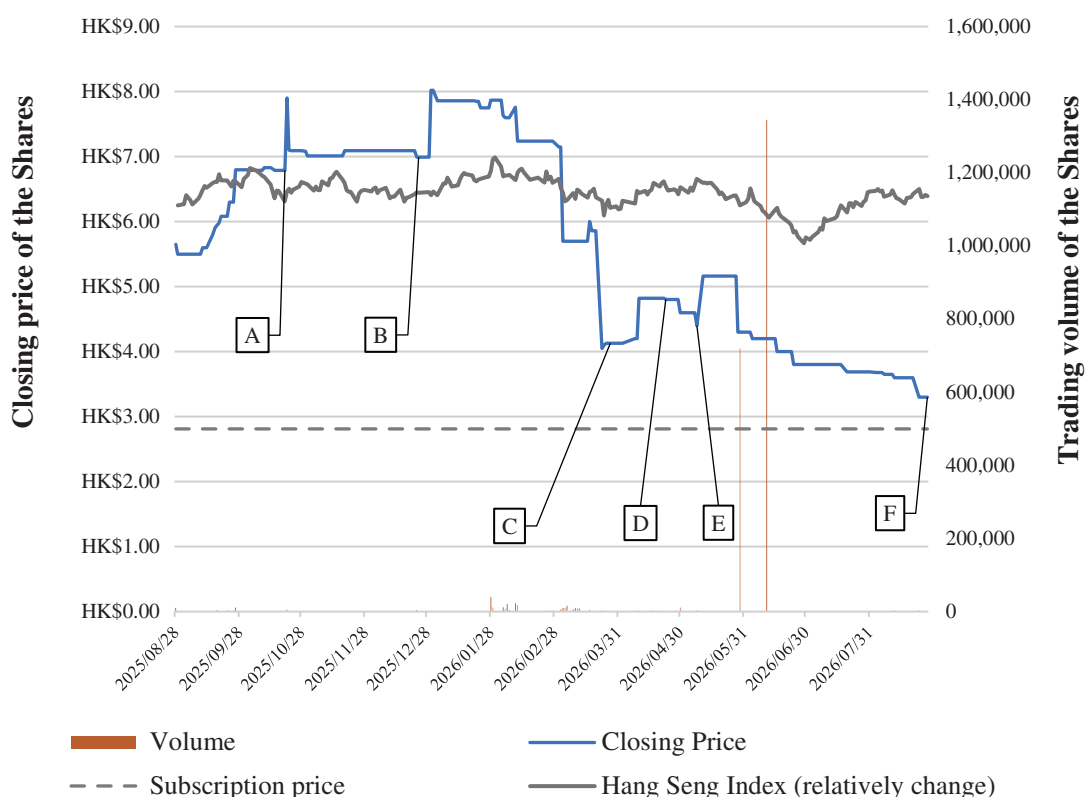
8. Evaluation of the Subscription Price

To assess the fairness and reasonableness of the Subscription Price, we have considered the following factors.

Historical price movement of the H Shares

Set out below is the movement of the closing prices of the Shares as quoted on the Stock Exchange during the period from 28 August 2025, being the date one year prior to the Last Trading Day and up to 28 August 2026 (i.e. Last Trading Day) (the “**Review Period**”). We are of the view that the price performance of the H Shares during the Review Period can sufficiently and fairly reflect the market perception on the Company’s performance and outlook and effects of certain events, which may be relevant to our analysis.

H Share Price Performance during the Review Period



Source: the website of the Stock Exchange

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Date	Key Events
19 October 2025	(A) Voluntary Announcement — Phase II Study Interim Data of M701 for Malignant Pleural Effusion Presented at the ESMO Congress 2025
24 December 2025	(B) Voluntary Announcement — Y225 “Emicizumab Injection” Receives IND Approval from NMPA
27 March 2026	(C) Annual Results Announcement of the Company for FY2025
23 April 2026	(D) Voluntary Announcement — Two Clinical Study Results of M701 Selected for Presentation at the 2026 ASCO Annual Meeting
7 May 2026	(E) Voluntary Announcement — NDA for Treatment of MA of M701 Was Accepted by the NMPA
28 August 2026	(F) Interim Results Announcement of the Company for HY2026 and Last Trading Day

During the Review Period, the highest closing price was HK\$8.02 per H Share on 30 December 2025 and 31 December 2025, while the lowest closing price was HK\$3.30 per H Share recorded from 24 August 2026 to 28 August 2026. The average closing price per H Share throughout the Review Period was approximately HK\$5.70. The Subscription Price of RMB2.43 (equivalent to approximately HK\$2.81) represents a discount of approximately 65.0%, 50.7% and 14.9% relative to the highest closing price, average closing price and lowest closing price, respectively during the Review Period.

During the Review Period, the closing prices of the H Shares exhibited notable fluctuations with an overall downward trend. The H Shares opened at HK\$5.65 per H Share and, from September 2025 onwards, showed a steady upward trend. On 21 October 2025, the closing price surged to HK\$7.90 before retreating and stabilising around the HK\$7.00 level. The H Shares subsequently reached their highest closing level of HK\$8.02 per H Share on 30 December 2025.

It is noted that the Company published a voluntary announcement dated 19 October 2025 in relation to interim data from the Phase II clinical study of M701 for malignant pleural effusion presented at the European Society for Medical Oncology (ESMO) Congress 2025, and a further voluntary announcement dated 24 December 2025 regarding the receipt of Investigational New Drug (IND) approval from the National Medical Products Administration (NMPA) of the PRC for Y225. These disclosures coincided with the period of heightened share price activity.

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Following this peak, the H Shares maintained relative stability and traded between HK\$7.24 and HK\$7.87 throughout January and mid-February 2026. Subsequently, the H Share price entered a downward trajectory starting in late February 2026, dropping noticeably from the HK\$7.00 level in early March 2026 to approximately HK\$4.00 by the end of March 2026. We note that, such downward adjustment coincided with the publication of the annual results announcement for FY2025 on 27 March 2026 and was generally in line with Hang Seng Index which declined from 27,081.91 to 24,382.47 during the period from 23 February 2026 to 23 March 2026. We have also discussed this with the Management and they are unaware of the reason for such decrease save for the above.

From April 2026 onwards, the closing price of the H Shares staged a moderate rebound, fluctuating upwards from HK\$4.13 on 1 April 2026 to reach an interim high of HK\$5.16 on 11 May 2026 and maintained this level until 27 May 2026. During this period, the Company published two voluntary announcements on 23 April 2026 and 7 May 2026, respectively, in relation to the development progress of M701. Following this rebound, from June onwards, the H Shares entered a downward trajectory, closing at the lowest of HK\$3.30 per H Share from 24 August to 28 August 2026. We have discussed the movement in H Share prices with the Management and they are unaware of the reason for such decrease.

Overall, the H Share prices indicate a year characterised by a pronounced peak in December 2025, a significant correction in March 2026, and a subsequent weakening trend through to the end of the Review Period, closing at the lowest of HK\$3.30 per H Share.

We note that the Subscription Price was determined with among others, the prevailing market prices of H Shares. We also note that the market prices of the H Shares on the Last Trading Day (“**LTD Price**”) and the 5-days average price (“**5-Day Avg**”) of the H Shares prior to the date of the Share Subscription Agreement were closed at their lowest level of HK\$3.30 per H Share. The Subscription Price represented a discount of approximately 14.86% to LTD Price and 5-Day Avg.

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Historical trading liquidity of the H Shares

The following table sets out the average daily trading volume of the H Shares for each month or period and the percentages of such average daily trading volume to the total number of H Shares/Shares in issue and held by the public during the Review Period.

Month/Period	Monthly total trading volume	Number of trading days	Average daily trading volume (Note 1)	Percentage of average daily trading volume to total number of H Shares (Note 2)	Percentage of average daily trading volume to total number of issued Shares (Note 2)	Percentage of average daily trading volume to total number of public H Shares (Note 3)	Percentage of average daily trading volume to total number of public Shares (Note 3)
2025							
28 August to 31 August	11,200	2	5,600	0.005%	0.003%	0.013%	0.010%
September	27,200	22	1,236	0.001%	0.001%	0.003%	0.002%
October	11,800	20	590	0.001%	0.000%	0.001%	0.001%
November	4,800	20	240	0.000%	0.000%	0.001%	0.000%
December	4,800	21	229	0.000%	0.000%	0.001%	0.000%
2026							
January	52,000	21	2,476	0.002%	0.001%	0.006%	0.004%
February	91,600	17	5,388	0.005%	0.003%	0.012%	0.009%
March	87,400	22	3,973	0.003%	0.002%	0.009%	0.007%
April	28,800	19	1,516	0.001%	0.001%	0.003%	0.003%
May	723,800	19	38,095	0.021%	0.020%	0.086%	0.065%
June	1,346,200	21	64,105	0.036%	0.033%	0.145%	0.110%
July	0	22	0	0.000%	0.000%	0.000%	0.000%
From 1 August to the Last Trading Day	7,000	20	350	0.000%	0.000%	0.001%	0.001%

Source: The website of the Stock Exchange

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.
2. Percentage of average daily trading volume to the total number of issued H Shares/total Shares is calculated by dividing the average daily trading volume for the month/period by the respective total number of H Shares/total Shares in issue at the end of each month/period.
3. Percentage of average daily trading volume to the total number of issued H Shares/total Shares held by the public is calculated by dividing the average daily trading volume for the month/period by the respective number of H Shares/total Shares in issue held by the public Shareholders (Shareholders other than the Subscribers, the Concert Parties and substantial Shareholder of the Company) at the end of each month.

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During the Review Period, the average daily trading volume of the H Shares ranged from nil to 64,105 H Shares, representing approximately 0.000% to 0.036% of the total number of H Shares and 0.000% to 0.033% of the total number of Shares in issue as at the end of the respective month/period, and approximately 0.000% to 0.145% of the total number of H Shares and 0.000% to 0.110% of the total number of Shares held by public Shareholders as at the end of the respective month/period. We note that the daily trading volume of the H Shares was exceptionally thin during the Review Period.

We are of the view that the liquidity of the H Shares during the Review Period had been thin. Such low level of liquidity might cause difficulty for Company to conduct fund-raising through the open market.

Comparable Companies analysis

In assessing the fairness and reasonableness of the Subscription Price, we have performed an analysis of the valuation of the Group compared with prevailing market valuations of other companies listed on the Stock Exchange that are engaged in similar businesses to those of the Group.

As discussed in the section headed “2. Financial Information of the Group” above, the Group is a biotechnology company mainly committed to develop bispecific antibody (BsAb)-based targeted and immune-oncology therapies, and its revenue comprised license fee income and R&D services income. Taking into account the nature of the business and the composition of the revenue of the Group, we have conducted a comparable company analysis based on the following criteria to include companies that (i) are classified under the biotechnology sector under the Bloomberg Industry Classification Standard (BICS); (ii) were listed pursuant to Chapter 18A of the Listing Rules and have yet to fulfil the requirements under the Listing Rules to remove the stock marker “B” as of the Last Trading Day; (iii) companies that generated revenue for FY2025, with majority of such revenue attributable to license fee income or R&D service income; and (iv) companies with market capitalisation as at the Last Trading Day is less than HK\$5 billion (collectively, the “**Selection Criteria**”).

Based on the aforementioned Selection Criteria, we identified an exhaustive list of 7 listed companies on the Main Board of the Stock Exchange (the “**Comparable Company(ies)**”). Although the drug or therapy candidates being developed or the nature of services provided by the Comparable Companies and the Group may not be identical, they are all engaged in similar business activities. Given that (i) all Comparable Companies are Chapter 18A issuers sharing the similarity in business nature and revenue composition with the Group; and (ii) the sample encompasses a sufficient number of Comparable Companies identified through an exhaustive search based on the Selection Criteria, we consider the list of Comparable Companies to be fair and representative.

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Price-to-earnings ratio (“**P/E Ratio**”), price-to-book ratio (“**P/B Ratio**”) and price-to-sales ratio (“**P/S Ratio**”) are three of the most commonly used benchmarks for valuation of companies. Given the Group reported consolidated net losses attributable to the owners of the Company for FY2024, FY2025 and HY2026 and net liabilities as of 31 December 2025 and 30 June 2026, both the P/E Ratio and P/B Ratio are not applicable for our analysis purpose. The Group has generated revenue via upfront/milestone license fee income and R&D service income under Licence and Collaboration Agreement. As a result, the P/S Ratio has been adopted as our primary benchmark for the purpose of the comparable company analysis.

We note that, as disclosed in the section headed “Historical Trading Liquidity of H Shares” in this letter, the H Shares were traded with relatively low liquidity during the Review Period. Notwithstanding the low trading volume of the H Shares, the P/S Ratios were calculated based on the prevailing market prices of the H Shares quoted on the Stock Exchange, being publicly traded and observable market prices determined through arm’s-length transactions in an open market. Accordingly, we consider that the P/S Ratios remain a relevant and widely adopted market-based valuation benchmarks. While relatively low trading liquidity may increase price sensitivity of H Shares, it does not detract from the fact that the trading prices represent the fair market prices accepted by market participants. Therefore, the P/S Ratios continue to provide a meaningful valuation reference for comparison with other Comparable Companies.

Set out below is the summary of our market comparable analysis:

No.	Company Name	Principal Business(es)	Market Capitalisation (HK\$’million) (Note 1)	P/S Ratio (times) (Note 2)
1	ImmuneOnco Biopharmaceuticals (Shanghai) Inc. (1541)	The principal activities of the group are the research and development of immuno-oncology therapies.	1,593	8.93
2	Laekna, Inc. (2105)	The group is principally engaged in discovering, developing and commercialising innovative therapies to patients with metabolic diseases, cancer and liver fibrosis around the world.	2,700	21.89
3	Brii Biosciences Limited (2137)	The group is committed to advancing therapies for significant infectious diseases and other illnesses which have significant public health burdens in the PRC and worldwide.	693	32.23
4	Jiangsu Recbio Technology Co., Ltd. (2179)	The group is principally engaged in the research and development of vaccines in Chinese Mainland.	3,130	212.77 (Note 3)

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No.	Company Name	Principal Business(es)	Market Capitalisation (HK\$'million) (Note 1)	P/S Ratio (times) (Note 2)
5	Qyuns Therapeutics Co., Ltd. (2509)	The group is principally engaged in the research and development, manufacturing and commercialisation of biologic therapies for autoimmune and allergic diseases.	3,797	4.07
6	HJ Science Co., Ltd. (6132)	The principal activities of the group are mainly research and development of new small-molecule drugs.	3,502	NA (Note 4)
7	Transcenta Holding Limited (6628)	The group is an integrated biopharma platform that brings drug candidates from the discovery stage to the commercial stage, spanning discovery, research, development, manufacturing and commercialization.	487	56.65
			(Excluding outlier)	
			Maximum	56.65
			Minimum	4.07
			Average	24.75
			Median	21.89
The Company (2496)			545	7.05

Source: Bloomberg and the website of the Stock Exchange

Notes:

- Market capitalisation is calculated based on the closing share price and the number of shares in issue as at the Last Trading Day based on information from the website of the Stock Exchange. In the case of the Company, it is calculated based on the Subscription Price.
- P/S Ratio is calculated by dividing market capitalisation as described in Note 1 above by total revenue reported in its latest annual report, total revenue of the companies in RMB are calculated based on the exchange rate of the median exchange rate published by the People's Bank of China on its website as at the Last Trading Day: HKD1 = RMB0.86498 for illustration purpose only.
- The P/S Ratio of Jiangsu Recbio Technology Co., Ltd. was exceptionally high. Based on the NIST (National Institute of Standards and Technology) recommended Modified Z-Score methodology (widely adopted across data science, financial engineering, and industrial statistics), it was identified as an outlier with a Modified Z-Score substantially exceeding the NIST significance threshold. Accordingly, the P/S Ratio of Jiangsu Recbio Technology Co., Ltd. was excluded from the comparative assessment. No other outliers were identified using the same detection methodology.

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4. HJ Science Co., Ltd. (stock code: 6132) was listed on 12 June 2026 and has not yet published its first audited annual report since its listing, thus was excluded from the calculation of the Comparable Companies' maximum, minimum, average, and median P/S ratios.

As shown in the table above, the implied P/S Ratio of the Company (calculated using the Subscription Price) of approximately 7.05 times is within range of the P/S Ratios of the Comparable Companies (the “**P/S Ratio Range**”) from approximately 4.07 times to approximately 56.65 times, while lower than the average of approximately 24.75 times and the median of approximately 21.89 times of the P/S Ratios of the Comparable Companies.

Although the implied P/S Ratio is lower than the average of approximately 24.75 times and the median of approximately 21.89 times of the P/S Ratios of the Comparable Companies, considering it is within the P/S Ratio range of the Comparable Companies, we are of the view that from a comparable analysis perspective, the Subscription Price is fair and reasonable.

We note that the P/S ratios of the Comparable Companies vary widely, primarily due to differences in the drugs or therapies under development, the nature of the services provided, and the impact of non-recurring out-licensing milestone payments. This dispersion is particularly pronounced given that all of the Comparable Companies fall under Chapter 18A of the Listing Rules. As Chapter 18A companies, they are pre-revenue or early-stage biotechnology issuers whose business models are highly dependent on research and development activities, licensing arrangements, and regulatory milestones. In many cases, revenue streams are not recurring in nature and are concentrated in license fees or R&D service income, which can distort valuation multiples when compared across peers. For example, companies that have secured significant out-licensing agreements or milestone payments in a given year may exhibit temporarily elevated revenue bases, resulting in lower P/S ratios. Conversely, companies without such milestone inflows may show higher P/S ratios, as their revenue remains modest relative to market capitalisation.

In light of the above, we recommend the Independent Shareholders should not assess the Subscription Price based solely on the comparable companies analysis, but consider it together with other factors set out in this letter, including but not limited to: (i) the financial performance and business prospects of the Group; (ii) the comparison of the Subscription Price against historical and recent H Share prices; and (iii) the trading liquidity of the H Shares. Taken together, these considerations provide a more comprehensive analysis for the Independent Shareholders in considering the Share Subscription.

Comparison with comparable issuance

In order to assess the fairness and reasonableness of the Subscription Price, we have also conducted an exhaustive search on the website of the Stock Exchange to identify recent market practices involving the issuance of shares. Based on this review, we identified an exhaustive list of Comparable Transactions (the “**Comparable Transactions**”) based on the following criteria: (i) transactions announced by companies listed on the Main Board of the Stock Exchange during the Review Period; (ii) transactions involving a connected subscription of new shares under the specific mandate; and (iii) transactions that did not involve capital reorganisation, debt capitalisation, acquisitions, restructuring, issue of A shares. Such transactions were excluded as the pricing of such transactions may be influenced by factors and conditions that are not comparable to the Share Subscription. The one-year review period also ensures a reliable reflection of the prevailing market sentiment. We did not adopt whether whitewash waiver application is involved as a selection criterion, as we considered that there is no obvious correlation between such application and the pricing discount/premium.

Independent Shareholders should note that although the businesses, operations, market capitalisation and prospects of the Company may not be the same as the subject companies of the Comparable Transactions, the Comparable Transactions can demonstrate the recent market practices of similar connected share subscription transactions conducted by companies listed on the Main Board of the Stock Exchange.

In this regard, we have identified 10 Comparable Transactions in total during the Review Period. We are of the view that the Review Period adequately covered the prevailing market conditions and sentiments of the capital market in Hong Kong and the number of the Comparable Transactions identified may provide general reference of the recent common market practice of listed companies in Hong Kong for the relevant transactions. As such, we consider the Comparable Transactions are fair and representative samples for comparison purpose, which represent a full and exhaustive list of relevant comparable issues of shares based on the stated criteria, and are sufficient for assessing the fairness and reasonableness of the Subscription Price.

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Summarised below are our relevant findings:

No.	Announcement Date	Company Name (Stock code)	Premium/ (Discount) of the subscription price over/to the average closing price per share for the last five consecutive trading days prior to/up to and including the date of agreement	Premium/ (Discount) of the subscription price over/to the closing price per share on/prior to the date of agreement (approx. %)
			(approx. %)	(approx. %)
1	28 August 2026	Ev Dynamics (Holdings) Limited (476)	4.80	8.40
2	10 July 2026	Denox Environmental & Technology Holdings Limited (1452)	(16.59)	(10.59)
3	29 May 2026	CAI Corp (80)	10.00	6.80
4	28 May 2026	CITIC Securities Company Limited (6030)	(8.00)	(9.90)
5	26 May 2026	Huicheng International Holdings Limited (1146)	88.70	93.80
			(Note 1: Outlier)	(Note 1: Outlier)
6	16 January 2026	China Youran Dairy Group Limited (9858)	(8.84)	(17.89)
7	24 December 2025	Energy International Investments Holdings Limited (353)	(18.33)	(19.67)
8	17 November 2025	Beijing West Industries International Limited (2339)	(34.21)	(20.00)
9	10 November 2025	China Wacan Group Company Limited (1920)	4.34	0.38
10	3 September 2025	WuXi XDC Cayman Inc. (2268)	(4.00)	2.87
(Excluding Outlier)				
		Min	(34.21)	(20.00)
		Max	10.00	8.40
		Average	(7.87)	(6.62)
		Median	(8.00)	(9.90)
	30 August 2026	The Share Subscription	(14.86)	(14.86)

Source: the Website of the Stock Exchange

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Note:

1. The premium represented by the subscription price in this case was exceptionally high. Based on the NIST (National Institute of Standards and Technology) recommended Modified Z-Score methodology (widely adopted across data science, financial engineering, and industrial statistics), it was identified as an outlier with a Modified Z-Score substantially exceeding the NIST significance threshold. Accordingly, the premium was considered an anomalous observation and excluded from the comparative assessment. No other outliers were identified using the same detection methodology.
2. We consider the remaining comparable analysis (i.e. excluding the outlier) provides a sound basis for evaluating the fairness and reasonableness of the Subscription Price.

Based on the above table, we noted that the subscription prices to the closing price per share on/prior to the dates of relevant agreements of the Comparable Transactions (the “**Market Range**”) ranged from a discount of approximately 34.21% to a premium of approximately 10.00%, with the average and median at discount of approximately 7.87% and approximately 8.00% respectively. When compared to the respective average closing prices for the five consecutive trading days prior to/up to and including, the dates of the relevant agreements, the subscription prices ranged from a discount of approximately 20.00% to a premium of approximately 8.40%, with an average and median at discount of approximately 6.62% and approximately 9.90% respectively (the “**5-Days Range**”).

Accordingly, the discounts represented by the Subscription Price is within the Market Range and the 5-Days Range. Although the discounts represented by the Subscription Price are below the average and median of the Market Range and the 5-Days Range, we note that (i) the subscription prices of most (i.e. six out of nine) Comparable Transactions (excluding the outlier) were demonstrated at varying degrees of discount to market prices (“**Discounted Comparable Transactions**”); and (ii) the discount represented by the Subscription Price is lower than that of (a) three out of six Discounted Comparable Transactions when measured against the closing price prior to or on the date of the relevant subscription agreements, and (b) three out of five Discounted Comparable Transactions when measured against the average closing price per share for the last five consecutive trading days prior to, and including, the date of the relevant agreements.

Taken together, these observations indicate that while discounts represented by the Subscription Price are below the average and median of the premiums/discounts of the subscription prices to the broader sample of Comparable Transactions, such discount remains consistent with prevailing market practice of the Comparable Transactions.

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Overall comments

Having considered that, although the Subscription Price is below the closing prices of the H Shares at all times during the Review Period, (i) an overall downward trend of the H Shares during the Review Period; (ii) the liquidity of H Shares during the Review Period was extreme low; (iii) the implied P/S ratio of approximately 7.05 times is within the P/S Ratio Range; and (iv) the discount represented by the Subscription Price of approximately 14.68% is within the Market Range and the 5-Days Range and remains consistent with the prevailing market practices of the Comparable Transactions as evidenced by the fact that majority of the Comparable Transactions were demonstrated at varying degrees of discount to market prices, we are of the view that the Subscription Price is fair and reasonable.

9. Dilution effect on the shareholding interests of the existing public Shareholders

With reference to the section headed “Effect on the Shareholding Structure of the Company” in the Letter from the Board, the Share Subscription will incur a dilution effect on the shareholding of the existing Shareholders (i.e. from approximately 30.18% to approximately 25.50% immediately after the Completion), having taken into account the reasons for and benefits of the Share Subscription, in particular (i) the result of the Share Subscription can immediately improve the financial position of the Group; (ii) the Share Subscription is an appropriate fund-raising method currently available to the Company; and (iii) the Share Subscription (including the Subscription Price) being on normal commercial terms and fair and reasonable, we are of the view that the potential dilution effect on the shareholding interests of the public Shareholders to be acceptable.

10. The Whitewash Waiver

With reference to the section headed “Effect on the Shareholding Structure of the Company” in the Letter from the Board, as at the Latest Practicable Date, the Subscribers and the Concert Parties, hold an aggregate of 135,349,110 H Shares, representing 69.82% of the total issued share capital of the Company. Following Completion and assuming no other changes to the total issued share capital of the Company prior to Completion, the Subscribers and the Concert Parties will together be interested in a total of 170,941,510 Shares (representing in aggregate approximately 74.50% of the issued share capital of the Company), which comprise 135,349,110 H Shares and 35,592,400 Domestic Shares, representing approximately 58.99% and 15.51% of the issued share capital of the Company as enlarged by the allotment and issue of Subscription Shares (assuming that there is no other change in the issued share capital of the Company), respectively.

As the Share Subscription will increase the shareholding of the Subscribers from approximately 19.33% to approximately 31.84% and, together with the Concert Parties, from approximately 69.82% to approximately 74.50%, pursuant to Rule 26.1 of the Takeovers Code, the issue of Subscription Shares to the Subscribers will give rise to an obligation on the part of the Subscribers to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by the Subscribers and the Concert Parties unless the Whitewash Waiver is obtained from the Executive.

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Completion is conditional upon, among others, the granting of the Whitewash Waiver by the Executive and approval by the Independent Shareholders. An application has been made by the Company on behalf of the Subscribers to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the issue of the Subscription Shares pursuant to the Share Subscription. The Executive has indicated that the Whitewash Waiver will be granted subject to, among others, the approval by at least 75% and not less than two-third of the votes cast by the Independent Shareholders either in person or by proxy by way of poll in respect of the Whitewash Waiver and the Share Subscription (including the grant of the Specific Mandate and the approval of the Share Subscription Agreement), respectively, at the EGM.

The Subscribers and the Concert Parties and their respective associates and any other persons who are involved or interested in the Share Subscription, the Specific Mandate and/or the Whitewash Waiver will be required to abstain from voting in respect of the resolution(s) to approve the Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and the Whitewash Waiver at the EGM. If the Whitewash Waiver is not granted by the Executive, or if granted, is not approved by the Independent Shareholders, the Share Subscription will not proceed.

RECOMMENDATION

In summary, in relation to the Share Subscription, we have considered the below factors and reasons in reaching our conclusion and recommendations:

- (i) the Share Subscription will directly replenish the Group's cash reserves, reduce short-term debt obligations, improve the overall financial position, and lower financial risks and provide financial flexibility to support its operations so that the Group can maintain momentum in its development programmes and enhance its financial strength to progress its drug pipeline;
- (ii) the Share Subscription reflects the confidence of and commitment to support the Group's business by the Subscribers, being the founders of the Company. This will further give the market confidence as to the Company's prospect;
- (iii) the Share Subscription is the most appropriate and timely fund-raising method for the Company amongst other fund-raising methods;
- (iv) the liquidity of H Shares during the Review Period had been thin. Such low level of liquidity might cause difficulty for Company to conduct fund-raising through the open market; and

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- (v) although the Subscription Price is below the closing prices of the Shares at all times during the Review Period, the Subscription Price is considered reasonable having regard to (a) an overall downward trend of the H Shares during the Review Period; (b) the liquidity of H Shares during the Review Period was extreme low; (c) the implied P/S ratio of approximately 7.05 times is within the P/S Ratio Range; and (d) the discount represented by the Subscription Price of approximately 14.68% is within the Market Range and the 5-Days Range remains consistent with the prevailing market conditions of the Comparable Transactions as evidenced by the fact that majority of the Comparable Transactions were demonstrated at varying degrees of discount to market prices.

Based on the above, notwithstanding the entering into the Share Subscription Agreement is not in the ordinary and usual course of business of the Company, having taken into account the above principal factors set out in this letter and summarised in the section headed “Recommendation” above, we are of the view that (i) the Share Subscription is in the interests of the Company and the Independent Shareholders as a whole; (ii) the terms of the Share Subscription Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders, and advise the Independent Board Committees to recommend the Independent Shareholders, to vote in favour of the resolution to be proposed at the EGM to approve the Share Subscription, the Specific Mandate and the Whitewash Waiver.

Yours faithfully,
For and on behalf of
BaoQiao Partners Capital Limited
Irene Poon
Executive Director

Ms. Irene Poon is a responsible officer registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity for BaoQiao Partners Capital Limited and has over 20 years of experience in the accounting and corporate financial services industry.

1. SUMMARY OF FINANCIAL INFORMATION

Set out below is a summary of the audited consolidated financial information of the Company for each of the three years ended 31 December 2023, 2024 and 2025 and the unaudited condensed consolidated financial information of the Company for the six months ended 30 June 2026. The figures for the years ended 31 December 2023, 2024 and 2025 are extracted from the annual reports of the Company for the respective years, and the figures for the six months ended 30 June 2026 are extracted from the interim report of the Company for the six months ended 30 June 2026.

The independent auditors' reports issued by the auditors of the Company, Deloitte Touche Tohmatsu, in respect of the audited consolidated financial statements of the Company for each of the three years ended 31 December 2023, 2024 and 2025 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

Summary of consolidated statement of profit and loss and other comprehensive income

	For the six months ended 30 June 2026 (Unaudited) (RMB'000)	For the year ended 31 December		
		2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)
Revenue	33,143	66,858	107,813	—
Cost of revenue	(7,887)	(56,123)	(22,744)	—
Gross profit	25,256	10,735	85,069	—
Other income	2,886	10,467	11,096	13,014
Other gains and losses	(1,332)	23	1,892	(334)
Research and development expenses	(17,581)	(78,198)	(164,986)	(155,054)
Administrative expenses	(13,409)	(22,806)	(26,592)	(22,311)
Listing expenses	—	—	—	(24,629)
Finance costs	(2,080)	(4,953)	(4,078)	(2,388)
Loss before tax	(6,260)	(84,732)	(97,599)	(191,702)
Income tax expense	—	—	—	—
Loss for the period/year	(6,260)	(84,732)	(97,599)	(191,702)
Loss per share				
— Basic (RMB)	(0.03)	(0.44)	(0.50)	(1.04)

No dividend was declared or paid by the Company during the years ended 31 December 2023, 2024 and 2025 and during the six months ended 30 June 2026.

During the years ended 31 December 2023, 2024 and 2025 and during the six months ended 30 June 2026, the Group had no non-controlling interests, and therefore, there were no losses attributable to non-controlling interests.

There was no other comprehensive income or expense for each of the three financial years ended 31 December 2023, 2024 and 2025 and during the six months ended 30 June 2026.

Revenue

In October 2024, the Group entered into a licence and collaboration agreement with Chia Tai Tianqing Pharmaceutical Group Co. Ltd. (正大天晴藥業集團股份有限公司) (“**CT Tianqing**”), pursuant to which the Group granted to CT Tianqing an exclusive, sublicensable licence to develop, register, manufacture and commercialize the Licenced Product within the Licenced Territory and the Licenced Field. The considerations for the licence 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 licence to intellectual property rights (the “**Licence**”), provision of research and development services (the “**R&D services**”) and option to additional licence of intellectual property right.

During the year ended 31 December 2024 and 2025, and during the six months ended 30 June 2026, the Group recognized revenue of RMB82.8 million, RMB4.0 million and RMB24.2 million separately in relation to the grant of a right to use the license for the achievement of development milestone. During the year ended 31 December 2024 and 2025, and during the six months ended 30 June 2026, the Group recognized R&D service income of RMB25.0 million, RMB62.8 million and RMB8.9 million separately 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 Group's revenue during the Relevant Periods comprised licence fee income and research and development services income, particulars of which are set out below:

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the year ended 31 December 2025 (Audited) RMB'000	For the year ended 31 December 2024 (Audited) RMB'000	For the year ended 31 December 2023 (Audited) RMB'000
Licence fee income	24,227	4,038	82,795	—
R&D services income	8,916	62,820	25,018	—
Total revenue	33,143	66,858	107,813	—

Research and development expenses

During the year ended 31 December 2023, 2024 and 2025, and during the six months ended 30 June 2026, the R&D expenses comprised of (i) technical service fees, (ii) raw materials costs, (iii) employee benefit expenses, (iv) depreciation and amortization expenses and (v) others. Technical service fees are mainly related to the 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 the pre-clinical studies and clinical trials. Raw materials costs mainly included expenses for procuring materials and consumables used to support the pre-clinical studies and clinical trials. Employee benefit expenses consisted of wages and salaries, bonuses and other employee benefits for R&D employees. Depreciation and amortization expenses mainly represented the depreciation and amortization of the right-of-use assets, property and equipment for R&D purposes. Others mainly included general expenses including utilities, traveling and transportation expenses and other miscellaneous expenses incurred for R&D purposes.

The following table sets out the breakdown of the Group's research and development expenses, as recorded in the consolidated statements of profit or loss, during the Relevant Periods:

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the year ended 31 December 2025 (Audited) RMB'000	For the year ended 31 December 2024 (Audited) RMB'000	For the year ended 31 December 2023 (Audited) RMB'000
Technical service fees	6,708	44,988	115,117	95,513
Raw material costs	1,194	9,139	17,322	20,310
Employee benefit expenses	5,645	14,219	20,993	27,206
Depreciation and amortisation expenses	1,334	3,016	5,070	5,744
Others	2,700	6,836	6,484	6,281
Total	17,581	78,198	164,986	155,054

Save as disclosed in the paragraphs headed "Revenue" and "Research and development expenses" above, there is no item of income or expense which is material in the context of the financial information of the Group for the Relevant Periods.

2. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out or refer to in this circular the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of financial position, the consolidated statements of cash flows, and any other primary statements for the three years ended 31 December 2023, 2024 and 2025 as shown in the (i) audited consolidated financial statements of the Group for the year ended 31 December 2023; (ii) audited consolidated financial statements of the Group for the year ended 31 December 2024; (iii) audited consolidated financial statements of the Group for the year ended 31 December 2025; and (iv) unaudited consolidated financial statements of the Group for the six months ended 30 June 2026, together with the significant accounting policies and any points from the notes to the relevant published accounts which are of major relevance to an appreciation of the above financial information.

The audited consolidated financial statements of the Company for the year ended 31 December 2023 (the "**2023 Financial Statements**") are set out on pages 82 to 142 of the annual report of the Company for the year ended 31 December 2023 (the "**2023 Annual Report**"), which was published on 26 April 2024. The 2023 Annual Report is posted on the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2023 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042602280.pdf>

The audited consolidated financial statements of the Company for the year ended 31 December 2024 (the “**2024 Financial Statements**”) are set out on pages 89 to 150 of the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”), which was published on 16 April 2025. The 2024 Annual Report is posted on the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2024 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0416/2025041601815.pdf>

The audited consolidated financial statements of the Company for the year ended 31 December 2025 (the “**2025 Financial Statements**”) are set out on pages 85 to 150 of the annual report of the Company for the year ended 31 December 2025 (the “**2025 Annual Report**”), which was published on 16 April 2026. The 2025 Annual Report is posted on the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2025 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0416/2026041602162.pdf>

The unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2026 (the “**2026 Interim Financial Statements**”) are set out on pages 33 to 54 of the interim report of the Company for the six months ended 30 June 2026 (the “**2026 Interim Report**”), which was published on 16 September 2026. The 2026 Interim Report is posted on the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2026 Interim Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0916/2026091601391.pdf>

3. INDEBTEDNESS

As at the close of business on 30 June 2026, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had outstanding borrowings of approximately RMB138.62 million, of which RMB80.62 million were secured by property and equipment, investment properties, and the Group’s patent rights of drug candidate.

Save as disclosed above and apart from intra-group liabilities, the Group did not have any outstanding mortgages, charges, debentures, bank loans and overdrafts, debt securities or loan notes or other similar indebtedness, loan capital issued or outstanding or agreed to be issued, finance leases, liabilities under acceptance or acceptance credits or any finance lease commitments, or any guarantees or other material contingent liabilities.

4. MATERIAL CHANGE

The Directors confirm that, save as disclosed below, there had been no material change in the financial or trading position or outlook of the Group since 31 December 2025, being the date to which the latest published audited consolidated accounts of the Group were made up, and up to and including the Latest Practicable Date.

1. On 23 January 2026, the Company entered into an agreement with Wuhan Yiruide Medical Treatment Equipment New Technology Co., Ltd. (武漢依瑞德醫療設備新技術有限公司), an Independent Third Party regarding the transfer of the land use right of a piece of land (“**Land**”) (parcel number: X03110046) situated at north of Gaoxin Third Road and south of Shendun Third Road in the East Lake New Technology Development Zone, Wuhan, Hubei Province, PRC, with a site area of approximately 25,533.4 sq.m. and the buildings (including all buildings, structures and ancillary facilities under construction or already completed) erected on the Land, with a gross floor area of approximately 11,333.22 sq.m. as at the date of the Transfer Agreement (the “**Transfer**”) at a total consideration of not more than approximately RMB36.88 million. The Transfer has yet to complete as at the Latest Practicable Date. Details of the Transfer are set out in the announcements of the Company dated 23 January 2026 and 5 February 2026.
2. The Company had several clinical and regulatory updates regarding its bispecific antibody product, M701, including the approval of its Investigational New Drug (IND) application by the U.S. Food and Drug Administration (FDA) for clinical trials in malignant pleural effusion (MPE) in January 2026, the formal acceptance of its New Drug Application (NDA) for the treatment of malignant ascites (MA) by the National Medical Products Administration (NMPA) of the People’s Republic of China in May 2026, as well as the presentation of clinical results at the 2026 American Society of Clinical Oncology (ASCO) Annual Meeting, comprising an oral presentation for its Phase III study in MA and a poster presentation for its Phase II study in MPE. Details of these updates are set out in the announcements of the Company dated 3 February 2026, 23 April 2026, 7 May 2026 and 22 May 2026.
3. The Company published its Interim Results Announcement and the Interim Report on 28 August 2026 and 16 September 2026 respectively which disclosed, among other things, that:
 - (a) the Group recorded a net loss attributable to owners of the Company of approximately RMB6.3 million for HY2026, representing a decrease of approximately 89.3% as compared to approximately RMB58.8 million for HY2025, which was primarily attributable to: (i) an increase in gross profit of approximately RMB17.6 million or 228.6% to approximately RMB25.3 million for HY2026, mainly attributable to the recognition of an upfront license fee income of approximately RMB24.2 million, which carried no associated cost of revenue during HY2026; and (ii) a reduction in research and development expenses from approximately RMB60.2 million for HY2025 to approximately RMB17.6 million for HY2026, primarily due to the completion of the Phase III clinical trial of M701 and lower expenditure from the consolidation of resources on a few pipeline products during HY2026;

- (b) the Group's cash and cash equivalents decreased from approximately RMB100.1 million as at 31 December 2025 to approximately RMB76.0 million as at 30 June 2026, due mainly to the operating cash outflows to fund continuing research and development activities and clinical pipeline advancements during HY2026; and
- (c) the Group recorded net current liabilities of approximately RMB105.0 million as at 30 June 2026, as compared to approximately RMB68.6 million as at 31 December 2025, primarily attributable to the fact that all bank borrowings as at 30 June 2026 were short term in nature and repayable within one year, whereas as at 31 December 2025, approximately RMB27.5 million and RMB100.0 million were recorded as non-current and current borrowings, respectively.

5. ADJUSTED NET LIABILITIES AFTER THE PROPERTY VALUATION

As the aggregate carrying value of the Group's property assets exceeds 15% but is less than 50% of the total assets, the property valuation report as set out in Appendix II of this circular has been prepared pursuant to Rule 11.1(f) of the Takeovers Code. The Company considered it appropriate to reassess the valuation of these properties to better reflect the Group's underlying asset position.

Set out below is the details of the calculation of the unaudited consolidated net liabilities of the Group based on the unaudited consolidated net liabilities of the Group attributable to the Shareholders as at 30 June 2026, as adjusted by the valuation of the properties as contained in the property valuation report set out in Appendix II of this circular (the “**Adjusted Net Liabilities**”) and the Adjusted Net Liabilities per Share:

RMB'million

Unaudited consolidated net liabilities of the Group attributable to owners of the Company as at 30 June 2026	58.6
<i>Adjustment:</i>	
— Net revaluation surplus arising from the valuation of property interests attributable to the Group as at 31 August 2026 (<i>Note 1</i>)	25.5
Adjusted Net Liabilities	33.1
Adjusted Net Liabilities per Share (RMB) (<i>Note 2</i>)	RMB0.17
Adjusted Net Liabilities per Share (HKD)	HKD0.198

Notes:

- (1) The net revaluation surplus represents the difference between the market value of the property interests attributable to the Group as valued by the Valuer of approximately RMB57.5 million in aggregate as at 31 August 2026 and their corresponding book values of approximately RMB32.0 million as at 30 June 2026.
- (2) The calculation is based on 193,849,200 Shares in issue as at the Latest Practicable Date.

The following is the text of a letter, a summary of values and valuation certificates prepared for the purpose of incorporation in this circular received from AVISTA Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 31 August 2026 of the property interests held by the Company.



Suites 2401-06, 24/F, Everbright Centre, 108 Gloucester Road,
Wan Chai, Hong Kong

TEL : (852) 3702 7338 FAX : (852) 3914 6388

info@avaval.com

www.avaval.com

29 October 2026

The Board of Directors

Wuhan YZY Biopharma Co., Ltd (武漢友芝友生物製藥股份有限公司)

No.666 Gaoxin Road,

East Lake High-tech Development Zone, Wuhan

Hubei Province, the PRC

Dear Sirs/Madams,

INSTRUCTIONS

In accordance with the instructions of Wuhan YZY Biopharma Co., Ltd (武漢友芝友生物製藥股份有限公司) (the “**Company**”) for us to carry out the valuation of the property interests (the “**Properties**”) located in the People’s Republic of China (the “**PRC**”) held by the Company, we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties as at 31 August 2026 (the “**Valuation Date**”).

BASIS OF VALUATION AND VALUATION STANDARDS

Our valuation is carried out on a market value basis, which is defined by the Royal Institution of Chartered Surveyors as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

In valuing the Properties, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), Rule 11 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission, the RICS Valuation — Global

Standards 2024 published by the Royal Institution of Chartered Surveyors (“**RICS**”) and the International Valuation Standards published from time to time by the International Valuation Standards Council.

CATEGORISATION OF PROPERTY INTERESTS

In the course of our valuation, the appraised Properties have been categorized according firstly to type of interests held by the Company, which in turn being classified into the following groups:

Group I — Property interests held for sale by the Company in the PRC

Group II — Property interests held for owner occupation by the Company in the PRC

VALUATION ASSUMPTIONS

Our valuation of the Properties excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the Properties valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In the course of our valuation of the Properties in the PRC, we have relied on the advice given by the Company and its legal advisors, being Beijing Dacheng Law Offices, LLP (Wuhan) (北京大成(武漢)律師事務所) (the “**PRC Legal Advisors**”), regarding the title to the Properties.

In valuing the Properties, we have relied on a legal opinion regarding the Properties provided by the PRC Legal Advisors dated 28 October 2026 (the “**PRC Legal Opinion**”).

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed.

VALUATION METHODOLOGY

In valuing the Property in Group I, as the subject property was under development as at the Valuation Date, market sales comparables for similar properties under development were not readily available. We have valued the property interests on the basis of their depreciated replacement cost. Depreciated replacement cost is defined as “the current cost of replacing an asset with its modern equivalent asset less deduction for physical deterioration and all relevant forms of obsolescence and optimization”. It is based on an estimation of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the building, including the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization.

The Properties in Group II have been valued by market approach, which generally involves comparing recent market evidence of similar properties located in the neighborhood area of the subject properties. Adjustments are considered to reflect differences in various aspects including market conditions, size, location, time, age, quality, and any other relevant factors when comparing such sales against the subject properties. This approach is commonly used to value properties where reliable market evidence is available.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the Properties in the PRC, including the relevant real estate ownership certificates and land use rights documents. Where possible, we have examined the originals of such documents to verify the existing title to the Properties in the PRC and any material encumbrance that might be attached to the Properties or any tenancy amendment. Details of the relevant title documents are set out in the respective valuation certificates. All documents have been used for reference only and all dimensions, measurements and areas are approximate. In the course of our valuation, we have relied considerably on the PRC Legal Opinion given by the PRC Legal Advisors, concerning the validity of the title of the Properties in the PRC.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interior of the subject properties. The site inspection was carried out on 4 September 2026 by Arya Lin (Manager). She is a public valuer with more than 5 years of experience in valuation of properties in the PRC.

In the course of our inspection, we did not note any serious defects. However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon, nor have we conducted structural surveys to ascertain whether the subject properties are free of rot, infestation, or any other structural defects. Additionally, no tests have been carried out on any of the utility services. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company, the PRC Legal Advisors, or other professional advisors on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of the properties, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

LIMITING CONDITION

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

POTENTIAL TAX LIABILITIES

For the purpose of compliance with Rule 11.3 of the Code on Takeovers and Mergers and as advised by the Company, the potential tax liabilities that may arise from the sale of the properties include:

The property-related potential tax liability which might arise on disposal of the Properties (as property transfer) in the PRC mainly comprise the following:

- Enterprise income tax at 25% on gain
- Land appreciation tax at progressive rates from 30% to 60% on the appreciated amount (being the proceeds of sales of the property less deductible expenditure including land costs, development costs and construction costs)
- Stamp duty at 0.05% on the transaction amount
- Value-added tax at 5%/9% on the transaction amount
- Other surcharge at approximately 12% of value-added tax

For the potential tax liabilities in respect of the Property in Group I, please refer to Note 11 of the relevant valuation certificate for details.

As advised by the Company, the Properties in Group II are held for owner-occupation. Accordingly, the likelihood of such tax liabilities being crystallised to the Company is considered remote and has therefore been excluded from our valuation.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB). The exchange rate adopted in our valuation is RMB 1 = Hong Kong Dollar (HKD) 1.1664 as at the Valuation Date. Our valuations are summarized below, and the valuation certificates are attached.

Yours faithfully,
For and on behalf of
AVISTA Valuation Advisory Limited
Vincent C B Pang
MRICS CFA FCPA FCPA Australia
RICS Registered Valuer
Managing Partner

Note: Mr. Vincent C B Pang is a member of Royal Institution of Chartered Surveyors (RICS) and a registered valuer of RICS. He has over 15 years' experience in valuation of properties including Hong Kong, the PRC, the U.S., and East and Southeast Asia.

SUMMARY OF VALUES

Group I — Property interests held for sale by the Company in the PRC

No.	Property	Market value in existing state as at 31 August 2026 RMB	Interest Attributable to the Company	Market value Attributable to the Company as at 31 August 2026 RMB
1.	A pharmaceutical production base located at North of No. 3 Gaoxin Road, South of No. 3 Shendun Road, East Lake High-Tech Development Zone, Wuhan City, Hubei Province, the PRC (中國湖北省武漢市東湖新技術開發區高新三路以北，神墩三路以南的一個藥物生產基地)	34,940,000 (equivalent to HK\$40,760,000)	100%	34,940,000 (equivalent to HK\$40,760,000)
Sub-total:		34,940,000 (equivalent to HK\$40,760,000)		34,940,000 (equivalent to HK\$40,760,000)

Group II — Property interests held for owner occupation by the Company in the PRC

No.	Property	Market value in existing state as at 31 August 2026 RMB	Interest Attributable to the Company	Market value Attributable to the Company as at 31 August 2026 RMB
2.	4 industrial units, comprising Units 2/F-01, 3/F-01, 4/F-01 and 5/F-01 of C2-3 Building, Wuhan National Bioindustry Base, No.666 Gaoxin Road, East Lake High-tech Development Zone, Wuhan City, Hubei Province, the PRC (中國湖北省武漢市東湖新技術開發區高新大道666號武漢國家生物產業基地C2-3棟2樓01、3樓01、4樓01及5樓01的4個工業用房)	18,140,000 (equivalent to HK\$21,160,000)	100%	18,140,000 (equivalent to HK\$21,160,000)

No.	Property	Market value	Interest	Market value
		in existing state as at 31 August 2026 RMB	Attributable to the Company	Attributable to the Company as at 31 August 2026 RMB
3.	5 residential units, comprising Room 02 on the 10th to 12th Floors of Unit 2, Building E2 and Room 02 on the 12th and 15th Floors of Unit 1, Building E3, Optics Valley Taohuayuan, East Lake High-tech Development Zone, Wuhan City, Hubei Province, the PRC (中國湖北省武漢市東湖新技術開發區生物園西路18號光谷桃花源E2棟2單元10至12樓02室及E3棟1單元12樓及15樓02室的5套住宅)	2,200,000 (equivalent to HK\$2,550,000)	100%	2,200,000 (equivalent to HK\$2,550,000)
4.	1 residential unit located at Room 01, 10th Floor, Unit 2, Building B6, South Zone of Vanke City Garden (Vanke Red Shire), No. 1, Daxueyuan Road, East Lake High-tech Development Zone, Wuhan City, Hubei Province, the PRC (中國湖北省武漢市東湖新技術開發區大學園路1號武漢萬科城市花園南區(萬科紅郡)B6棟2單元10層01室的1套住宅)	2,250,000 (equivalent to HK\$2,620,000)	100%	2,250,000 (equivalent to HK\$2,620,000)
Sub-total:		22,590,000 (equivalent to <u>HK\$26,330,000</u>)		22,590,000 (equivalent to <u>HK\$26,330,000</u>)
Grand-total:		57,530,000 (equivalent to <u>HK\$67,090,000</u>)		57,530,000 (equivalent to <u>HK\$67,090,000</u>)

VALUATION CERTIFICATE

Group I — Property interests held for sale by the Company in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2026 RMB
1.	A pharmaceutical production base located at North of No. 3 Gaoxin Road, South of No. 3 Shendun Road, East Lake High-Tech Development Zone, Wuhan City, Hubei Province, the PRC (中國湖北省武漢市東湖新技術開發區高新三路以北，神墩三路以南的一個藥物生產基地)	<p>The property comprises a parcel of land with a site area of approximately 25,533.40 sq.m. together with the buildings and construction works thereon forming an industrial development (the “Development”).</p> <p>As advised by the Company, portions of the property with a total planned gross floor area of approximately 11,770.70 sq.m. are referred to as the “Phase 1 Development”, and portions of the property with a total planned gross floor area of approximately 3,380.73 sq.m. are referred to as the “Phase 2 Development”. For details of the overall Development, please refer to Note 8.</p> <p>As at the Valuation Date, the property was under development. As advised by the Company, pursuant to a transfer agreement entered into in January 2026, the property was intended to be transferred to a third party in its existing state. For details, please refer to Note 9.</p> <p>The classification, usage and area details are set out in Note 13.</p> <p>The property is located in East Lake High-Tech Development Zone, Wuhan City. It is approximately 10.9 km from Wuhandong Railway Station and 69.0 km from Wuhan Tianhe International Airport.</p> <p>The land use rights of the property have been granted for a term expiring on 24 May 2062 for industrial use.</p>	As at the Valuation Date, the property was under construction.	<p>34,940,000</p> <p>(100% interest attributable to the Company: 34,940,000)</p> <p>(equivalent to HK\$40,760,000)</p>

Notes:

1. Pursuant to a State-owned Land Use Rights Certificate — Wu Xin Guo Yong (2012) Di No. 048 issued by the Wuhan Municipal Government (武漢市人民政府), the land use rights of the property with a total site area of approximately 25,533.40 sq.m. have been granted to Wuhan YZY Biopharma Co., Ltd (武漢友芝友生物製藥股份有限公司, formerly known as 武漢友芝友生物製藥有限公司, the “**Company**”), for a term expiring on 24 May 2062 for industrial use.
2. Pursuant to a Construction Land Planning Permit — Wu Gui (Dong Kai) Di [2012] No.054, permission for the planning of a land parcel with a total site area of approximately 33,213.29 sq.m. has been granted to the Company. According to the Land Use Rights Grant Contract and the planning conditions attached thereto, the aforesaid total site area comprises a net site area of approximately 25,533.40 sq.m. and an area of approximately 7,679.89 sq.m. designated for planned urban roads.

As confirmed by the Company, the property forms part of the interest covered under the abovementioned permit.

3. Pursuant to a Construction Works Planning Permit — Wu Gui (Dong Kai) Jian [2015] No. 012 in favour of the Company, the construction work with a total gross floor area of approximately 18,644.94 sq.m. has been approved for construction.

As confirmed by the Company, the Phase 1 Development forms part of the interest covered under the abovementioned permit.

According to the PRC Legal Opinion, the aforesaid permit had expired and ceased to be valid as at the Valuation Date. As advised by the Company, buildings with a total gross floor area of approximately 11,770.70 sq.m., being the Phase 1 Development, had been constructed under the aforesaid permit prior to its expiry. The remaining construction works approved under the aforesaid permit had not been carried out upon its expiry and are proposed to be incorporated into the Phase 3 Development referred to in Note 8 below, for which separate planning and construction approvals will be required. In undertaking our valuation, we have only taken into account the buildings and structures existing as at the Valuation Date, comprising the Phase 1 Development and the Phase 2 Development with a total gross floor area of approximately 15,151.43 sq.m. as set out in Note 13 below, and no value has been attributed to the aforesaid remaining construction works.

4. Pursuant to a Construction Works Commencement Permit — No. 4201982014072200314BJ4001 in favour of the Company, permission has been given by the relevant local authority to commence the construction work with a total gross floor area of approximately 18,350.13 sq.m.

As confirmed by the Company, the Phase 1 Development forms part of the interest covered under the abovementioned permit.

According to the PRC Legal Opinion, the aforesaid permit had expired and ceased to be valid as at the Valuation Date. Similarly, the expiry of the aforesaid permit has no impact on our valuation for the reasons set out in Note 3 above.

5. Pursuant to a Completion and Inspection Certified Report authorized by the Construction Management and Transportation Bureau of Wuhan East Lake New Technology Development Zone (武漢東湖新技術開發區建設管理和交通局), the Company has completed the as-built acceptance filings of a portion of Phase 1 Development with a total gross floor area of approximately 11,590.24 sq.m.
6. Pursuant to a Construction Works Planning Permit — Wu Zi Jian (Dong Kai) Gong [2026] No. 058 in favour of the Company, the construction work of the Phase 2 Development with a total gross floor area of approximately 3,380.73 sq.m. has been approved for construction.
7. Pursuant to a Construction Works Commencement Permit — No. 420119202605290101 in favour of the Company, permission has been given by the relevant local authority to commence the construction work of the Phase 2 Development with a total gross floor area of approximately 3,380.73 sq.m.

8. Pursuant to a revised master layout plan approved by the East Lake High-tech Development Zone Branch of the Wuhan Municipal Bureau of Natural Resources and Planning (武漢市自然資源和規劃局東湖新技術開發區分局), the overall Development is planned to comprise three phases, namely the Phase 1 Development, the Phase 2 Development and a proposed Phase 3 Development. The proposed Phase 3 Development has a planned gross floor area of approximately 26,421.40 sq.m. According to the PRC Legal Opinion, separate planning and construction approvals will be required prior to the commencement of its construction. As advised by the Company, the relevant planning and construction approvals for the Phase 3 Development are expected to be obtained in January 2029, and construction of the Phase 3 Development is expected to commence in the same month.
9. Pursuant to a Transfer Agreement dated 23 January 2026 entered into between the Company as vendor and Wuhan Yiruide Medical Treatment Equipment New Technology Co., Ltd. (武漢依瑞德醫療設備新技術有限公司, “**Wuhan Yiruide**”) as purchaser, the land use rights of the property with a site area of approximately 25,533.4 sq.m. and the buildings thereon with a total gross floor area of approximately 11,333.22 sq.m. as at the date of the Transfer Agreement were contracted to be transferred to Wuhan Yiruide at a total consideration of RMB36,880,000, comprising (i) RMB19,330,000 for the land use rights; (ii) RMB11,550,000 for the buildings; and (iii) construction costs of RMB6,000,000 for satisfying the investment intensity requirement. Under the Transfer Agreement, registration of the transfer of title to Wuhan Yiruide is to be completed by 31 October 2026, with the balance of the transfer consideration payable within three working days thereafter. As advised by the Company, completion of the transaction has been postponed and is expected to take place no later than 15 December 2026.

According to the PRC Legal Opinion, the payment of the consideration and the registration of title under the aforesaid Transfer Agreement had not been completed.

10. As advised by the Company, the construction costs of RMB6,000,000 referred to in the aforesaid Transfer Agreement relate to the Phase 2 construction works funded by Wuhan Yiruide for the purpose of satisfying the investment intensity requirement. In undertaking our valuation, such construction works existing as at the Valuation Date have been valued in their existing state.
11. As advised by the Company, based on the consideration of RMB36,880,000 under the aforesaid Transfer Agreement, the estimated taxes and related charges arising from the transfer of the property comprise value-added tax of approximately RMB3,045,138, related surcharges of approximately RMB365,417 and stamp duty of approximately RMB18,440.
12. During our site inspection, we noted that internal renovation and facade improvement works were being carried out at the office building of the Phase 1 Development. As advised by the Company, all costs associated with such works have been fully borne by Wuhan Yiruide, with no related costs incurred by the owner.
13. As advised by the Company, the details of the property are set out as below:

Phase	Usage	Planned Gross Floor Area (sq.m.)
Phase 1 Development	Office	11,590.24
	Ancillary	180.46
Phase 2 Development	Industrial	3,116.73
	Ancillary	264.00
Total:		15,151.43

14. As advised by the Company, the estimated total development cost of the Phase 1 Development and the Phase 2 Development (collectively, the “Existing Phases”) is approximately RMB36,106,000. The construction of the Existing Phases is expected to be completed in March 2027. In our opinion, the market value of the land together with the Existing Phases as if completed as at the Valuation Date would be approximately RMB37,513,000.

The Phase 3 Development remains at an early planning stage. Save for the approval of the revised master layout plan referred to in Note 8 above, the separate planning and construction approvals required prior to the commencement of the Phase 3 Development had not been obtained as at the Valuation Date, and the Company has yet to formulate a detailed development budget in respect thereof. Accordingly, the proposed buildings under the Phase 3 Development have not been taken into account in our valuation, and no estimated development cost or market value as if completed has been presented in respect of the Phase 3 Development.

15. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:
- a. The Company has obtained the land use rights of the property;
 - b. The Company has obtained the necessary approvals and permissions in respect of (i) the office building of the Phase 1 Development, for which the relevant as-built acceptance filing has been completed; and (ii) the construction of the Phase 2 Development at its current stage. The Construction Works Planning Permit and the Construction Works Commencement Permit previously obtained for the Phase 1 Development (as referred to in Notes 3 and 4 above) had expired and ceased to be valid. The remaining construction works approved under the aforesaid permits, which had not been carried out upon their expiry, proposed to be incorporated into the Phase 3 Development, for which separate planning and construction approvals will be required prior to the commencement of construction; and
 - c. The property has not been mortgaged, seized or subject to any other encumbrances.
16. In the course of our valuation, we assume that the property is transferable without legal impediments.
17. Our valuation has been made on the following basis and analysis:

In our valuation of the land use rights, we have considered and analyzed 3 land sale comparables in the vicinity. The adjusted site values of the land sales range from RMB515 to RMB561 per sq.m. for industrial use. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of location, time and size, etc.

Regarding the building portion, the current replacement cost of the building is assessed by determining the construction cost of a modern substitute building with the same service capacity as the building which is being valued. The adjusted replacement costs range from RMB1,840 per sq.m. to RMB1,850 per sq.m. for office buildings, from RMB1,700 per sq.m. to RMB2,260 per sq.m. for industrial buildings, based on our research of the local construction costs. The replacement cost adopted in the valuation is consistent with the findings of our research.

VALUATION CERTIFICATE

Group II — Property interests held for owner occupation by the Company in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2026 RMB
2.	4 industrial units, comprising Units 2/F-01, 3/F-01, 4/F-01 and 5/F-01 of C2-3 Building, Wuhan National Bioindustry Base, No.666 Gaoxin Road, East Lake High-tech Development Zone, Wuhan City, Hubei Province, the PRC (中國湖北省武漢市東湖新技術開發區高新大道666號武漢國家生物產業基地C2-3棟2樓01、3樓01、4樓01及5樓01的4個工業用房)	<p>The property comprises 4 industrial units with a total gross floor area of approximately 3,230.59 sq.m. located on the 2nd to 5th floors of a 5-storey industrial building within an industrial park, namely Wuhan National Bioindustry Base (the “Bioindustry Base”).</p> <p>The property was held for owner occupation as at the Valuation Date.</p> <p>As advised by the Company, the property was completed in 2011.</p> <p>The property is located on Gaoxin Road, East Lake High-tech Development Zone, Wuhan City. It is approximately 6.5 km from Wuhandong Railway Station and 53.5 km from Wuhan Tianhe International Airport.</p> <p>The land use rights of the property have been granted for a term expiring on 23 April 2063 for industrial use.</p>	<p>The property was occupied by the Company as at the Valuation Date for office purposes.</p>	<p>18,140,000</p> <p>(100% interest attributable to the Company: 18,140,000) (equivalent to HK\$21,160,000)</p>

Notes:

1. Pursuant to 4 Real Estate Ownership Certificates issued by Wuhan Municipal Bureau of Natural Resources and Planning (武漢市自然資源和規劃局), the land use rights and building ownership of the property have been vested in Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司, the “Company”), with the details as follows:

No.	Certificate No.	Land Usage	Building Usage	Expiry Date	Site Area (sq.m.)	Gross Floor Area (sq.m.)
1	E (2022) Wu Han Shi Dong Kai Bu Dong Chan Quan Di No. 0096876	Industrial	Other	23 April 2063	938.6	811.78
2	E (2022) Wu Han Shi Dong Kai Bu Dong Chan Quan Di No. 0096875	Industrial	Other	23 April 2063	938.6	811.78
3	E (2022) Wu Han Shi Dong Kai Bu Dong Chan Quan Di No. 0096355	Industrial	Other	23 April 2063	938.6	811.78
4	E (2022) Wu Han Shi Dong Kai Bu Dong Chan Quan Di No. 0096877	Industrial	Other	23 April 2063	935.29	795.25
Total:					<u>3,751.09</u>	<u>3,230.59</u>

2. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:
- The Company has obtained the land use rights and the building ownership of the property;
 - The property has been mortgaged to China Merchants Bank Co., Ltd. Wuhan Branch (招商銀行股份有限公司武漢分行); and
 - The Company is the legal owner of the property. The Company has the rights to possess, use, transfer, lease, mortgage, derive income from, and otherwise dispose of the property. However, during the validity period of the mortgages, the Company is subject to contractual provisions that impose restrictions or prohibitions on the transfer, mortgage, or disposal of the property. The Company has the complete rights of the property once the mortgages are withdrawn.
3. In the course of our valuation, we assume that the property is transferable without legal impediments.
4. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made reference to comparables located in the area close to the subject property with similar nature, use, size, and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB5,190 to RMB6,120 per sq.m. for industrial units on gross floor area basis. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

Group II — Property interests held for owner occupation by the Company in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2026 RMB
3.	5 residential units, comprising Room 02 on the 10th to 12th Floors of Unit 2, Building E2 and Room 02 on the 12th and 15th Floors of Unit 1, Building E3, Optics Valley Taohuayuan, East Lake High-tech Development Zone, Wuhan City, Hubei Province, the PRC (中國湖北省武漢市東湖新技術開發區生物園西路18號光谷桃花源E2棟2單元10至12樓02室及E3棟1單元12樓及15樓02室的5套住宅)	<p>The property comprises 5 residential units with a total gross floor area of approximately 405.56 sq.m. located on the 10th to 12th floors of a 15-storey building and on the 12th and 15th floors of an 18-storey building within a residential development, namely Optics Valley Taohuayuan (the “Taohuayuan”).</p> <p>The property was held for owner occupation as at the Valuation Date.</p> <p>According to publicly available information, the Taohuayuan was completed in 2013.</p> <p>The Taohuayuan is located in East Lake High-tech Development Zone, approximately 1.3 km from Guanggu 7th Road Station of Wuhan Metro, 13.3 km from Wuhandong Railway Station, and 60.7 km from Wuhan Tianhe International Airport.</p>	<p>The property was occupied by the Company as at the Valuation Date for residential and warehousing purposes.</p>	<p>2,200,000</p> <p>(100% interest attributable to the Company: 2,200,000) (equivalent to HK\$2,550,000)</p>

Notes:

1. Pursuant to 5 Real Estate Ownership Certificates issued by Wuhan Municipal Bureau of Natural Resources and Planning (武漢市自然資源和規劃局), the land use rights and building ownership of the property have been vested in the Company, with the details as follows:

No.	Certificate No.	Land Usage	Building Usage	Expiry Date	Site Area (sq.m.)	Gross Floor Area (sq.m.)
1	E (2022) Wu Han Shi Dong Kai Bu Dong Chan Quan Di No.0096882	Residential	Residential	6 August 2080	6.01	81.16
2	E (2022) Wu Han Shi Dong Kai Bu Dong Chan Quan Di No.0096879	Residential	Residential	6 August 2080	6.01	81.16
3	E (2022) Wu Han Shi Dong Kai Bu Dong Chan Quan Di No.0096880	Residential	Residential	6 August 2080	6.01	81.16
4	E (2022) Wu Han Shi Dong Kai Bu Dong Chan Quan Di No.0096878	Residential	Residential	6 August 2080	5.01	81.04
5	E (2022) Wu Han Shi Dong Kai Bu Dong Chan Quan Di No.0096881	Residential	Residential	6 August 2080	5.01	81.04
Total:						405.56

2. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:
- The Company has obtained the land use rights and the building ownership of the property;
 - The property has been mortgaged to China Merchants Bank Co., Ltd. Wuhan Branch (招商銀行股份有限公司武漢分行); and
 - The Company is the legal owner of the property. The Company has the rights to possess, use, transfer, lease, mortgage, derive income from, and otherwise dispose of the property. However, during the validity period of the mortgages, the Company is subject to contractual provisions that impose restrictions or prohibitions on the transfer, mortgage, or disposal of the property. The Company has the complete rights of the property once the mortgages are withdrawn.
3. In the course of our valuation, we assume that the property is transferable without legal impediments.
4. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made reference to comparables located in the area close to the subject property with similar nature, use, size, floor and accessibility as the subject property. The unit prices of the comparables range from RMB4,910 to RMB5,870 per sq.m. for residential units on gross floor area basis. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables.

VALUATION CERTIFICATE

Group II — Property interests held for owner occupation by the Company in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2026 RMB
4.	1 residential unit located at Room 01, 10th Floor, Unit 2, Building B6, South Zone of Vanke City Garden (Vanke Red Shire), No. 1, Daxueyuan Road, East Lake High-tech Development Zone, Wuhan City, Hubei Province, the PRC (中國湖北省武漢市東湖新技術開發區大學園路1號武漢萬科城市花園南區(萬科紅郡)B6棟2單元10層01室的1套住宅)	<p>The property comprises 1 residential unit with a total gross floor area of approximately 136.36 sq.m. located on the 10th floor of an 18-storey building within a residential development, namely South Zone of Vanke City Garden (the “Vanke Red Shire”).</p> <p>The property was held for owner occupation as at the Valuation Date.</p> <p>According to publicly available information, the Vanke Red Shire was completed in 2011.</p> <p>The Vanke Red Shire is located in East Lake High-tech Development Zone, with approximately 2.0 km to Jinronggang North Station of Wuhan Metro, 5.6 km from Wuhandong Railway Station, and 53.6 km from Wuhan Tianhe International Airport.</p>	<p>The property was occupied by the Company as at the Valuation Date for residential purpose.</p>	<p>2,250,000</p> <p>(100% interest attributable to the Company: 2,250,000) (equivalent to HK\$2,620,000)</p>

Notes:

1. Pursuant to a Real Estate Ownership Certificate — E(2022) Wu Han Shi Dong Kai Bu Dong Chan Quan Di No. 0096874 issued by the Wuhan Municipal Bureau of Natural Resources and Planning (武漢市自然資源和規劃局), the land use rights of the property with a total site area of approximately 12.40 sq.m. for a term expiring on 14 April 2080 for residential use and the building ownership of the property with a total gross floor area of approximately 136.36 sq.m. for residential use have been vested in the Company.
2. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:
 - a. The Company has obtained the land use rights and the building ownership of the property;
 - b. The property has been mortgaged to China Merchants Bank Co., Ltd. Wuhan Branch (招商銀行股份有限公司武漢分行); and
 - c. The Company is the legal owner of the property. The Company has the rights to possess, use, transfer, lease, mortgage, derive income from, and otherwise dispose of the property. However, during the validity period of the mortgages, the Company is subject to contractual provisions that impose restrictions or prohibitions on the transfer, mortgage, or disposal of the property. The Company has the complete rights of the property once the mortgages are withdrawn.
3. In the course of our valuation, we assume that the property is transferable without legal impediments.
4. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made reference to comparables located in the area close to the subject property with similar nature, use, size, floor and accessibility as the subject property. The unit prices of the comparables range from RMB16,350 to RMB16,640 per sq.m. for residential units on gross floor area basis. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purposes of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any of the statements in this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date was, and as a result of the allotment and issue of the Subscription Shares will be, as follows:

As at the Latest Practicable Date: *RMB*

Domestic Shares	14,370,087
H Shares	<u>179,479,113</u>
Total	<u>193,849,200</u>

Immediately after completion of the Domestic Share Subscription *RMB*

Domestic Shares	49,962,487
H Shares	<u>179,479,113</u>
Total	<u>229,441,600</u>

The Subscription Shares to be issued pursuant to the Share Subscription Agreement will rank, upon issue, pari passu in all respects with the existing issued Domestic Shares held by the Company at the time of issue of such Subscription Shares including, in particular, as to dividends and other distributions, voting rights and return of capital.

No application is being made or is currently proposed or sought for the Shares or the Subscription Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

The Company obtained listing approval from the Stock Exchange for the conversion of 68,010,299 unlisted shares of the Company into H Shares, which was completed on 30 March 2026. Further details are set out in the Company's announcements dated 12 May 2025, 26 January 2026, 4 February 2026 and 30 March 2026. Save as disclosed above, since 31 December 2025 (being the end of the last financial year of the Company) and up to the Latest Practicable Date, no new Shares have been issued by the Company.

As at the Latest Practicable Date, the Company (i) has outstanding share options granted under the 2024 H Share Option Plan entitling the holders thereof to subscribe for an aggregate of 750,000 Shares at a subscription price of HK\$4.23 per H Share with the expiry of the exercise period up to 26 May 2035; and (ii) does not hold any treasury shares and there is no repurchased Share pending cancellation.

Save for the Share Options, as at the Latest Practicable Date, there were no outstanding options, warrants and conversion rights affecting the Shares.

3. MARKET PRICE

The table below shows the closing prices of the H Shares on the Hong Kong Stock Exchange (i) on the last trading day of each of the six calendar months immediately preceding the date of the Announcement and up to the Latest Practicable Date; (ii) on the last trading day immediately preceding the date of the Announcement; and (iii) on the Latest Practicable Date.

Date	Closing price per H Share HK\$
27 February 2026	7.24
31 March 2026	4.13
30 April 2026	4.60
29 May 2026	4.30
30 June 2026	3.80
31 July 2026	3.69
28 August 2026 (the Last Trading Day)	3.30
31 August 2026	3.30
30 September 2026	3.19
28 October 2026 (being the Latest Practicable Date)	3.80

The lowest and highest closing market prices of the H Shares recorded on the Stock Exchange during the period commencing on 27 February 2026 (being the six months immediately prior to the date of the Share Subscription Agreement) and ending on the Latest Practicable Date were HK\$7.24 per H Share (recorded on 27 February 2026) and HK\$2.205 per H Share (recorded on 8 October 2026), respectively.

4. DISCLOSURE OF INTERESTS

(a) Interest of Directors and Supervisors

As at the Latest Practicable Date, the interests and short positions of the Directors, Supervisors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required, to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”), to be notified to the Company and the Stock Exchange; or (iv) to be disclosed under the Takeovers Code were as follows:

Name of Shareholder	Class of the Shares	Capacity and nature of interest	Number of Shares held or interested	Approximately percentage of the total issued Shares (Note 1)	Approximately percentage of the relevant class of Shares (Note 1)
Dr. Yuan Qian (Notes 2 to 4)	H Shares	Beneficial owner	20,399,933	10.52%	11.37%
		Interest held jointly with other persons	18,412,265	9.50%	10.26%
		Interest in controlled corporations	16,792,707	8.66%	9.36%
		Sub-total	55,604,905	28.68%	30.98%
					(H Shares)
Dr. Zhou Hongfeng (Notes 2 to 4)	H Shares	Beneficial owner	10,199,921	5.26%	5.68%
		Interest held jointly with other persons	44,062,384	22.73%	24.55%
		Interest of his spouse	1,342,600	0.69%	0.75%
		Sub-total	55,604,905	28.68%	30.98%
					(H Shares)

Name of Shareholder	Class of the Shares	Capacity and nature of interest	Number of Shares held or interested	Approximately percentage of the total issued Shares (Note 1)	Approximately percentage of the relevant class of Shares (Note 1)
Dr. Zhou Pengfei (Notes 2 to 4)	H Shares	Beneficial owner	6,869,744	3.54%	3.83%
		Interest held jointly with other persons	31,942,454	16.48%	17.80%
		Interest in controlled corporations	16,792,707	8.66%	9.36%
		Sub-total	55,604,905	28.68%	30.98%
Wen Zhicheng (溫植成) (Note 5)	H Shares	Interest in controlled corporation	16,882,009	8.71%	9.41%

Notes:

- (1) The calculation is based on the total number of 179,479,113 H Shares and 14,370,087 Domestic Shares in issue as at the Latest Practicable Date. All interests stated are long positions.
- (2) Pursuant to the Concert Party Agreements, the AIC Parties agreed (i) to act in concert by way of reaching consensus on proposals related to the Group's daily management and operation presented to all general meetings and Board meetings of the Company; and (ii) that when no consensus can be reached, the AIC Parties shall vote in concurrence with Dr. Yuan Qian on the proposals, or, in the event of Dr. Yuan Qian's absence from voting, the AIC Parties shall vote in concurrence with the AIC Party with the highest shareholding percentage among the AIC Parties who votes at the meetings.
- (3) Among the shares held by Dr. Zhou Hongfeng, 1,342,600 H Shares were held by Ms. Huang Lin (黃琳), the spouse of Dr. Zhou Hongfeng. By virtue of the SFO, Dr. Zhou Hongfeng was deemed to be interested in the 1,342,600 H Shares held by Ms. Huang Lin.
- (4) Wuhan Caizhi was owned as to approximately 50.76% by 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)) ("Huiyou Jucai") as its largest limited partner and was managed by Wuhan Caizhi Technology Co. Ltd. as the executive partner, which was owned as to 67% by Dr. Yuan Qian and as to 33% by Dr. Zhou Hongfeng. Huiyou Jucai was owned as to approximately 49.95% by Dr. Zhou Pengfei and was managed by Dr. Zhou Pengfei as the general partner. As a result, Dr. Yuan Qian, through Wuhan Caizhi Technology Co. Ltd., and Dr. Zhou Pengfei, through Huiyou Jucai, were each deemed to be interested in the 16,792,707 H Shares held by Wuhan Caizhi under the SFO.
- (5) (i) Nanning Yaoyou was the general partner of Nanning Huiyou. Tongde Qian yuan was the general partner of Nanning Yaoyou, and Tongde Qian yuan was owned as to approximately 72.38% by Wen Zhicheng; (ii) Tongde Tongxin was the general partner of Zhongheng Tongde, and Tongde Qian yuan was the general partner of Tongde Tongxin; and (iii) Gongqingcheng Yaoyou was the general partner of Gongqingcheng Huiyou, and Tongde Qian yuan was the general partner of Gongqingcheng Yaoyou. As a result, Wen Zhicheng was deemed to be interested in (i) the 10,142,797 H Shares held by Nanning Huiyou, (ii) the 3,700,872 H Shares held by Zhongheng Tongde, and (iii) the 3,038,340 H Shares held by Gongqingcheng Huiyou under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required, to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; (iii) were required, to be notified to the Company and the Stock Exchange pursuant to the Model Code; or (iv) were required, to be disclosed under the Takeovers Code.

(b) Interest of substantial Shareholders

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

Name of Shareholder	Class of the Shares	Capacity and nature of interest	Number of Shares held or interested	Approximately percentage of the total issued Shares (Note 1)	Approximately percentage of the relevant class of Shares (Note 1)
Wuhan Caizhi (Notes 2 to 3)	H Shares	Beneficial owner	16,792,707	8.66%	9.36% (H Shares)
	H Shares	Interest held jointly with other persons	38,812,198	20.02%	21.62% (H Shares)
		Sub-total	55,604,905	28.68%	30.98% (H Shares)
Wuhan Caizhi Technology Co. Ltd. (武漢才智科技有限責任公司) (Notes 2 and 4)	H Shares	Interest in controlled corporations	55,604,905	28.68%	30.98% (H Shares)
Huiyou Jucai (Notes 2 and 5)	H Shares	Interest in controlled corporations	55,604,905	28.68%	30.98% (H Shares)
CSPC-NBP (Note 6)	H Shares	Beneficial owner	51,241,785	26.43%	28.55% (H Shares)

Name of Shareholder	Class of the Shares	Capacity and nature of interest	Number of Shares held or interested	Approximately percentage of the total issued Shares (Note 1)	Approximately percentage of the relevant class of Shares (Note 1)
CSPC (Note 6)	H Shares	Interest in controlled corporations	51,241,785	26.43%	28.55% (H Shares)
Dragon Merit Holdings Limited (Note 6)	H Shares	Interest in controlled corporations	51,241,785	26.43%	28.55% (H Shares)
Robust Sun Holdings Limited (Note 6)	H Shares	Interest in controlled corporations	51,241,785	26.43%	28.55% (H Shares)
Caizhi No. 2	H Shares	Beneficial owner	11,620,411	5.99%	6.47% (H Shares)
Tongde Qianyuan (Note 7)	H Shares	Interest in controlled corporation	16,882,009	8.71%	9.41% (H Shares)
Nanning Huiyou (Note 7)	H Shares	Beneficial owner	10,142,797	5.23%	5.65% (H Shares)
Nanning Yaoyou (Note 7)	H Shares	Interest in controlled corporation	10,142,797	5.23%	5.65% (H Shares)
Dr. Guo Hongwei (Note 8)	Domestic Shares	Beneficial owner	370,087	0.19%	2.58% (Domestic Shares)
	H Shares	Interest in controlled corporation	13,181,137	6.80%	7.34% (H Shares)
Sub-total			13,551,224	6.99%	

Name of Shareholder	Class of the Shares	Capacity and nature of interest	Number of Shares held or interested	Approximately percentage of the total issued Shares (Note 1)	Approximately percentage of the relevant class of Shares (Note 1)
Wuhan Optics Valley New Technology Industry Investment Co., Ltd (武漢光谷新技術產業投資有限公司) (“ Guanggu New Technology ”) (Note 9)	Domestic Shares	Beneficial owner	7,000,000	3.61%	48.71% (Domestic Shares)
Wuhan Hi-Tech Holding Group Co., Ltd. (武漢高科國有控股集團有限公司) (“ Wuhan Hi-Tech ”) (Note 9)	Domestic Shares	Interest in controlled corporation	7,000,000	3.61%	48.71% (Domestic Shares)
Wuhan Optics Valley Health Industry Investment Ltd. (武漢光谷健康產業投資有限公司) (“ Guanggu Health ”) (Note 10)	Domestic Shares	Beneficial owner	5,600,000	2.89%	38.97% (Domestic Shares)
	H Shares	Beneficial owner	2,686,000	1.39%	1.50% (H Shares)
		Sub-total	8,286,000	4.27%	
Hubei Science and Technology Investment Group Co, Ltd. (湖北省科技投資集團有限公司) (“ Hubei Science & Technology Investment ”) (Notes 10 and 11)	Domestic Shares	Interest in controlled corporation	7,000,000	3.61%	48.71% (Domestic Shares)
	H Shares	Interest in controlled corporation	2,686,000	1.39%	1.50% (H Shares)
		Sub-total	9,686,000	5.00%	

Name of Shareholder	Class of the Shares	Capacity and nature of interest	Number of Shares held or interested	Approximately percentage of the total issued Shares (Note 1)	Approximately percentage of the relevant class of Shares (Note 1)
Wuhan East Lake New Technology Development Zone Management Committee (武漢東湖新技術開發區管理委員會) (“East Lake Management Committee”) (Notes 9 to 11)	Domestic Shares	Interest in controlled corporation	14,000,000	7.22%	97.42% (Domestic Shares)
	H Shares	Interest in controlled corporation	2,686,000	1.39%	1.50% (H Shares)
Sub-total			16,686,000	8.61%	

Notes:

- (1) The calculation is based on the total number of 179,479,113 H Shares and 14,370,087 Domestic Shares in issue as at the date of Latest Practicable Date.
- (2) Pursuant to the Concert Party Agreements, the AIC Parties agreed (i) to act in concert by way of reaching consensus on proposals related to the Group’s daily management and operation presented to all general meetings and Board meetings of the Company; and (ii) that when no consensus can be reached, the AIC Parties shall vote in concurrence with Dr. Yuan Qian on the proposals, or, in the event of Dr. Yuan Qian’s absence from voting, the AIC Parties shall vote in concurrence with the AIC Party with the highest shareholding percentage among the AIC Parties who votes at the meetings.
- (3) Among the shares held by Dr. Zhou Hongfeng, 1,342,600 H Shares were held by Ms. Huang Lin (黃琳), the spouse of Dr. Zhou Hongfeng. By virtue of the SFO, Dr. Zhou Hongfeng was deemed to be interested in the 1,342,600 H Shares held by Ms. Huang Lin.
- (4) Wuhan Caizhi Technology Co. Ltd. (武漢才智科技有限責任公司) was owned as to 67% by Dr. Yuan Qian and as to 33% by Dr. Zhou Hongfeng, which was the executive partner of Wuhan Caizhi and able to exercise the voting rights held by Wuhan Caizhi in the Company pursuant to the Concert Party Agreement. As a result, Wuhan Caizhi Technology Co. Ltd. was deemed to be interested in, through Wuhan Caizhi (one of the AIC Parties), all the Shares in which each of the AIC Parties is interested under the SFO.
- (5) Wuhan Caizhi was owned as to approximately 50.76% by Huiyou Jucai as its largest limited partner and was managed by Wuhan Caizhi Technology Co. Ltd. (武漢才智科技有限責任公司) as the executive partner. Huiyou Jucai was owned as to approximately 49.95% by Dr. Zhou Pengfei and was managed by Dr. Zhou Pengfei as the general partner. As a result, Huiyou Jucai was deemed to be interested in, through Wuhan Caizhi (one of the AIC Parties), all the Shares in which each of the AIC Parties is interested under the SFO.

- (6) CSPC-NBP was owned as to 54.06% and 45.94% by CSPC and Dragon Merit Holdings Limited, respectively; and Dragon Merit Holdings Limited was owned as to 100.00% by Robust Sun Holdings Limited, which was wholly owned by CSPC. As a result, each of CSPC, Dragon Merit Holdings Limited and Robust Sun Holdings Limited was deemed to be interested in the 51,241,785 H Shares held by CSPC-NBP under the SFO.
- (7) (i) Nanning Yaoyou was the general partner of Nanning Huiyou. Tongde Qianyuan was the general partner of Nanning Yaoyou, and Tongde Qianyuan was owned as to approximately 72.38% by Wen Zhicheng; (ii) Tongde Tongxin was the general partner of Zhongheng Tongde, and Tongde Qianyuan was the general partner of Tongde Tongxin; and (iii) Gongqingcheng Yaoyou was the general partner of Gongqingcheng Huiyou, and Tongde Qianyuan was the general partner of Gongqingcheng Yaoyou. As a result, Wen Zhicheng was deemed to be interested in (i) the 10,142,797 H Shares held by Nanning Huiyou, (ii) the 3,700,872 H Shares held by Zhongheng Tongde, and (iii) the 3,038,340 H Shares held by Gongqingcheng Huiyou under the SFO.
- (8) (i) Nanning Yaoyou was the executive partner of Nanning Huiyou, and Dr. Guo Hongwei was the largest limited partner of Nanning Yaoyou with the limited partnership interests of 60.00%; and (ii) Gongqingcheng Yaoyou was the executive partner of Gongqingcheng Huiyou, and Dr. Guo Hongwei was the largest limited partner of Gongqingcheng Yaoyou with the limited partnership interests of 60.00%. As a result, Dr. Guo Hongwei was deemed to be interested in (i) the 10,142,797 H Shares held by Nanning Huiyou and (ii) the 3,038,340 H Shares held by Gongqingcheng Huiyou under the SFO.
- (9) Guanggu New Technology was owned as to approximately 99.5% by Wuhan Hi-Tech, which was in turn wholly owned by the state-owned East Lake Management Committee. As a result, each of Wuhan Hi-Tech and East Lake Management Committee was deemed to be interested in the 7,000,000 Domestic Shares held by Guanggu New Technology under the SFO.
- (10) Guanggu Health was wholly owned by Hubei Science & Technology Investment, which was in turn wholly owned by the state-owned East Lake Management Committee. As a result, each of Hubei Science & Technology Investment and East Lake Management Committee was deemed to be interested in the 2,686,000 H Shares and 5,600,000 Domestic Shares held by Guanggu Health under the SFO.
- (11) Wuhan Optics Valley Growth Venture Capital Fund Co., Ltd (武漢光谷成長創業投資基金有限公司) (“**Guanggu Growth**”) was owned as to approximately 100.00% by Wuhan Optics Valley Venture Technology Investment Co., Ltd. (武漢光谷創業科技投資有限公司) (“**Guanggu Venture**”). Guanggu Venture was owned as to 100.00% by Wuhan Optics Valley Financial Holding Group Co., Ltd. (武漢光谷金融控股集團有限公司) (“**Guanggu Financial Holding Group**”). Guanggu Financial Holding Group was owned as to approximately 50.96% by Hubei Science & Technology Investment, which was in turn wholly owned by the state-owned East Lake Management Committee. As a result, each of Hubei Science & Technology Investment and East Lake Management Committee was deemed to be interested in the 1,400,000 Domestic Shares held by Guanggu Growth under the SFO.

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

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation)).

Save for the service contracts and appointment letters with the Company as disclosed below, as at the Latest Practicable Date, none of the Directors or Supervisors of the Company had entered into a service contract with the Company or any of its subsidiaries or associated companies (as defined under the Takeovers Code), which (i) (including both continuous and fixed term contracts) have been entered into or amended within 6 months before the date of the Announcement; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period.

Name of Director	Term and expiry date of service contract or appointment letter	Amount of fixed remuneration payable, excluding arrangements for pension payments	Amount of any variable remuneration payable under the service contract or appointment letter
Dr. Zhou Pengfei	Three years from 25 June 2025 to 24 June 2028	Nil	Nil
Mr. Wen Zhicheng	Three years from 25 June 2025 to 24 June 2028	Nil	Nil
Dr. Yuan Qian	Three years from 25 June 2025 to 24 June 2028	Nil	Nil
Dr. Zhou Hongfeng	Three years from 25 June 2025 to 24 June 2028	Nil	Nil
Mr. Pang Zhenhai	Three years from 25 June 2025 to 24 June 2028	Nil	Nil
Dr. Hui Xiwu	Three years from 25 June 2025 to 24 June 2028	Nil	Nil
Mr. Xie Shouwu	Three years from 25 June 2025 to 24 June 2028	Nil	Nil

Name of Director	Term and expiry date of service contract or appointment letter	Amount of fixed remuneration payable, excluding arrangements for pension payments	Amount of any variable remuneration payable under the service contract or appointment letter
Dr. Cheng Bin	Three years from 25 June 2025 to 24 June 2028	RMB268,000 per annum	Nil
Ms. Fu Lili	Three years from 25 June 2025 to 24 June 2028	RMB268,000 per annum	Nil
Dr. Deng Yuezhen	Three years from 25 June 2025 to 24 June 2028	RMB268,000 per annum	Nil
Dr. Chen Bin	Three years from 25 June 2025 to 24 June 2028	RMB268,000 per annum	Nil
Mr. Wang Junming	Three years from 25 June 2025 to 24 June 2028	Nil	Nil
Ms. Liu Fang	Three years from 25 June 2025 to 24 June 2028	Nil	Nil
Mr. Ji Changtao	Three years from 25 June 2025 to 24 June 2028	Nil	Nil
Ms. Xiao Ying	Three years from 25 June 2025 to 24 June 2028	Nil	Nil
Ms. Fang Lijuan	From 15 May 2026 to 24 June 2028 (i.e. the expiry of the term of the second supervisory committee)	Nil	Nil

6. DIRECTORS' INTEREST IN ASSETS OR CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interest in any assets which have since 31 December 2025 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, save for the Share Subscription Agreement, none of the Directors were materially interested, directly or indirectly, in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group.

7. COMPETING INTEREST

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

8. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date, other than the Share Subscription Agreement:

- (a) there was no agreement, arrangement or understanding (including any compensation agreement) existing between the Subscribers or any member of the Concert Parties and any Director, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Share Subscription Agreement or the Whitewash Waiver;
- (b) there was no agreement, arrangement or understanding (including any compensation agreement) existing between the Subscribers or any member of the Concert Parties and any Director regarding any benefit to any Director as compensation for loss of office or otherwise in connection with the Share Subscription Agreement or the Whitewash Waiver;
- (c) there was no agreement, arrangement or understanding between any Director and any other person which is conditional on or dependent upon the outcome of, or otherwise connected with, the Share Subscription Agreement or the Whitewash Waiver; and
- (d) none of the Directors was materially interested in any material contract entered into by the Subscribers.

9. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS PURSUANT TO THE TAKEOVERS CODE

As at the Latest Practicable Date, the Subscribers confirm that:

- (a) there was no agreement, arrangement or understanding pursuant to which the Subscription Shares would be transferred, charged or pledged to any other persons;
- (b) other than the holdings of Shares and the Subscription Shares which are proposed to be subscribed for under the Share Subscription as disclosed in the section headed “Effect on the Shareholding Structure of the Company” in the Letter from the Board, none of the Subscribers or the Concert Parties owned or controlled any Shares, convertible securities, warrants, options and derivatives in respect of the Shares;

- (c) save for the Share Subscription Agreement and the Puhua Transfer, none of the Subscribers and the Concert Parties has dealt in any Shares, acquired or entered into any agreement or arrangement to acquire any voting rights in the Company during the Relevant Period. The 1,342,600 H Shares held by Ms. Huang Lin (the spouse of Dr. Zhou Hongfeng) was acquired on 11 June 2026 by Ms. Huang Lin from Puhua Kaizhi for a total consideration of HK\$5,065,247.45 (i.e. HK\$3.78 per H Share);
- (d) during the six months immediately prior to the Latest Practicable Date but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors (which includes informal discussions) in relation to the Share Subscription, none of the Subscribers and the Concert Parties made or will make any acquisitions or disposals of voting rights in the Company which constitute disqualifying transactions (as defined in paragraph 3 of Schedule VI to the Takeovers Code) which may result in the Executive not granting the Whitewash Waiver or any Whitewash Waiver granted being declared invalid, in the period between the date of the Announcement and the Completion. For the avoidance of doubt, the Puhua Transfer was completed before the negotiations, discussions and the reaching of understanding and agreement with respect to the Share Subscription. The Puhua Transfer, therefore, does not constitute a disqualifying transaction under paragraph 3(a) of Schedule VI to the Takeovers Code;
- (e) save as disclosed in the section headed “Effect on the Shareholding Structure of the Company” in the “Letter from the Board” of this circular, there is no holding of voting rights in the Company or rights over any Shares which is owned, controlled or directed by the Subscribers and the Concert Parties;
- (f) none of the Subscribers and the Concert Parties has received any irrevocable commitment from any person as to whether they will vote for or against the resolution approving the Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and/or the Whitewash Waiver;
- (g) save for the Share Subscription Agreement, none of the Subscribers and/or the Concert Parties had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company;
- (h) there were no Shares or convertible securities, warrants, options and derivatives of the Company which the Subscribers and the Concert Parties have borrowed or lent;
- (i) save for the Subscription Price for the Subscription Shares payable under the Share Subscription Agreement, none of the Subscribers and the Concert Parties has paid or will pay any other consideration, compensation or benefit in whatever form to the Company or any of the parties acting in concert with it in relation to the Share Subscription, the Specific Mandate and the Whitewash Waiver;
- (j) save for the Share Subscription Agreement, there are no agreements or arrangements to which the Subscribers is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Share Subscription, the Specific Mandate or the Whitewash Waiver;

- (k) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Subscribers and the Concert Parties on the one hand and any of the Shareholders on the other hand.

As at the Latest Practicable Date, the Company confirms that:

- (a) there is no understanding, arrangement or agreement or special deal (as defined in Rule 25 of the Takeovers Code) between the Company, its subsidiaries or associated companies on the one hand and any of the Shareholders on the other hand;
- (b) save as disclosed in the section headed “Effect on the Shareholding Structure of the Company” in the “Letter from the Board” of this circular, none of the Directors was interested in any Shares, convertible securities, warrants, options and derivatives in the Company;
- (c) no subsidiary of the Company, no pension fund of the Company or of a subsidiary of the Company and no person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding any exempt principal traders and exempt fund managers) owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (d) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and any other person;
- (l) no fund manager (other than exempt fund managers) connected with the Company managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis;
- (m) save for Dr. Yuan Qian, Dr. Zhou Hongfeng and Dr. Zhou Pengfei who will abstain from voting at the EGM, no other Directors had owned any beneficial interest in any Shares which would confer any voting rights to any of them at the EGM; and
- (n) there were no Shares or convertible securities, warrants, options and derivatives of the Company which the Company and the Directors have borrowed or lent.

10. DEALINGS IN THE SHARES

During the Relevant Period,

- (a) save for the Share Subscription Agreement and the Puhua Transfer, none of the Subscribers and the Concert Parties had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares or had acquired or entered into any agreement or arrangement to acquire any voting rights in the Company;
- (b) save for the Share Subscription Agreement, none of the Directors had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of Shares;
- (c) no subsidiary of the Company, no pension fund of the Company or of a subsidiary of the Company and no person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding any exempt principal traders and exempt fund managers) had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (d) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company, or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (e) no fund manager (other than exempt fund managers) connected with the Company who managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and
- (f) there were no Shares or convertible securities, warrants, options and derivatives of the Company which the Subscribers or the Concert Parties, or the Company and the Directors have borrowed or lent.

11. EXPERT'S CONSENT AND QUALIFICATIONS

The following sets out the name and qualification of the experts who have given opinions or advices which are contained in this circular:

Name	Qualifications
BaoQiao Partners	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
AVISTA Valuation Advisory Limited	an independent professional valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the references to its name included herein in the form and context in which it is included.

The letter and recommendation given by BaoQiao Partners are given as of the date of this circular for incorporation herein.

As at the Latest Practicable Date, each of the above experts did not have any shareholding, direct or indirect, in any members of the Group or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of the Group.

As at the Latest Practicable Date, each of the above experts did not have any direct or indirect interest in any assets which had been, since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group.

12. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in or may become a party to any litigation or arbitration or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

13. MATERIAL CONTRACTS

In the two years immediately preceding the date of the Announcement and up to the Latest Practicable Date, the following material contract, not being contracts entered into the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries, were entered into by the Company or any of its subsidiaries which are or may be material:

- (a) the Share Subscription Agreement; and

- (b) the transfer agreement (“**Transfer Agreement**”) dated 23 January 2026 entered into between Wuhan Yiruide Medical Treatment Equipment New Technology Co.,Ltd. (武漢依瑞德醫療設備新技術有限公司) (“**Wuhan Yiruide**”) and the Company, pursuant to which Wuhan Yiruide agreed to acquire, and the Company agreed to transfer, the right of use of a piece of land and the building located at North of Gaoxin Third Road and south of Shendun Third Road in the East Lake New Technology Development Zone, Wuhan, Hubei Province, PRC, for a consideration of approximately RMB36,880,000, further details are set out in the Company’s announcements dated 23 January 2026 and 5 February 2026.

14. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest audited financial statements of the Company were made up.

15. GENERAL

- (a) The registered office and head office address of the Company is at No. 666 Gaoxin Road East Lake High Tech Development Zone, Wuhan, Hubei Province, PRC.
- (b) The principal place of business of the Company in Hong Kong is at Room 1915, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.
- (c) The Hong Kong share registrar and transfer office of the Company is Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (d) The company secretary is Mr. Zheng Jianhua.
- (e) The principal members of the Subscribers’ concert group include Dr. Yuan Qian, Dr. Zhou Hongfeng, Dr. Zhou Pengfei and Wuhan Caizhi. As at the Latest Practicable Date, the executive partner of Wuhan Caizhi is Wuhan Caizhi Technology Co., Ltd. (武漢才智科技有限責任公司). Wuhan Caizhi GP is owned as to 67% by Dr. Yuan Qian and as to 33% by Dr. Zhou Hongfeng. The addresses of the principal members of the Subscribers’ concert group:
- (1) The address of Dr. Yuan Qian is Building C2–1, No. 666 Gaoxin Road East Lake High Tech Development Zone, Wuhan, Hubei Province, PRC.
 - (2) The address of Dr. Zhou Hongfeng is Building C2–1, No. 666 Gaoxin Road East Lake High Tech Development Zone, Wuhan, Hubei Province, PRC.
 - (3) The address of Dr. Zhou Pengfei is Building C2–1, No. 666 Gaoxin Road East Lake High Tech Development Zone, Wuhan, Hubei Province, PRC.
 - (4) The registered office of Wuhan Caizhi is Building C2–1, No. 666 Gaoxin Road East Lake High Tech Development Zone, Wuhan, Hubei Province, PRC.

- (5) The registered office of Wuhan Caizhi GP is Unit 4–1, 35th Floor, Building 7, Panhai International SOHO City (Phase I), Central Business District, Jiangnan District, Wuhan City, Hubei Province, China.
- (6) The Hong Kong correspondence address of each of the Subscribers, Wuhan Caizhi and Wuhan Caizhi GP is Room 1915, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.
- (f) The Independent Financial Adviser is BaoQiao Partners, whose address is at Room C01, 26/F, United Centre, 95 Queensway, Admiralty, Hong Kong.
- (g) The financial adviser to the Company in relation to PRC aspects of the Share Subscription is Changjiang Financial Services Co., Limited, whose address is at 30F, Changjiang Securities Building, No. 88 Huaihai Road, Jiangnan District, Wuhan, Hubei 430023, China.
- (h) The English text of this circular shall prevail over the Chinese text, in the event of inconsistency.

16. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange (www.hkex.com.hk), the website of the SFC (www.sfc.hk) and the website of the Company (www.yzybio.com) for a period of not less than 14 days from the date of this circular up to and including the date of the EGM:

- (a) the Articles;
- (b) the published annual reports of the Company containing audited consolidated financial statements of the Company for each of the three financial years ended 31 December 2023, 31 December 2024 and 31 December 2025;
- (c) the published interim reports of the Company containing unaudited consolidated financial statements of the Company for the six months ended 30 June 2026;
- (d) the letter from the Board, the text of which is set out in the section headed “Letter from the Board” in this circular;
- (e) the letter from the Connected Transaction IBC, the text of which is set out in the section headed “Letter from the Connected Transaction IBC” in this circular;
- (f) the letter from the Whitewash Waiver IBC, the text of which is set out in the section headed “Letter from the Whitewash Waiver IBC” in this circular;
- (g) the letter from the Independent Financial Adviser, the text of which is set out in the section headed “Letter from the Independent Financial” in this circular;

- (h) the property valuation report of the Group (including the valuation certificates) prepared by AVISTA Valuation Advisory Limited, a summary of which is set out in Appendix II to this circular;
- (i) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (j) the written consent letters referred to in the paragraph headed “Expert’s Consent and Qualifications” in this appendix;
- (k) the service contracts and letters of appointment of the Directors referred to in the paragraph headed “Directors’ Service Contracts” in this appendix; and
- (l) this circular.

NOTICE OF EGM

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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)

NOTICE OF THE EGM

NOTICE IS HEREBY GIVEN THAT the EGM of Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司) (the “**Company**”) will be held at Conference Room 3, 2nd Floor, Building C2-1, No. 666 Gaoxin Road, East Lake High Tech Development Zone, Wuhan, Hubei Province, PRC on Tuesday, 17 November 2026 at 10:00 a.m. for the purposes of considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

1. “**THAT:**

- (a) the share subscription agreement (the “**Share Subscription Agreement**”) dated 30 August 2026 entered into between the Company and Dr. Yuan Qian, Dr. Zhou Hongfeng and Dr. Zhou Pengfei (the “**Subscribers**”) (a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification) in relation to the subscription by the Subscribers of 35,592,400 new Domestic shares (the “**Subscription Share(s)**”) of RMB1 each in the Company at the subscription price of RMB2.43 (equivalent to HK\$2.80957) per Subscription Share (the “**Subscription**”) and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
- (b) all the transactions contemplated under the Share Subscription Agreement, including but not limited to the specific mandate to allot and issue the Subscription Shares by the Company to the Subscribers pursuant to the Share Subscription Agreement (the “**Specific Mandate**”), be and are hereby approved and the Board be and is hereby authorised to allot and issue the Subscription Shares to the Subscribers pursuant to the Share Subscription Agreement; and

NOTICE OF EGM

- (c) any one executive Director(s) or its authorized person is authorised to implement and take all steps and to do acts and things which as he/she deems may be necessary or desirable to give effect and/or to complete or in connection with the Share Subscription and transactions contemplated thereunder, including but not limited to approving any changes or amendments thereto, to obtain all necessary approvals from, and making all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to doing any other things incidental thereto and/or as contemplated thereunder, and the abovementioned authorisation and resolutions regarding the Share Subscription and/or the issuance of Subscription Shares shall be valid for a period of 12 months from the date of approval by the Shareholders.”
2. **THAT** subject to the granting of the Whitewash Waiver (as defined below) by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegate(s) and any conditions that may be imposed thereon, the waiver (the “**Whitewash Waiver**”) of the obligation on the part of the Subscribers to make a mandatory general offer for all the issued shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscribers or the Concert Parties) which might otherwise arise as a result of the Subscribers subscribing for the Subscription Shares under the Share Subscription Agreement pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code be and is hereby approved, and that any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents under seal where applicable as he considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to any of the matters relating to, or incidental to, the Whitewash Waiver.
3. **THAT** the Board and its authorized person(s) be and is/are hereby authorised to change the registered capital and amend relevant provisions of the existing articles of association of the Company correspondingly upon the completion of the Share Subscription.

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, 30 October 2026

NOTICE OF EGM

Notes:

1. Details of the above resolutions are set out in the circular of the Company dated 30 October 2026 (the “**Circular**”). Unless the context otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Circular.
2. All resolutions at the meeting will be taken by poll pursuant to the Listing Rules and the Articles of Association. The results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yzybio.com) in accordance with the Listing Rules.
3. Any Shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy needs not be a Shareholder. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every Shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her.
4. The form of proxy shall be signed by the Shareholder or his/her/its attorney who has been authorized in writing. If the Shareholder is a corporation, the form of proxy shall be affixed with the corporation’s seal or signed by its director, or its attorney duly authorized in writing. If the form of proxy is signed by the attorney of the Shareholder, the power of attorney or other authorization document shall be notarized. For Shareholders, the aforementioned documents must be deposited at the Company’s H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 24 hours before the time appointed for the meeting (i.e. not later than 10:00 a.m. on Monday, 16 November 2026) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a Shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. An individual Shareholder shall produce his/her identification document when attending the EGM.
6. A proxy who attends the EGM upon entrustment by a Shareholder should produce his/her identification document and the power of attorney issued by the Shareholder. If a representative of a corporate Shareholder attends the EGM, such representative shall produce his/her identification document and the notarized copy of the power of attorney or other notarized copy of any authorization documents issued by such corporate Shareholder.
7. In order to determine the entitlement of H Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 12 November 2026 to Tuesday, 17 November 2026 (both days inclusive), during which period no transfer of shares in the Company will be registered. In order to qualify for attending and voting at the forthcoming EGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 11 November 2026.
8. H Shareholders of the Company whose names appear on the register of members of the Company at the close of business on Tuesday, 17 November 2026, being the record date, are entitled to attend and vote at the EGM or any adjourned meetings.
9. The contact of the Company:

Address	:	Board Office Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司) No. 666 Gaoxin Road East Lake High Tech Development Zone Wuhan, Hubei Province PRC
Postal Code	:	430075
Tel	:	(86) 027–82668988
Contact Person	:	Mr. Zheng Jianhua
Email	:	zhengjianhua@yzybio.com
10. References to time and dates in this notice are to Hong Kong time and dates.