Beijing Luzhu Biotechnology Co., Ltd.
北京綠竹生物技術股份有限公司
(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2480)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

The board (the "**Board**") of directors (the "**Directors**") of Beijing Luzhu Biotechnology Co., Ltd. (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2025 (the "**Reporting Period**"), together with comparative figures for the corresponding period in 2024.

FINANCIAL HIGHLIGHTS

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

BUSINESS HIGHLIGHTS

In the first half of 2025, the Company has achieved various significant corporate milestones. In January 2025, the Group filed a BLA for its Core Product, LZ901, with the NMPA, which was subsequently accepted in February 2025. According to the relevant laws and regulations of the PRC, upon acceptance of the BLA, the NMPA will take further steps, including but not limited to technical evaluation, clinical trial on-site inspection, and production site inspection, to assess the application, and LZ901 can only be commercialized after obtaining the BLA approval and batch release approval. Further, during the first half of 2025, the Group also successfully completed a head-to-head comparison study for LZ901. The study results showed that LZ901 induced superior cellular immunogenicity and exhibited a better safety profile than HZ/su vaccine (Shingrix®), a recombinant glycoprotein E subunit vaccine, in adults aged 50 or above. For further details, please refer to the announcement of the Company dated August 18, 2025. The Board believes that such positive results lay a solid foundation for the commercialization of LZ901 in future.

Apart from the above, at the annual general meeting of the Company held on June 12, 2025, the Shareholders approved, among others, (a) the adoption of the 2025 Share Award Scheme, (b) the election and/or re-election of the Directors of the fifth session of the Board, and (c) the re-election of Shareholder representative Supervisor (whereas the employee representative Supervisors were elected by employees of the Company at the employees' representative congress). For details, please refer to the circular and announcement of the Company dated May 20, 2025 and June 12, 2025, respectively.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2025

	NOTES	For the six months ended June 30,	
		2025	2024
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
Other income	*5*	**4,850**	9,732
Other expenses		**(585)**	(189)
Other gains and losses, net	*6*	**2,405**	6,255
Impairment losses recognized on property, plant and equipment		**(5,441)**	–
Administrative expenses		**(25,801)**	(44,962)
Research and development expenses		**(50,273)**	(80,376)
Finance costs	*7*	**(2,725)**	(398)
Loss before tax		**(77,570)**	(109,938)
Income tax expense	*8*	**–**	–
Loss and total comprehensive expense for the period		**(77,570)**	(109,938)
Loss per share ("RMB")	*10*		
Basic		**(0.39)**	(0.54)
Diluted		**(0.39)**	(0.54)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	NOTES	**June 30, 2025** ***RMB'000*** **(unaudited)**	December 31, 2024 *RMB'000* (audited)
NON-CURRENT ASSETS			
Right-of-use assets		**97,135**	99,504
Property, plant and equipment		**502,813**	457,588
Intangible assets		**8,615**	8,329
Prepayments, deposits and other receivables	*11*	**3,074**	12,166
Investment in an associate		**1,000**	–
Term deposits		**1,005**	–
		613,642	577,587
CURRENT ASSETS			
Materials		**4,398**	5,735
Prepayments, deposits and other receivables	*11*	**15,640**	13,461
Financial assets at fair value through profit or loss ("FVTPL")		**342,176**	313,554
Cash and cash equivalents		**99,219**	140,126
		461,433	472,876
CURRENT LIABILITIES			
Advance payments received and other payables	*12*	**86,168**	97,037
Bank borrowings		**11,469**	1,820
		97,637	98,857
NET CURRENT ASSETS		**363,796**	374,019
TOTAL ASSETS LESS CURRENT LIABILITIES		**977,438**	951,606

	NOTE	**June 30, 2025** ***RMB'000*** **(unaudited)**	December 31, 2024 *RMB'000* (audited)
NON-CURRENT LIABILITIES			
Lease liabilities		**12,992**	12,619
Deferred government grants		**29,460**	32,302
Bank borrowings		**195,855**	53,094
		238,307	98,015
NET ASSETS		**739,131**	853,591
CAPITAL AND RESERVES			
Share capital	*13*	**202,450**	202,450
Reserves		**536,681**	651,141
TOTAL EQUITY		**739,131**	853,591

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2025

1. GENERAL INFORMATION

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

The condensed consolidated financial statements for the six months ended June 30, 2025 are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "IASB") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

3. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional/change in accounting policies resulting from application of amendments to IFRS Accounting Standards and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2024.

Application of amendments to IFRS Accounting Standard

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after January 1, 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. SEGMENT INFORMATION

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

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

5. OTHER INCOME

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

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

6. OTHER GAINS AND LOSSES, NET

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

7. FINANCE COSTS

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

8. INCOME TAX EXPENSE

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current PRC enterprise income tax	**–**	–

No provision for PRC income tax was made as the Company and its PRC subsidiaries incurred tax losses for both periods.

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

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

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

9. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period (six months ended June 30, 2024: nil).

10. LOSS PER SHARE

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

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss		
Loss for the period attributable to owners of the Company	**(77,570)**	(109,938)

	For the six months ended June 30,	
	2025	2024
	'000	*'000*
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**200,406**	202,450

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

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

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

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

12. ADVANCE PAYMENTS RECEIVED AND OTHER PAYABLES

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

13. SHARE CAPITAL/TREASURY SHARES

Share capital

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

Treasury shares

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Research and development of product candidates

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

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

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

LZ901

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

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

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

K3

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

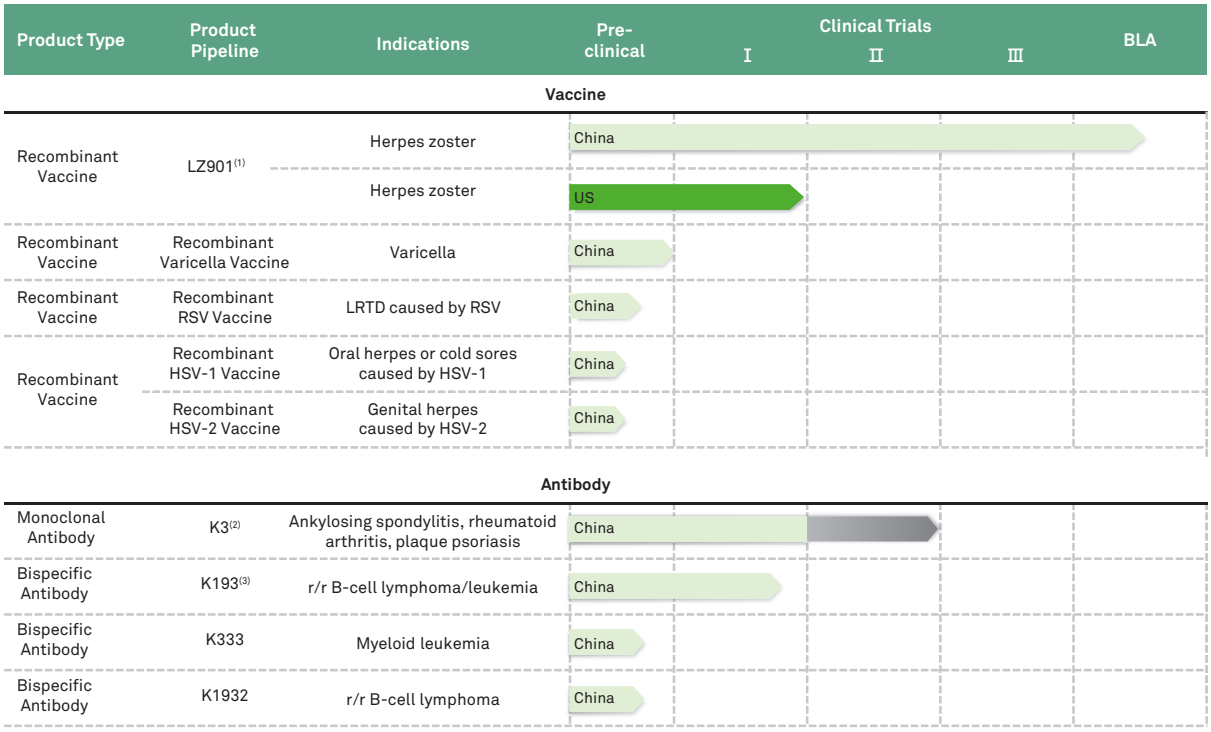
K193

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

Updates on other pre-clinical product candidates

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

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



Notes:

(1) Core Product.

(2) K3 is a biosimilar of adalimumab and therefore, is not required to conduct a Phase II clinical trial.

(3) K193 is used for serious life-threatening diseases for which there are no effective treatment. The Group may obtain conditional approval and conduct the Phase III clinical trial afterwards in accordance with the Drug Registration Regulation (《藥品註冊管理辦法》).

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

Research and development

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

Manufacturing and quality assurance

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

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

FUTURE AND OUTLOOK

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

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

FINANCIAL REVIEW

The following discussion is based on and should be read in conjunction with the financial information and accompanying notes included elsewhere in this announcement.

Other income

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

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

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

Other expenses

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

Other gains and losses, net

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

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

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

Administrative expenses

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

Research and development expenses

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

Finance costs

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

Loss before tax

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

Income tax expense

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

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

Liquidity and capital resources

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

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

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

Pledge of assets

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

Contingent liabilities

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

Gearing ratio

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

Capital expenditure

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

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

Foreign exchange

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

Significant investments, material acquisitions and disposals

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

Future plans for material investments or capital assets

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

OTHER INFORMATION

Interim dividend

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

Use of net proceeds from the Global Offering

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

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

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

Note:

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

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

Employee and remuneration policy

As of June 30, 2025, the Group employed 197 full-time employees. The Group has designed an evaluation system to assess the performance of its employees periodically. Such system forms the basis of the Group's determinations of whether an employee should receive a salary raise, bonus, or promotion. The Group believes that the salaries and bonuses the employees received are competitive with market rates.

The Group places strong emphasis on providing training to its employees in order to enhance their technical and product knowledge. The Group designs and offers different training programs for its employees in various positions.

The Group makes contributions to the social insurance and housing provident fund for all of its employees in the PRC.

Employee incentive schemes

Employee incentive scheme adopted prior to the Listing

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

2025 Share Award Scheme

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

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

Compliance with Corporate Governance Code

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

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

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

Compliance with the Model Code for securities transactions

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

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

Purchase, sale or redemption of the Company's listed securities

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

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

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

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

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

EVENTS AFTER THE REPORTING PERIOD

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

REVIEW OF INTERIM RESULTS

The Audit Committee, together with the management of the Company, has considered and reviewed the Group's interim results for the Reporting Period and the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters, and is of the view that the interim results of the Group are prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

The independent auditor of the Company, Deloitte Touche Tohmatsu, has also reviewed the Group's interim financial information for the six months ended June 30, 2025 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.luzhubiotech.com/).

The interim report of the Company for the six months ended June 30, 2025 containing all the information required by the Listing Rules will be despatched to the Shareholders (if requested) and published on the aforementioned websites of the Stock Exchange and the Company in due course in accordance with the Articles of Association, the Listing Rules and applicable laws and regulations.

DEFINITIONS

In this announcement, the following expressions shall have the meaning set out below unless the context requires otherwise:

"2025 Share Award Scheme"	the 2025 share award scheme of the Company which was adopted by Shareholders on June 12, 2025 and became effective on June 13, 2025
"Audit Committee"	the audit committee of the Board
"Articles of Association"	the articles of association of the Company (as amended, supplemented or otherwise modified from time to time)
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"BLA"	biologics license application
"Board" or "Board of Directors"	the board of directors of the Company
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China", "Mainland China" or "the PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administration Region and Taiwan
"Company", "the Company", or "Luzhu Biotechnology"	Beijing Luzhu Biotechnology Co., Ltd. (北京綠竹生物技術股份有限公司), a joint stock company established in the PRC with limited liability on July 19, 2013, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2480)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and, in the context of this announcement, refers to Mr. KONG Jian, Ms. ZHANG Yanping and Hengqin Luzhu LP
"Core Product"	has the meaning ascribed to it in Chapter 18A of the Listing Rules and in this context, the Core Product refers to LZ901

"Director(s)"	the director(s) of the Company
"FDA"	U.S. Food and Drug Administration, the U.S. federal agency responsible for regulating food and drugs
"GMP"	good manufacturing practice, and in the context of PRC laws and regulations, refers to guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (中華人民共和國藥品管理法) as part of quality assurance which aims to minimise the risks of contamination, cross contamination, confusion, and errors during the manufacturing process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use
"Group"	the Company and its subsidiaries
"Hengqin Luzhu LP"	Zhuhai Hengqin Luzhu Enterprise Management Partnership (LP) (珠海橫琴綠竹企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on January 14, 2021, and an employee incentive platform of the Group
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HSV-1"	herpes simplex virus type 1
"HSV-2"	herpes simplex virus type 2
"H Share(s)"	ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each and listed on the Main Board of the Stock Exchange
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"K3"	the anti-human tumor necrosis factor ("**TNF**")-α monoclonal antibody injection product candidate
"Listing" or "IPO"	the listing of the H Shares on the Main Board of the Stock Exchange on May 8, 2023
"Listing Date"	May 8, 2023, being the date on which the H Shares were listed on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time

"LZ901"	the recombinant herpes zoster vaccine candidate, a herpes zoster vaccine with a tetrameric molecular structure and the Core Product
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Mr. KONG"	Mr. KONG Jian (孔健), the executive Director, general manager, chairman of the Board, one of the promoters of the Company and one of the Controlling Shareholders
"Ms. ZHANG"	Ms. ZHANG Yanping (張琰平), the executive Director, one of the promoters of the Company and one of the Controlling Shareholders
"NMPA"	the National Medical Products Administration of the People's Republic of China
"Prospectus"	the prospectus issued by the Company dated April 25, 2023
"R&D"	research and development
"Reporting Period"	the six-month period from January 1, 2025 to June 30, 2025
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of China
"RSV"	Respiratory Syncytial Virus
"Share(s)"	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising H Shares
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	member(s) of the board of supervisors of the Company
"U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"%"	per cent

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

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

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

By Order of the Board
Beijing Luzhu Biotechnology Co., Ltd.
Mr. KONG Jian
Chairman and Executive Director

Hong Kong, August 26, 2025

As of the date of this announcement, the Board comprises Mr. KONG Jian, Ms. JIANG Xianmin and Ms. ZHANG Yanping as executive Directors; Mr. MA Biao and Mr. KONG Shuangquan as non-executive Directors; and Ms. HOU Aijun, Mr. LEUNG Wai Yip and Mr. LIANG Yeshi as independent non-executive Directors.