BIOCYTOGEN PHARMACEUTICALS (BEIJING) CO., LTD.

百奧賽圖(北京)醫藥科技股份有限公司

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

(Stock Code: 2315)

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

The board (the "**Board**") of directors (the "**Director(s)**") of Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (the "**Company**" or "**Biocytogen**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together, the "**Group**") for the six months ended June 30, 2025 (the "**Reporting Period**"), together with comparative figures for the same period of 2024.

FINANCIAL HIGHLIGHTS

	Six months ended June 30, 2025 ***RMB'000*** **(Unaudited)**	Six months ended June 30, 2024 *RMB'000* (Unaudited)	Period-to-period change
Revenue	**620,963**	410,499	51.3%
Gross profit	**461,949**	305,493	51.2%
Profit/(loss) before taxation	**59,620**	(47,077)	N/A
Profit/(loss) for the period	**47,999**	(50,673)	N/A
Profit/(loss) for the period attributable to equity shareholders of the Company	**47,999**	(50,673)	N/A
Total comprehensive income for the period	**47,961**	(50,901)	N/A
Earnings/(loss) per share basic and diluted (RMB)	**0.12**	(0.13)	N/A
Net cash generated from operating activities	**203,434**	29,608	587.1%
Net increase/(decrease) in cash and cash equivalents	**33,252**	(15,821)	N/A

* *Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any tables, charts or elsewhere between totals and sums of amounts listed therein are due to rounding.*

INTERIM RESULTS

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended June 30, 2025, as follows:

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2025 – unaudited
(Expressed in RMB)

		Six months ended 30 June	
	Notes	**2025**	2024
		RMB'000	*RMB'000*
Revenue	*4*	**620,963**	410,499
Cost of sales		**(159,014)**	(105,006)
Gross profit		**461,949**	305,493
Other gains and losses, net	*5*	**8,512**	9,529
Net change in fair value of biological assets	*6*	**20,796**	6,483
Selling and marketing expenses		**(58,515)**	(42,472)
General and administrative expenses		**(116,231)**	(102,618)
Research and development expenses		**(209,109)**	(161,679)
Profit from operations		**107,402**	14,736
Finance costs	*7(a)*	**(35,926)**	(52,728)
Share of loss of an associate		**(11,856)**	(9,085)
Profit/(loss) before taxation		**59,620**	(47,077)
Income tax	*8*	**(11,621)**	(3,596)
Profit/(loss) for the period		**47,999**	(50,673)
Other comprehensive income for the period (after tax):			
– Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)		**(483)**	(98)
– Exchange differences on translation of financial statements of foreign operations		**445**	(130)
Other comprehensive income for the period		**(38)**	(228)
Total comprehensive income for the period		**47,961**	(50,901)

	Notes	Six months ended 30 June	
		2025	2024
		RMB'000	*RMB'000*
Profit/(loss) for the period attributable to:			
Equity shareholders of the Company		**47,999**	(50,673)
Non-controlling interests		**–**	–
Profit/(loss) for the period		**47,999**	(50,673)
Total comprehensive income for the period attributable to:			
Equity shareholders of the Company		**47,961**	(50,901)
Non-controlling interests		**–**	–
Total comprehensive income for the period		**47,961**	(50,901)
Earnings/(loss) per share			
Basic and diluted (RMB)	*9*	**0.12**	(0.13)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

at 30 June 2025 – unaudited
(Expressed in RMB)

	Notes	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment		**1,353,378**	1,349,489
Intangible assets		**16,979**	20,665
Interests in associates		**147,893**	159,038
Other non-current assets		**79,352**	68,630
Deferred tax assets		**540**	957
		1,598,142	1,598,779
Current assets			
Inventories		**5,899**	3,890
Contract costs		**41,703**	49,654
Biological assets		**121,271**	99,667
Trade and bills receivables	*10*	**201,083**	229,608
Prepayments and other receivables		**40,339**	29,866
Cash at bank and on hand		**479,572**	403,850
		889,867	816,535
Current liabilities			
Trade and bills payables	*11*	**104,620**	115,479
Contract liabilities		**109,075**	102,188
Other payables		**73,037**	87,237
Bank and other loans		**153,802**	208,138
Lease liabilities		**30,726**	17,857
Current taxation		**–**	4,014
		471,260	534,913
Net current assets		**418,607**	281,622
Total assets less current liabilities		**2,016,749**	1,880,401

	Notes	At 30 June 2025 *RMB'000*	At 31 December 2024 *RMB'000*
Non-current liabilities			
Deferred income		**83,967**	84,902
Lease liabilities		**181,636**	150,447
Long-term payables		**606,548**	612,616
Bank and other loans		**248,014**	193,835
		1,120,165	1,041,800
NET ASSETS		**896,584**	838,601
CAPITAL AND RESERVES			
Share capital	12	**399,398**	399,398
Reserves		**492,641**	434,658
Total equity attributable to equity shareholders of the Company		**892,039**	834,056
Non-controlling interests		**4,545**	4,545
TOTAL EQUITY		**896,584**	838,601

NOTES

1 GENERAL INFORMATION

Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (百奧賽圖(北京)醫藥科技股份有限公司) (the "**Company**"), formerly known as Beijing Biocytogen Company Limited ("**Biocytogen Limited**", 北京百奧賽圖基因生物技術有限公司), was established on November 13, 2009 in the People's Republic of China (the "**PRC**") and was converted into a joint stock company on December 29, 2020. The Company and its subsidiaries (together, the "**Group**") are principally engaged in providing gene editing services, pre-clinical pharmacology and efficacy evaluation services, animal models selling, antibody development and innovative biologic drug research and development. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (stock code: 2315.HK) on September 1, 2022.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue on 28 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of these changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG 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.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in providing gene-editing services, pre-clinical pharmacology and efficacy evaluation services, selling animal models, antibody development, and innovative drugs development. Currently the Group does not have products approved for commercial sale and have not generated any revenue from sales of innovative drugs.

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Gene editing	**28,617**	34,606
Pre-clinical pharmacology and efficacy evaluation	**155,031**	81,552
Animal models selling	**274,426**	175,772
Antibody development	**162,863**	118,200
Others	**26**	369
	620,963	410,499

For the six months ended 30 June 2025, one customer had transactions with the Group which exceeded 10% of the Group's revenue, amounting to RMB88,483,000 (For the six months ended 30 June 2024: one customer with RMB50,886,000).

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Gene-editing services

  This segment provides the customized gene editing services based on animals as well as cells to meet the needs of basic science research and drug development of the customers.

- Pre-clinical pharmacology and efficacy evaluation

  This segment provides the pre-clinical pharmacology service for drug efficacy and toxicity evaluation.

- Animal models selling

  This segment breeds and sells the animal models for the external and internal use, including set of genetically engineered mice, disease mouse models and aged small animals. This segment also out-licenses certain animal models to customers.

- Antibody development

  This segment utilises the Group's own antibody discovery platforms to identify antibodies which have the potential to become our drug candidates and out-license or collaborate with partners for potential therapeutic antibody molecules.

- Innovative drugs development

  This segment is engaged in research and development of innovative drugs with a focus on oncology and autoimmune disease therapeutics.

(i) Segments results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. The measure used for reporting segment result is gross profit.

The Group's other operating income and expenses, such as other gains and losses, net and selling and administrative expenses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Six months ended 30 June 2025						
	Gene editing *RMB'000*	Pre-clinical pharmacology and efficacy evaluation *RMB'000*	Animal models selling *RMB'000*	Antibody development *RMB'000*	Innovative drugs development *RMB'000*	Others *RMB'000*	Total *RMB'000*
Disaggregated by timing of revenue recognition							
Point in time	**28,617**	**148,218**	**274,426**	**155,496**	**–**	**26**	**606,783**
Over time	**–**	**6,813**	**–**	**7,367**	**–**	**–**	**14,180**
Revenue from external customers	**28,617**	**155,031**	**274,426**	**162,863**	**–**	**26**	**620,963**
Inter-segment revenue	**–**	**–**	**21,396**	**–**	**–**	**–**	**21,396**
Reportable segment revenue	**28,617**	**155,031**	**295,822**	**162,863**	**–**	**26**	**642,359**
Reportable segment gross profit	**16,693**	**77,298**	**228,063**	**143,314**	**–**	**26**	**465,394**

	Six months ended 30 June 2024						
	Gene editing *RMB'000*	Pre-clinical pharmacology and efficacy evaluation *RMB'000*	Animal models selling *RMB'000*	Antibody development *RMB'000*	Innovative drugs development *RMB'000*	Others *RMB'000*	Total *RMB'000*
Disaggregated by timing of revenue recognition							
Point in time	34,606	81,552	175,772	118,200	–	369	410,499
Revenue from external customers	34,606	81,552	175,772	118,200	–	369	410,499
Inter-segment revenue	–	–	11,436	–	–	–	11,436
Reportable segment revenue	34,606	81,552	187,208	118,200	–	369	421,935
Reportable segment gross profit	19,339	41,672	138,153	107,376	–	190	306,730

(ii) Reconciliations of reportable segment gross profit

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Reportable segment gross profit	**465,394**	306,730
Elimination of inter-segment gross profit	**(3,445)**	(1,237)
Consolidated gross profit	**461,949**	305,493

(c) Geographic information

The following tables set out information about the geographical location of the Group's revenue from external customers. The geographical information on the revenue by external customers' respective country/region of domicile is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
The PRC	**199,474**	116,968
The United States of America ("**USA**")	**322,697**	218,444
Others	**98,792**	75,087
	620,963	410,499

The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, and the location of the operation to which they are allocated, in the case of intangible assets.

	As at 30 June 2025 *RMB'000*	As at 31 December 2024 *RMB'000*
The PRC	**1,199,250**	1,189,091
USA	**170,744**	181,025
Others	**363**	38
	1,370,357	1,370,154

5 OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025 *RMB'000*	2024 *RMB'000*
Net gain on disposal of property, plant and equipment	**920**	–
Change in fair value of financial assets at FVTPL	**2,209**	(901)
Interest income	**2,360**	3,448
Government grants (including amortisation of deferred income)	**2,442**	2,333
Net foreign exchange gain	**581**	4,649
	8,512	9,529

6 NET CHANGE IN FAIR VALUE OF BIOLOGICAL ASSETS

Net change in fair value of biological assets represents the difference in fair value from the beginning to the end of the period. During the six months ended 30 June 2025, net fair value change consists of (i) negative realised fair value changes of RMB79,015,000 (six months ended 30 June 2024: RMB64,820,000) and (ii) positive unrealised fair value changes of RMB99,811,000 (six months ended 30 June 2024: RMB71,303,000).

7 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

(a) Finance costs

	Six months ended 30 June	
	2025 *RMB'000*	2024 *RMB'000*
Interest on long-term payables	**21,711**	36,797
Interest on lease liabilities	**6,661**	7,143
Interest on bank and other loans	**7,554**	8,788
	35,926	52,728

(b) Staff costs

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**187,672**	133,097
Contributions to defined contribution retirement schemes (Notes)	**15,137**	14,044
Equity-settled share-based payment expenses	**19,312**	5,088
	222,121	152,229

Notes:

As stipulated by the regulations of the PRC, the Company and its subsidiaries in the PRC participates in a defined contribution retirement plan organised by municipal and provincial governments for its employees. The Group is required to make contributions to the retirement plans at certain percentages of the salaries, bonuses and certain allowances of the employees during the year.

Subsidiaries in the USA implemented a defined contribution 401(k) savings plan (the "401(k) Plan") for U.S. employees. The 401(k) Plan covers all U.S. employees, and allows participants to defer a portion of their annual compensation on a pretax basis. In addition, the Group implemented a matching contribution to the 401(k) Plan, matching employee's contribution up to a maximum of 5% of the participant's compensation.

(c) Other items

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Depreciation charge on property, plant and equipment	**81,363**	81,573
Amortisation cost of intangible assets	**3,736**	3,888
Recognition of impairment losses on trade receivables and other receivables	**2,260**	3,795
Provision for write-down of inventories and contract costs	**5,884**	5,442
Cost of inventories	**84,193**	50,144

8 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
Current tax		
Provision of income tax for the period	**1,397**	381
Foreign withholding tax (Note(i))	**9,810**	3,716
Deferred tax		
Origination and reversal of temporary differences	**414**	(501)
	11,621	3,596

Notes:

(i) A withholding tax is charged on the Group's antibody royalty income generated in the United States, Korea and other certain counties, pursuant to the tax laws and other regulations in these countries.

9 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the earnings/(loss) attributable to ordinary equity shareholders of the Company of RMB47,999,000 (six months ended 30 June 2024: loss of RMB50,673,000) and the weighted average of 396,257,000 ordinary shares in issue during the six months ended 30 June 2025 after considering the effect of the shares purchased for share incentive plan (six months ended 30 June 2024: 398,267,000 shares).

(b) Diluted earnings per share

No diluted earnings per share for both the six months ended 30 June 2025 and 2024 were presented as there were no potential diluted ordinary shares in existence during both periods.

10 TRADE AND BILLS RECEIVABLES

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
Trade receivables		
– third parties	**223,410**	209,899
– related parties	**134**	40,441
Less: loss allowance	**(22,496)**	(20,892)
	201,048	229,448
Bills receivable	**35**	160
	201,083	229,608

Ageing analysis of trade receivables

The Group generally provides a credit period of 0 – 90 days to its trade customers. The ageing analysis of trade receivables, based on the earlier of invoice date or revenue recognition date and net of allowance for doubtful debts, is as follows:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
Within 1 year	**185,609**	211,549
1 to 2 years	**9,490**	12,039
2 to 3 years	**5,949**	5,860
	201,048	229,448

11 TRADE AND BILLS PAYABLES

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Trade payables		
– third parties	**74,519**	69,663
Bills payable	**30,101**	45,816
	104,620	115,479

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Within 1 year	**95,158**	106,118
After 1 year but within 2 years	**5,695**	7,358
After 2 years but within 3 years	**3,009**	1,532
Over 3 years	**758**	471
	104,620	115,479

12 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividends have been declared or paid by the Company during the six months ended 30 June 2025 (during the six months ended 30 June 2024: nil).

(b) Treasury shares (shares held for share award scheme)

On 17 October 2022, the Board of Directors approved a share award scheme (the "**2022 Share Award Scheme**"), pursuant to which the Company are able to grant restricted shares to the eligible directors and employees of the Group (the "**Selected Employees**"). The 2022 Share Award Scheme remained in force for a period commencing on 7 November 2022 and ended on 7 November 2032.

The Company has appointed Trustees for administration of the 2022 Share Award Scheme (the "**Trustee**"). The principal activity of the Trustee is administrating and holding the Company's shares for the Share Award Scheme for the benefit of the Selected Employees. Pursuant to the 2022 Share Award Scheme, the Company's shares will be purchased by the Trustee in the market out of cash contributed by the Company and held in the trust for relevant employees until such shares are vested in the relevant beneficiary in accordance with the provisions of the 2022 Share Award Scheme at no cost.

As at 30 June 2025, the outstanding shares held by the Trustee for 2022 Share Award Scheme was 3,266,607 (31 December 2024: 2,509,644) at a total cost (including related transaction costs) of RMB40,181,000 (31 December 2024: RMB32,765,000).

A total of 199,037 shares were unlocked and transferred to employees upon achieving the service period conditions during the six months ended 30 June 2025 (six months ended 30 June 2024: 165,856).

MANAGEMENT DISCUSSION AND ANALYSIS

I. Business Review

Overview

Founded in 2009, we are a global biotechnology company that drives the research and development of novel antibody-based drugs and pre-clinical research services. Founded on gene editing technology, we leverage genetically engineered proprietary RenMice® platforms for fully human antibody discovery, and have established a Project Integrum technology platform, for which an off-the-shelf library of more than 1,000,000 fully human antibody sequences against over 1,000 targets has been built for worldwide collaboration. Biocytogen also reached several antibody molecules in clinical stage out-licensing or collaboration, and currently provides a few thousand off-the-shelf animal and cell models under the company's sub-brand, BioMice™, along with pre-clinical pharmacology and gene-editing services for clients worldwide. We are headquartered in Beijing and have branches in China (Haimen in Jiangsu, Shanghai), USA (Boston, San Francisco and San Diego), and Germany (Heidelberg).

Since 2025, under the influence of various factors, the external environment has undergone significant changes, with the overall macroeconomic environment showing a steady and positive trend. In particular, the biopharmaceutical industry, after experiencing a period of downturn, has entered a stage of recovery. The Company has always adhered to its strategic goal of "driving new drug development with innovative technologies", maintaining a relatively high level of R&D investment, targeting the global market, and providing globally competitive products and services to domestic and overseas biopharmaceutical enterprises. Benefiting from the improvement in the external environment and the steadfast execution of internal strategies, our performance in the first half of 2025 continued to maintain strong growth. Revenue recorded a substantial increase, while net profit exceeded the full-year level of last year. On the basis of operating cash flow turning positive for the first time in the same period last year, net cash flow also turned positive for the first time during the Reporting Period, marking the beginning of a virtuous cycle of endogenous growth of the Company and moving towards the goal of achieving large-scale profitability for the full year.

In the first half of 2025, we recorded revenue of RMB621.0 million, representing an increase of 51.3% as compared to the same period last year; net profit was RMB48.0 million, turning profitable from a loss in the same period last year and exceeding the full-year level of last year; net cash inflow from operating activities was RMB203.4 million, and net cash flow was RMB33.3 million, with overall cash flow fully turning positive.

Through years of strategic planning, the Company has built a business ecosystem driven by the "dual engines" of pre-clinical products and services and antibody discovery, where the two segments achieve mutual empowerment through technological synergies and resource integration, continuously releasing growth momentum. Relying on R&D to drive business development, the Company continues to provide high-quality R&D products and services with global competitiveness to domestic and overseas biopharmaceutical enterprises. In the first half of 2025, the pre-clinical products and services business, with innovative animal model sales at its core, achieved revenue of RMB458.1 million, representing an increase of 56.9% as compared to the same period last year, while maintaining a high gross profit margin of approximately 70%.

As another core growth driver of the Company's performance, the antibody discovery business achieved revenue of RMB162.9 million in the first half of 2025, representing an increase of 37.8% as compared to the same period last year, with a gross profit margin of approximately 90%. As of June 30, 2025, we have approximately 280 therapeutic antibody and multiple clinical asset co-development/out-licensing/transfer agreements, and RenMice® licensing projects have been established, including several partnerships with multinational pharmaceutical companies (MNCs). Among them, approximately 80 new contracts were signed in the first half of 2025, representing an increase of approximately 60% as compared to the same period last year. Going forward, the Company will gradually increase the number of PCC molecule transfers to obtain higher upfront payments, the milestones payments and royalties.

On the one hand, leveraging the established global network, in the first half of 2025 we continued to expand overseas markets, further expanded the sales team, and improved the sales system. Overseas business continued its rapid growth, achieving revenue of RMB421.5 million. On the other hand, the recovery of the domestic biopharmaceutical industry has driven biopharmaceutical enterprises to release more R&D demand. With the innovative and high-quality products and services, the Company has better met customer needs. In the first half of 2025, the domestic business achieved rapid growth, with revenue of RMB199.5 million. The global layout gives our business stronger resilience and risk resistance, enabling us to achieve steady growth across cycles.

Over the long term, we have maintained a high level of R&D investment to build technological barriers, while continuously improving R&D efficiency to enable more efficient transformation of innovative R&D into production, and consistently launching innovative, high-quality products and services to meet customer demand. In the first half of 2025, the Company's R&D expenses amounted to RMB209.1 million, representing an increase of RMB47.4 million as compared with the same period last year, with the R&D expense ratio exceeding 30%. At the same time, we have continued to implement lean management to improve operational efficiency, with the administrative expense ratio continuing to decline. The series of "broadening sources of income, reducing costs" measures implemented since 2023 have achieved remarkable results.

Our drug development business includes (i) antibody development business that we utilize our own antibody discovery platforms RenMice® and Project Integrum to form more than 1,000,000 antibody sequences library for more than 1,000 targets which have the potential to identify potential therapeutic antibody molecules and via out-licensing or collaboration with partners to suit their various antibody modalities and continuous innovation requirements. In addition to licensing antibody sequences, we also provide early drug discovery services to our collaborators; (ii) selecting a small number of potential drug targets in the field of oncology and self-immunity, screen and obtain potential PCC molecules, independently advance to pre-clinical stage, and in the process of R&D advancement, joint development/authorization of transfer/transfer of development all or part of the product interests to other drug companies to obtain the upfront payments, the milestones payments and royalties, so as to achieve the sustainable growth of revenues in the short-term and the medium-to-long-term, fulfilling our vision of becoming a global headstream of new drugs.

Our pre-clinical research services include gene editing, pre-clinical pharmacology and efficacy evaluation, and animal models selling. We keep pace with the R&D needs of global biopharmaceutical companies, providing innovative and cutting-edge pre-clinical services and animal models for a wider range of indications. Our capabilities are validated through our services provided to multinational companies and domestic biotechnology companies and evidenced by our drug candidates cooperated with many partners over years. Our services and products are widely recognized by overseas and domestic customers and have provided the basis for our fast-growing revenues and high gross margins.

1. PRODUCTS AND PIPELINE

Relying on our original gene editing technology, we continue to expand our proprietary RenMice®-based platforms, and we continue to generate more promising antibody drug molecules for innovative drug targets. Through the large animal translational medicine platform, we continue to improve the success rate of clinical translation. On the other hand, our overall R&D strategy is to self-direct the early discovery of drug molecules, or a small number of promising drug molecules are autonomously advanced to the pre-clinical stage to form pre-clinical drug molecule assets, then enter into transfer or co-development deals with biotech and biopharmaceutical partners which will primarily drive the acceleration of the following pre-clinical development, clinical development and commercialization of individual antibody drug molecules. Through a large number of external transfers of antibody molecules at different development stages, we are entitled to receive upfront payments, milestone payments and sales royalties, which are our core business line to maintain revenue growth.

We have initially completed R&D of Project Integrum at the end of the third quarter of 2023, and have established a huge library of antibody sequences. Based on the highly differentiated antibody library, we intend to proactively explore and build strategic and synergistic partnerships with leading biopharmaceutical companies. We believe that the complementary expertise and resources of our partners and us will increase the success probability of our drug candidates and maximize their clinical and commercial value on a global scale. As of June 30, 2025, we have reached approximately 280 co-development/out-licensing/transfer development deals, including but not limited to Merck Healthcare KgaA, Gilead Sciences, Inc. ("**Gilead**"), Neurocrine Biosciences, Inc. ("**Neurocrine**"), IDEAYA Biosciences, ABL Bio, Hansoh Pharmaceutical Group Co., Ltd. ("**Hansoh Pharma**") and Nanjing Chia-Tai Tianqing Pharmaceutical Company. Approximately 80 new deals were signed in the first half of 2025, representing an increase of approximately 60% compared with the same period last year.

Our pipeline includes the drug candidates targeting novel targets or the drug candidates with differentiated efficacy or safety profiles demonstrated in pre-clinical and clinical studies. All of our drug candidates were discovered through our own antibody discovery platforms. As of June 30, 2025, eight drug candidates of our ten pipeline molecules are with out-licensing arrangements with different collaborators. In the future, we will continue to focus on developing more potential pre-clinical drug molecules, and collaborate with partners through transfer/licensing and other forms, leveraging their resources to accelerate the drug development process. We currently have no plans to invest our own resources to lead the continued development of pipeline candidates in the near future, but have opted to entrust our partners to advance the later-phase clinical development and future commercialization.

The following chart summarizes our pipeline and the development status of each drug candidate as of the date of this announcement:

	Candidate	Target	Indication	Pre-clinical	IND	Phase I	Phase II	Phase III	Partner
Clinical -stage Drug Candidates	★YH001	CTLA -4	Oncology						Syncromune, Inc.
	YH002	OX40	Oncology						Syncromune, Inc.
	★YH003	CD40	Oncology						Syncromune, Inc.
	YH004	4-1BB	Oncology						
	YH008	PD-1 x CD40 BsAb	Oncology						Chipscreen NewWay
	YH013	EGFR x MET BsADC	Oncology						Doma
Pre-clinical Drug Candidates	YH012	HER2 x TROP 2 BsADC	Oncology						Out-licensing/ Collaboration
	YH015	CD40 inhibitor	Autoimmunity						
	YH016	Undisclosed	Oncology						Out-licensing/ Collaboration
	YH017	Undisclosed	Autoimmunity						Out-licensing/ Collaboration

Notes: ★ Core Product; Out-licensing/Co-development; Discontinued; Oncology; Non-oncology

(1) We granted Syncromune an exclusive license to use YH001, YH002 and YH003 as active compounds to develop intratumoral injection products globally using Syncrovax™ technology. And we are entitled to receive upfront payments, milestone payments and royalties on net sales

(2) We and Chipscreen NewWay Biosciences (("**Chipscreen NewWay**"), a holding subsidiary of Shenzhen Chipscreen Biosciences Co., Ltd. ("**Chipscreen Biosciences**", stock code: 688321.SH)), have reached an exclusive clinical development and commercialization agreement for the YH008 bispecific antibody in Greater China, including mainland China, Hong Kong, Macau, and Taiwan. And we are entitled to receive upfront payments, milestone payments and royalties on net sales

(3) We and Doma Biopharmaceutical (Suzhou) Co., Ltd ("**Doma**") have reached an exclusive clinical development and commercialization agreement for the YH003 bispecific antibody, with the right to receive upfront payments, milestone payments, royalties on net sales and other interest

(4) In respect of YH012, YH016, and YH017, we have reached agreements with our partners on transfer or licensing cooperation

Full term of each abbreviation used:

BsAb: Bispecific antibodies; CTLA-4: Cytotoxic T-Lymphocyte-Associated protein 4; OX40: Also known as TNFRSF4, Tumor Necrosis Factor Receptor Superfamily, member 4; CD40: Cluster of Differentiation 40; 4-1BB: Also known as TNFRSF9, Tumor Necrosis Factor Receptor Superfamily, member 9; PD-1: Programmed Death-1; ADC: Antibody Drug Conjugate; EGFR: Epidermal growth factor receptor; MET: MET proto-oncogene; HER2: Human epidermal growth factor receptor 2; TROP2: Trophoblast cell surface antigen 2.

1.1 PROJECT INTEGRUM

Project Integrum is our proprietary large scale fully human antibody screening program that discovers promising antibody molecules for external monetization or internal development. Project Integrum is our key R&D project, we have completed most of the work on Project Integrum by the third quarter of 2023. As of June 30, 2025, Project Integrum is progressing well, and we have explored global partnerships for an off-the-shelf library of more than 1,000,000 fully human antibody sequences against approximately over 1,000 targets for worldwide collaboration. This antibody library is of high quality and rich in diversity, and can fully and adequately cover all antigenic epitopes of targets, forming a fully human antibody library to meet the different antibody development needs of various partner pharmaceutical companies. In the future, based on our proprietary RenMice®-based platforms, we plan to continue to introduce innovative drug-ready molecules, such as bis-antibodies, nano-antibodies, TCRm antibodies and GPCR antibodies, in order to expand the richness of the antibody library formed by Project Integrum.

Unlike traditional antibody development strategies, we have changed our approach from "preparing antibodies based on customer demand" to "developing millions of antibody molecules in advance for shelf-ready supply against thousands of targets", which allows our customers to obtain high-quality antibody molecules for the drug targets they intend to develop instantly according to their R&D plans, without having to develop them from scratch. Based on the advantages of RenMice® technology platform and RenMice knockout followed by immunization, we have formed a unique scale-up antibody development process, forming a globally unique library of high-quality, fully human antibody molecules, with a great diversity of antibody molecule libraries and complete antibody molecule data that can be used by various pharmaceutical companies to screen and obtain ideal antibody molecules according to their R&D needs. Generally, compared with the traditional drug development method, we can save more than 1-2 years of pre-clinical development time for our partners, thus greatly accelerating the progress of new drug development.

In respect of business model, we utilized co-development, out-licensing, transfer development and other collaboration opportunities to commercialise the generated antibodies. We have entered into collaborations with many drug discovery companies through upfront payments, milestone payments and royalties for the transfer of a large number of antibody molecules/sequences generated by Project Integrum, achieving revenue growth in the antibody development business in both the short and medium to long term. At the current stage, most of the annual sales revenue is from upfront payments and a small amount of milestone payments. In the future, as more antibody molecules/sequences are transferred, the growth of milestone payments and royalties revenue will become very significant, which is a very important source of revenue for us in the future.

In terms of cooperation, as at June 30, 2025, we have reached approximately 280 co-development/out-licensing/transfer development deals, including but not limited to Merck Healthcare KgaA, Gilead, Neurocrine, IDEAYA Biosciences, ABL Bio, Hansoh Pharma and Nanjing Chia-Tai Tianqing Pharmaceutical Company. Approximately 80 new deals were signed in the six months ended June 30, 2025, representing an increase of approximately 60% compared with the same period last year.

1.2 SELF-DEVELOPED PRODUCTS

Our Core Products

YH001 – a humanized anti-CTLA-4 IgG1 monoclonal antibody

YH001 is one of our Core Products. YH001 is a recombinant humanized anti-CTLA-4 IgG1 monoclonal antibody.

We completed a Phase I clinical trial in Australia to evaluate the safety, tolerability and pharmacokinetics of YH001 when combined with toripalimab in patients with advanced solid tumors, and have completed a Phase I clinical trial of YH001 monotherapy in patients with advanced solid tumors in China. Phase I clinical trial data indicated that YH001 was well tolerated at doses not exceeding 6.0mg/kg, and showed promising anti-tumor activity in some types of cancers. Data from the Phase I clinical trial showed a favorable safety and efficacy profile of YH001.

YH001, YH002 and YH003– Collaboration with Syncromune

In 2022, we entered into a license agreement with Syncromune, Inc. ("**Syncromune**"). Syncromune will acquire an intratumoral immunotherapy consisting of YH002 and other active ingredients. It has subsequently been agreed that YH001 and YH003 are also included in the scope of the collaboration as selected active ingredients. In 2023, we have established a technology transfer agreement with Syncromune. Under the newly signed agreement, Syncromune will be granted an option right and upon option-exercise, we will provide technical transfer to Syncromune for the manufacture of YH001, YH003 and other clinical-stage antibodies for its use of intratumoral immunotherapy based on Syncrovax™ technology. Meanwhile, Syncromune will pay an upfront payment and Eucure (Beijing) Biopharma Co., Ltd. ("**Eucure**") is entitled to receive potential milestone fees. On July 1, 2024, Syncromune announced that its SYNC-T SV-102 therapy was granted Fast Track Designation by the USA FDA. This therapy is a primary candidate for the treatment of patients with metastatic castration-resistant prostate cancer (mCRPC).

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET YH001 SUCCESSFULLY.

YH003 – a humanized IgG2 agonistic monoclonal antibody targeting CD40

YH003, a recombinant, humanized agonistic anti-CD40 IgG2 monoclonal antibody (mAb), is one of our Core Products.

We commenced the R&D of YH003 in 2017, and conducted a Phase I clinical trial in Australia to evaluate the safety, tolerability, efficacy and pharmacokinetics of YH003 in combination with toripalimab (anti-PD-1 mAb) in patients with advanced solid tumors.

We completed the Phase II MRCT clinical study in patients with pancreatic duct adenocarcinoma (PDAC) to explore the safety and efficacy of YH003 in combination with toripalimab, with or without chemotherapy, in the USA, mainland China, Australia and other regions.

During the study, YH003 in combination with toripalimab, with or without chemotherapy, demonstrated good safety and tolerability and achieved promising clinical efficacy.

We have also completed multiple Phase II clinical trials related to YH003 in China and Australia and other regions respectively to evaluate the efficacy of YH003 in combination with different drugs in various indications. The data from the above-mentioned studies all showed good drug safety and tolerability, and achieved promising clinical efficacy.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET YH003 SUCCESSFULLY.

Other Products

YH002 – an anti-OX40 mAb, with potential to combine with YH001

YH002 is a recombinant humanized IgG1 antibody that targets the human OX40 receptor (the "**TNFRSF4**").

We completed the FIH, multicenter, open-label and Phase I dose-escalation study in Australia to evaluate the safety, tolerability and pharmacokinetics and determine the MTD/RP2D of YH002 in subjects with advanced solid malignancies. During the study, YH002 demonstrated good safety and tolerability and achieved promising clinical efficacy.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET YH002 SUCCESSFULLY.

YH004 – a humanized anti-4-1BB Agonists

YH004 is a humanized anti-4-1BB IgG1 antibody, with a unique mechanism of action that differentiates itself from other anti-4-1BB antibodies.

We have completed a FIH, multi-center, open-label Phase I dose escalation study of YH004 as a single agent in subjects with advanced solid tumors or relapsed/refractory non-Hodgkin lymphoma in China. During the study, YH004 demonstrated good safety and tolerability and achieved promising clinical efficacy. Going forward, we will seek partners and will no longer proceed with research and development ourselves.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET YH004 SUCCESSFULLY.

YH005 – Collaboration with RemeGen

YH005 is an anti-Claudin 18.2 antibody generated using our Claudin 18.2 knock-out mice. We have out-licensed Claudin 18.2 antibody YH005 to RemeGen to develop a YH005 ADC, which is also known as RC118.

In December 2022, the RC118 was granted two orphan drug designations by the USA FDA for the treatment of gastric cancer, including gastroesophageal junction cancer, and pancreatic cancer. In April 2023, the Phase I/IIa clinical study of RC118 in combination with PD-1 monoclonal antibody in Claudin18.2 expression-positive locally advanced unresectable or metastatic malignant solid tumors was formally approved by the CDE.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET YH005 SUCCESSFULLY.

YH008 – Collaboration with Chipscreen Biosciences

On February 27, 2023, Eucure reached an exclusive license agreement with Chipscreen NewWay for the clinical development and commercialization of YH008 bispecific antibody in Greater China (including Mainland China, Hong Kong, Macau and Taiwan).

YH008 will be advanced to clinical development stage by the Chipscreen NewWay R&D team. The molecule will conduct a multi-center Phase I dose-escalation clinical study in China to evaluate the safety, tolerability and preliminary efficacy of NWY001 (YH008) in subjects with advanced tumors, and patient enrollment for the Phase I study began on January 5, 2024.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET YH008 SUCCESSFULLY.

YH012 – fully human anti-HER2/TROP2 bispecific antibody drug conjugate

YH012 is a first-in-class fully human anti-HER2/TROP2 bispecific antibody drug conjugate ("**BsADC**") for therapeutic product development, manufacturing and commercialization for all human indications which is developed by using our RenLite platform.

Based on fully human anti-HER2/TROP2 bispecific antibody, we entered into an option and license agreement with external partners. Under the terms of the agreement, upon the option exercised, we will be entitled to receive option fee, licensing fee, development and commercialization milestone payments, as well as single-digit royalties on net sales.

YH013 – fully human anti-EGFR/MET bispecific antibody drug conjugate

YH013 is a first-in-class fully human anti-EGFR/MET BsADC for therapeutic product development, manufacturing and commercialization for all human indications which is developed using our RenLite platform.

Based on fully human anti-EGFR/MET bispecific antibody, we entered into an exclusive option and license agreement with Doma in 2023. Under the terms of the agreement, we are entitled to receive upfront payments, development and commercialization milestone payments, as well as single-digit royalties on net sales. In addition, we have the right to collect the sharing of sublicensing fee (if any) between Doma and third party (if any).

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET YH012 AND YH013 SUCCESSFULLY.

YH015 – a fully human IgG1 antagonistic monoclonal antibody targeting CD40

YH015 is based on RenMice®, our fully human antibody mouse platform, which enables the rapid acquisition of fully human antibodies with good in-vivo and in-vitro inhibitory activity and physicochemical properties. Meanwhile, the mutation modification of the Fc end of the antibody reduced the antibody-dependent cell-mediated cytotoxicity (ADCC) effect, prolonged the half-life of the drug, and reduced the frequency of dosing. YH015 is currently at the CMC stage. Going forward, we will seek partners and will no longer proceed with research and development ourselves.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET YH015 SUCCESSFULLY.

YH016 and YH017 – two novel molecules

YH016 is a novel fully human monoclonal antibody drug discovered with the RenMice® platform. It specifically binds to a newly identified receptor that is restricted to myeloid lineage. The target of YH016 is shown to be highly enriched in multiple types of solid tumors, rendering YH016 a promising therapeutics.

YH017 is another fully human antibody drug based on the RenMice® platform. It recognizes a key cytokine receptor expressed on T cells and NK cells. Blocking the cognate ligand binding can prevent the downstream signaling cascade that is essential for proper T cell activation, especially in the scenario of immune cell overactivation. YH017 has a strong potential for the treatment of multiple autoimmune diseases, e.g. colitis and rheumatoid arthritis.

Currently, we have entered into option and licensing agreements with different partners for YH016 and YH017. Under the terms of these agreements, upon the exercise of the option by the partners, we will be entitled to receive option fees, licensing fees, development and commercialization milestone payments, as well as single-digit royalties on net sales.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET YH016 AND YH017 SUCCESSFULLY.

2. PRE-CLINICAL RESEARCH SERVICES AND PRODUCTS

Our pre-clinical research services and products primarily include CRO services such as pre-clinical pharmacology and efficacy evaluation, R&D and sale of innovative target animal models, and gene editing customization service business. These service lines are important business segments for the Company. The rapid sales revenue growth and higher profit level have continuously generated business cash flow for the Company and buttressed the soundness of our financial conditions.

In the face of the challenging domestic and overseas market environment, the Company focuses its resources on markets and business lines with the potential for high growth. In the business line of pre-clinical CRO services such as animal model selling, the Company continuously expands the categories of animal models. Meanwhile, the Company complements the overseas sales team, enhancing coverage of local customers. A German subsidiary in Europe was established in 2022 and expanding and commissioned the Boston, USA test site, in the hope of better serving overseas pharmaceutical customers and leveraging the proportion of overseas sales. In 2023, the Company further expanded the Boston, USA facility to triple its original size, which officially opened in August. These measures achieved significant sales growth in the Reporting Period.

As one of the core drivers of our sales revenue growth, we continue to maintain a high level of R&D investment for the development of globally competitive and enriched animal models, as well as providing high-quality pre-clinical CRO services to domestic and overseas pharmaceutical clients, maintaining high gross margins and rapid revenue growth despite the challenging market environment.

2.1 Animal Model Selling

Leveraging our advanced gene editing technologies, we have created a comprehensive set of antibody discovery and disease mouse models by editing the gene of mice, creating animal models suitable for in-vivo efficacy evaluation. Our antibody discovery and disease mouse models included approximately 4,390 unique gene-edited mouse/cell line projects.

The combination of an extensive portfolio of animal models and large-scale animal production and in-vivo efficacy studies has enabled us to successfully conduct large-scale in-vivo antibody discovery and screening for our own internal assets and initiatives as well as providing disease animal models and in-vivo pharmacology services to biotechnology and large pharmaceutical company clients worldwide.

In the business line of R&D and sales of innovative animal models, the Company keeps launching hundreds of new animal models in the market every year, while expanding the domestic and overseas customer base, and leveraging the scale of the animal facility in Nantong, Jiangsu Province, to provide more customers with better animal model products. These initiatives ensured that the Company made satisfactory sales growth in the Reporting Period.

Animal Models

Animal models that mimic human pathological environments through the modification of key genes are essential tools in the current drug development process. Drug evaluations using these models are considered the "gold standard" for validating the efficacy of pre-clinical drugs. Based on the gene editing humanized mouse model, we have developed mouse models for tumor and autoimmune diseases, and have also successfully developed mouse models for a wider range of other disease areas, which are used for gene function research and drug development. Using marketed and self-developed antibody drugs for in-vivo drug efficacy testing in mice, combined with physiological, biochemical, blood, toxicity and other factors, we are able to verify the validity of the models and sell disease model mice to our customers.

Current disease types of animal models are mainly focused on tumor and autoimmune diseases. We are actively investigating new animal models and cellular assay models, constructing tumor models using gene-edited humanized mice, testing the inhibitory effects of anti-tumor antibody drugs, chemotherapy drugs and targeted small molecule drugs on tumor growth, and providing more data support for drug screening of tumor drugs and clinical declarations. For autoimmune diseases, we are focusing on inducing autoimmune diseases (asthma, experimental autoimmune encephalomyelitis, psoriasis, etc.) in gene-edited humanized mice and testing the therapeutic effects of cytokine-based antibody drugs.

In addition to tumor and autoimmune diseases, we have fully expanded the disease areas of animal models, such as neurological, cardiovascular and metabolic diseases, to provide pre-clinical in-vivo and in-vitro drug efficacy testing for drug development.

(i) Humanized Mice

Immune Checkpoint and other Humanized Mice

Most human antibody drugs can only recognize and interact with human antigens, and due to species differences, pre-clinical pharmacodynamic and pharmacokinetic evaluation and testing cannot be performed directly with wild-type mice. Therefore, it is necessary to humanize mouse immune checkpoints as well as other targets such as GPCR and express human-related antigens in mice, so that human antibody drugs can produce normal drug responses in mice.

Relying on an efficient and stable gene technology platform and a scientific and standardized model animal production center, we fully considered the factors that may interfere with the expression of humanized proteins, carried out detailed evaluation and made a precise design for each subject and developed a series of immune checkpoint and other humanized mice based on the genetic background of C57BL/6. In order to ensure that the mouse model is fully humanized, we excluded the influence of external environment factors on the expression and signaling of humanized proteins, and provided an effective model and powerful tool for drug validation of immune checkpoint and other target antibodies.

Cytokine and Cytokine Receptor Humanized Mice Format Homologous Immune Checkpoint and Other Humanized Mice

The mechanisms of cytokine involvement in autoimmune diseases have been studied in depth. AbbVie has developed adalimumab, which targets TNF, and has been approved by the FDA for 11 indications, including rheumatoid arthritis and psoriatic arthritis. Other antibodies targeting cytokines also have good market prospects in autoimmune diseases and oncology.

Cytokines usually have complex signaling pathways. By studying the mechanism of action of cytokines, we have humanized the key cytokines or cytokine receptors in mice, allowing the in-vivo evaluation of the efficacy and pharmacological effects of human cytokine or cytokine receptor antibody drugs in mice. We believe such coverage can meet a substantial majority of the pre-clinical drug evaluation needs of cytokine or cytokine receptor antibody drugs for pharmaceutical companies.

(ii) Severe Immunodeficient (B-NDG) Mice

B-NDG (NOD.CB17-Prkdcscid IL2rgtm1/Bcgen) mice, which we independently developed, are obtained from mice with NOD-scid genetic background by IL2rg gene knockout. B-NDG mice have a severe immunodeficient phenotype, lack mature T-cells, B-cells and NK cells, and are deficient in cytokine signaling, making them ideal drug development vehicles for human hematopoietic stem cells, human peripheral blood mononuclear cells, human tumor cells or tissue transplantation.

The intellectual properties of our animal models for sale generally belong to the Company. As our model animals would generally not be applied directly towards a product candidate of our clients, there were no intellectual properties allocation discussions with our clients of animal models during the Reporting Period. We typically enter into framework agreements with our clients for a term of one to five years and take clients' work orders under such framework agreements. We decide fee rates and payment terms together with our clients considering multiple factors, including the development cost of certain model animals, breeding expenses, and quantity requested. We generally require our clients to make full payment within one month after the invoice date. Generally, neither our client nor we have the right of termination unless a force majeure event occurs.

Models for Human Immune System Reconstitution

In order to solve the problems of maintenance and differentiation functions of hematopoietic cells and restricted development of immune cells in severely immunodeficient mice, we have developed a series of second-generation products based on B-NDG mice to meet different research needs. For example, B-NDG B2m KO plus mice can delay the GVHD effect in PBMC reconstitution model, thus achieving a longer dosing window without affecting the half-life of antibody drugs. Additionally, B-NDG hIL15 mice can better promote the immune reconstitution of human NK cells and B-NDG hTHPO mice do not need irradiation to be reconstituted, thus avoiding radiation damage to mice.

2.2 Pre-Clinical Pharmacology and Efficacy Evaluation

Our pharmacology team, which is based in China and the USA, has built expertise in testing novel therapeutics such as mAbs, ADCs, BsAb and BsADC, CAR-Ts and CAR-NKs, mRNA-LNP and gene therapy and other therapeutic modalities for immuno-oncology, immune and autoimmune, CNS, Ocular diseases as well as metabolic diseases as well as kidney diseases to support drug discovery and development worldwide. Our services utilize a large collection of genetically humanized mouse models for checkpoint inhibitors and cytokine/cytokine receptors, highly immune-deficient B-NDG mice and their variants, including CDX models and engineered cell line models, among others. Our pharmacology services include in-vivo efficacy, PK/PD, biomarker assessments, toxicology and safety evaluation, in-vitro immune cell and cytokine profiling and cell functional assays. Our pre-clinical pharmacology studies have supported a number of IND applications and clinical trials. As at June 30, 2025, we have completed more than 6,350 drug evaluation projects for approximately 950 partners globally.

We determine our fee rates for pre-clinical pharmacology and efficacy evaluation services primarily based on types of animal used and types of service provided. Animal fees are set by types of animals utilized, and service fees are determined by allocation of staff resource, duration and materials required for the projects based on the type of services such as oncology PD, immune reconstitution and autoimmune disease. Duration of our agreements with customers on pre-clinical pharmacology and efficacy evaluation services is based on complexity of the project, which typically lasts for no longer than one year. Payment terms are set by project and we are generally entitled to upfront payments and project closing payments by our customers. As we are a service provider for our pre-clinical pharmacology and efficacy evaluation, the intellectual rights relating to the project belong to our customers.

In-Vivo Pharmacology Capabilities

Our in-vivo pharmacology team has successfully developed and validated hundreds of syngeneic and xenogeneic tumor models to meet the scientific objectives of our clients. The animal models include our internally generated humanized mice and humanized cell lines carrying functional human genes that express identified human therapeutic targets or customized targets per clients' interests. Employing the humanized cell lines and the humanized mice results in a tailored biotherapeutic strategy with a complete biology to evaluate the efficacy of different types of human therapeutic molecules (monoclonal antibodies, bi-specific antibodies, ADCs, vaccines, etc.) against the therapeutic targets of interest. Furthermore, tumor cell implantation through different routes including orthotopic injection delivers favorite translatable data to support clinical studies. All these models cover broad immune-therapeutic areas and greatly increase translation from pre-clinical research to clinical studies for drug development.

Besides the tumor models, in-vivo pharmacology services have also developed several translatable immune and autoimmune inflammatory disease models and CNS diseases, Ocular diseases, metabolic disease models as well as kidney disease models in both wild-type and humanized mice to extend our research and services to broader therapeutic areas and better support our clients in their research and drug development.

Our model-based in-vivo efficacy services have high scale screening capabilities to support molecule selection, drug comparison, or drug evaluation by in-vivo activity assessment. Complementary to our in-vivo capabilities, our in-vitro pharmacology services include immune cell profiling, cytokine profiling, primary T, NK, and macrophage cell-based functional assays, among others. Our integrated in-vivo capabilities and in-vitro pharmacology capabilities enable us to provide a complete PoC and MoA for drug development.

Pharmacokinetics (PK) & Pharmacodynamics (PD)

Antibody drug pharmacokinetics are deeply influenced by target expression (target-mediated clearance) and FcRn (neonatal Fc receptor) expression, which can extend antibody half-life. Because human antibodies have different affinities to the targets, and FcRn expressed in animal species differ from that expressed in human, the PK profile of human antibodies from animals may not be translatable to human. Our humanized mice could express human therapeutic targets, and FcRn humanized mice enable more translatable evaluation of human antibody PK in mice, which could help to address these issues. Due to the growing limited availability of non-human primates, humanized mice may have increased value in non-clinical PK and toxicity studies for biologic drug development.

Utilizing target humanized mice and FcRn humanized mice, we have established a comprehensive PK/PD service platform in which we perform a series of PK/PD studies to characterize drug exposure, predict dosage requirements, understand concentration-effect relationships, establish safety margins and efficacy characteristics, and develop the drug's product profile to support drug development and clinical trials. The PK/PD evaluation is also supported by our in-vitro capabilities. Also, cell-based assays including antibody-dependent cell-mediated cytotoxicity (ADCC) and Complement-dependent cytotoxicity (CDC) assist with in-vitro PD evaluation and identification of the MoA.

Small Animal Toxicology and Safety Study

Humanized mice can provide favorite translatable results in the toxicology and safety evaluation of drug candidates and are recommended by the FDA. We have established toxicology and safety evaluation platforms using our humanized mice and highly immune deficient B-NDG mice. Our comprehensive toxicology and safety readouts include blood biochemistry liver and renal function evaluation, histopathology evaluation, Cytokine Release Syndrome (CRS) evaluation, Adenosine Deaminase (ADA) test and more, which are the common side effect tests for current immunotherapy. We believe our pre-clinical toxicology and safety evaluation provides very predictive data to support drug candidate evaluation and may guide the design of clinical studies.

2.3 Gene Editing

Our gene editing technology lays a solid foundation for our antibody discovery and development platforms. Leveraging our advanced gene editing technologies, we have launched Project Integrum, developed transgenic RenMice® platforms and created a comprehensive set of antibody discovery and animal model platform. Gene editing is a technique for making specific modifications to segments of an organism's DNA, which is usually used to achieve modifications such as the addition and deletion of specific DNA segments, deletions and substitutions of specific bases. Gene editing can make permanent changes in the genome of an organism, and these changes can take place throughout the body or in specific tissues. Models such as animals or cell lines obtained by gene editing technology can simulate specific physiological, pathological and cellular characteristics of humans, and thus play an important role in studying the functions of genes, elucidating the genetic evolution of organisms, the molecular mechanisms of disease occurrence and providing relevant evaluation of drugs for disease treatment.

In the area of gene editing customized services, we have shifted the focus to overseas pharmaceutical company customers and emphasized to serve internal R&D and innovations so as to enhance the profit level and value contribution of the gene editing business line.

Our Gene Editing Technology

Our gene editing technology lays the solid foundation for the development of innovative model animals and our antibody discovery and development platforms. Leveraging our advanced gene editing technologies, we have launched Project Integrum, developed a series of transgenic RenMice® platforms and created a comprehensive set of antibody discovery and animal model platform.

We have developed powerful gene editing platforms, SUPCE, CRISPR/EGE and ESC/HR, through more than a decade of dedicated research, which serves as our driving force for underlying technological innovations. Since our establishment, we have been providing customized gene editing services based on animals as well as cells to meet the needs of basic science research and drug development of our customers. Leveraging our advanced gene editing technologies, we have completed approximately 5,300 customized gene editing projects for our clients and self-developed approximately 4,390 gene-edited animal and gene-edited cell model products.

Customized Services

We mainly provide customized gene editing services based on rat/mouse and cell lines, and the final products are animal or cell line models with specific genotypes, genotype detection reports and project closure reports. In addition, we also provide a series of gene editing experimental services such as sgRNA plasmid construction and sgRNA activity detection:

- Animal-based Gene Editing Services. We are mainly engaged in customized gene editing services for rat/mouse. Mice are easy to handle, have a short life cycle, high reproductive capacity, and have similar genomic and physiological characteristics to humans, thus are often used as animals of choice for studying human gene function and disease mechanisms. Mice are also the most intensively studied animal for genomics, transcriptomics, proteomics and genetic phenotyping. Rats have a higher similarity to humans in terms of nervous system compared to mice and are often used as pharmacodynamic models in related fields. We provide customized gene editing services for rat/mouse using mature and stable ESC/HR-based and CRISPR/EGE-based gene editing technologies. We perform gene editing modification based on several rat/mouse strains. The mouse strains for which gene editing services are provided mainly include C57BL/6, BALB/c, DBA2 and NOD-scid, and the rat strains mainly include Sprague Dawley and Wistar.

- Cell Line Based Gene Editing Services. Compared with gene editing animal models, cell line models have the advantages of convenience, short cycle time and low cost. Stable cell lines play an important role in gene function research, recombinant protein preparation, drug screening and target validation, tumor therapy and other research. We provide a variety of cell line gene editing services using ESC/HR-based and CRISPR/EGE-based gene editing technologies.

- Gene Editing Experimental Services. We provide customized gene editing services based on rats and mice as well as cell lines along with supporting experimental services.

We have mastered ESC/HR-based gene editing technology and CRISPR/EGE-based gene editing technology based on our years of dedicated research and technical accumulation.

RenMice® platforms for generation of a diverse repertoire of fully human antibodies

Compared with other common gene editing technologies that can only edit gene fragments less than 30,000 bases at a time using plasmid, our proprietary in-house developed SUPCE technology allows for megabase-scale chromosomal editing, with high stability and reproducibility. Our SUPCE technology is well validated by our RenMice® platform, which was successfully developed applying this technology. We achieved full length in-situ gene replacement for diverse antibodies in RenMice® and produced very healthy mice retaining a strong immune system.

We have developed RenMice® platforms to generate a diverse repertoire of fully human monoclonal antibodies and bi-specific antibodies. Our RenMice® platform consists of several different chromosome engineered mice with fully human immunoglobulin variable domains replacing mouse counterparts, namely RenMab, a fully human antibody mouse, RenLite, a fully human common light chain mouse and RenNano, a fully human heavy chain only mouse. Based on RenMab, we have developed a new RenT Cell Receptor-Mimic (RenTCRm) technology platform for drug development of antibodies against intracellular targets and developed a new GPCR antibody technology platform for the discovery of therapeutic antibodies against GPCR and other challenging targets.

Our RenMice® platforms are competitive and validated through external licenses. As of June 30, 2025, we reached license and trial collaboration agreements with dozens of well-known multinational pharmaceutical companies and leading pharmaceutical companies such as Merck KGaA, Darmstadt, Germany, Johnson & Johnson, Xencor, BeiGene and Innovent, all of which are independent third parties of us. The licensing of the RenMice® technology platform will allow us to receive upfront payments, milestone payments and royalties. In March 2023, the Company entered into the license agreement with Janssen Biotech, Inc., one of the Janssen Pharmaceutical Companies of Johnson & Johnson. For details, please refer to the announcement of the Company dated March 8, 2023.

RenMab

Our RenMab platform uses RenMab mice for the discovery and generation of fully human monoclonal antibodies. Our in-house developed RenMab mice are transgenic mice with full human heavy chain variable region and kappa light chain variable region replacement in-situ. RenMab mice carry the full human immunoglobulin variable region repertoire, which have an intact immune system and are healthy even after gene editing.

This proprietary, megabase-scale gene editing technology enables the efficient replacement of the entire murine immunoglobulin heavy chain and kappa light chain variable domains (including distal Vk) with the corresponding human immunoglobulin variable domains in-situ. Thus, our RenMab mice are as healthy as regular wild-type mice, and well suited to knock out drug target genes. The knockout mice are an essential building block of our Project Integrum.

With the full human heavy and light chain variable regions, RenMab mice are able to produce a diverse repertoire of antibodies. This then allows us to optimize and select antibodies with the best specificity and affinity at subnanomolar ranges in the lead antibody screening process.

The independently self-developed key technology of RenMab platform has been granted a Chinese patent and a USA patent in 2023, and a Japanese patent in 2025. For details, please refer to the announcements of the Company dated July 11, 2023, December 5, 2023 and June 5, 2025.

RenLite

Our RenLite platform uses RenLite mice to produce diverse bi-specific antibodies with high affinity and to generate bi-specific ADCs. In our RenLite mice, the mouse heavy chain antibody gene variable region is replaced with full human heavy chain variable region in-situ resulting in diversified heavy chain repertoire similar to that of humans. In contrast, the kappa chain variable domain has been replaced by a single fixed human common kappa light chain. Presence of the single human common kappa chain ensures light chain complementarity to seamlessly resolve the light chain and heavy chain mismatch issues often seen in bi-specific antibody platforms, thereby greatly reducing the difficulty of CMC process development.

In addition to bi-specific antibodies, our RenLite mice are able to generate antibodies for BsADCs. Our BsADCs can be used to effectively target two tumor-associated antigens and deliver the payload specifically to tumor cells, overcoming the non-tumor cytotoxicity of traditional ADC drugs. YH012 and YH013 are BsADCs molecules generated by Renlite platform.

The independently self-developed key technology of RenLite platform has been granted a USA patent in 2024. For details, please refer to the announcement dated June 21, 2024.

RenNano

Our RenNano platform uses RenNano mice to produce heavy chain antibodies on the basis of RenMab mice with further modification on antibody heavy chain constant region. Compared to few other nano-antibody models in the world, our RenNano mice carry the complete human antibody heavy chain variable region gene in an in-situ swap, producing a fully human single chain antibody fragment sequence that can be used for drug development without further in-vitro humanization, saving significant time and expense, and reducing the risk of subsequent development. Based on the rapid reproductive capacity of mice and the proven technology for preparing mice monoclonal antibody, RenNano mice can be used for high-throughput development of fully human heavy chain antibodies at scale compared to other single chain antibody fragment animals such as alpacas. Immunization of RenNano mice with a variety of different antigens resulted in heavy chain antibodies with diverse complementarity determining region 3 (CDR3) sequences and abundant recognition epitopes. These antibodies bind antigen independent of the light chain and have a high affinity at the nM level. Experiments have shown that antibodies derived from RenNano have good biological functions in-vitro and in-vivo. Due to its simple structure and no pairing, it is suitable for modular assembly, and even more so, for the construction of more innovative drug-forming forms such as dual antibodies, multibodies and CAR-T.

RenTCRm Platform

RenTCRm platform (the "**RenTCRm Platform**") is heavily modified based on RenMice® to become HLA/RenMab to produce fully human antibodies that accurately recognize intracellular MAP epitopes and produce antibodies against intracellular antigens. HLA/RenMab is designed to break through the limitations of traditional antibody therapy that mainly targets cell membrane surface antigens, such as PD-1 and PD-L1, or soluble antigens, as well as the immune escape of tumor cells caused by the usually low affinity of antibodies that recognize the TCR of tumor antigens for the corresponding antigens. The RenTCRm Platform focuses on screening antibodies with much higher affinity and specificity than TCR by replacing them with antibodies that can effectively target intracellular antigens. Based on the advantages of HLA/RenMab mice, we can obtain fully human antibodies that recognize MAP epitopes and produce antibodies against intracellular antigens in one step, while ensuring in-vivo affinity maturation and screening of antibodies with better affinity and specificity than TCR.

The fully human antibody sequences obtained from the RenTCRm Platform provide more candidates for subsequent antibody-related drugs, CAR-T and other fields. It provides additional intracellular targeting options for targeted removal of specific abnormal cells such as tumor cells, infected cells, and senescent cells. In addition, TCR-like blocking antibodies can also be screened for specific cells that are attacked by self-exempt diseases to avoid damage to normal tissues.

GPCR Platform

GPCR platform (the "**GPCR Platform**") is developed based on RenMice®. GPCR (G protein-coupled receptor) is the most abundant membrane protein in the human genome. Its primary function is to transmit extracellular information into the cell, causing various cellular responses. Many GPCR and transmembrane proteins are potential drug targets. However, they have small extracellular domains and are not soluble, which makes it difficult to obtain antibodies by traditional methods. Our GPCR antibody discovery platform can address these difficulties. The platform immunizes antigens with native conformation and enhanced immunogenicity by DNA immunization and other methods. In addition, by utilizing target knock-out RenMice (RenMice KO), the platform generates fully human antibodies with great diversity to increase the screening success rate.

To cultivate a high-quality talent pool and ensure delivery of professional services, we have developed on-site training programs that provide training courses on a variety of cutting-edge scientific and technical topics, as well as tracking, evaluating and reporting each employee's training progress.

As of June 30, 2025, the Company had approximately 400 R&D personnel engaged in Project Integrum as well as pre-clinical research services. For the six months ended June 30, 2024 and June 30, 2025, our R&D expenses were RMB161.7 million and RMB209.1 million, respectively. The R&D expenses on the Core Products was RMB1.0 million for the six months ended June 30, 2025.

MARKETING AND BUSINESS DEVELOPMENT

We procure business through the efforts of our marketing and business development teams and customer referrals. Our marketing and business development team is dedicated to increasing our brand awareness, expanding our global customer base and strengthening our relationships with existing customers to drive more business opportunities. The Company has established a sales system covering Asia-Pacific, North America and Europe. On the one hand, the Company continues to consolidate the leading edge of its domestic business and maintains steady and healthy growth; on the other hand, it continues to expand its overseas markets and maintains rapid growth in overseas sales revenue.

In terms of market strategy, we continue to actively develop overseas markets to drive the rapid growth of overseas revenue. By increasing publicity, we have shaped the image of our Company as a professional biotechnology company and expanded our recognition in the industry; we have expanded and adjusted our sales team according to different business lines and types of customers, added new coverage areas, and strengthened our quick response to customers' needs; we have expanded the Company's R&D and production facilities in Boston and expanded the R&D and production teams of our Boston subsidiaries, so that we can better provide localized services to our USA pharmaceutical customers. We achieved income from pre-clinical business related to CRO of the Company continues to maintain rapid growth and a relatively high gross profit level, and we keep long-term business cooperation with all top ten overseas pharmaceutical companies.

Since 2022, the Company has optimized and upgraded its North American and European sales network. In the year of 2022, we set up a new subsidiary in Heidelberg, Germany, and started to have sales teams based all over Europe. In May 2023, the Company set up an office in San Francisco, USA and officially put it into operation, which is able to provide timely response service for customers on the west coast of the USA. In August 2023, the Company relocated to the newly leased laboratory and animal house in Boston, USA, and the commissioning of the new facilities is able to bring the Company a greater business carrying capacity. In March 2025, the Company officially commenced the operation of its new office located in San Diego, California, USA. In addition, we are recruiting more business developers with abroad bases to actively expand coverage of local customers and explore overseas markets. In the future, we will further complement overseas investment and improve the amount and proportion of our overseas sales revenue.

Based on the RenMice® platform, our antibody discovery platforms continue to produce potential antibody molecules and have reached co-development/licensing agreements with domestic and foreign pharmaceutical companies at different stages. Our antibody development business has continued to grow at a high rate since 2020, while maintaining a very high gross profit margin. Our customer base has expanded from well-known domestic biotech companies to famous pharmaceutical companies around the world, and the upfront payment, milestone payment and royalties of a single contract keep improving.

For the six months ended June 30, 2025 and up to the date of this announcement, we had not commercialized any of our Core Products on the market. We have not formulated any definitive pricing policy for our Core Products yet. We are accelerating the development of our clinical and pre-clinical product assets by entering into collaborations with a number of domestic and overseas pharmaceutical companies. In the future, we will continue to pursue this product development strategy and enter into more collaborations with pharmaceutical companies to advance and commercialize our assets.

RESEARCH AND DEVELOPMENT

We are committed to providing innovative services to support our customers' ground-breaking and complex new drug R&D projects in China and around the world. Towards this goal, we have constantly invested in improving our technologies and advancing our service capabilities. Such investments have allowed us to remain at the forefront of the latest technology trend in our industry, develop novel solutions for our customers and maintain our competitive position. We strive to further enhance our technical capability through internal research and development as well as collaboration with our partners and customers.

Manufacturing

Animal Model Production

We have established animal model production centers, including three animal facilities encompassing a total of approximately 55,000 sq.m. animal facilities. Our large facilities allow us to have a broad set of genetically engineered mice, disease mouse models and aged small animals with a significant cost advantage.

Collaboration with CROs and CDMOs

CROs and CDMOs, as our suppliers, conduct and support the research and development and clinical trials of our assets products, whether the drug assets are in the development phase of our own initiative or after we have reached cooperation with partners. For details, please refer to "Suppliers" and "External Business Development" in this announcement.

PROPOSED ISSUE OF A SHARES

The Company held a Board meeting on March 6, 2023 to propose issue of A Shares and listing on the Sci-Tech Board of the Shanghai Stock Exchange and held the extraordinary general meeting on April 20, 2023 to approve the related resolutions. The Company has submitted the application materials in respect of the proposed issue of A Shares and has received a letter of acceptance issued by the Shanghai Stock Exchange in respect of the application for the proposed issue of A Shares. The issue of A Shares will be subject to approvals by the China Securities Regulatory Commission and the Shanghai Stock Exchange. On June 20, 2023, the Company received a letter of acceptance issued by the Shanghai Stock Exchange in respect of the Company's application for the proposed issue of A Shares. On January 5, 2024, the Company submitted the response to the enquiries from the Shanghai Stock Exchange. For details, please refer to the announcements dated March 6, 2023, March 15, 2023, June 20, 2023 and January 5, 2024 and the circular dated March 31, 2023.

QUALITY MANAGEMENT

We have a quality management department that devotes resources to the quality management of our products. Based on our novel idea to develop antibody drugs, we have established our own quality control system with reference to the ISO9001, GMP and GLP systems. Our quality control system devotes significant attention to quality control for the designing, R&D, manufacturing, testing and transportation of our products and product candidates. Our management team is actively involved in setting quality policies and managing our internal and external quality performance.

As of June 30, 2025, our quality management department consists of approximately 49 employees. Our quality management team members have rich experience in quality management and successful drug filings to the USA FDA and the NMPA.

SUPPLIERS

Suppliers are important business partners of the Group, and the selection and management of suppliers are directly related to the quality of the Group's products. Therefore, relying on an excellent supply chain management to ensure the quality of our suppliers and products is a top priority. In order to effectively standardize and manage our supplier selection process, we have formulated a series of policies to provide a system guarantee for supplier access, selection, approval, monitoring, and evaluation and clarified the responsibilities of internal procurement personnel.

Before selecting a supplier and signing a contract with it, we will conduct due diligence to evaluate the price, quality, reputation, ability, and technology of the potential supplier to deliver products and services, and may request it to send samples, product trial inspection or on-the-spot investigation by personnel. The due diligence results will be included in our qualified supplier database after being reviewed by the purchasing department. We also require suppliers to provide corporate certifications, including but not limited to quality and/or environmental management system certifications, to ensure compliance with national and international standards. At the same time, in accordance with the policies related to supplier selection, we regularly conduct assessments of all suppliers to verify the effectiveness of their quality systems and service performance, and the assessment results serve as the basis for supplier evaluation. For suppliers who cannot meet the basic procurement requirements and whose assessment results are eliminated, all departments must immediately terminate cooperation with them and replace them with suppliers with better performance.

As at June 30, 2025, the Group had approximately 2,300 suppliers, of which more than 2,200 were from China. As of June 30, 2025, we conducted assessments for major suppliers to examine whether their supply performance meets our requirements for quality, service and price. Our main suppliers include suppliers of materials, assets and services.

EXTERNAL BUSINESS DEVELOPMENT

In line with industry practice, we collaborate with CROs and CDMOs to conduct and support our R&D and clinical trials of our assets products, whether the drug assets are in the development phase of our own projects or after we have reached cooperation with partners. Our CRO partners are usually reputable multinational companies that primarily engage in biopharmaceutical development, biologic assay development, clinical development, clinical trials management, pharmacovigilance and outcomes research. CROs generally provide a comprehensive suite of services to assist us in the implementation and management of clinical trials, including trial preparation, source data verification, clinical safety management, data management and report preparation. Our CDMO partners are usually multinational companies that primarily engage in the development and manufacture of drugs. We collaborate with our CDMO partners for the manufacturing of a portion of our drug candidates, to supply for use in pre-clinical studies and clinical trials.

For the six months ended June 30, 2025, the expenses for CROs and CDMOs attributable to the R&D of our Core Products were approximately RMB0.9 million. We select CROs and CDMOs based on various factors, such as academic qualifications, industry reputation, compliance with relevant regulatory agencies and cost competitiveness. We closely supervise these CROs and CDMOs to ensure their performance in a manner that complies with our protocols and applicable laws, which in turn protects the integrity and authenticity of the data from our trials and studies.

INTELLECTUAL PROPERTY

Intellectual property rights are important to our business. We develop and use a number of proprietary methodologies, analytics, systems, technologies, trade secrets, know-how and other intellectual property during the conduct of our business. As of June 30, 2025, we had 301 registered trademarks, 195 licensed patents and 4 software copyrights, and filed 496 patent applications in 27 countries or regions. We also have 16 issued patents and 21 filed patent applications in relation to our Core Products.

FUTURE AND PROSPECTS

In the first half of 2025, the macroeconomic environment and geopolitical landscape experienced several significant fluctuations, and the global economy was marked by various uncertainties. Nevertheless, the biopharmaceutical industry continued to show signs of recovery, releasing increased R&D demand, particularly in the fields of innovative drug development such as bispecific antibodies, ADCs, and nanobodies. Leveraging our high level of R&D investment, we have continued to launch innovative and high-quality products and services to promptly meet emerging market demand, enabling our performance in the first half of 2025 to maintain rapid growth. Net profit exceeded the full-year level of 2024, and we achieved fully positive cash flow for the first time. In the second half of 2025, we will remain committed to our strategic goal of "driving new drug development with innovative technologies", ensuring sufficient R&D investment to consolidate the competitive advantages of our two core businesses, while controlling expenses, improving operational efficiency, and progressing toward the goal of achieving large-scale profitability in 2025.

We will, as always, drive business development through innovative technologies, focusing our R&D investment on the two core business segments of innovative animal models and antibody discovery, thereby further building a more solid technological barrier. First, we will continue to enhance our self-developed fully human antibody mouse platform, RenMice®, and further expand the Project Integrum fully human antibody sequence library to meet the R&D needs of more pharmaceutical partners for innovative antibody sequence molecules and diverse disease areas. Second, focusing on oncology and autoimmune diseases, we will independently develop high-potential pre-clinical PCC molecules and enter into collaborations with different pharmaceutical partners through transfer/licensing, with a view to securing higher upfront payments, milestone payments, and royalties. Third, we will concentrate on developing various innovative animal models covering a broader range of disease areas, maintaining our leadership in the global high-end animal model field. Leveraging the vast existing fully human antibody molecule library of Project Integrum and integrating bioinformatics, we are progressively building an "Antibody Evolution Tree" covering more than 1,000 targets and containing 1,000,000 fully human antibody molecules. Through localized deployment of AI, we are developing an AI agent for antibody drug discovery.

With the ongoing deep integration of the Project Integrum and AI systems, we will provide more efficient R&D tools and a richer antibody molecule library for global pharmaceutical companies, helping pharmaceutical partners significantly enhance the R&D efficiency of pre-clinical PCC molecules, which will also propel the antibody discovery business into a brand new stage of development.

We will continue to expand our global market presence, striving to meet the demand from domestic and overseas customers for innovative, high-quality products and services. We will further improve our global R&D, manufacturing, and sales layout to achieve rapid growth in business at a high gross margin level through globalized operations.

Our lean management efforts have yielded remarkable results. The Company will further optimize its global operational structure, maintain a flat decision-making process, and enhance operational efficiency. Concurrently, we will improve the full-chain quality management system covering R&D, manufacturing, and services, upholding global top-tier quality and compliance standards. Biocytogen will continue to provide high-quality products and services to customers worldwide, committed to becoming a global headstream of new drugs.

II. FINANCIAL REVIEW

Overview

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

	Six months ended June 30, 2025 (unaudited) *RMB'000*	Six months ended June 30, 2024 (unaudited) *RMB'000*
Revenue	**620,963**	410,499
Cost of sales	**(159,014)**	(105,006)
Gross profit	**461,949**	305,493
Other gains and losses, net	**8,512**	9,529
Net change in fair value of biological assets	**20,796**	6,483
Selling and marketing expenses	**(58,515)**	(42,472)
General and administrative expenses	**(116,231)**	(102,618)
Research and development expenses	**(209,109)**	(161,679)
Profit/(loss) before taxation	**59,620**	(47,077)
Profit/(loss) for the period	**47,999**	(50,673)
Other comprehensive income for the period (after tax)	**(38)**	(228)
Total comprehensive income for the period	**47,961**	(50,901)

Revenue

For the six months ended June 30, 2025, all our revenue was generated from pre-clinical research services (which include gene editing, pre-clinical pharmacology and efficacy evaluation and animal models selling) and antibody development business. The following table sets forth a breakdown of our revenue for the periods indicated:

	Six months ended June 30, 2025 (Unaudited)		Six months ended June 30, 2024 (Unaudited)	
	RMB'000	***%***	*RMB'000*	*%*
Revenue				
Gene editing	**28,617**	**4.6**	34,606	8.4
Pre-clinical pharmacology and efficacy evaluation	**155,031**	**25.0**	81,552	19.9
Animal models selling	**274,426**	**44.2**	175,772	42.8
Antibody development	**162,863**	**26.2**	118,200	28.8
Others	**26**	**0.0**	369	0.1
Total revenue	**620,963**	**100.0**	410,499	100.0

Revenue increased by 51.3% from approximately RMB410.5 million for the six months ended June 30, 2024 to approximately RMB621.0 million for the six months ended June 30, 2025. The increase was mainly driven by the increase of revenue from animal models selling, pre-clinical pharmacology and efficacy evaluation and antibody development.

Cost of Sales

Our cost of sales consists of staff costs, cost of suppliers and overhead costs.

Cost of sales increased by 51.4% from approximately RMB105.0 million for the six months ended June 30, 2024 to approximately RMB159.0 million for the six months ended June 30, 2025, which was generally in line with the increase in our revenue in the Reporting Period.

Gross Profit and Gross Profit Margin

The gross profit, representing revenue less cost of sales, increased by 51.2% from approximately RMB305.5 million for the six months ended June 30, 2024 to approximately RMB461.9 million for the six months ended June 30, 2025. The increase in the gross profit was mainly attributable to the increase in revenue from animal models selling, pre-clinical pharmacology and efficacy evaluation and antibody development. Gross profit margin is calculated as a percentage of gross profit divided by revenue. The gross profit margin remained relatively stable, which was 74.4% and 74.4% for the six months ended June 30, 2024 and 2025, respectively.

Other Gains and Losses, Net

Other gains and losses, net, consist of net gain on disposal of property, plant and equipment, change in fair value of financial assets at FVTPL, interest income, government grants (including amortization of deferred income), net foreign exchange gain.

For the six months ended June 30, 2025, the total other gains and losses, net were approximately RMB8.5 million, representing a decrease of 10.5% as compared with approximately RMB9.5 million in the corresponding period last year. The decrease in total other gains and losses, net was mainly due to the decrease in interest income and net foreign exchange gain.

Net Change in Fair Value of Biological Assets

Our biological assets mainly represent mice for breeding and selling. For mice that remained as the Company's biological assets at the end of the Reporting Period, the Company recognized the change in the fair value of these biological assets, less costs of disposal at the period-end. The net change in fair value of biological assets is recognized as profit or loss. Net change in fair value of biological assets represents the difference in fair value from the beginning to the end of the period and does not generate actual cash inflow or outflow. The fair values of biological assets are determined using the market approach and cost approach. Recent unit trading price and adjustment factors, which are based on the characteristics of the biological assets, were used in the calculations of fair values. A significant increase or decrease in the quantity in stock as well as the estimated unit market price would result in a significant increase or decrease in the fair value of the biological assets.

Our net change in fair value of biological assets increased by 220.0% from approximately RMB6.5 million for the six months ended June 30, 2024 to approximately RMB20.8 million for the six months ended June 30, 2025, primarily due to a higher stock level of humanized mice increased for the six months ended June 30, 2025 as compared to the corresponding period last year. The unit price of different product lines did not fluctuate materially during the corresponding period hence it did not have material impact on the net change in fair value of biological assets.

Selling and Marketing Expenses

For the six months ended June 30, 2025, our selling and marketing expenses were approximately RMB58.5 million, representing an increase of 37.6% as compared with approximately RMB42.5 million for the six months ended June 30, 2024. The increase was mainly due to increased salaries which was generally in line with the increase in our revenue in the Reporting Period.

General and Administrative Expenses

Our general and administrative expenses increased by 13.3% from approximately RMB102.6 million for the six months ended June 30, 2024 to approximately RMB116.2 million for the six months ended June 30, 2025, primarily because of our increased staff cost due to bonuses, and share-based payment as result of acceleration of vesting in the Reporting Period.

R&D Expenses

Our research and development expenses increased by 29.3% from approximately RMB161.7 million for the six months ended June 30, 2024 to approximately RMB209.1 million for the six months ended June 30, 2025, because of our increased staff costs, due to bonuses and increasing number of R&D employees, and increased direct material costs, due to our strategy of continuing to provide high-quality R&D products and services with global competitiveness to domestic and overseas biopharmaceutical enterprises.

Liquidity and Capital Resources

The Group monitored and maintained a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. During the Reporting Period, we relied on liability finance as the major sources of liquidity. We also generated cash from our revenue from our service offerings, including gene editing, pre-clinical pharmacology and efficacy evaluation services, animal models selling and antibody development.

As at June 30, 2025, our cash at bank and on hand totalling approximately RMB479.6 million, as compared to approximately RMB403.9 million as at December 31, 2024. The increase was mainly due to our highly positive cash flows in operating activities.

The following table sets forth a condensed summary of the Group's interim consolidated statement of cash flows for the periods indicated and analysis of balances of cash and cash equivalents for the periods indicated:

	Six months ended June 30, 2025	Six months ended June 30, 2024
	RMB'000	*RMB'000*
Tax paid	**(16,041)**	(3,076)
Net cash generated from operating activities	**203,434**	29,608
Net cash used in investing activities	**(82,898)**	(31,964)
Net cash used in financing activities	**(87,284)**	(13,465)
Net increase/(decrease) in cash and cash equivalents	**33,252**	(15,821)
Effects of foreign exchange rate changes	**3,357**	2,066
Cash and cash equivalents at January 1	**384,458**	399,607
Cash and cash equivalents at the end of the period	**421,067**	385,852

Finance Costs

For the six months ended June 30, 2025, finance costs were approximately RMB35.9 million, representing a decrease by 31.9% from approximately RMB52.7 million for the six months ended June 30, 2024, primarily due to decreased interests on long-term payables.

Bank and other Loans and Gearing Ratio

As at June 30, 2025, the Group's outstanding loans were approximately RMB401.8 million (December 31, 2024: approximately RMB402.0 million). The Group's outstanding loans included (i) short-term loans with annual interest rates ranging from 2.7% to 3.5% (2024: 3.0% to 3.5%); (ii) long-term bank loans are with the terms of 2-3 years and with annual interest rates ranging from 2.80%-4.35% (2024: 3.70%-4.35%); (iii) a five-year bank loan which began from 2023 with an annual interest rate of 6.0%, which was secured by mortgages of the property of Biocytogen Daxing and also guaranteed by the Company; (iv) other loans under a sale and leaseback agreement which was considered as a mortgage loan in substance, which began from 2022 and will be paid within the next five years.

The Group monitored its capital sufficiency using gearing ratio. As at June 30, 2025, the Group's gearing ratio (total debt (including bank and other loans and lease liabilities) as a percentage of total equity as of the end of the Reporting Period) was 1.77 (December 31, 2024: 1.88).

Net Current Assets

The Group's net current assets, as at June 30, 2025 were approximately RMB418.6 million, while net current assets were approximately RMB281.6 million as at December 31, 2024.

Foreign Exchange Risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between USD and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations. We currently do not have a foreign currency hedging policy. However, the management of the Company monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Capital Expenditure

For the six months ended June 30, 2025, our total capital expenditure amounted to approximately RMB30.8 million, primarily including investment in facility, office building and purchase of scientific equipment (December 31, 2024: approximately RMB68.8 million).

Contingent Liabilities

As of June 30, 2025, the Group did not have any significant contingent liabilities (December 31, 2024: nil).

Charge on Assets

The Group mortgaged the plant and buildings and the machinery and equipment for the bank loans and other loans, and the aggregated net book value of the plants and buildings, right-of-use assets and the machinery and equipment were RMB225.1 million, RMB18.3 million and RMB26.0 million, respectively as at June 30, 2025.

Save as disclosed above, as at June 30, 2025, the Group did not pledge any group assets.

Significant Investments

As of June 30, 2025, the Group did not hold any significant investments.

Material Acquisitions and Disposals

For the six months ended June 30, 2025, we did not conduct any other material acquisitions or disposals of subsidiaries, associates and joint ventures.

Events after Reporting Period

Save as disclosed above, the Company is not aware of any material subsequent events after June 30, 2025 and up to the date of this announcement.

Employees and Remuneration Policies

As of June 30, 2025, we had 1,306 employees in total (December 31, 2024: 1,117), including 836 employees in Beijing, 326 employees in Jiangsu Province, and 144 employees in other regions of China and overseas.

In compliance with the relevant PRC labor laws, we enter into standard confidentiality and employment agreements with our employees covering matters such as terms, wages, bonuses, employee benefits, workplace safety, confidentiality obligations and grounds for termination.

To remain competitive in the labor market, we provided various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries and stock incentive plans to our employees especially key employees. We believe our benefits, working environment and development opportunities for our employees have contributed to good employee relations and employee retention.

Future Plans for Material Investments and Capital Asset

Save as disclosed in this announcement, we had not authorized any plan for the material investments or acquisition of capital asset as of June 30, 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Interim Dividend

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

Compliance with the CG Code

The Company has been committed to achieving high standards of corporate governance with a view to safeguarding the interests of the Shareholders and enhancing corporate value and accountability.

The Company has adopted the principles and code provisions as set out in the CG Code to the Listing Rules. The CG Code has been applicable to the Company during the Reporting Period.

The Board is of the view that the Company has complied with all applicable code provisions of the CG Code during the Reporting Period, except for a deviation from the code provision C.2.1 of the CG Code, the roles of the chairman of the Board and the chief executive officer of the Company are not separate and are both performed by Dr. Shen Yuelei. In view of Dr. Shen Yuelei's experience, personal background and his roles in our Company, Dr. Shen Yuelei is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of the Company's business as the chief executive officer. The Board believes that vesting the roles of both the chairman and the chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of the chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Compliance with the Model Code

The Company has adopted a code of conduct regarding Directors' and Supervisors' securities transactions on terms no less exacting than the required standard set out in the Model Code.

Specific enquiries have been made to all Directors and Supervisors, and they have confirmed that they have complied with our Company's code of conduct regarding Directors' and Supervisors' securities transactions during the Reporting Period and up to the date of this announcement.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code. No incidents of non-compliance with the Model Code by the relevant employees of the Company were noted by the Company during the Reporting Period.

Purchase, Sale or Redemption of Listed Securities of the Company

During the six months ended June 30, 2025, neither the Company nor any of its subsidiaries had issued, purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares as defined under the Listing Rules).

As of the end of the Reporting Period, no treasury shares (as defined under the Listing Rules) were held by the Company other than under the share schemes adopted by the Company pursuant to Chapter 17 of the Listing Rules.

Use of Proceeds

The net proceeds received by the Company from the Global Offering (including the partial exercise of the Over-allotment Option) amounted to approximately HK$537.0 million (equivalent to RMB436.3 million) after the deduction of underwriting fees, and related expenses in connection with the Global Offering. Net proceeds have been fully utilised in 2024.

Audit Committee

The Audit Committee has four members comprising one non-executive Director and three independent non-executive Directors, being Ms. Liang Xiaoyan (chairman), Mr. Hua Fengmao, Dr. Yu Changyuan and Mr. Wei Yiliang, with terms of reference in compliance with Rule 3.21 of the Listing Rules.

The Audit Committee has considered and reviewed the 2025 interim report, the accounting principles and practices adopted by the Group and has discussed matters in relation to internal controls, risk management and financial reporting with the management of the Company, including the review of the unaudited condensed consolidated interim financial results of the Group for the six months ended June 30, 2025. The Audit Committee considers that the interim results of the Group for the six months ended June 30, 2025 are in compliance with the relevant accounting standards, rules and regulations, and appropriate disclosures have been duly made.

Auditor

The Company's independent auditor, KPMG, Certified Public Accountants, has reviewed the interim results of the Group for the six months ended June 30, 2025 in accordance with the 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.

FURTHER ANNOUNCEMENTS

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

The 2025 interim report containing all the information required by Appendix D2 to the Listing Rules will be made available for review on the websites of the Stock Exchange and the Company in due course, respectively.

DEFINITION

"A Share(s)"	the ordinary Share(s) with a nominal value of RMB1.00 each in the share capital of the Company proposed to be allotted, issued and listed on the Sci-Tech Board
"ADC"	antibody-drug-conjugates, a new class of highly potent biological drugs built by attaching a small molecule anticancer drug or another therapeutic agent to an antibody, with either a permanent or a labile linker
"animal model"	a non-human species used in medical research to mimic aspects of a disease found in humans, so as to obtain information about a disease and its prevention, diagnosis, and treatment
"Articles" or "Articles of Association"	the articles of association of the Company as revised from time to time
"Audit Committee"	the audit committee of the Board
"Award"	an award of H Shares by the Board to a Selected Employee pursuant to the Scheme Rules
"B-cell" or "B cell"	a type of white blood cell that differs from other types of lymphocytes by expressing B cell receptors on its surface, and responsible for producing antibodies
"Biocytogen Daxing"	Biocytogen (Beijing) Biological Engineering Co., Ltd.* (百奧賽圖(北京)生物工程有限公司), a limited liability company established in the PRC on June 25, 2014 and wholly owned by the Company
"Board" or "Board of Directors"	the board of directors of the Company
"CD40"	Cluster of Differentiation 40, a costimulatory protein found on antigen-presenting cells, essential in mediating immune and inflammatory responses

"CDMO(s)"	contract development manufacturing organization(s), a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"China" or "the PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, excluding Hong Kong, Macau Special Administrative Region and Taiwan
"CMC"	Chemistry, Manufacturing, and Controls
"Company", or "our Company"	Biocytogen Pharmaceuticals (Beijing) Co., Ltd.* (百奧賽圖(北京)醫藥科技股份有限公司), a limited liability company incorporated in the PRC on November 13, 2009 and converted into a joint stock limited liability company incorporated in the PRC on December 29, 2020 whose predecessor was Beijing Biocytogen Gene Biotechnology Co., Ltd.* (北京百奧賽圖基因生物技術有限公司)
"Core Products"	YH001 and YH003, the designated "core products" as defined under Chapter 18A of the Listing Rules
"CRO(s)"	contract research organization(s), a company which provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research and development services outsourced on a contract basis
"CTLA-4"	a protein receptor expressed constitutively on T cells that functions as an immune checkpoint and downregulates immune responses
"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.0 each, which are subscribed for or credited as paid in Renminbi

"Employee(s)"	any full-time employee (excluding any Excluded Employee) of any member of the Group
"FDA"	Food and Drug Administration
"FIH"	first-in-human
"FVTPL"	fair value through profit or loss
"GCP"	Good Clinical Practice
"Global Offering"	the global offering of the Company's H Shares on the Stock Exchange
"GMP"	Good Manufacture Practices
"Group", "our Group", "we" or "us"	our Company and our subsidiaries
"HCC"	hepatocellular carcinoma
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"H Share(s)"	overseas listed foreign share(s) in the share capital of our Company with a nominal value of RMB1.0 each, which is/are subscribed for and traded in HK dollars and listed on the Hong Kong Stock Exchange
"H Shareholder(s)"	holder(s) of H Share(s)
"IgG"	Immunoglobulin G, the most common type of antibody found in blood circulation, created and released by plasma B cells
"IgG1"	Immunoglobulin G1, the most abundant IgG subclass in human sera and is important for mediating antibody responses against viral pathogens
"IgG2"	Immunoglobulin G2, predominantly responsible for anticarbohydrate IgG responses against bacterial capsular polysaccharides
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"independent third party(ies)"	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules

"in-situ"	in the normal location (site of origin) and has not invaded neighboring tissue or gone elsewhere in the body
"in-vitro"	a category of study conditions which are performed with microorganisms, cells, or biological molecules outside their normal biological context
"in-vivo"	a category of study conditions in which the effects of various biological entities are tested on whole, living organisms or cells, usually animals, including humans, and plants, as opposed to a tissue extract or dead organism
"Listing"	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
"mAb"or "monoclonal antibody"	antibodies that are made by identical immune cells which are all clones belonging to a unique parent cell
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with GEM of the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"MRCT(s)"	multi-regional clinical trial(s)
"NK"	natural killer cell, the human body's first line of defense due to their innate ability to rapidly seek and destroy abnormal cells
"NMPA"	National Medical Products Administration
"Nomination Committee"	the nomination committee of the Board
"Over-allotment Option"	the over-allotment option granted by the Company to the international underwriters in connection with the Global Offering
"OX40"	a receptor expressed on activated T cells which gives costimulatory signals to promote T cell division and survival

"PD-1"	programmed cell death protein 1 or programmed death receptor 1, an immune checkpoint receptor expressed on T cells, B cells and macrophages. The normal function of PD-1 is to turn off the T cell mediated immune response as part of the process that stops a healthy immune system from attacking other pathogenic cells in the body. When PD-1 on the surface of a T cell attaches to certain proteins on the surface of a normal cell or a cancer cell, the T cell turns off its ability to kill the cell
"PD-L1"	PD-1 ligand 1, which is a protein on the surface of a normal cell or a cancer cell that attaches to PD-1 on the surface of the T cell that causes the T cell to turn off its ability to kill the cancer cell
"Phase I clinical trial"	a study in which the researchers test an experimental drug or treatment in a small group of people for the first time. The researchers evaluate the treatment's safety, determine a safe dosage range, and identify side effects
"Phase II clinical trial"	a study in which the experimental drug or treatment is given to a larger group of people to see if it is effective and to further evaluate its safety
"PIs"	principal investigators
"Project Integrum"	Project Integrum (千鼠萬抗) launched in March 2020, a large-scale *in-vivo* antibody discovery program
"RC118"	YH005 ADC
"R&D"	research and development
"RemeGen"	RemeGen Co., Ltd.* (榮昌生物製藥(煙台)股份有限公司), a listed company in the Stock Exchange (stock code: 9995) and the Shanghai Stock Exchange (stock code: 688331), a commercial-stage biopharmaceutical company committed to the discovery, development and commercialization of innovative and differentiated biologics for the treatment of autoimmune, oncology and ophthalmic diseases with unmet medical needs in China and globally
"Remuneration and Evaluation Committee"	the remuneration and evaluation committee of the Board
"RenLite"	a platform of the Company, using RenLite mice to produce diverse bi-specific antibodies with high affinity and to generate bi-specific ADCs

"RenMab"	a platform of the Company, using transgenic RenMab mice with full human variable region, which allows for the natural *in-vivo* pairing of human heavy and light chains for the development of fully human antibodies with high affinity, low immunogenicity, and favorable developability
"RenNano"	a platform using RenNano mice to produce heavy chain antibodies on the basis of RenMab mice with further modification on antibody heavy chain constant region
"Reporting Period"	the six months from January 1, 2025 to June 30, 2025
"RMB" or "Renminbi"	Renminbi Yuan, the lawful currency of China
"RP2D"	recommended Phase II dose
"Scheme" or "Share Award Scheme (H Shares)"	the "Employees' Share Award Scheme" of the Company constituted by the Scheme Rules
"Scheme Rules"	the rules relating to the Scheme, as approved and adopted by the Board on the Adoption Date in its present form or as amended from time to time in accordance with the provisions hereof
"Selected Employee(s)"	Employee(s) selected by the Board pursuant to the Board's absolute discretion to, from time to time, select any Employee for participation in the Scheme
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.0 each, comprising our Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)

"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"SUPCE"	Size-unlimited and Precise Chromosome Engineering System, a genetic manipulation technique
"T-cell" or "T cell"	a lymphocyte of a type produced or processed by the thymus gland and actively participating in the immune response, which plays a central role in cell-mediated immunity. T-cells can be distinguished from other lymphocytes, such as B cells and NK cells, by the presence of a T-cell receptor on the cell surface
"TCR"	T-cell receptor, a protein complex found on the surface of T cells that is responsible for recognizing fragments of antigen as peptides bound to major histocompatibility complex molecules
"Trust"	the trust constituted by the Trust Deed
"Trustee"	CMB Wing Lung (Trustee) Limited, or other trustee corporations to be appointed by the Company for the administration of the Scheme from time to time
"Trust Deed"	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Scheme
"Trust Share(s)"	any H Share purchased by the Trustee on the market out of cash arranged to be paid by the Company out of the Company's funds to the Trustee, together with in each case any scrip Shares or bonus Shares referable to those H Shares, for the purposes of settlement of the Awarded Shares
"Unlisted Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.0 each, which is/are subscribed for or credited as paid in a currency other than Renminbi, held by foreign investors and not listed on any stock exchange, and Domestic Shares

"USD"	United States dollars, the lawful currency of the United States of America
"YH001"	YH001 is a recombinant humanized anti-CTLA-4 IgG1 monoclonal antibody
"YH002"	YH002 is a recombinant humanized IgG1 antibody that targets the human OX40 receptor
"YH003"	YH003 is a recombinant, humanized agonistic anti-Cluster of Differentiation 40 IgG2 monoclonal antibody
"YH004"	YH004 is a humanized IgG1 anti-4-1BB Agonists
"YH008"	YH008 is an anti-PD-1/CD 40 bi-specific antibody for the treatment of solid tumors
"YH012" and "YH013"	YH012 and YH013 are two bi-specific ADCs developed using our RenLite platform, which are intended for the treatment of solid tumor
"YH015"	YH015 is a fully human IgG1 antagonistic monoclonal antibody targeting CD40
"YH016" and "YH017"	YH016 and YH017 are two novel molecules developed using our RenMice® platform, which are intended for the treatment of solid tumor and immune diseases respectively
"4-1BB"	a receptor expressed on activated T cells and NK cells which gives costimulatory signals to promote T cell division and survival, activate cytotoxic effects and help form memory T cells

* *For identification purpose only*

By order of the Board
Biocytogen Pharmaceuticals (Beijing) Co., Ltd.
Shen Yuelei
Chairman of the Board, Chief Executive Officer and Executive Director

Hong Kong, August 28, 2025

As at the date of this announcement, the Board comprises Dr. Shen Yuelei as chairman, chief executive officer and executive Director, Dr. Ni Jian and Dr. Zhang Haichao as executive Directors; Mr. Wei Yiliang, Dr. Zhou Kexiang and Ms. Zhang Leidi as non-executive Directors; Mr. Hua Fengmao, Dr. Yu Changyuan and Ms. Liang Xiaoyan as independent non-executive Directors.