Jiangsu Recbio Technology Co., Ltd.
江蘇瑞科生物技術股份有限公司

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

(Stock Code: 2179)

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

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended June 30, 2025, together with the unaudited comparative figures for the six months ended June 30, 2024.

BUSINESS HIGHLIGHTS

During the Reporting Period and up to the date of this announcement, we have made rapid progress in product development, achieving the following milestones and advancements in our R&D pipeline and business operations:

REC603 – Recombinant HPV 9-Valent Vaccine

HPV 9-valent vaccines can prevent against approximately 90% of cervical cancer and 90% of anal and genital warts and are widely considered as the most effective vaccines for HPV.

Our phase III clinical trial of REC603 in China is in progress and regular follow-up is being conducted in accordance with the clinical protocol. We have finished the visit and observation of the 42nd month and initiated the visit and observation of the 48th month. We will carry out an interim analysis by adopting pathological endpoints and anticipate submitting a BLA application in 2026 when conditions are satisfied.

The CDE of the NMPA issued the "Technical Guidelines for the Clinical Trials of Human Papillomavirus Vaccines (for Trial Implementation)" (the "**Guidelines**") in July 2023, which clearly points out that "the randomized, double-blind and placebo-controlled design is currently the best strategy to confirm the protective efficacy of first-generation vaccines". Our phase III clinical protocol for the HPV 9-valent vaccine strictly follows the guidelines of the regulatory authorities; and we have the largest HPV 9-valent vaccine phase III clinical trial subjects in China and are conducting clinical trials in Henan, Shanxi and Yunnan provinces with high HPV infection rates. Currently, the Company is conducting follow-up visits according to the established protocol.

REC610 – Novel Adjuvanted Recombinant Shingles Vaccine

Shingles is an acute infectious skin disease caused by reactivation of latent varicella zoster virus (VZV) in the body. There is no specific medicine for shingles, and vaccination is an effective means of preventing shingles. According to global research data on shingles vaccines that have been marketed, as compared to attenuated live vaccines, novel adjuvanted recombinant protein vaccines can provide stronger cellular immune and protective efficacy.

At present, we have completed the enrollment and the full course of vaccination of all subjects in the phase III clinical trial in China, and are conducting follow-up visit and observation according to the clinical protocol. The randomized, double-blind and parallel-controlled study is designed to evaluate the safety, tolerability, immunogenicity and protective efficacy of REC610 vaccine, and a total of 24,640 subjects have been enrolled in 18 research centers in Yunnan, Henan and Shanxi provinces. Previously, exploratory clinical studies of REC610 with Shingrix® as positive control were carried out in the Philippines and China, respectively, and the expected results were obtained. The data showed that in healthy subjects aged 40 years and above, the overall safety profile of two doses of REC610 was favorable, and no vaccination-related SAEs or AESIs, or TEAEs leading to early withdrawal from the study were observed. REC610 induces strong gE-specific immune response at a level comparable to those in the Shingrix® group.

REC625 – Bivalent Recombinant Respiratory Syncytial Virus Vaccine

REC625 is equipped with the novel adjuvant independently developed by us and intended to prevent diseases caused by respiratory syncytial virus infection in the elderly population. Preclinical studies have shown that REC625 has favorable immunogenicity compared to overseas marketed products and can induce high levels of specific neutralizing antibodies, and significantly improve the neutralizing antibodies against subtype B. The project adopted our independently designed vaccine antigen structure and relevant invention patent application has been submitted. We plan to complete the preclinical studies for this project in 2025.

ReCOV – Recombinant Bicomponent COVID-19 Vaccine

ReCOV is a recombinant COVID-19 vaccine developed by the Company comprehensively using its core technology platforms, including its novel adjuvant, protein engineering and immunological evaluation platforms, and the adjuvant used therein is its self-developed novel adjuvant BFA03. Currently, there is no ongoing clinical trial for this project worldwide. Given the relatively low global demand for COVID-19 vaccines at present, continuing to advance the subsequent registration and commercialization of this project may not yield favorable economic and social benefits. The Company will no longer make new rounds of clinical development for COVID-19 vaccine projects developed against the existing strains, but will reasonably allocate resources based on the future development plans for respiratory combination vaccines, the market, policy environment and other factors. At the same time, the Company will continuously pay attention to and keep track of the mRNA vaccine technology.

During the Reporting Period, the Company established a complete and systematic quality system for large-scale commercial production of vaccines at its vaccine manufacturing facility in Taizhou City, Jiangsu Province based on the COVID-19 vaccine project. The factory meets both Chinese and EU GMP standards and has obtained a Chinese vaccine production license. It has consistently received the EU Qualified Person Declaration issued by a Qualified Person (QP) for several years. The factory has a track record of successful large-scale batch production, which is of great value in advancing the subsequent development and industrialization of the Company's recombinant shingles vaccine REC610 and bivalent recombinant respiratory syncytial virus vaccine REC625.

We cannot guarantee that we will ultimately develop or market our Core Product or other pipeline products successfully. Shareholders and potential investors of our Company are advised to exercise due care when dealing in the Shares.

FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**10,899**	–
Other income and gains	**12,102**	35,701
Loss before tax	**(339,573)**	(249,636)
Loss for the period	**(340,653)**	(249,636)
Loss attributable to owners of the parent	**(340,653)**	(249,135)
Loss per share – Basic and diluted (RMB)	**(0.71)**	(0.52)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	June 30,	December 31,
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Total non-current assets	**1,261,034**	1,285,103
Total current assets	**281,657**	655,129
Total current liabilities	**881,452**	839,420
Net current assets	**(599,795)**	(184,291)
Total assets less current liabilities	**661,239**	1,100,812
Total non-current liabilities	**483,605**	571,488
Total equity	**177,634**	529,324

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025	2024
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
CONTINUING OPERATIONS			
REVENUE	*5*	**10,899**	–
Gross profit		**10,899**	–
Other income and gains	*6*	**12,102**	35,701
Other expenses	*7*	**(1,645)**	(14,794)
Research and development costs		**(299,582)**	(205,222)
Administrative expenses		**(47,783)**	(54,695)
Selling and distribution expenses		**(758)**	(1,528)
Finance costs	*8*	**(12,806)**	(9,098)
LOSS BEFORE TAX	*9*	**(339,573)**	(249,636)
Income tax expense	*10*	**(1,080)**	–
LOSS FOR THE PERIOD		**(340,653)**	(249,636)
Attributable to:			
Owners of the parent		**(340,653)**	(249,135)
Non-controlling interests		**–**	(501)
		(340,653)	(249,636)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(234)**	1,409
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(340,887)**	(248,227)
Attributable to:			
Owners of the parent		**(340,887)**	(247,726)
Non-controlling interests		**–**	(501)
		(340,887)	(248,227)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	*12*	**(0.71)**	(0.52)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	**30 June 2025** ***RMB'000*** **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**1,045,488**	1,054,776
Goodwill		**9,305**	9,305
Other intangible assets		**34,911**	37,432
Right-of-use assets		**30,559**	34,639
Other non-current assets		**140,771**	148,951
Total non-current assets		**1,261,034**	1,285,103
CURRENT ASSETS			
Inventories		**37,791**	62,299
Prepayments, other receivables and other assets		**137,770**	136,284
Pledged deposits		**1,900**	8,231
Time deposits with original maturity of more than three months		**–**	129,275
Cash and bank balances		**104,196**	319,040
Total current assets		**281,657**	655,129
CURRENT LIABILITIES			
Trade and bills payables	*13*	**53,940**	59,789
Other payables and accruals	*14*	**295,591**	269,414
Interest-bearing bank and other borrowings -current		**510,191**	499,378
Lease liabilities		**10,659**	10,839
Contract liabilities	*15*	**11,071**	–
Total current liabilities		**881,452**	839,420
NET CURRENT ASSETS		**(599,795)**	(184,291)
TOTAL ASSETS LESS CURRENT LIABILITIES		**661,239**	1,100,812

	Notes	**30 June 2025** ***RMB'000*** **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**319,097**	378,878
Deferred income		**51,866**	58,904
Deferred tax liabilities		**5,530**	5,530
Other non-current liabilities		**107,112**	128,176
Total non-current liabilities		**483,605**	571,488
Net Assets		**177,634**	529,324
EQUITY			
Equity attributable to owners of the parent			
Share capital	*16*	**482,963**	482,963
Treasury shares	*16*	**(94,603)**	(68,281)
Reserves		**(210,726)**	114,642
Non-controlling interests		**–**	–
Total equity		**177,634**	529,324

1. CORPORATE INFORMATION

Jiangsu Recbio Technology Co., Ltd. is a joint stock company with limited liability incorporated in the People's Republic of China ("**PRC**"). The registered office of the Company is located at No. 888 Yaocheng Avenue, Medical High-tech District, Taizhou, City, Jiangsu Province, PRC.

During the reporting period, Jiangsu Recbio Technology Co., Ltd. and its subsidiaries (collectively referred to as the "**Group**") were principally engaged in the research and development of vaccines in the Mainland China.

The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 31 March 2022.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("**IAS 34**"). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024. The Interim Financial Information is presented in Renminbi ("**RMB**"), and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

Going concern basis

Notwithstanding that the Group recorded net current liabilities of RMB599,795,000 as at 30 June 2025 primarily attributable to the current interest-bearing bank and other borrowings, the financial statements have been prepared on a going concern basis.

On 23 July 2025, the Company received the Reply of the Approval on the Registration of Shares Issued by Jiangsu Recbio Technology Co., Ltd. to the Target Subscriber (Zheng Jian Xu Ke No.[2025]1506) (《關於同意江蘇瑞科生物技術股份有限公司向特定對象發行股票註冊的批覆》(證監許可[2025]1506 號)) (the "**Reply**") from the CSRC. Pursuant to the Reply, the CSRC has approved the issuance of shares to Yangtze River Pharmaceutical (Group) Co., Ltd. ("**Yangtze River Pharmaceutical**") for a total consideration of RMB800 million. As of the date of this announcement, the Company has received a commitment letter from Yangtze River Pharmaceutical, pursuant to which, such issuance of shares and capital injection will be completed no later than 30 September 2025.

Concurrently, the Group entered into credit facility agreements, and as of the date of this announcement, the Group had a total of RMB130 million of unused credit facilities that would be available for use beyond 30 June 2026.

Based on the aforementioned information, the directors of the Company are of the view that the Group and the Company will have adequate working capital and funds, taking into account, inter alia, the available financial resources, to meet their financial obligations as they fall due and to sustain their operations for at least the next 12 months from 30 June 2025.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IAS 21 *Lack of Exchangeability*

The nature and the impact of the amended IFRSs Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

Segment information

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

Geographical information

The Group's non-current assets are all located in the PRC, and accordingly, no further related geographical information of non-current assets is presented.

Information about major customers

Revenue from major customers which individually accounts for 10% or more of the Group's revenue is as follows:

	2025	2024
	RMB'000	*RMB'000*
Customer A	**10,802**	–

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**10,899**	–

Disaggregated revenue information

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of goods or services		
Licensing revenue	**10,802**	–
Consulting services	**97**	–
Total	**10,899**	–
Geographical markets		
India	**10,802**	–
Mainland China	**97**	–
Total	**10,899**	–
Timing of revenue recognition		
Goods and services transferred at a point in time	**10,899**	–

6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Government grants*	**8,830**	17,620
Bank interest income	**2,544**	13,245
Subtotal	**11,374**	30,865
Other gains		
Gain on fair value changes of financial assets	**728**	94
Gain on disposal of items of right-of-use assets and lease liabilities	**–**	89
Foreign exchange gains, net	**–**	3,833
others	**–**	820
Subtotal	**728**	4,836
Total	**12,102**	35,701

* The government grants and subsidies related to income and assets have been received to compensate for the Group's research and development expenditures and business operations.

7. OTHER EXPENSES

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Donation	**300**	60
Loss on disposal of items of property, plant and equipment	**103**	31
Provision of impairment for inventories	**900**	9,050
Provision of impairment for other current assets	**89**	1,777
Provision of impairment of property, plant and equipment	**–**	3,855
Foreign exchange losses, net	**253**	–
Others	**–**	21
Total	**1,645**	14,794

8. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	**16,412**	13,016
Less: Interest capitalized	**3,665**	4,210
Interest on lease liabilities	**59**	292
Total	**12,806**	9,098

9. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

		For the six months ended 30 June	
	Notes	**2025**	2024
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment*		**47,081**	32,556
Depreciation of right-of-use assets*		**3,756**	4,030
Amortization of other intangible assets*		**2,522**	2,418
Amortization of other non-current assets*		**9,059**	236
Amortization of other current assets*		**540**	–
Provision of impairment for inventories	*7*	**900**	9,050
Provision of impairment for other current assets	*7*	**89**	1,777
Provision of impairment of property, plant and equipment	*7*	**–**	3,855
Interest on lease liabilities	*8*	**59**	292
Expense relating to short-term leases*		**590**	1,289
Research and development costs		**299,582**	205,222
Loss on disposal of items of property, plant and equipment	*7*	**103**	31
Gain on fair value changes of financial assets	*6*	**(728)**	(94)
Government grants related to income	*6*	**(8,830)**	(17,620)
Foreign exchange differences, net	*6/7*	**253**	(3,833)
Bank interest income	*6*	**(2,544)**	(13,245)
Auditor's remuneration*		**600**	600
Employee benefit expense* (excluding directors', chief executive's and supervisors' remuneration):			
Wages and salaries		**52,351**	50,668
Share-based payments expense		**6,864**	4,695
Pension scheme contributions, social welfare and other welfare		**6,484**	6,089

* The depreciation of property, plant and equipment, depreciation of right-of-use assets, amortization of other non-current assets, amortization of other current assets, amortization of other intangible assets, expense relating to short-term leases, auditor's remuneration, and employee benefit expense for the reporting period and the six months ended 30 June 2025 and 30 June 2024 are set out in "Selling and distribution expenses", "Administrative expenses" and "Research and development costs" in the interim condensed consolidated statements of profit or loss and other comprehensive income.

10. INCOME TAX

No provision for Mainland China income tax has been provided for at a rate of 25% pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "**CIT Law**"), as the Group's PRC entities have no estimated assessable profits during the period.

Pursuant to the CIT Law, the Company is subject to CIT at a rate of 25% on the taxable income. Beijing ABZYMO Biosciences Co., Ltd., a subsidiary of the Company, obtained its certificate of high-technology enterprise on December 30, 2022 and is entitled to enjoy a preferential tax rate of 15% for three years from 2022 to 2025.

Pursuant to the Inland Revenue Ordinance of Hong Kong, HK Recbio Limited is subject to profits tax at a rate of 8.25% on assessable profits up to HK$2,000,000; and 16.5% on any part of assessable profits over HK$2,000,000.

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
Charge for the period	**1,080**	–
Deferred income tax	**–**	–
Total tax charge for the period	**1,080**	–

A reconciliation of the tax expense applicable to loss before tax using the statutory rate for the jurisdictions in which the Company and its subsidiaries is domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss before tax	**(339,573)**	(249,636)
Tax at the statutory tax rate (25%)	**(84,893)**	(62,409)
Lower tax rates for specific provinces or enacted by local authority	**3,218**	3,965
Overseas tax expense	**1,080**	–
Expenses not deductible for tax	**4,416**	4,953
Additional deductible allowance for qualified research and development costs	**(68,251)**	(35,292)
Tax losses and deductible temporary differences not recognized	**145,510**	88,783
Tax charge at the Group's effective rate	**1,080**	–

Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

11. DIVIDEND

No dividends have been paid or declared by the Company during the six months ended 30 June 2025 and 2024.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts for the six months ended 30 June 2025 and 2024, is based on the loss for the periods attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares assumed to be outstand.

The calculations of basic and diluted loss per share are based on:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation (RMB'000)	**(340,653)**	(249,135)
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic and diluted loss per share calculation	**477,353,006**	478,906,610
Loss per share (basic and diluted) (RMB per share)	**(0.71)**	(0.52)

13. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payable as at 30 June 2025 and 31 December 2024, based on the invoice date, is as follows:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**40,577**	41,603
Over 1 year	**13,363**	18,186
Total	**53,940**	59,789

14. OTHER PAYABLES AND ACCRUALS

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Deposits received from vendors	**3,785**	6,450
Payable for property, plant and equipment	**76,275**	59,751
Accrued research and development expenses	**160,102**	134,761
Accrued renovation and construction expenses	**19,551**	20,401
Staff payroll, welfare and bonus payables	**15,789**	25,054
Other payables	**20,089**	22,997
Total	**295,591**	269,414

15. CONTRACT LIABILITIES

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Advances received from customers	**11,071**	–

16. SHARE CAPITAL/TREASURY SHARES

Shares

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Issued and fully paid 482,963,000 (2024: 482,963,000) ordinary shares	**482,963**	482,963

A summary of movements in the Company's share capital is as follows:

Share capital	**Total** *RMB'000* (Unaudited)
As at 30 June 2025 and 31 December 2024	482,963

Treasury shares	**Total** *RMB'000* (Unaudited)
As at 31 December 2024 and 1 January 2025	(68,281)
Shares purchased under 2022 H Share Incentive Scheme (a)	(26,322)
As at 30 June 2025	(94,603)

16. SHARE CAPITAL/TREASURY SHARES (CONTINUED)

Notes:

(a) On 16 September 2022, shareholders of the Group approved the adoption of the 2022 H share incentive scheme (the "**2022 H Share Incentive Scheme**"). During the period, the Company repurchased 3,666,000 (six months ended 30 June 2024: 557,000) ordinary shares at a total consideration of approximately HK$28,519,000 (six months ended 30 June 2024: HK$5,206,000), equivalent to approximately RMB26,322,000 (six months ended 30 June 2024: RMB4,724,000).

17. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Buildings	**196,588**	232,247
Plant and machinery	**112,689**	149,528
Total	**309,277**	381,775

18. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salaries, bonuses, allowances and benefits in kind	**4,052**	2,454
Pension scheme contributions	**136**	194
Share-based payments	**8,655**	13,073
Total compensation paid to key management personnel	**12,843**	15,721

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value

Management has assessed that the fair values of cash and cash equivalents, trade and bills payables, financial assets included in prepayments, other receivables and other assets, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair values of other non-current financial liabilities including interest-bearing bank and other borrowings and lease liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities and the fair values approximate to their carrying amounts.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of deposits, interest-bearing bank and other borrowings and lease liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2025 and 31 December 2024 were assessed to be insignificant. Management has assessed that the fair values of the non-current portion of time deposits, interest-bearing bank and other borrowings and lease liabilities approximate to their carrying amounts.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the reporting periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

Founded in 2012, we are a vaccine company dedicated to the research, development and commercialization of innovative vaccines, with a high-value innovative vaccine portfolio driven by in-house developed technologies. We primarily focus on the research and development (R&D) of innovative vaccines such as recombinant shingles vaccine and HPV vaccines. Our vaccine portfolio currently consists of more than 10 vaccines, including our three strategic products, namely REC610, a novel adjuvanted recombinant shingles vaccine, which is currently under phase III clinical trial in China; REC603, a recombinant HPV 9-valent vaccine, which is currently under phase III clinical trial; and a bivalent recombinant respiratory syncytial virus vaccine, which is about to enter the clinical research stage.

Through years of dedication and focus on this area, we have developed a comprehensive vaccine innovation engine consisting of a novel adjuvant platform, protein engineering platform, immunological evaluation platform and process development platform. These platforms empower us to continue to discover and develop innovative vaccines and to apply advanced technologies in our vaccine candidates. We are one of the few companies capable of researching, developing and commercializing novel adjuvants, benchmarking all of the FDA-approved novel adjuvants to date. Our four technology platforms create synergies among the design and optimization of antigens, the development and production of vaccines and adjuvants and the identification of the optimal combinations of antigens and adjuvants. We have also established an IPD system, enabling us to advance the R&D of multiple vaccine candidates simultaneously. Guided by our OPTI vaccine development philosophy, we have established a vaccine portfolio consisting of more than 10 vaccine candidates.

We have started to build our manufacturing capabilities at an early stage, aiming at ensuring our vaccine candidates to be smoothly transferred into successful commercial vaccine products. We have constructed an HPV vaccine manufacturing facility in Taizhou City, Jiangsu Province, which meets the WHO Prequalification (WHO PQ) Standards, with a designed capacity of 20 million doses of HPV 9-valent vaccines per year. Currently, the facility is under the stage of pilot production, synchronized with the progress of the clinical studies for the HPV 9-valent vaccine to support the BLA application in China. In addition, we have completed the construction of our innovative vaccine manufacturing facility based on the CHO cell expression systems in November 2021, and successfully acquired the vaccine production license issued by Jiangsu MPA. This manufacturing facility has received the European Union (EU) Qualified Person Declaration issued by a Qualified Person (QP) for several consecutive years. This manufacturing facility has a GFA of approximately 17,000 sq.m., and can be used for the manufacturing of a variety of innovative vaccines (CHO cell), including the novel adjuvanted recombinant shingles vaccine.

Our Vaccine Pipeline

Our vaccine portfolio strategically covered eight disease areas with significant burden globally, including HPV, varicella zoster virus, respiratory syncytial virus, human cytomegalovirus, etc. As of the date of this announcement, our vaccine portfolio consisted of more than 10 vaccine candidates including, in particular, a novel adjuvanted recombinant shingles vaccine and REC603 (a recombinant HPV 9-valent vaccine candidate), which are currently under phase III clinical trial in China, as well as a recombinant influenza virus vaccine and a bivalent recombinant respiratory syncytial virus vaccine, which are about to enter the clinical research stage.

The following table summarizes our vaccine pipeline as of the date of this announcement.

Diseases	Candidates	Type of Vaccine	Adjuvant Systems	Product Rights	Commercial Rights	R&D Status					Commercialization
						Pre-clinical	IND Filing	Phase I	Phase II	Phase III	
Cervical Cancers & Genital Warts	★ REC603	Recombinant HPV 9-valent vaccine	Alum	Self-developed	Global						
	REC604c	Novel adjuvanted recombinant HPV 9-valent vaccine	Undisclosed novel adjuvant[1]	Self-developed	Global						
	REC601	Recombinant HPV bivalent (Types 16/18) vaccine	Alum	Self-developed	Global						
	REC602	Recombinant HPV bivalent (Types 6/11) vaccine	Alum	Self-developed	Global						
	REC604a	Novel adjuvanted recombinant HPV quadrivalent vaccine[3]	BFA04	Self-developed	Global						
Shingles	REC610	Novel adjuvanted recombinant shingles vaccine[4]	BFA01	Self-developed	Global						
Respiratory Diseases Caused by Respiratory Sync ytial Virus (RSV)/ Metapneumovirus Infection	REC625	Bivalent recombinant respiratory syncytial virus vaccine	Undisclosed novel adjuvant[1]	Self-developed	Global						
	REC627	Recombinant metapneumovirus vaccine	Undisclosed novel adjuvant[1]	Self-developed	Global						
Human cytomegalovirus disease	REC609	Recombinant human cytomegalovirus vaccine	Undisclosed novel adjuvant[1]	Self-developed	Global						
COVID-19 Infection	ReCOV	Recombinant bicomponent COVID-19 vaccine	BFA03	Co-developed[5]	Global						
Disease caused by hepatitis B virus infection	REC629	Recombinant Hepatitis B virus vaccine	Undisclosed novel adjuvant[1]	Self-developed	Global						
	REC630	Therapeutic recombinant Hepatitis B virus vaccine	Undisclosed novel adjuvant[1]	Self-developed	Global						
Herpes caused by herpes simplex infection	REC608	Recombinant herpes simplex virus vaccine	Undisclosed novel adjuvant[1]	Self-developed	Global						
Influenza	REC617	Recombinant inenza vaccine	Undisclosed novel adjuvant[1]	Self-developed	Global						

★ Core Product

Notes:

(1) "Undisclosed novel adjuvant" represents a self-developed novel adjuvant to be used in vaccine candidates.

(2) Recombinant HPV 9-valent vaccine, REC603, obtained the IND approval from the NMPA in July 2018. Based on product registration classification and written communication with the CDE of the NMPA, we were approved to directly conduct phase III clinical trial in China upon obtaining phase I clinical data. REC603 is currently in the pivotal stage of phase III clinical trial in China. Based on the performance commitment made by the Company in the announcement relating to the issuance of Domestic Shares published on November 11, 2024: the clinical analysis report for HPV vaccine shall be obtained by August 31, 2025 and no later than February 28, 2026; the product marketing application for HPV vaccine shall be submitted by December 31, 2025 and no later than June 30, 2026; the HPV vaccine shall be approved for marketing by December 31, 2026 and no later than June 30, 2027.

(3) Novel adjuvanted recombinant HPV quadrivalent vaccine (REC604a) received a drug clinical trial approval notice issued by the NMPA.

(4) Novel adjuvanted recombinant shingles vaccine, REC610, received a drug clinical trial approval notice (notice number: 2023LP02151) issued by the NMPA in October 2023, which is approved for use as a preventive 3.3 biological product in its phase I and phase III clinical trials being carried out in China. The Company initiated the phase III clinical trial in October 2024. Based on the performance commitment made by the Company in the announcement relating to the issuance of Domestic Shares published on November 11, 2024: the clinical analysis report for shingles vaccine shall be obtained by September 30, 2025 and no later than March 31, 2026; the product marketing application for shingles vaccine shall be submitted by December 31, 2025 and no later than May 31, 2026; the shingles vaccine shall be approved for marketing by November 30, 2026 and no later than May 31, 2027.

(5) Recombinant Bicomponent COVID-19 Vaccine, ReCOV, was designed and developed by the Company jointly with Professor WANG Xiangxi's group at the Institute of Biophysics of Chinese Academy of Science. Currently, there is no ongoing clinical trial for this project worldwide. Given the relatively low global demand for COVID-19 vaccines at present, continuing to advance the subsequent registration and commercialization of this project may not yield favorable economic and social benefits. The Company will no longer make new rounds of clinical development for COVID-19 vaccine projects developed against the existing strains, but will reasonably allocate resources based on the future development plans for respiratory combination vaccines, the market, policy environment and other factors.

(6) The preclinical studies of bivalent recombinant respiratory syncytial virus vaccine, REC625, are scheduled to be completed in 2025.

(7) For the novel adjuvanted recombinant HPV 9-valent vaccine, REC604c, the Company will determine further R&D plans for the project based on market demand and the resources of the Company.

HPV Vaccine Pipeline

HPV is the most common viral pathogen of the reproductive tract. Although HPV infections may clear up within a few months without any intervention, certain types of HPV infections can persist and develop into cervical cancer. These high-risk HPV infections are mainly caused by HPV types 16, 18, 31, 33, 45, 52 and 58, which account for approximately 90% of cervical cancer cases globally. It is widely accepted that HPV vaccines can play an important role in eliminating cervical cancer as they can prevent HPV infection on certain high-risk types. In addition, some cancers of the anus, vulva, vagina, and oropharynx and most genital warts can be prevented by HPV vaccines.

REC603 – Phase III Stage HPV 9-valent Vaccine – Our Core Product

REC603, our Core Product, is designed to provide protection against HPV types 6, 11, 16, 18, 31, 33, 45, 52 and 58. Our phase III clinical trial of REC603 in China is in progress and regular follow-up is being conducted in accordance with the clinical protocol. We have finished the visit and observation of the 42nd month and initiated the visit and observation of the 48th month. We will carry out an interim analysis by adopting pathological endpoints and anticipate submitting a BLA application in 2026 when conditions are satisfied.

Summary of Clinical Trial: We jointly applied, and obtained the IND approval for REC603 in July 2018. Based on product registration classification and written communication with the CDE of the NMPA, we were approved to directly conduct phase III clinical trial in China upon obtaining phase I clinical data.

The Guidelines clearly points out that the randomized, double-blind and placebo-controlled design is still the best strategy to confirm the protective efficacy of the first-generation of vaccine for the time being. Compared to other domestic HPV 9-valent vaccines, our phase III clinical trial in China closely adheres to the Guidelines, which will help REC603 benefit Chinese women sooner. The phase III clinical trial in China consists of three parts, i.e., the primary efficacy trial, the immuno-bridging trial in younger-age groups, and the immunogenicity comparative trial with Gardasil®9, with a multicenter, randomized, blinded and parallel controlled design and with a total size of 16,050 subjects. At the same time, follow-up on the subjects of REC603's primary efficacy trial is being conducted in accordance with the clinical protocol. We have finished the visit and observation of the 42nd month and initiated the visit and observation of the 48th month. We will carry out an interim analysis by taking pathological endpoints and plan to submit a BLA application to the NMPA in 2026 when conditions are satisfied. Since obtaining the IND approval in China, no material unexpected accidents or adverse changes in relation to REC603 have occurred.

Advantages of REC603: We believe that REC603 has various advantages, including:

Positive immunogenicity profile. REC603 demonstrates a positive immunogenicity profile in its phase I clinical trial. In general, we observed a significant increase in terms of NAb GMT level against all of the target HPV types.

High-yield and stable production of HPV VLPs. REC603 adopts H. polymorpha expression system. In general, the VLPs from different expression systems are all highly similar to natural HPV capsid in structure and epitope in order to trigger immune response after vaccination, including those being produced by H. polymorpha expression system. H. polymorpha, a methylotrophic yeast species, is able to grow to very high cell density rapidly on simple media and has relatively high optimum growth temperature. Owing to its strong and tunable promoters derived from the methanol utilization pathway, high secretion capacity, and lower glycosylation activity compared to S. cerevisiae, H. polymorpha is suitable for production of recombinant proteins for medical use. With high copies of expression cassettes integrated stably in the genome of H. polymorpha, high-yield and stable expression of HPV VLPs is achieved, making our vaccine candidate more suitable for commercial production.

Favorable safety profile. REC603 was safe and well-tolerated as shown in the phase I clinical trial for REC603. There were no statistical differences in terms of incidences of AEs between the vaccine group and the placebo group. Although there is currently no available paper reporting a head-to-head clinical trial comparing domestic HPV vaccines and foreign HPV vaccines, in the clinical trial conducted by Merck Sharp & Dohme for Gardasil®9 in 2009, the rate of adverse event was 86.6% among subjects enrolled in the vaccine cohort, as compared to 53.75% as observed in the phase I clinical trial of REC603[1]. The main adverse reactions were expected fever and inject site pain, mostly were transient and mild.

Scalable manufacturing potential. Our patented technology in HPV VLPs in combination with optimized fermentation strategy and purification process enables us to achieve high and stable yield in bulk production. With well-defined critical process parameters, manufacturing of REC603 can be easily scaled up to meet the market demand domestically and globally.

Opportunities and Potentials: We believe there are significant opportunities for our HPV vaccine candidates, considering the following factors:

Superiority of HPV 9-valent vaccines. In general, HPV 9-valent vaccines can prevent against approximately 90% of cervical cancer and 90% of anal and genital warts and are widely considered as the most effective vaccines for HPV. In June 2025, the HPV 9-valent vaccine (Escherichia coli) (trade name: Cecolin®9) developed by Xiamen Innovax Biotech Co., Ltd. was approved for marketing, making it the first domestic HPV 9-valent vaccine approved in China.

[1] The above information was derived from multiple clinical trials conducted for different vaccines without the support of controlled, head-to-head clinical studies, and a number of factors (including the different subject enrollment standards adopted in different trials, different population characteristics of subjects, physicians' inoculation skills and experiences, and lifestyle of the subjects) could affect the relevant clinical results and could render cross-trial comparison results less meaningful.

Domestic substitute. To the best knowledge and information of the Company with reference to independent market research, the first domestic HPV bivalent vaccine accounted for 66.7% of China's HPV bivalent vaccine market in terms of production value in the first year of its launch by virtue of its cost effectiveness, even if it was only approved in 2019 whereas the first imported HPV bivalent vaccine was approved in China in 2016. We believe that considering domestic vaccine products tend to adopt more favorable prices as compared to their global peers, HPV 9-valent vaccines will follow a similar trend in China after being approved. In recent years, the Chinese government has also promulgated policies in favor of domestic HPV vaccine developers. For example, in 2019, the National Health Commission of the People's Republic of China released the Healthy China Action – Cancer Prevention and Control Implementation Plan (2019-2022), stating to accelerate the review and approval process of domestic HPV vaccines and improve the accessibility of HPV vaccines. As one of the few domestic vaccine companies to have phase III stage HPV 9-valent vaccine candidate, we believe we will benefit from such favorable government policies in the future.

Same age coverage as imported vaccines. On August 30, 2022, HPV 9-valent vaccine available in the market in China was expanded to females aged 9 to 45. Our Core Product, REC603, also initiated phase III clinical trial for females aged 9 to 45 in 2021, indicating a same coverage in terms of age as compared to the current approved vaccines.

The Guidelines clearly points out that "the randomized, double-blind and placebo-controlled design is currently the best strategy to confirm the protective efficacy of first-generation vaccines". Our phase III clinical protocol for the HPV 9-valent vaccine strictly follows the guidelines of the regulatory authorities; and we have the largest HPV 9-valent vaccine phase III clinical trial subjects in China and are conducting clinical trials in Henan, Shanxi and Yunnan provinces with high HPV infection rates. Currently, the Company is conducting follow-up visits according to the established protocol.

Warning Statement required under Rule 18A.08(3) of the Listing Rules: We cannot guarantee that we will ultimately develop or market our Core Product successfully. Shareholders and potential investors of our Company are advised to exercise due care when dealing in the Shares.

REC601 – Phase I Stage HPV Bivalent (Types 16/18) Vaccine

The bivalent vaccine candidate is designed as an HPV protection solution for people with different affordability and has the potential to be included in the national vaccination regime in China and other jurisdictions. Due to the cost advantage of the HPV bivalent vaccine, it may become the mainstream vaccine in developing countries.

We are developing an HPV bivalent vaccine candidate, namely REC601, targeting HPV types 16 and 18, which are the main causes for a majority of cervical cancer cases. Currently, we have completed data evaluation and analysis on the phase I trial in China. The phase I trial data showed that REC601 has a favorable safety profile and an immunogenicity profile in healthy females aged 9 to 45. There was no vaccination-related grade 4 or higher AEs or SAEs. 30 days after the whole immunization: the positive rates of HPV types 16 and 18 antibodies reached 100%, and the negative population before immunization also reached positive conversion after the whole immunization (positive conversion rate was 100%).

The HPV types 16 and 18 antibody levels also increased significantly: GMT of HPV type 16 antibody increased by 632.99 times and GMT of HPV type 18 antibody increased by 1,194.02 times compared with that before immunization. REC601 adopts a similar technical process line with the recombinant HPV 9-valent vaccine.

We will adopt a more reasonable follow-up development strategy by taking into account market demand and relevant regulatory guidance.

REC602 – Phase I Stage HPV Bivalent (Types 6/11) Vaccine

We are also developing REC602, an HPV bivalent vaccine candidate targeting HPV types 6/11. We have completed the phase I trial in late 2022. REC602 adopts a similar technical process line with the recombinant HPV 9-valent vaccine. We will adopt a more reasonable follow-up development strategy by taking into account market demand and relevant regulatory guidance.

REC604a and REC604c – Early-stage HPV Vaccines Formulated with Novel Adjuvant

Supported by our strong technology platforms, we are exploring to develop HPV vaccines formulated with novel adjuvant, namely REC604a and REC604c. Unlike the traditional aluminum adjuvant we are currently using, we are conducting early-stage development of next-generation HPV 9-valent and quadrivalent vaccines formulated with a self-developed novel adjuvant. Based on existing studies, compared to Merck's Gardasil, GSK's AS04-adjuvanted Cervarix has demonstrated strong cross-protection effectiveness with higher titers of neutralizing antibodies in clinical trials, suggesting that novel adjuvants can enhance the immunogenicity of HPV vaccines. As the introduction of novel adjuvant enhances immunogenicity profile of REC604a and REC604c, they are designed to adopt a two-shot regimen. We have obtained the clinical trial approval notice for REC604a in China, and will adopt a more reasonable follow-up development strategy by taking into account market demand and relevant regulatory guidance. The application for Chinese clinical trial of REC604c, a novel adjuvanted recombinant HPV 9-valent vaccine, has been accepted, we plan to use a self-developed novel adjuvant to improve the immunogenicity of REC604c.

Shingles Vaccine

REC610 – Novel Adjuvanted Recombinant Shingles Vaccine Candidate under Phase III Clinical Stage

REC610 received a drug clinical trial approval notice (notice number: 2023LP02151) issued by the NMPA in October 2023, which is approved for use as a preventive 3.3 biological product in its phase I and phase III clinical trials being carried out in China. At present, we have completed the enrollment and the full course of vaccination of all subjects in the phase III clinical trial in China, and are conducting follow-up visit and observation according to the clinical protocol. The randomized, double-blind and placebo-controlled clinical study is designed to evaluate the protection effectiveness, safety and immunogenicity of REC610 vaccine in healthy subjects aged 40 years and above, and a total of 24,640 subjects have been enrolled in 18 research centers in Yunnan, Henan and Shanxi provinces. Previously, exploratory clinical studies of REC610 with Shingrix® as positive control were carried out in the Philippines and China, respectively, and the expected results were obtained. The data showed that in healthy subjects aged 40 years and above, the overall safety profile of two doses of REC610 was favorable, and no vaccination-related SAEs or AESIs, or TEAEs leading to early withdrawal from the study were observed. REC610 induces strong gE-specific immune response at a level comparable to those in the Shingrix® group.

1) Safety: REC610 had good safety profile with the two-dose vaccination regimen. No SAEs, AESIs or TEAEs leading to early withdrawal from the study were reported. The incidences of vaccination-related TEAEs, solicited local and systemic TEAEs, unsolicited TEAEs were comparable between REC610 group and Shingrix® group. Majority of vaccination-related TEAEs were grade 1 or grade 2, and all recovered in 1 to 3 days post vaccination. The common (≥5%) solicited TEAEs in REC610 group included injection site pain, injection site swelling, pyrexia, headache, and myalgia.

2) Immunogenicity: REC610 induced strong gE-specific humoral and cellular immune responses, which were evident after the first vaccination and reached the peak at 30 days after the second vaccination. The humoral and cellular immune responses were comparable between REC610 group and Shingrix® group, and the immune response level in REC610 group was numerically higher than that in Shingrix® group. REC610 induced favorable humoral and cellular immune responses in both elderly and adult groups. Both REC610 and Shingrix® groups induced high levels of anti-gE antibodies at 60 days after the first dose vaccination, and 30 days after the second dose vaccination. The GMT, GMI and SCR of anti-gE antibodies were comparable in REC610 group and Shingrix® group, especially, the GMT and GMI of anti-gE antibodies were numerically slightly higher in REC610 group than those in Shingrix® group. Both REC610 and Shingrix® groups induced strong cellular immune response at 60 days after the first dose vaccination, and 30 days after the second vaccination. Tested by the internationally recognized ICS method, the frequencies and CMI response rates of CD4+T cells secreting at least one or two of gE-specific cytokines were comparable in REC610 group and Shingrix® group, and the cellular immune response level was numerically slightly higher in REC610 group than that in Shingrix® group.

Shingles is an acute infectious skin disease caused by reactivation of latent varicella zoster virus (VZV) in the body. There is no specific medicine for shingles, and vaccination is an effective means of preventing shingles. According to global research data on shingles vaccines that have been marketed, as compared to attenuated live vaccines, novel adjuvanted recombinant protein vaccines can provide stronger cellular immune and protective efficacy. REC610 is equipped with a novel adjuvant BFA01 independently developed by the Company, which can promote the production of high levels of VZV glycoprotein E(gE)-specific CD4+T cells and antibody. REC610 is intended to prevent shingles in adults aged 40 and above. According to statistics, China's population aged 40 and above is approximately 700 million. Only GSK's Shingrix®, a novel adjuvanted recombinant vaccine, is on the market in China, and there is a strong demand for import substitution.

Respiratory Syncytial Virus Vaccine Pipeline

REC625 – Bivalent Recombinant Respiratory Syncytial Virus Vaccine

REC625 is equipped with the novel adjuvant independently developed by us and intended to prevent diseases caused by respiratory syncytial virus infection in the elderly population. Preclinical studies have shown that REC625 has favorable immunogenicity compared to overseas marketed products and can induce high levels of specific neutralizing antibodies, and significantly improve the neutralizing antibodies against subtype B. The project adopted our independently designed vaccine antigen structure and relevant invention patent application has been submitted. We plan to complete the preclinical studies in 2025.

COVID-19 Vaccine

ReCOV – Recombinant Bicomponent COVID-19 Vaccine

ReCOV is a recombinant COVID-19 vaccine developed by the Company comprehensively using its core technology platforms, including its novel adjuvant, protein engineering and immunological evaluation platforms, and the adjuvant used therein is its self-developed novel adjuvant BFA03. Currently, there is no ongoing clinical trial for this project worldwide. Given the relatively low global demand for COVID-19 vaccines at present, continuing to advance the subsequent registration and commercialization of this project may not yield favorable economic and social benefits. The Company will no longer make new rounds of clinical development for COVID-19 vaccine projects developed against the existing strains, but will reasonably allocate resources based on the future development plans for respiratory combination vaccines, the market, policy environment and other factors. At the same time, the Company will continuously pay attention to and keep track of the mRNA vaccine technology.

During the Reporting Period, the Company established a complete and systematic quality system for large-scale commercial production of vaccines at its vaccine manufacturing facility in Taizhou City, Jiangsu Province based on the COVID-19 vaccine project. The factory meets both Chinese and EU GMP standards and has obtained a Chinese vaccine production license. It has consistently received the EU Qualified Person Declaration issued by a Qualified Person (QP) for several years. The factory has a track record of successful large-scale batch production, which is of great value in advancing the subsequent development and industrialization of the Company's recombinant shingles vaccine REC610 and bivalent recombinant respiratory syncytial virus vaccine REC625.

Other Disease Areas

REC609 – Early-stage Recombinant Human Cytomegalovirus Vaccine

We are developing a recombinant subunit human cytomegalovirus vaccine (i.e., REC609) with our technology platforms, with higher humoral and cellular immune responses and enhanced protection.

REC629 – Early-stage Recombinant HBV Vaccine

We plan to develop a recombinant HBV vaccine (i.e., REC629) based on the same yeast expression system as the HPV vaccine, combined with the immune-enhancing effects of the novel adjuvant, with a higher humoral immune response and enhanced protection.

REC630 – Early-stage Therapeutic Recombinant HBV Vaccine

We plan to develop a therapeutic recombinant HBV vaccine (i.e., REC630) based on the same yeast expression system as the HPV vaccine, combined with the immune-enhancing effects of the novel adjuvant, with a higher immune response and enhanced protection.

REC608 – Early-stage Recombinant HSV Vaccine

HSV is a key cause of genital herpes. We are developing a recombinant HSV vaccine (i.e., REC608) with our technology platforms, taking into account a multi-antigen combination scheme in the antigen design to fully utilize the immune-enhancing effects of the adjuvant, resulting in a higher cellular immune response and enhanced protection.

REC617 – Early-stage Recombinant Influenza Virus Vaccine

Influenza virus is the leading causative pathogen of respiratory disease. We are developing a recombinant influenza virus vaccine (i.e., REC617) that is designed with rapid and efficient expression of protective antigens and takes full advantage of the immune-enhancing effects of adjuvants.

Our Technology Platforms

We have developed four advanced technology platforms for novel adjuvant development, protein engineering, immunological evaluation and process development. These platforms empower us to continue to discover and develop subunit vaccines and to apply advanced technologies in our vaccine candidates.

Novel Adjuvant Platform

Adjuvants are substances that are used in conjunction with antigens to assist in antigen presentation and enhance immune responses. Conventionally, only the alum adjuvant was widely used in vaccines for human use. Since the early 21st century, novel adjuvants have been widely applied in the vaccine industry gradually, and created vaccine products that can stimulate higher and broader immune responses. At present, five novel adjuvants are applied in FDA-approved vaccines for human use, namely AS01, AS03, AS04, CpG1018, and MF59, the components of which have been in the public domain for over 20 years. Through this platform, we are one of the few companies that have been able to develop adjuvants benchmarking all of the above-mentioned FDA approved adjuvants. This capability has enabled us to not rely on any particular adjuvant supplier. In addition, our platform also empowers us to discover and apply new adjuvants in the next generation vaccine candidates. The two independently developed novel adjuvants, BFA01 and BFA03, have been successfully included in the adjuvant supply pool managed by CEPI due to their significant advantages in efficacy and safety, as well as their commercial-scale industrialization capabilities, to meet the demand for innovative adjuvants from vaccine developers around the world.

Protein Engineering Platform

Our protein engineering platform utilizes a structure-based immunogen design approach to provide antigen optimization solutions for the development of subunit vaccines based on multidisciplinary studies. This platform enables us to rapidly target and prepare pathogen-derived antigens, to define the structural basis of antigenicity, to understand mechanisms of immune protection and to guide rational immunogen design, which are critical steps in our vaccine development. In addition, our protein engineering platform can express the antigens in different expression systems, including E.coli, H. polymorpha, insect baculovirus and CHO cell expression systems, among others. With this diversified expression system toolbox, we are able to select and apply the most suitable expression systems in vaccine development. Through this platform, we are capable of rapidly advancing the development of our recombinant shingles and HPV vaccine candidates.

Immunological Evaluation Platform

Immunological evaluation is a critical step in subunit vaccine discovery and development. With this platform, we are able to select the optimal antigen and adjuvant combination and in turn improve the immunogenicity profile of our vaccine candidates. The immunological evaluation process involves multiple disciplines, including immunology, biology, molecular biology and clinical chemistry. Our core scientific team began to build our immunological evaluation platform as early as 2004 and we became one of the first teams in China to have such a platform. With this platform, we are one of the first companies that can conduct pseudoviral neutralization, ELISPOT, and ICS tests in China, which have been used in the development of our vaccine candidates.

Process Development Platform

The process development platform is the "road builder" of innovative vaccine research and development. Pharmaceutical R&D is the process of designing high-quality products and developing a stable manufacturing process that consistently produces products that meet the expected quality standards. A high level of commercialization of innovative vaccines requires a high level of manufacturing processes and quality control. Our process development platform has a full set of process development capabilities such as microbial fermentation, cell suspension culture, biological macromolecule separation and purification and lyophilization of preparations.

Research and Development

R&D is crucial to our sustainable success. We are led by a core scientific team with over 20 years of experience in the research, development and commercialization of vaccine products, including working experience at the CDC in China. As of the date of this announcement, our in-house R&D team consisted of over 100 talented personnel, most of them held master's or doctoral degrees in immunology, pathogen biology, clinical medicine or other related areas. Our R&D team is primarily located in our Beijing R&D center, Wuhan R&D center and Taizhou R&D base, and is responsible for the full-cycle vaccine R&D.

Our IPD system lays a solid foundation for our R&D activities. The IPD system governs the entire life cycle of vaccine candidates. We conduct market demand analysis for our vaccine candidates at the early stage of vaccine development. Such analysis will serve as the basis of our vaccine development program to ensure our vaccine products can meet the market demand. In addition, under the IPD system, our R&D resources are allocated for the goals of each R&D project. As vaccine development involves a complex and multi-disciplinary process, for each vaccine development project, we will assign a designated project manager and establish a product development team, consisting of employees from technology platforms and related departments including clinical and regulatory affairs, manufacturing, quality control and quality assurance. In addition, our management team is responsible for crucial decision-making and technical review at key points during the R&D process to ensure the R&D can satisfy our R&D protocol and the applicable legal and quality requirements. Empowered by the IPD system, we have been able to advance multiple vaccine development programs simultaneously.

We have developed four advanced technology platforms for novel adjuvant development, protein engineering, immunological evaluation and process development. These platforms empower us to continue to discover and develop subunit vaccines and to apply advanced technologies in our vaccine candidates. Our four technology platforms create synergies among the design and optimization of antigens, the development and production of vaccines and adjuvants and the identification of the optimal combinations of antigens and adjuvants. Supported by these platforms, we have developed several vaccine candidates. We are constantly upgrading our technology platforms to further enrich our R&D toolbox and we believe that our technology platforms will continue to drive our vaccine development going forward.

The Company has further enhanced the high-efficiency matrix organizational structure based on the IPD concept. In terms of the products, we divided the entire process from R&D to marketing into six seamlessly connected processes, namely planning, pre-research, development, clinical, industrialization and sales, which are managed in stages according to the characteristics of different stages, and are uniformly made decisions and coordinated by IPMT. The Company has also integrated resource capability modules based on its strategy and pipeline goals, strengthened its four core technology platforms, including novel adjuvant, protein engineering, immunological evaluation and process development platforms, and reorganized its clinical development, process development and quality analysis departments.

For the six months ended June 30, 2025, our total research and development costs amounted to RMB299.6 million and we had not capitalized any research and development costs for the same period.

Manufacturing and Commercialization

Our R&D activities have primarily been conducted at our Beijing R&D center, Wuhan R&D center and Taizhou headquarters. Our Beijing and Wuhan R&D centers house laboratories for vaccine R&D with a GFA of approximately 4,000 sq.m. and 3,000 sq.m., respectively. Our Taizhou headquarters R&D facility has a GFA of approximately 3,800 sq.m. with a pilot plant of stock solution, equipped with two production lines for stock solution; and a pilot plant of preparation, equipped with a pre-filled preparation line. Our R&D facilities can also support the manufacturing and development of novel adjuvants. Most of our vaccine candidates used in our clinical trials have been manufactured by our in-house manufacturing team, including our HPV vaccine pipeline, shingles vaccine pipeline, etc.

In anticipation of the huge market demand for our clinical stage vaccine candidates, we have started to prepare for the commercial manufacturing of our vaccine candidates. During the Reporting Period, we completed the construction of our HPV vaccine manufacturing facility in Taizhou City, Jiangsu Province, which is currently under the stage of pilot production and has a designed peak annual capacity of 20 million doses of HPV 9-valent vaccines. During the Reporting Period, the Company established a complete and systematic quality system for large-scale commercial production of vaccines at its vaccine manufacturing facility in Taizhou City, Jiangsu Province based on the COVID-19 vaccine project. The factory meets both Chinese and EU GMP standards and has obtained a Chinese vaccine production license. It has consistently received the EU Qualified Person Declaration issued by a Qualified Person (QP) for several years. The factory has a track record of successful large-scale batch production, which is of great value in advancing the subsequent development of REC610 (recombinant shingles vaccine) and REC625 (recombinant respiratory syncytial virus vaccine) of the Company.

We have formulated clear commercialization strategy for our clinical-stage vaccine candidates, namely HPV vaccines and recombinant shingles vaccines. In building channels for the commercialization of our vaccine candidates in international markets, we have established an international business development team. Our international business development team plans to enter into collaborations with foreign governments, MNCs, local state-owned and private companies, CSOs and international organizations to commercialize the Company's products overseas. During the Reporting Period, the Company has entered into a product licensing cooperation agreement with the renowned Indian biopharmaceutical company Biological E regarding the recombinant HPV 9-valent vaccine REC603. The Company has received the upfront payment for this cooperation during the Reporting Period and will receive milestone payments based on the progress of the cooperation, as well as royalties calculated at a certain percentage of the annual net sales. In addition, collaborations with other countries are currently in the negotiation stage.

Intellectual Property

As a company focusing on the research, development and commercialization of recombinant vaccine products, we believe intellectual property is crucial to our business. We actively seek patent protection for our vaccine candidates in China and major jurisdictions and file relevant patent applications of each project, when appropriate, to cover certain antigens, strains, proteins, formulations and production processes. We have developed a significant portfolio of intellectual property rights to protect our technologies and products. We hold 37 authorized patents in China and 69 patent applications (including 104 invention patents and patent applications, and 2 design patents), among which, the authorized patents are mainly concentrated in the Core Products related to HPV project, adjuvant platform and syncytial virus vaccine projects, etc. In particular, we constantly strengthen the deployment of proprietary intellectual property rights for innovative vaccines. Among them, based on the protein engineering platform, we have applied for nearly 40 invention patents in relation to antigens for recombinant human herpes simplex virus vaccine (HSV), SARS-COV-2 and its variant vaccines, and respiratory syncytial virus vaccine (RSV) projects. Based on the new adjuvant platform, we have applied for nearly 30 invention patents in relation to key raw materials for adjuvants, of which 5 new adjuvant patents have been granted. For the six months ended June 30, 2025, we were not involved in any proceedings in respect of, and we had not received notice of any claims of infringement of, any intellectual property rights that might be threatened or pending as claimant or respondent.

Employees and Remuneration

As of June 30, 2025, the Group had 507 employees, all of whom were based in China. The total staff costs incurred by the Group (which are recorded as part of our administrative expenses, research and development costs and selling and distribution expenses) for the six months ended June 30, 2025 were RMB96.2 million, as compared to RMB96.4 million for the six months ended June 30, 2024. The remuneration package of our employees includes wages and other incentives, which are generally determined by their qualifications, industry experience, positions and performance. We conduct new employee training, as well as professional and safety training programs for all employees in accordance with our internal procedures. We make contributions to social insurance and housing provident funds in compliance with applicable PRC laws and regulations in all material respects. We also enter into standard confidentiality, intellectual property assignment and non-compete agreements with our key management and research and development staff, which typically include a standard non-compete agreement that prohibits an employee from competing with us, directly or indirectly, during his or her employment and for two years after the termination of his or her employment. Employees also sign acknowledgments regarding service inventions and discoveries made during the course of his or her employment.

Business Outlook

Going forward, leveraging our strengths, we plan to implement the following strategies:

- accelerate the R&D, clinical trial and commercialization of our vaccine candidates;
- continue to strengthen our R&D capabilities;
- refine our organization structure and human resource management to enhance our competitiveness; and
- advance our international strategy through "going-out" and "bringing-in" strategies.

We believe that we will further strengthen our core competitive strengths and enable us to capture rising business opportunities through the following practices:

- concentrate resources and prioritize the marketing of HPV 9-valent vaccines and recombinant shingles vaccines as soon as possible;
- actively carry out the planning and pre-research of subsequent pipelines, and conduct preclinical studies in due time within the scope of resource capabilities;
- develop intelligent manufacturing processes and equipment, enhance the construction of quality management system, strengthen brand construction and communication, and enhance the construction of marketing team and marketing network;
- strengthen international BD capabilities to achieve greater breakthroughs in the international market and foreign commercial authorization; and
- cooperate with industrial partners to build a strong domestic marketing network.

FINANCIAL REVIEW

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

Analysis of the Key Items of Our Results of Operations

Revenue

Our income increased from nil for the six months ended June 30, 2024 to RMB10.9 million for the six months ended June 30, 2025. Such increase was primarily attributable to the revenue generated from the granting of intellectual property licenses during the period.

Other Income and Gains

Our other income and gains decreased by 66.1% from RMB35.7 million for the six months ended June 30, 2024 to RMB12.1 million for the six months ended June 30, 2025. Such decrease was primarily attributable to the year-on-year decrease in bank interest income of RMB10.7 million and the year-on-year decrease in government grant of RMB8.8 million.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 46.7% from RMB1.5 million for the six months ended June 30, 2024 to RMB0.8 million for the six months ended June 30, 2025, primarily attributable to the decrease in the headcount of our marketing department, resulting in a corresponding decrease in labor costs.

Research and Development Costs

Our research and development costs increased by 46.0% from RMB205.2 million for the six months ended June 30, 2024 to RMB299.6 million for the six months ended June 30, 2025. Such increase in research and development costs resulted from the following:

- an increase of RMB24.3 million in clinical trial expenses from RMB71.6 million for the six months ended June 30, 2024 to RMB95.9 million for the six months ended June 30, 2025, mainly due to the increase in clinical expenditure as our REC610 entered phase III clinical trial stage at the end of 2024;

- an increase of RMB14.2 million in depreciation and amortisation expenses from RMB35.2 million for the six months ended June 30, 2024 to RMB49.4 million for the six months ended June 30, 2025, mainly due to the increase in production equipment at our HPV industrialization base;

- an increase of RMB40.0 million in costs of raw materials and consumables from RMB21.5 million for the six months ended June 30, 2024 to RMB61.5 million for the six months ended June 30, 2025, mainly due to increased consumption in raw materials as our REC603 and REC610 entered the process verification stage.

Administrative Expenses

Our administrative expenses decreased by 12.6% from RMB54.7 million for the six months ended June 30, 2024 to RMB47.8 million for the six months ended June 30, 2025, mainly attributable to a decrease in labor expenses resulting from a decrease in the number of employees in the operation department.

Other Expenses

Our other expenses decreased by 89.2% from RMB14.8 million for the six months ended June 30, 2024 to RMB1.6 million for the six months ended June 30, 2025, mainly due to a decrease of RMB8.2 million in provision of impairment for inventories, a decrease of RMB3.9 million in provision of impairment for fixed assets and a decrease of RMB1.7 million in provision of impairment for other current assets.

Finance Costs

Our finance costs increased by 40.7% from RMB9.1 million for the six months ended June 30, 2024 to RMB12.8 million for the six months ended June 30, 2025, mainly because we obtained additional debt financing.

Analysis of Key Items of Financial Position

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of (i) leasehold improvements; (ii) plant and machinery; (iii) furniture and fixtures; (iv) computer and office equipment; (v) motor vehicles; and (vi) construction in progress. Our property, plant and equipment decreased by 0.9% from RMB1,054.8 million as of December 31, 2024 to RMB1,045.5 million as of June 30, 2025.

Right-of-use Assets

Our right-of-use assets represent (i) leasehold land, representing the land use right of our manufacturing facility for our HPV vaccines with an original use right of 50 years; and (ii) leased properties, representing our leased manufacturing facility and our leased office building and laboratories. Our right-of-use assets decreased by 11.6% from RMB34.6 million as of December 31, 2024 to RMB30.6 million as of June 30, 2025, mainly due to normal depreciation of right-of-use assets.

Other Non-current Assets

Our other non-current assets mainly represent our prepayment for purchase of property, plant and equipment and long-term deferred assets. Our other non-current assets decreased by 5.5% from RMB149.0 million as of December 31, 2024 to RMB140.8 million as of June 30, 2025, mainly due to a decrease in prepayments for projects and equipment as a result of the delivery and capitalization of laboratory and production equipment procured by the Company for operational needs and the advancement of the project contracts.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets increased by 1.1% from RMB136.3 million as of December 31, 2024 to RMB137.8 million as of June 30, 2025, mainly due to an increase in deductible input tax amount expected to be collected or deducted within one year.

Cash and Bank Balances

Our cash and bank balance decreased by 76.8% from RMB456.5 million as of December 31, 2024 to RMB106.1 million as of June 30, 2025, mainly due to the purchase of research and development services, raw materials, equipment, the industrialization construction, administrative expenses, and repayment of borrowings.

Trade and Bills Payables

Our trade payables decreased by 9.9% from RMB59.8 million as of December 31, 2024 to RMB53.9 million as of June 30, 2025, mainly because of the payment for research and development expenses and inventory procurement expenses.

Other Payables and Accruals

Our other payables and accruals increased by 9.7% from RMB269.4 million as of December 31, 2024 to RMB295.6 million as of June 30, 2025, mainly due to an increase in accrued clinical trial expenses.

Lease Liabilities

Our lease liabilities decreased by 0.9% from RMB10.8 million as of December 31, 2024 to RMB10.7 million as of June 30, 2025, mainly due to the payment of rent related to right-of-use assets during the period.

Liquidity and Capital Resources

Our primary uses of cash relate to the research and development of our vaccine candidates and the purchase of fixed assets. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As our business develops and expands, we expect to generate more cash from our operating activities through commercialization of new vaccines. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of cash from operations, bank balances and cash, unutilized banking facilities and financing. As of December 31, 2024, our cash and bank balances amounted to RMB456.5 million. Out of the RMB106.1 million cash and bank balances as of June 30, 2025, RMB56.2 million (approximately 53.0%) was denominated in RMB, RMB1.2 million (approximately 1.1%) was denominated in U.S. dollars and RMB48.7 million (approximately 45.9%) was denominated in Hong Kong dollars.

Net Current Assets

Our net current assets decreased by 225.4% from RMB-184.3 million as of December 31, 2024 to RMB-599.8 million as of June 30, 2025, primarily due to a decrease in cash and bank balances resulting from our purchase of research and development services, raw materials, equipment, the industrialization construction, administrative expenses, and repayment of borrowings, as well as an increase in current liabilities due to an increase in bank loans and other borrowings maturing within one year.

Charge on Assets

As of June 30, 2025, the Group had RMB211.0 million in assets pledged as collateral (December 31, 2024: RMB169.2 million), mainly due to an increase in collateral as a result of bank and other borrowings.

Indebtedness and Financial Ratios

The total interest-bearing bank loans and other borrowings of the Group as of June 30, 2025 were RMB829.3 million. RMB510.2 million of the bank loans and other borrowings were current borrowings with maturity dates by June 30, 2026 and effective interest rates ranging from 2.60% to 6.70%. RMB319.1 million of the bank loans and other borrowings were non-current borrowings with maturity dates from 2026 to 2028 and effective interest rates ranging from 2.60% to 6.70%.

Our current ratio (calculated as current assets divided by current liabilities as of the same date) decreased from 0.78 as of December 31, 2024 to 0.32 as of June 30, 2025, mainly due to an increase in bank loans and other borrowings maturing within one year and a decrease in cash and bank balances.

Our gearing ratio (calculated as total liabilities divided by total assets as of the same date) was 88.5% as of June 30, 2025 (as of December 31, 2024: 72.7%), due to a decrease in cash and bank balances.

Contingent Liabilities

We had no material contingent liabilities as of June 30, 2025.

Capital Expenditure and Contractual Commitments

Our capital expenditure is mainly for the purchase of our long-term assets including (i) construction in progress; (ii) plant and machinery; (iii) leasehold improvements; (iv) motor vehicles; (v) computers and office equipment; and (vi) furniture and fixtures. Our capital expenditure decreased from RMB78.1 million for the six months ended June 30, 2024 to RMB55.4 million for the six months ended June 30, 2025, mainly related to payments made in accordance with the progress of project construction and equipment installation.

Our capital expenditure commitments decreased from RMB381.8 million as of December 31, 2024 to RMB309.3 million as of June 30, 2025, primarily attributable to the progress in fulfilling capital expenditure agreements.

Save as disclosed above, the Group had no other material capital expenditure or investment plan as at the date of this announcement.

Significant Investments and Material Acquisitions and Disposals

Our Company had no significant investments, material acquisitions and/or disposals of subsidiaries, associates and joint ventures for the six months ended June 30, 2025.

Events after the Reporting Period

On July 23, 2025, the Company received the Reply of the Approval on the Registration of Shares Issued by Jiangsu Recbio Technology Co., Ltd. to the Target Subscriber (Zheng Jian Xu Ke No.[2025]1506) (《關於同意江蘇瑞科生物技術股份有限公司向特定對象發行股票註冊的批覆》(證監許可[2025]1506號)) from the CSRC. Pursuant to the Reply, the CSRC has approved the issuance of Shares to Yangtze River Pharmaceutical for a total consideration of RMB800 million. As of the date of this announcement, the Company has received a commitment letter from Yangtze River Pharmaceutical, pursuant to which, such issuance of Shares and capital injection will be completed no later than September 30, 2025.

On August 27, 2025, the Company and Yangtze River Pharmaceutical entered into a supplementary agreement to the Share Subscription Contract, pursuant to which, Yangtze River Pharmaceutical consented to provide an additional loan of RMB200 million, which was received on August 28, 2025.

Save as disclosed above and elsewhere in this announcement, we are not aware of any material subsequent events from the end of the Reporting Period to the date of this announcement.

Financial Risks

We are exposed to a variety of financial risks, including interest risk, foreign currency risk, credit risk and liquidity risk as set out below. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

Interest Risk

The Group has no significant interest-bearing assets other than time deposits and cash and cash equivalents. The Group's interest rate risk arises from its borrowings, certain of which are at variable rates and expose the Group to the risk of changes in market interest rates. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate.

As at June 30, 2025, if interest rates on loans had been 50 basis points higher/lower with all other variables held constant, the loss before tax for the six months ended June 30, 2025 would have been RMB2,486,000 (2024: RMB2,739,000) higher/lower, mainly as a result of a decrease in the balance of loans at variable rates.

Foreign Currency Risk

We mainly operate in China and a majority of our transactions are settled in RMB, the functional currency of our Company's principal subsidiaries. The Group however has certain transactional currency exposure as a portion of our transactions are settled in U.S. dollars. The Group trades only with recognized and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise. The Group did not have significant foreign currency exposure from its operations as of June 30, 2025.

Credit Risk

We generally trade only with recognized and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

As of June 30, 2025, cash and cash equivalents were deposited in banks of high quality without significant credit risk. The Directors are of the view that our exposure to credit risk arising from other receivables is not significant since counterparties to these financial assets have no history of default.

Liquidity Risk

In the management of the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by the management of our Group to allocate the working capital and mitigate the effects of fluctuations in cash flows. Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other borrowings and lease liabilities. We aim to maintain sufficient cash and cash equivalents to meet our liquidity requirements.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this announcement, we did not have other plans for material investments and capital assets as of the date of this announcement.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

On November 11, 2024, the Board meeting approved the resolutions on the Company's issuance of Domestic Shares, and proposed to issue not more than 143,112,702 Domestic Shares to Yangtze River Pharmaceutical under the specific mandate. On November 11, 2024, the Company, Dr. LIU and Yangtze River Pharmaceutical signed the Share Subscription Contract in relation to the Issuance of Shares of Jiangsu Recbio Technology Co., Ltd. (《江蘇瑞科生物技術股份有限公司定向發行股份認購合同》) (the "**Share Subscription Contract**") with conditions precedent, pursuant to which Yangtze River Pharmaceutical has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue a total of 143,112,702 Domestic Shares at the subscription price of RMB5.59 per Share and with a par value of RMB1.00 per Share (the "**Issuance**"). On December 24, 2024, the Company held an extraordinary general meeting to consider and approve the relevant resolutions of the Issuance. On July 23, 2025, the Company received the Reply of the Approval on the Registration of Shares Issued by Jiangsu Recbio Technology Co., Ltd. to the Target Subscriber (Zheng Jian Xu Ke No.[2025]1506) (《關於同意江蘇瑞科生物技術股份有限公司向特定對象發行股票註冊的批覆》(證監許可[2025]1506號)) from the CSRC, pursuant to which the CSRC has approved the Issuance. The Issuance is subject to the satisfaction of certain conditions precedent. The Company will make further disclosures regarding the Issuance in due course and appropriate manner in accordance with the Listing Rules and/or applicable laws and regulations.

The Issuance will help promote the business development of the Company, enhance its comprehensive competitiveness and ensure the realization of its operating goals and future development strategies. The Issuance facilitates the recombinant shingles vaccine pipeline and supplement working capital, which is conducive to improving the overall strength of the Company and increasing its capital reserve, thereby further optimizing the Company's financial structure, improving its profitability and anti-risk capability, and ensuring the stable and sustainable development of the Company in the future.

It is expected that the proceeds raised from the Issuance will be approximately RMB800,000,004. After deducting the relevant issuance expenses, it will be used for the research and development of shingles vaccine products and the supplement of working capital as follows:

- about 70% (RMB560 million) will be used for the shingles vaccine project, of which 31% will be spent on clinical trials, 31% will be spent on registration, industrialization and commercialization, and 8% will be spent on process verification and production preparation; and

- about 30% (RMB240 million) will be used to supplement working liquidity.

The closing price of H Share on the Stock Exchange on the date of the Share Subscription Contract (i.e. November 11, 2024) was HK$8.24 per share.

For details of the Issuance, please refer to the Company's announcements dated November 11, 2024, December 24, 2024, January 9, 2025, February 27, 2025, and July 23, 2025 and the circular dated December 5, 2024.

Save as disclosed above, during the Reporting Period, neither our Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares). As of the end of the Reporting Period, no treasury shares were held by the Company or its subsidiaries.

PROPOSED PARTICIPATION IN THE H SHARE FULL CIRCULATION PLAN

On May 21, 2025, the Board considered and approved the proposed conversion of 141,953,490 unlisted shares of the Company into H Shares of the Company (the "**H Share Full Circulation**"). Upon obtaining all relevant filings and approvals (including the filings with the CSRC and approvals from the Stock Exchange) and having complied with all applicable laws, rules and regulations, such unlisted shares shall be converted into H Shares and the Company will apply to the Stock Exchange for the listing of, and permission to deal in, such H Shares on the Main Board (the "**Conversion and Listing**"). In accordance with the articles of association of the Company and applicable PRC laws, no general meeting of the Company is required to be convened to approve the H Share Full Circulation and the Conversion and Listing.

The Company has applied to the CSRC for the H Share Full Circulation on June 18, 2025. As of the date of this announcement, details of the implementation plan of the H Share Full Circulation and the Conversion and Listing have not been finalized. The Company will make further disclosures on the progress of the H Share Full Circulation and the Conversion and Listing in accordance with the Inside Information Provisions and/or the requirements of the Listing Rules.

For details of the H Share Full Circulation, please refer to the Company's announcement dated May 21, 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS

Our Company has adopted the Model Code.

We have made specific inquiries to all Directors and Supervisors, and all Directors and Supervisors have confirmed that they have complied with the Model Code in conducting securities transactions of the Company during the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

We strive to maintain high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. Our Company has adopted the Code Provisions of the CG Code as the basis of our Company's corporate governance practices.

Save as disclosed below, our Company has complied with all applicable Code Provisions as set out in the CG Code during the Reporting Period.

Under Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. In view of Dr. LIU's experience, personal profile and his roles in our Company and that Dr. LIU has assumed the role of general manager of our Company since our commencement of business, the Board considers it beneficial to the business prospect and operational efficiency of our Company that Dr. LIU acts as the chairman of the Board and continues to act as the general manager of our Company.

While this will constitute a deviation from the code provision, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) decision to be made by our Board requires approval by at least a majority of our Directors; (ii) Dr. LIU and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Company accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Company are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Company in order to assess whether separation of the roles of the chairman of the Board and chief executive officer is necessary.

Risk Management and Internal Control

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Our Company has established a comprehensive risk management and internal control system and relevant policies and procedures which we consider suitable for our business operations. For details, please refer to the section headed "Risk Management and Internal Control" in 2024 annual report of the Company.

As our priority concern, during the Reporting Period, each department of the Company had regularly undergone internal control assessment to identify risks that may impact the Company's operations and other aspects, including key operational and financial processes, regulatory and compliance and data security. The internal audit department also inspected and reported to the Board on the sufficiency and effectiveness of risk management and internal control systems, and confirmed that no whistleblowing report on misconduct in respect of financial reporting, internal control or other aspects between the Group's employees and those who deal with the Group (e.g. customers and suppliers) was received during the first half of the year. We will continuously optimize and further improve each of the above systems and procedures to facilitate the benign and wholesome development of the Company.

INTERIM DIVIDEND

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2025 (for the six months ended June 30, 2024: Nil).

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

Our Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three members, including two independent non-executive Directors, namely Dr. XIA Lijun and Professor YUEN Ming Fai and one non-executive Director, namely Dr. ZHOU Hongbin. Dr. XIA Lijun has been appointed as the chairman of the Audit Committee, and is our independent non-executive Director holding the appropriate professional qualifications. The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended June 30, 2025 and considered that the results complied with relevant accounting standards, rules and regulations and appropriate disclosure have been duly made.

The interim financial report for the six months ended June 30, 2025 is unaudited, but has been reviewed by Ernst & Young in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM REPORT

The interim report of the Group for the six months ended June 30, 2025 containing all the relevant information required by the Listing Rules will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.recbio.cn), in accordance with the Listing Rules in due course.

Definitions

"Audit Committee"	the audit committee of our Company;
"BD"	business development;
"Board"	the board of Directors of our Company;
"CDE"	the Center for Drug Evaluation of NMPA (國家藥品監督管理局藥品審評中心), a division of the NMPA mainly responsible for review and approval of IND and BLA;
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time;
"China" or "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 otherwise, references in this announcement to "China" and the "PRC" do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
"Code Provision(s)"	the principles and code provisions set out in Part 2 of the CG Code;
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Company" or "our Company"	Jiangsu Recbio Technology Co., Ltd. (江蘇瑞科生物技術股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (stock code: 2179);
"Core Product"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purpose of this announcement, our Core Product refers to REC603, a recombinant HPV 9-valent vaccine candidate;

"CSRC"	China Securities Regulatory Commission;
"Director(s)"	the director(s) of our Company;
"Domestic Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by domestic investors;
"Dr. LIU"	Dr. LIU Yong, an executive Director and the general manager of our Group;
"FDA"	the United States Food and Drug Administration;
"Global Offering"	the global offering of 30,854,500 H Shares (subject to over-allotment option) as described in the Prospectus;
"Group", "our Group", "we" or "us"	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be);
"H Share(s)"	overseas listed foreign share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars;
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"IASB"	International Accounting Standards Board;
"IFRS"	the International Financial Reporting Standards, which as collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the IASB;
"IPMT"	the product investment decision and review body within the IPD system, which is responsible for formulating the Company's overall mission, vision, and strategic direction, guiding and monitoring the operation of each product line, and facilitating the full-process collaboration among departments, as well as formulating a balanced business plan of the Company and making decisions on the generation of new product lines;

"Jiangsu MPA"	Jiangsu Medical Products Administration;
"Listing"	the listing of our H Shares on the Stock Exchange;
"Listing Date"	March 31, 2022, on which dealings in our H Shares first commenced on the Main Board of the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules, as amended, supplemented or otherwise modified from time to time;
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局);
"Prospectus"	the prospectus issued by our Company on March 21, 2022 in relation to our Global Offering and Listing;
"Reporting Period"	the six months ended June 30, 2025;
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC;
"Share(s)"	share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, comprising our Domestic Shares, Unlisted Foreign Shares and H Shares;
"Shareholder(s)"	holder(s) of our Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"subsidiary(ies)"	has the meaning ascribed thereto in Section 15 of the Companies Ordinance;
"Supervisor(s)"	supervisor(s) of our Company;

"treasury share(s)"	has the meaning ascribed to it under the Listing Rules;
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
"Unlisted Foreign Share(s)"	ordinary share(s) issued by our Company with a nominal value of RMB1.00 each and are held by foreign investors and are not listed on any stock exchange;
"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States;
"Yangtze River Pharmaceutical"	Yangtze River Pharmaceutical (Group) Co., Ltd. (揚子江藥業集團有限公司), a company incorporated in the PRC with limited liability.

Glossary of Technical Terms

"adjuvant"	a substance that may be added to a vaccine to enhance the body's immune response to an antigen;
"adjuvant system"	formulations of classical adjuvants mixed with immunomodulators, specifically adapted to the antigen and the target population;
"AE"	adverse events, any untoward medical occurrences in a patient or clinical investigation subject administered with a drug or other pharmaceutical product during clinical trials and which do not necessarily have a causal relationship with the treatment;
"AESI"	adverse event of special interest;
"antigen"	the substance that is capable of stimulating an immune response, specifically activating lymphocytes, which are the body's infection fighting white blood cells;
"AS01"	a liposome-based vaccine adjuvant system, which contains 3-O-desacyl-4'-monophosphoryl lipid A (MPL), as well as the saponin QS-21;
"AS03"	an adjuvant system composed of α-tocopherol, squalene and polysorbate 80 in an oil-in-water emulsion;
"AS04"	an adjuvant system composed of aluminum salt and monophosphoryl lipid A (MPL), a clinically utilized TLR4 agonist;
"B cell(s)"	a type of white blood cell that differ(s) from other lymphocytes like T-cells by the presence of the BCR on the B-cell's outer surface, also known as B-lymphocytes;
"BLA"	biologics license application;
"CD4"	a transmembrane glycoprotein that is expressed as a single polypeptide chain on the MHC class II-restricted T-cells;
"CD4+T cells"	a type of important T lymphocyte that helps coordinate the immune response by stimulating other immune cells to fight infections;
"CD8+T cells"	a type of important T lymphocytes for immune defense against intracellular pathogens, including viruses and bacteria, and for tumour surveillance;
"CDC"	Center for Disease Control and Prevention;

"CEPI"	the Coalition for Epidemic Preparedness Innovations, a foundation that receives donations from the public, private, philanthropic and civil social organizations to fund independent research projects, thus to develop vaccines against emerging infectious diseases;
"cervical cancer"	cancer that occurs in the cervix – the lower part of the uterus that connects to the vagina;
"CHO cell"	Chinese Hamsters Ovary Cell, which is widely used in biopharmaceutical industry to produce recombinant proteins;
"COVID-19"	Coronavirus Disease 2019, an infectious disease caused by the most recently discovered coronavirus, first reported in December 2019;
"ELISPOT and ICS"	enzyme linked immunospot assay, or ELISPOT, and intracellular cytokine staining, or ICS based on flow cytometry, the two most commonly used detection methods to evaluate vaccine-induced immune responses;
"E.coli"	Escherichia coli expression system, an expression system used in vaccine R&D and manufacturing;
"emulsion"	a mixture of two or more liquids that are normally immiscible (unmixable or unblendable) owing to liquid-liquid phase separation;
"epitope"	part of an antigen that is recognized by the immune system, specifically by antibodies, B cells, or T cells;
"GFA"	gross floor area;
"GMP"	good manufacturing practices;
"GMT"	geometric mean titers;

"H. polymorpha"	Hansenula polymorpha, a well-known model organism, which can utilize methanol as the carbon source and energy source, used widely for studying cellular, metabolic, and genetic issues, and used in vaccine industry for expression of recombinant proteins;
"HPV"	human papillomavirus, persistent infection of high-risk types can cause cervical cancer;
"HPV 9-valent vaccine"	a vaccine that can help protect individuals against the infections and diseases caused by nine types of HPV;
"HPV bivalent vaccine"	a vaccine that can prevent infections of two HPV types;
"HPV quadrivalent vaccine"	a vaccine that can prevent infections of four HPV types;
"immune response"	the process by which the body is stimulated by antigens;
"immunogenicity"	the ability of an antigen to provoke immune response;
"IND"	investigational new drug or investigational new drug application;
"influenza" or "flu"	highly infectious respiratory diseases caused by influenza viruses. It is characterised by sudden onset of high fever, aching muscles, headache, fatigue and a hacking cough. Serious outcome of influenza can result in hospitalization or death;
"IPD"	Integrated Product Development, a structure of work and best practices that causes people to work together more effectively with better communications and metrics that connect the entire value chain which is the standard of the matrix management mode;
"MF59"	an adjuvant system that uses a derivative of shark liver oil called squalene;
"mRNA"	messenger ribonucleic acid, a single-stranded molecule of RNA that corresponds to the genetic sequence of a gene, and is read by a ribosome in the process of synthesizing a protein;
"neutralizing antibodies" or "NAb"	an antibody that is responsible for defending cells from pathogens, which are organisms that cause disease;

"OPTI"	the management philosophy adopted by our Company, which referred to Opportunity, Prudence, Technology and Intellectual Property;
"pathogens"	a bacteria, virus, or other microorganism that can cause disease;
"QS-21"	a purified plant extract used as a vaccine adjuvant;
"R&D"	research and development;
"SAE"	any untoward medical occurrence in human drug trials that at any dose: results in death; is life threatening; requires inpatient hospitalization or causes prolongation of existing hospitalization; results in persistent or significant disability and/or incapacity; may have caused a congenital anomaly/birth defect, or requires intervention to prevent permanent impairment or damage;
"SARS-CoV-2"	severe acute respiratory syndrome coronavirus 2, the strain of coronavirus that causes COVID-19;
"shingles"	a viral infection that causes a painful rash;
"T cell(s)"	cell(s) that originate in the thymus, mature in the periphery, become activated in the spleen/nodes if their T-cell receptors bind to an antigen presented by an MHC molecule and they receive additional costimulation signals driving them to acquire killing (mainly CD8+T cells) or supporting (mainly CD4+T cells) functions;
"TEAE"	treatment emergent adverse event;
"TLR4"	a receptor for lipopolysaccharide (LPS), which has a pivotal role in the regulation of immune responses to infection;
"tolerability"	the degree to which overt AEs of a drug can be tolerated by a patient. Tolerability of a particular drug can be discussed in a general sense, or it can be a quantifiable measurement as part of a clinical study;

"varicella"	an acute infectious disease caused by the first infection of varicella zoster virus;
"VLPs"	virus-like particles, are molecules that closely resemble viruses;
"WHO"	World Health Organization.

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments.

For ease of reference, the names of the PRC laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this announcement in both Chinese and English. In the event of any inconsistency, the Chinese version shall prevail. English translations of official Chinese names are for identification purposes only.

By order of the Board
Jiangsu Recbio Technology Co., Ltd.
Dr. LIU Yong
Chairman

Jiangsu Province, the PRC, August 29, 2025

As at the date of this announcement, the Board comprises Dr. LIU Yong as the chairman of the Board and an executive Director, Mr. LI Bu, Ms. CHEN Qingqing and Dr. HONG Kunxue as executive Directors, Dr. WANG Ruwei, Dr. ZHANG Jiaxin, Dr. ZHOU Hongbin and Mr. HU Houwei as non-executive Directors, and Dr. XIA Lijun, Mr. LIANG Guodong, Professor GAO Feng and Professor YUEN Ming Fai as independent non-executive Directors.