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友芝友生物製藥

WUHAN YZY BIOPHARMA CO., LTD. 武漢友芝友生物製藥股份有限公司

*(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2496)*

DISCLOSEABLE TRANSACTION TRANSFER OF LAND USE RIGHT AND BUILDING

INTRODUCTION

On January 23, 2026, Wuhan Yiruide and the Company entered into the Transfer Agreement pursuant to which Wuhan Yiruide agreed to acquire, and the Company agreed to transfer, the Land Use Right and the Building for a consideration of approximately RMB36,880,000.

IMPLICATIONS UNDER THE LISTING RULES

As the highest percentage ratio (as defined under the Listing Rules) in respect of the Transfer exceeds 5% but is less than 25%, the Transfer constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE TRANSFER AGREEMENT

On January 23, 2026, Wuhan Yiruide and the Company entered into the Transfer Agreement pursuant to which Wuhan Yiruide agreed to acquire, and the Company agreed to transfer, the Land Use Right and the Building. The principal terms of the Transfer Agreement are set out below.

Date: January 23, 2026

Parties:

- (1) Wuhan Yiruide (as purchaser); and
- (2) the Company (as vendor).

Location of the Land and the Building:	North of Gaoxin Third Road and south of Shendun Third Road in the East Lake New Technology Development Zone, Wuhan, Hubei Province, PRC
Area:	Approximately 25,533.4 sq.m. of site area of the Land and approximately 11,333.22 sq.m. of gross floor area of the Building as at the date of signing the Transfer Agreement.
Permitted usage:	Industrial use
Term of Land Use Right:	A term of 50 years, expiring on May 24, 2062
Consideration and payment terms:	<p>The total consideration for the Transfer is not more than approximately RMB36,880,000 (the “Consideration”), comprising (i) the consideration of RMB14,800,000 for the transfer of the Land Use Right; (ii) the consideration of RMB16,080,000 for the transfer of the Building; and (iii) the construction cost of the Building of not more than RMB6,000,000 in order to meet the Investment Intensity Requirements.</p> <p>The Consideration shall be paid in cash in the following manner:</p> <ol style="list-style-type: none"> (1) RMB15,000,000 shall be paid to an escrow account designated by the Parties within 3 business days upon (i) the Company having completed filing for the construction completion of the Building and obtained construction completion and acceptance certificate or the equivalent approval from the PRC government; (ii) the statutory transfer conditions being confirmed by the PRC government (if required); and (iii) completion of physical delivery and document delivery of the Land Use Right and the Building having been completed. Such amount shall be released from the escrow account to the Company’s designated account within 3 business days after the change of title certificate of the Land Use Right and the Building to Wuhan Yiruide; (2) RMB15,880,000 shall be paid to the Company’s designated account within 3 business days after the change of title certificate of the Land Use Right and the Building to Wuhan Yiruide; and

(3) (in aggregate) not more than RMB6,000,000 shall be paid by Wuhan Yiruide to the Company in installments based on the construction progress of the Building in the form of a loan (the “**Loan**”) to meet the Investment Intensity Requirements. Upon completion of the Transfer Agreement, the Loan will be deemed set off against the corresponding amount of the Consideration payable by Wuhan Yiruide.

The Loan is not interest-bearing. However, if the transfer procedures for the Land Use Right and the Building are not completed by October 31, 2026 (except due to force majeure or reasons attributable to Wuhan Yiruide), the Loan shall bear interest at 5% per annum starting from November 1, 2026 and shall be repayable by December 31, 2026.

Completion:

The Company shall complete the phased final inspection, vacate the Land and the Building and notify acceptance for acceptance and delivery before February 28, 2026.

The Parties shall coordinate with the relevant government approval departments to complete the transfer procedures for the Land Use Right and the Building before October 31, 2026.

Pledge:

The Company shall provide a mortgage to Wuhan Yiruide for the Loan, using the Land Use Right as collateral. The mortgage registration procedures shall be completed within 10 business days after the signing of the Transfer Agreement.

Basis of determining the Consideration

The Consideration was determined after arm’s length negotiations between the Parties with reference to (i) the valuation (the “**Valuation**”) of the Land Use Right and the Building conducted by Hubei Huasheng Asset Appraisal Land and Real Estate Valuation Co., Ltd.* (湖北華盛資產評估土地房地產估價有限公司), an independent valuer (the “**Valuer**”) engaged by the Company; (ii) the principal amount of the Loan of not more than RMB6,000,000 as construction costs of the Building; and (iii) other factors as set out in the section headed “Reasons for and Benefits of the Transfer” in this announcement. The appraised value of the Land Use Right and the Building as of April 30, 2025 (the “**Valuation Reference Date**”) is RMB26,924,000.

Valuation Approach

The valuation was conducted with reference to the asset valuation standards adopted by the PRC asset valuation institutions. The Valuer considered the three generally accepted approaches, namely market approach, cost approach and income approach.

1. The cost approach will be used for the valuation of the Building after taking into consideration the type and specifics of the asset being valued and the data collected by the Valuer.
2. The market approach will be used for the valuation of the Land Use Right based on the nature of asset being valued and the fact that comparable examples in the market are available.

In either case of the Building and the Land Use Right, the income approach was not adopted, given that the prerequisite for applying the income approach, namely the predictable and quantifiable future income that the asset can generate, was not satisfied.

Building

The Building is valued using the cost approach, with the calculation formula as follows:

Building valuation = reconstruction cost × overall renewal rate

The reconstruction cost is calculated as follows: Construction cost + Preliminary expenses and other expenses + Capital cost + Development profit. The overall renewal rate is determined by a comprehensive calculation and evaluation using the lifespan method and the on-site survey method.

As at the Valuation Reference Date, the appraised value of the Building was RMB13,943,800, being the total restructuring cost of (i) quality inspection office building (RMB16,551,600); (ii) pump room (RMB181,000); (iii) gatekeeper 1 (RMB36,100); and (iv) gatekeeper 2 (RMB31,100), and multiplied by the overall renewal rate of 83%.

Land Use Right

The Land Use Right is valued using the market approach, which is to compare the Land to be valued with similar land transactions that have occurred in the recent period, based on the principle of substitution, and then derive the value of the Land as of the Valuation Reference Date by taking into account the known value of the latter, the differences in the transaction details, transaction date, regional factors and other individual factors.

The basic calculation formula is as follows:

$$P = PB \times A \times B \times C \times D \times E$$

where :

P — Price of the land parcel to be appraised

PB — Price of the comparable land parcel

A — Land parcel condition index divided by transaction condition index of the comparable land parcel

B — Land price index of the land parcel on the valuation date divided by land price index of the comparable land parcel on the transaction date

C — Regional factor condition index of the land parcel to be appraised divided by regional factor condition index of the comparable land parcel

D — Individual factor condition index of the land parcel to be appraised divided by individual factor condition index of the comparable land parcel

E — Term adjustment index of the land parcel to be appraised divided by term adjustment index of the comparable land parcel

For the purpose of this valuation, the Valuer referred to three comparable examples, namely, (i) West of Guanggu 7th Road, north of Gaoxin 6th Road, and south of Zonghuang Road; (ii) North of Xinfeng Road, west of Jinpei Road, and east of Guanggu Third Road; and (iii) North of Zonghuang Street, east of Jinpei Road, south of Gaoxin Fifth Road, and west of Guanggu Fourth Road. All of the comparable examples are for industrial land use. The transaction date of all the comparable examples was within 2025, and the transaction status, market conditions and real estate conditions were all similar. The adjusted unit price of the three comparable examples adopted ranged from RMB503.23/m² to RMB516.39/m², with a weighted average of RMB508.36/m².

Based on the above analysis and calculations, the appraised value of the Land Use Right was RMB12,980,200, being the unit price of the Land Use Right based on market approach (i.e. RMB508.36/m²) multiplied by the site area of the Land (i.e. 25,533.4 m²).

Having conducted a market research by the Valuer, there were no material change as to all components of the construction and installation costs for the Building to be valued. The market price of the Land Use Right to be valued remained stable without significant changes. Therefore, the value of the Building and the Land Use Right as at January 23, 2026 aligned with the appraised value as at the Valuation Reference Date.

Valuation Assumptions

The following assumptions were made in the Valuation:

- (i) the market in which the appraised asset is intended to be located is a fully developed and perfect market, i.e., an open market. The exchange value of the appraised asset realized in the open market implies the market's social recognition of the effective use of the appraised asset under the given conditions;
- (ii) the asset being appraised continues to be used according to its original purpose and method;
- (iii) no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result; and
- (iv) no responsibility for changes in market conditions, government policy or other conditions after the Valuation Reference Date.

FINANCIAL EFFECTS OF THE TRANSFER AND USE OF PROCEEDS

The Board expects to recognize an unaudited net gain from the Transfer of approximately RMB80,147, with reference to the consideration of RMB36,880,000 to be received by the Company under the Transfer, the unaudited book value of the Land Use Right and the Building as at June 30, 2025 of RMB24,510,858 and the estimated expenses in connection to the Transfer of RMB12,288,995. However, the actual gain from the Transfer may differ as the estimated gain as set out above is based on a number of assumptions and the amount will be calculated upon completion of the Transfer. Shareholders should note that the actual financial effect of the Transfer is subject to the review of the auditors of the Company.

The proceeds from the Transfer are intended to be applied as general working capital of the Group and/or for future business development opportunities. Upon completion of the Transfer, the Group will cease to hold any interest in the Land and Building.

REASONS FOR AND BENEFITS OF THE TRANSFER

The Group has been continuously evaluating its asset portfolio to optimize efficiency and operational focus. In line with its strategic transformation, the Group intends to divest the unused Land Use Right and Building to optimize resource allocation, reduce management costs, and prevent the potential policy and asset depreciation risks associated with long-term idle assets. The Transfer allows the Group to unlock the value of these non-core assets, providing financial flexibility and liquidity to support its evolving strategic and operational needs.

By virtue of the aforementioned, the Directors are of the view that the terms and conditions contemplated under the Transfer Agreement are fair and reasonable and are on normal commercial terms, and the Transfer is in the interest of the Group and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company

The Company is a biotechnology company dedicated to developing bispecific antibody-based therapies. The Company has been forward-looking in deploying its presence in a number of promising therapeutic fields, including but not limited to tumor-associated complications, tumors, ophthalmology and autoimmune diseases.

Wuhan Yiruide

Wuhan Yiruide, is dedicated to the innovation and research of products in the fields of brain computer interface and neuromodulation technology, striving to provide comprehensive physical diagnostic and therapeutic solutions for diseases related to brain science and clinical research. Its products primarily encompasses the product series of Non-invasive Brain-Computer Interface and Neuromodulation, including Transcranial Magnetic Stimulation (TMS) devices, Functional Near-Infrared Spectroscopy (fNIRS) brain imaging systems and Transcranial ultrasound stimulation (tUS).

Wuhan Yiruide is held as to 41% by Wuhan May Hongkang Science and Trade Co., Ltd. (武漢五月虹康科貿有限責任公司) (“**May Hongkang**”), 15% by Cai Shengan (蔡勝安) and the remaining 44% interest therein is held by 2 other companies and 6 other individuals, each holding less than 15%. May Hongkang is held as to 90% by Cai Shengan (蔡勝安) and 10% by Cai Yuxiao (蔡宇霄).

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Wuhan Yiruide and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

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DEFINITIONS

In this announcement, the following terms have the following meanings:

“Board”	the board of Directors
“Building”	buildings (including all buildings, structures and ancillary facilities under construction or already completed) erected on the Land, with a gross floor area of approximately 11,333.22 sq.m. as at the date of the Transfer Agreement

“Company”	Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司), a joint stock company established in the PRC with limited liability on January 13, 2022, its predecessor, Wuhan YZY Biopharma Limited Company (武漢友芝友生物製藥有限公司), a limited liability company established in the PRC on July 8, 2010
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment Intensity Requirements”	the construction on the existing building in order to meet the statutory conditions for registration of the transfer of existing assets (i.e. completion of 25% or more of the total development investment)
“Land”	a piece of land (parcel number: X03110046) situated at north of Gaoxin Third Road and south of Shendun Third Road in the East Lake New Technology Development Zone, Wuhan, Hubei Province, PRC, with a site area of approximately 25,533.4 sq.m.
“Land Use Right”	right of use of the Land
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	Wuhan Yiruide and the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer”	the transfer of the Land Use Right and the Building by the Company pursuant to the Transfer Agreement
“Transfer Agreement”	the transfer agreement dated January 23, 2026 entered into between Wuhan Yiruide and the Company in respect of the transfer of the Land Use Right and the Building

“Wuhan Yiruide”

Wuhan Yiruide Medical Treatment Equipment New Technology Co.,Ltd. (武漢依瑞德醫療設備新技術有限公司), a company established in the PRC with limited liability

“%”

per cent

By order of the Board

Wuhan YZY Biopharma Co., Ltd.

Dr. Zhou Pengfei

Chairman of the Board, Executive Director and Chief Executive Officer

Wuhan, PRC, January 23, 2026

As at the date of this announcement, the Board comprises Dr. Zhou Pengfei and Mr. Wen Zhicheng as executive Directors; Dr. Yuan Qian, Dr. Zhou Hongfeng, Mr. Pang Zhenhai, Dr. Hui Xiwu and Mr. Xie Shouwu as non-executive Directors; and Dr. Cheng Bin, Ms. Fu Lili, Dr. Deng Yuezhen and Dr. Chen Bin as independent non-executive Directors.