BeyondSpring Inc.

Project Type: 10-Q

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Submission Information

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Emerging Growth Company	False
ex Transition Period	False
Reporting Period	6/30/2026
Smaller Reporting Company?	True

Documents

10-Q	FORM 10-Q
EX-10.1	Exhibit 10.1
EX-10.2	Exhibit 10.2
EX-31.1	Exhibit 31.1
EX-31.2	Exhibit 31.2
EX-32.1	Exhibit 32.1
EX-32.2	Exhibit 32.2

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2026

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: **001-38024**

BeyondSpring Inc.

(Exact name of registrant as specified in its charter)

Cayman Islands	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
100 Campus Drive, West Side, 4th Floor, Suite 410 Florham Park, New Jersey	**07932**
(Address of Principal Executive Offices)	(Zip Code)

(646) 305-6387
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, par value $0.0001 per share	**BYSI**	**The Nasdaq Stock Market LLC**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 31, 2026, 41,119,820 shares of the Registrant's ordinary shares, par value $0.0001 per share, were outstanding.

BEYONDSPRING INC.
FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2026
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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that are based on our management's belief and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements stated in or implied by these forward-looking statements.

All statements other than statements of historical facts are forward-looking statements. These forward-looking statements are made under the "safe harbor" provision under Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and as defined in the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. You should refer to "Part II. Other Information—Item 1A. Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q and other documents we file with the Securities and Exchange Commission (the "SEC") for specific risks that could cause actual results to be significantly different from those stated in or implied by these forward-looking statements. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from any future results stated in or implied by these forward-looking statements.

Forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- the initiation, timing, progress and results of our studies in animals and clinical trials, and our research and development programs;
- our ability to advance our product candidates into, and successfully complete, clinical trials;
- our reliance on the success of our clinical-stage product candidates;
- the timing or likelihood of regulatory filings and approvals;
- our ability to address the concerns identified in the Complete Response Letter issued by the Food and Drug Administration, or FDA, in November 2021 regarding the New Drug Application, or NDA, seeking approval of Plinabulin in combination with granulocyte colony-stimulating factor, for the prevention of chemotherapy-induced neutropenia, or CIN;
- our ability to file the NDA submission for the non-small cell lung cancer, or NSCLC, indication with the National Medical Products Administration, or NMPA, in China;
- the commercialization of our product candidates, if approved;
- our ability to develop sales and marketing capabilities;
- the pricing and reimbursement of our product candidates, if approved;
- the implementation of our business model, strategic plans for our business and technology;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates and technology;

- our ability to operate our business without infringing the intellectual property rights and proprietary technology of third parties;
- costs associated with defending intellectual property infringement, product liability and other claims;
- regulatory development in the U.S., China and other jurisdictions;
- estimates of our expenses, future revenues, capital requirements and our needs for additional financing;
- the potential benefits of strategic collaboration agreements and our ability to enter into strategic arrangements;
- our ability to maintain and establish collaborations or obtain additional grant funding;
- the rate and degree of market acceptance of our product candidates;
- developments relating to our competitors and our industry, including competing therapies;
- our ability to effectively manage our anticipated growth;
- our ability to attract and retain qualified employees and key personnel;
- our future revenue, hiring plans, expenses, capital expenditures, capital requirements and share performance;
- the future trading price of our ordinary shares and impact of securities analysts' reports on these prices;
- our ability to meet Nasdaq's continued listing requirements;
- the impact of widespread health developments, and the responses thereto, which could materially and adversely affect, among other things, enrollment of patients in our clinical trials, timing and completion of regulatory or other required inspections, our expected timeline for data readouts of our clinical trials and certain regulatory filings for our product candidates, and the review and approval timeline of regulatory authorities;
- our ability to continue as a going concern; and
- other risks and uncertainties, including those listed under "Part II. Other Information—Item 1A. Risk Factors."

The items in "Part II. Other Information—Item 1A. Risk Factors" of this Quarterly Report on Form 10-Q reference the principal contingencies and uncertainties to which we believe we are subject, which should be considered in evaluating any forward-looking statements contained in this Quarterly Report on Form 10-Q.

The forward-looking statements in this Quarterly Report on Form 10-Q speak only to our views as of the date of this Quarterly Report on Form 10-Q and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should therefore not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Quarterly Report on Form 10-Q.

This Quarterly Report on Form 10-Q contains market data and industry forecasts that were obtained from industry publications. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we believe the market position, market opportunity and market size information included in this Quarterly Report on Form 10-Q is generally reliable, such information is inherently imprecise.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

BEYONDSPRING INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	As of	
	December 31, 2025	**June 30, 2026**
	$	$ (Unaudited)
Assets		
Current assets:		
Cash and cash equivalents	7,786	2,697
Short-term investments	4,775	3,832
Advances to suppliers	227	247
Prepaid expenses and other current assets	71	273
Current assets of discontinued operations	8,023	2,852
Total current assets	20,882	9,901
Noncurrent assets:		
Property and equipment, net	166	138
Operating right-of-use assets	305	174
Other noncurrent assets	224	128
Noncurrent assets of discontinued operations	4,356	4,265
Total noncurrent assets	5,051	4,705
Total assets	25,933	14,606
Liabilities and equity		
Current liabilities:		
Accounts payable	363	790
Accrued expenses	938	1,390
Current portion of operating lease liabilities	320	171
Other current liabilities	822	1,055
Current liabilities of discontinued operations	11,133	10,787
Total current liabilities	13,576	14,193
Noncurrent liabilities:		
Deferred revenue	28,600	29,476
Other noncurrent liabilities	3,981	4,420
Noncurrent liabilities of discontinued operations	3,766	2,542
Total noncurrent liabilities	36,347	36,438
Total liabilities	49,923	50,631
Commitments and contingencies (Note 13)		
Shareholders' deficit		
Ordinary shares ($0.0001 par value; 500,000,000 shares authorized; 41,122,320 and 41,119,820 shares issued and outstanding as of December 31, 2025 and June 30, 2026, respectively)	4	4
Additional paid-in capital	375,664	375,814
Accumulated deficit	(408,431)	(411,439)
Accumulated other comprehensive income	602	55
Total BeyondSpring Inc.'s shareholders' deficit	(32,161)	(35,566)
Noncontrolling interests	8,171	(459)
Total shareholders' deficit	(23,990)	(36,025)
Total liabilities and shareholders' deficit	25,933	14,606

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEYONDSPRING INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	**2026**	**2025**	**2026**
	$	$	$	$
Revenue	-	-	-	-
Operating expenses				
Research and development	(1,002)	(973)	(1,876)	(2,049)
General and administrative	(947)	(758)	(2,683)	(1,914)
Loss from operations	(1,949)	(1,731)	(4,559)	(3,963)
Foreign exchange gain, net	47	61	76	111
Interest income	28	4	45	12
Other income, net	18	16	18	31
Loss before income tax	(1,856)	(1,650)	(4,420)	(3,809)
Income tax expenses	(22)	(100)	(42)	(292)
Net loss from continuing operations	(1,878)	(1,750)	(4,462)	(4,101)
Discontinued operations				
Loss from discontinued operations	(2,771)	(3,950)	(6,003)	(8,273)
Gain on sale of subsidiary interests	-	-	6,986	-
Income tax expenses	-	-	-	-
Net income (loss) from discontinued operations	(2,771)	(3,950)	983	(8,273)
Net loss	(4,649)	(5,700)	(3,479)	(12,374)
Less: Net loss attributable to noncontrolling interests from continuing operations	(72)	(841)	(147)	(973)
Less: Net loss attributable to noncontrolling interests from discontinued operations	(2,771)	(4,010)	(6,003)	(8,393)
Net income (loss) attributable to BeyondSpring Inc.	(1,806)	(849)	2,671	(3,008)
Earnings (loss) per share, basic and diluted				
Continuing operations	(0.04)	(0.02)	(0.11)	(0.08)
Discontinued operations	-	-	0.18	-
Basic and diluted earnings (loss) per share	(0.04)	(0.02)	0.07	(0.08)
Weighted-average shares outstanding				
Basic and diluted	40,316,320	41,119,820	40,316,320	41,119,820
Other comprehensive loss, net of tax of nil:				
Foreign currency translation adjustment loss from continuing operations	(343)	(471)	(494)	(850)
Foreign currency translation adjustment loss from discontinued operations	(27)	(70)	(34)	(117)
Comprehensive loss	(5,019)	(6,241)	(4,007)	(13,341)
Less: Comprehensive loss attributable to noncontrolling interests from continuing operations	(194)	(1,007)	(324)	(1,276)
Less: Comprehensive loss attributable to noncontrolling interests from discontinued operations	(2,798)	(4,080)	(6,037)	(8,510)
Comprehensive income (loss) attributable to BeyondSpring Inc.	(2,027)	(1,154)	2,354	(3,555)

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEYONDSPRING INC.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

(Unaudited)

	BeyondSpring Inc.'s shareholders							
	Ordinary share		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Subtotal	Noncontrolling interests	Total deficit
	Shares	Amount						
		$	$	$	$	$	$	$
Balances at December 31, 2024	40,316,320	4	373,185	(407,425)	1,336	(32,900)	18,615	(14,285)
Share-based compensation	-	-	211	-	-	211	27	238
Other comprehensive loss	-	-	-	-	(97)	(97)	(61)	(158)
Ownership interests in subsidiary transferred to third parties	-	-	-	-	-	-	368	368
Net income (loss)	-	-	-	4,477	-	4,477	(3,307)	1,170
Balances at March 31, 2025	40,316,320	4	373,396	(402,948)	1,239	(28,309)	15,642	(12,667)
Share-based compensation	6,000	-	119	-	-	119	22	141
Other comprehensive loss	-	-	-	-	(220)	(220)	(150)	(370)
Net loss	-	-	-	(1,806)	-	(1,806)	(2,843)	(4,649)
Balances at June 30, 2025	40,322,320	4	373,515	(404,754)	1,019	(30,216)	12,671	(17,545)

	BeyondSpring Inc.'s shareholders							
	Ordinary share		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Subtotal	Noncontrolling interests	Total deficit
	Shares	Amount						
		$	$	$	$	$	$	$
Balances at December 31, 2025	41,122,320	4	375,664	(408,431)	602	(32,161)	8,171	(23,990)
Share-based compensation	-	-	78	-	-	78	381	459
Forfeited restricted shares	(2,500)	-	(3)	-	-	(3)	-	(3)
Capital contributions from noncontrolling interests	-	-	-	-	-	-	280	280
Other comprehensive loss	-	-	-	-	(242)	(242)	(184)	(426)
Net loss	-	-	-	(2,159)	-	(2,159)	(4,515)	(6,674)
Balances at March 31, 2026	41,119,820	4	375,739	(410,590)	360	(34,487)	4,133	(30,354)
Share-based compensation	-	-	75	-	-	75	495	570
Other comprehensive loss	-	-	-	-	(305)	(305)	(236)	(541)
Net loss	-	-	-	(849)	-	(849)	(4,851)	(5,700)
Balances at June 30, 2026	41,119,820	4	375,814	(411,439)	55	(35,566)	(459)	(36,025)

The accompanying notes are an integral part of these condensed consolidated financial statements.

BEYONDSPRING INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands of U.S. Dollars ("$"))

(Unaudited)

	Six months ended June 30,	
	2025	**2026**
Cash flows from operating activities:		
Net loss	(3,479)	(12,374)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation expenses	162	38
Share-based compensation	389	1,036
Non-cash operating lease expenses	369	386
Gain on sale of subsidiary interests	(6,986)	-
Changes in assets and liabilities:		
Short-term investments	254	-
Advances to suppliers	3	(59)
Prepaid expenses and other current assets	(102)	(206)
Other noncurrent assets	(30)	(63)
Accounts payable	(249)	5,041
Accrued expenses	915	(595)
Operating lease liabilities	(347)	(362)
Other current liabilities	(62)	710
Deferred revenue	(1,000)	(1,000)
Other noncurrent liabilities	91	399
Net cash used in operating activities	(10,072)	(7,049)
Cash flows from investing activities:		
Acquisitions of property and equipment	(50)	-
Purchase of short-term investments	(5,000)	(22,166)
Proceeds from maturity of short-term investments	14,850	26,640
Proceeds from sale of subsidiary interests	7,354	-
Net cash provided by investing activities	17,154	4,474
Cash flows from financing activities:		
Capital contribution from noncontrolling interests	-	280
Payments of offering costs	-	(8)
Repayments of loans	-	(4,503)
Net cash used in financing activities	-	(4,231)
Effect of foreign exchange rate changes	(2)	33
Net increase (decrease) in cash and cash equivalents	7,080	(6,773)
Cash and cash equivalents from continuing operations at beginning of period	2,922	7,786
Cash and cash equivalents from discontinued operations at beginning of period	13,125	4,352
Less: cash and cash equivalents from discontinued operations at end of period	13,583	2,668
Cash and cash equivalents from continuing operations at end of period	9,544	2,697
Supplemental disclosures of cash flow information		
Interest paid	-	-
Interest received	188	45
Income taxes paid	1	-
Non-cash investing and financing activities:		
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	39	6

The accompanying notes are an integral part of these condensed consolidated financial statements.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

1. Nature of the business and the basis of preparation

BeyondSpring Inc. (the "Company") was incorporated in the Cayman Islands on November 21, 2014. The Company and its subsidiaries (collectively, the "Group") are principally engaged in clinical stage biopharmaceutical activities focused on the development of innovative cancer therapies. The Company is under the control of Mr. Linqing Jia and Dr. Lan Huang as a couple (collectively, the "Founders") since its incorporation.

In January 2025, the Company entered into definitive agreements with three investors to sell a portion of Series A-1 Preferred Shares of SEED owned by the Company, for gross proceeds of approximately $35,418. Upon completion of the transactions, the Company and SEED Technology Limited ("SEED Technology"), a majority-owned indirect subsidiary of the Company (collectively, the "BYSI Entities") are expected to retain approximately 13.62% of SEED's outstanding shares. The transaction is expected to be completed in three closings and has not yet been fully consummated. See Note 3 – Discontinued operations for further information.

As of June 30, 2026, the BYSI Entities owns approximately 38.03% of the outstanding equity interest in SEED, calculated on an as-converted basis. SEED continues to be consolidated into the financial statements of the Company since the Company remains substantive control of SEED.

In May 2026, Beijing Wanchun Pharmaceutical Technology Ltd. ("Beijing Wanchun"), a subsidiary of the Company, was deregistered in China.

On June 29, 2026, BeyondSpring Australia Pty Ltd was incorporated in Australia as a wholly owned subsidiary of BeyondSpring Pharmaceuticals Inc.

As of June 30, 2026, the subsidiaries of the Company are as follows:

Name of company	Place of incorporation	Date of incorporation	Percentage of ownership by the Group	Principal activities
BeyondSpring Pharmaceuticals Inc. ("BeyondSpring US")	Delaware, U.S.	June 18, 2013	100%	Clinical trial activities
BeyondSpring Australia Pty Ltd	Australia	June 29, 2026	100%	Clinical trial activities
BeyondSpring Ltd.	The British Virgin Islands ("BVI")	December 3, 2014	100%	Holding company
BeyondSpring (HK) Limited ("BeyondSpring HK")	Hong Kong	January 13, 2015	100%	Holding company
Wanchun Biotechnology Limited ("BVI Biotech")	BVI	April 1, 2015	100%	Holding company
Wanchun Biotechnology (Dalian) Ltd. ("Wanchun Dalian")	People's Republic of China ("PRC")	April 23, 2015	100%	Holding company
Dalian Wanchunbulin Pharmaceuticals Ltd. ("Wanchunbulin")	PRC	May 6, 2015	57.97%	Clinical trial activities
SEED Therapeutics Inc. ("SEED")	BVI	June 25, 2019	36.51%	Pre-clinical development activities
SEED Technology Limited ("SEED Technology")	BVI	December 9, 2019	57.97%	Holding company
SEED Therapeutics US, Inc. ("SEED US")	Delaware, U.S.	November 25, 2020	36.51%	Pre-clinical development activities
Wanchun Hongji (Dalian) Pharmaceuticals Ltd. ("Wanchun Hongji")	PRC	March 22, 2022	36.51%	Pre-clinical development activities
SEED LH Inc.	BVI	September 30, 2025	36.51%	Holding company
SEED LH MG Inc.	Delaware, U.S.	October 6, 2025	36.51%	Product development activities

The accompanying condensed consolidated balance sheet as of June 30, 2026, the condensed consolidated statements of comprehensive income (loss) for the three and six months ended June 30, 2025 and 2026, the condensed consolidated statements of shareholders' deficit for the three and six months ended June 30, 2025 and 2026, the condensed consolidated statements of cash flows for the six months ended June 30, 2025 and 2026, and the related footnote disclosures are unaudited. These unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the U.S., or U.S. GAAP, for interim financial information using accounting policies that are consistent with those used in the preparation of the Company's audited consolidated financial statements for the year ended December 31, 2025. Accordingly, these unaudited interim condensed consolidated financial statements do not include all of the information and footnotes required by U.S. GAAP for annual financial statements.

In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements contain all normal recurring adjustments necessary to present fairly the financial position, operating results and cash flows of the Group for each of the periods presented. The results of operations for the three and six months ended June 30, 2026 are not necessarily indicative of results to be expected for any other interim period or for the full year of 2026. The consolidated balance sheet as of December 31, 2025 was derived from the audited consolidated financial statements at that date but does not include all of the disclosures required by U.S. GAAP for annual financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2025.

2. Summary of significant accounting policies

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. All intercompany transactions and balances between the Company and its subsidiaries are eliminated upon consolidation.

Going concern

The Company has incurred operating losses and negative cash flows from operations since inception. To date, the Company has no product revenue and management expects operating losses to continue for the foreseeable future, and has primarily funded these losses through equity financings. The Company incurred a consolidated net loss of $5,700 during the second quarter of 2026 and has an accumulated deficit of $411,439 as of June 30, 2026. As of June 30, 2026, the Company had $4,292 of net current liabilities and $6,529 of cash and cash equivalents and short-term investments attributable to continuing operations on hand.

The Company is evaluating and pursuing various alternatives to preserve liquidity and fund the Company's operations, including managing expenditures and seeking additional sources of capital. If the Company is unable to successfully implement these plans, the business and future success will be adversely affected including eliminating its research and development programs or suspension of business operations.

These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements have been prepared in accordance with U.S. GAAP, on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

Discontinued operations

The Company presents discontinued operations when there is a disposal of a component group or a group of components that represents a strategic shift that will have a major effect on operations and financial results. The Company aggregates the results of operations for discontinued operations into a single line item in the Consolidated Statements of Comprehensive Income (Loss) for all periods presented. See Note 3 for additional information.

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Areas where management uses subjective judgment include, but are not limited to, share-based compensation, clinical trial accruals, valuation allowance for deferred tax assets, estimating uncertain tax positions, measurement of right-of-use assets and lease liabilities, fair value of financial instruments, impairment of long-lived assets and estimating of useful life for property and equipment. Management bases the estimates on historical experience, known trends and various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from these estimates.

Fair value measurements

The Company applies ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), in measuring fair value. ASC 820 defines fair value, establishes a framework for measuring fair value and requires disclosures to be provided on fair value measurement.

ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2—Other inputs that are directly or indirectly observable in the marketplace.
- Level 3—Unobservable inputs which are supported by little or no market activity.

ASC 820 describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

Financial instruments of the Company primarily include cash and cash equivalents, short-term investments, and accounts payable. The Company measures its financial products issued by commercial banks at fair value on a recurring basis based on quoted subscription/redemption price published by the relevant banks. The carrying values of cash and cash equivalents, short-term investments, accounts payable, and time deposits approximated their fair values due to their short-term nature. Short-term investments consist of time deposits with original maturities of greater than three months but less than twelve months and structured deposits with maturities of less than twelve months. These structured deposits are classified as short-term investments as they are not readily convertible to known amounts of cash. Financial products issued by commercial banks expected to be realized in cash within the next twelve months are also included in short-term investments.

Segment reporting

Operating segments are defined as components of an enterprise for which separate financial information is available and evaluated regularly by the chief operating decision maker (the "CODM") in deciding how to allocate resources and in assessing performance. The Company operates in two reportable segments, Plinabulin pipeline and Targeted Protein Degradation ("TPD") platform, as the CODM manages and assesses the Company's performance and operating results of Plinabulin pipeline and TPD platform separately to allocate resources. The Plinabulin pipeline focuses on developing innovative cancer therapies to improve clinical outcomes for patients who have high unmet medical needs. The Company's lead asset, Plinabulin, is being developed as a "pipeline in a drug" in a number of cancer indications. The TPD platform is utilizing a unique "molecular glue" technology to develop innovative therapeutic agents and discover and develop new chemical entities for the most debilitating diseases and disorders.

On December 13, 2024, the Company's Board of Directors discussed and approved a divestiture plan to sell and transfer about 90% to 100% of the Company's interests in SEED to potential investors at a determined price. The TPD platform segment was comprised of SEED's operations. As a result, the TPD platform segment qualified for discontinued operations reporting.

The consolidated financial statements include segment information which reflects the current composition of the reportable segments in accordance with ASC 280, *Segment Reporting*. See Note 14 – Segment reporting and geographic information for further information.

2. Summary of significant accounting policies (continued)

Revenue recognition

Under ASC 606, *Revenue from Contracts with Customers* ("ASC 606"), an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price, including variable consideration, if any; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration to which it is entitled in exchange for the goods or services it transfers to the customer.

Once a contract is determined to be within the scope of ASC 606 at contract inception, the Company reviews the contract to determine which performance obligations it must deliver and which of these performance obligations are distinct. The Company recognizes as revenue the amount of the transaction price that is allocated to each performance obligation when that performance obligation is satisfied or as it is satisfied.

The Company recognizes a contract asset or a contract liability in the consolidated balance sheets, depending on the relationship between the entity's performance and the customer's payment. Contract liabilities represent the excess of payments received as compared to the consideration earned, and is recorded as deferred revenue in the consolidated balance sheets. The Company had no contract assets for the periods presented.

Collaboration revenue

At contract inception, the Company analyzes its collaboration arrangements to assess whether they are within the scope of ASC 808, *Collaborative Arrangements* ("ASC 808") to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, the Company first determines which elements of the collaboration are deemed to be within the scope of ASC 808 and those that are more reflective of a vendor-customer relationship and therefore within the scope of ASC 606. For elements of collaboration arrangements that are accounted for pursuant to ASC 808, an appropriate recognition method is determined and applied consistently.

In determining the appropriate amount of revenue to be recognized as the Company fulfills its obligations under each of the agreements, the Company performs the five-step model under ASC 606 noted above.

The collaborative arrangements may contain more than one unit of account, or performance obligation, including grants of licenses to intellectual property rights, agreement to provide research and development services and other deliverables. The transaction price is generally comprised of an upfront payment due at contract inception and variable consideration in the form of payments for the Company's services and materials and milestone payments due upon the achievement of specified events. In general, the consideration allocated to the performance obligation is recognized when the obligation is satisfied either by delivering a good or providing a service, limited to the consideration that is not constrained. Non-refundable payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as deferred revenue.

Licenses of Intellectual Property: Upfront non-refundable payments allocated to the licensing of the Company's intellectual property are evaluated to determine if the license is distinct from the other performance obligations identified in the arrangement. For licenses determined to be distinct, the Company recognizes revenues from non-refundable up-front fees allocated to the license at a point in time, when the license is transferred to the licensee and the licensee is able to use and benefit from the license. For licenses determined to be not distinct from other promised goods or services, the Company accounts for the promise to grant a license and other promised goods or services together as a single performance obligation, and the Company considers the nature of the combined goods or services in determining whether the performance obligation is satisfied over time or at a point in time.

Research and Development Service: Upfront non-refundable payment allocated to research and development services performance obligations is deferred and recognized overtime.

Milestone Payments: At the inception of each arrangement that includes milestone payments, the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Due to the uncertainty involved in meeting these discovery or development-based targets, they are generally fully constrained at contract inception. The Company will assess whether the variable consideration is fully constrained each reporting period based on the facts and circumstances surrounding the discovery and clinical trials. Upon changes to constraint associated with the discovery or developmental milestones, variable consideration will be included in the transaction price when a significant reversal of revenue recognized is not expected to occur.

Royalties: For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of assets and liabilities and are measured using enacted tax rates that will be in effect when the differences are expected to reverse. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. All deferred income tax assets and liabilities are classified as non-current on the consolidated balance sheets.

Provision for income taxes for interim periods is determined using an estimate of the annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. The Company updates its estimate of the annual effective tax rate each quarter and makes a cumulative adjustment if the estimated tax rate changes.

Recent accounting pronouncements

New accounting standards which have not yet been adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This update requires that at each interim and annual reporting period public entities disclose (1) the amounts of purchases of inventory, employee compensation, depreciation, amortization, and depletion) in commonly presented expense captions; (2) certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements; (3) a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively; and (4) the total amount of selling expenses and, in annual reporting periods, the definition of selling expenses. In January 2025, the FASB issued ASU 2025-01, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date. This update clarifies that ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact on its financial statements of adopting this guidance.

2. Summary of significant accounting policies (continued)

New accounting standards which have not yet been adopted (continued)

In December 2025, the FASB issued ASU 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities. The amendments in this update establish the accounting for a government grant received by a business entity, including guidance for (1) a grant related to an asset and (2) a grant related to income. The amendments in this update are effective for annual reporting periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. The Company is currently evaluating the impact on its financial statements of adopting this guidance.

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that recently issued standards that are not yet effective will not have a material impact on the Company's condensed consolidated financial statements

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

3. Discontinued operations

On December 13, 2024, the Company's Board of Directors discussed and approved a divestiture plan to sell and transfer about 90% to 100% of the Company's interests in SEED to potential investors at a determined price. The divestiture of SEED represents a strategic shift in the Company's reallocation and optimization of the available resources to pipelines with greater potential. In accordance with ASC 205-20, all assets and liabilities of SEED were classified as held-for-sale in the consolidated balance sheets as of December 31, 2025 and June 30, 2026, and the results of operations of SEED were reflected as discontinued operations in the condensed consolidated statement of operations for the three and six months ended June 30, 2025 and 2026.

On January 24, 2025, the Company entered into a Preferred Share Purchase Agreement (each, an "Agreement" and collectively, the "Agreements") with each of Winning View Investment Limited, a business company organized in the British Virgin Islands ("BVI"), FULL TECH CORPORATE DEVELOPMENT LIMITED, a business company organized in the BVI, and Mapfil Investment Limited, a limited company organized in Hong Kong, respectively (each, a "Purchaser" and collectively, the "Purchasers"). On February 17, 2025, the Company and Winning View Investments Limited entered into the First Amendment to Purchase Agreement (the "Amendment"). Pursuant to the Agreements and the Amendment, the Company agreed to sell a total of 8,333,637 Series A-1 Preferred Shares (the "Shares") of SEED to the Purchasers at a price per share of $4.25, in exchange of aggregate cash proceeds of $35,418.

The Agreements, as amended, will be executed in three separate closings as described below. The below ownership percentage for the First Closing is calculated after taking into account the issuance of an aggregate of 5,647,059 Series A-3 Preferred Shares in August 2024, and the ownership percentages for the Second Closing and Third Closing are calculated after taking into account the additional issuance of an aggregate of 1,411,761 Series A-3 Preferred Shares in September 2025, assuming there is no other changes to SEED's share capital prior to such Closings and excluding any shares that may be reserved under an employee stock ownership plan or similar arrangement.

(i) On February 19, 2025, the First Closing (as defined in each Agreement, as amended) was completed. The Company sold and transferred a total of 1,730,454 Shares, comprised of 980,427 Shares to Winning View Investment Limited, 250,009 Shares to FULL TECH CORPORATE DEVELOPMENT LIMITED and 500,018 Shares to Mapfil Investment Limited, in exchange of aggregate cash proceeds of $7,354. Immediately upon the First Closing, the Company's direct and indirect ownership in SEED decreased to 40.12%, but still retained the controlling interest of SEED through the control of the SEED Board. The Company's noncontrolling interests increased by 6.75% upon the First Closing.

(ii) At the Second Closing (as defined in each Agreement, as amended, which management expects to be completed in 2026), the Company will sell and transfer to the Purchasers a total of 3,103,055 Shares, comprised of 1,436,327 Shares to Winning View Investment Limited, 555,576 Shares to FULL TECH CORPORATE DEVELOPMENT LIMITED and 1,111,152 Shares to Mapfil Investment Limited. Immediately upon the Second Closing, the Company's direct and indirect ownership in SEED will further decrease to 26.56%. The Company will lose the controlling interest of SEED due to the loss of control of the SEED Board.

(iii) At the Third Closing (as defined in each Agreement, as amended, which shall be no later than December 15, 2026), the Company will sell and transfer to the Purchasers a total of 3,500,128 Shares, comprised of 1,750,064 Shares to Winning View Investment Limited, 583,355 Shares to FULL TECH CORPORATE DEVELOPMENT LIMITED and 1,166,709 Shares to Mapfil Investment Limited. Immediately upon the Third Closing, the Company's direct and indirect ownership in SEED will ultimately decrease to 13.62%.

The Company determined that the multiple arrangements of the SEED sales with the Purchasers and the three-tranche closings should be accounted for as a single transaction in accordance with ASC 810-10-40-6, as the transactions were entered in contemplation of one another and were essentially a single transaction designed to achieve an overall commercial effect.

The following tables set forth the assets, liabilities, statement of operations, and cash flows of discontinued operations which were included in the Company's condensed consolidated financial statements.

	As of	
	December 31, 2025	June 30, 2026
		(Unaudited)
Assets		
Current assets:		
Cash and cash equivalents	$ 4,352	$ 2,668
Short-term investments	3,531	-
Advances to suppliers	117	156
Prepaid expenses and other current assets	23	28
Total current assets	8,023	2,852
Noncurrent assets:		
Property and equipment, net	1,373	1,373
Operating right-of-use assets	2,683	2,434
Other noncurrent assets	300	458
Total noncurrent assets	4,356	4,265
Total assets	$ 12,379	$ 7,117
Liabilities and equity		
Current liabilities:		
Short-term loans	$ 4,369	$ -
Accounts payable	361	4,974
Accrued expenses	3,105	2,052
Current portion of operating lease liabilities	430	447
Deferred revenue	2,001	2,001
Other current liabilities	867	1,313
Total current liabilities	11,133	10,787
Noncurrent liabilities:		
Operating lease liabilities	1,945	1,721
Deferred revenue	1,821	821
Total noncurrent liabilities	3,766	2,542
Total liabilities	$ 14,899	$ 13,329

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

3. Discontinued operations (continued)

	Three months ended June 30,		Six months ended June 30,	
	2025	2026	2025	2026
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	$ 500	$ 500	$ 1,000	$ 1,000
Operating expenses				
Research and development	(2,498)	(2,876)	(5,487)	(6,330)
General and administrative	(862)	(1,579)	(1,726)	(2,960)
Loss from operations	(2,860)	(3,955)	(6,213)	(8,290)
Foreign exchange gain, net	1	-	1	-
Interest income	46	2	114	9
Other income, net	42	3	95	8
Loss before income tax	(2,771)	(3,950)	(6,003)	(8,273)
Income tax expense	-	-	-	-
Loss from discontinued operations before disposal	(2,771)	(3,950)	(6,003)	(8,273)
Gain on sale of subsidiary interests	-	-	6,986	-
Net income (loss) from discontinued operations	$ (2,771)	$ (3,950)	$ 983	$ (8,273)

	Six months ended June 30,	
	2025	2026
	(Unaudited)	(Unaudited)
Net cash used in discontinued operating activities	$ (5,790)	$ (4,552)
Net cash provided by discontinued investing activities	$ 9,800	$ 3,531
Net cash used in discontinued financing activities	$ -	$ (4,223)

In connection with the First Closing, the Company recorded a gain on the sale of subsidiary interests:

	Gain recognized on the First Closing
	Six months ended June 30, 2025
Fair value of consideration received	$ 7,354
Less: Adjustments to noncontrolling interests (6.75% of the equity interests)	368
Gain on sale of subsidiary interests	$ 6,986

4. Collaboration agreements

Jiangsu Hengrui Pharmaceuticals Co., Ltd.

On August 25, 2021, the Company's subsidiary, Wanchunbulin, entered into an exclusive commercialization and co-development agreement ("Hengrui Collaboration Agreement") with Hengrui, pursuant to which Wanchunbulin granted Hengrui exclusive rights to commercialize Plinabulin in all indications (the "Plinabulin Products") in mainland China, Hong Kong, Macau and Taiwan (the "Greater China"). Under the terms of Hengrui Collaboration Agreement, Hengrui assumed all commercialization responsibilities for the Plinabulin Products effective September 22, 2021, including sales and marketing, and Wanchunbulin agreed to provide services to Hengrui, including manufacture and supply of the Plinabulin Products. Wanchunbulin and Hengrui may further participate in the research and development of the Plinabulin Products for additional indications other than prevention of chemotherapy-induced neutropenia ("CIN") and 2nd/3rd line treatment of non-small cell lung cancer ("NSCLC"), and each will share 50% of the research and development costs. The Hengrui Collaboration Agreement will remain effective until the patent protection period of all Plinabulin Products related intellectual properties expires.

Under the Hengrui Collaboration Agreement, Hengrui paid Wanchunbulin an upfront non-refundable fee of RMB 200,000 ($29,476) in September 2021. Wanchunbulin will be eligible to receive up to RMB 700,000 ($103,167) in potential regulatory development milestone payments, and up to RMB 400,000 ($58,953) in commercial milestone payments, respectively. In addition, Wanchunbulin will be eligible to receive royalty payments based on net sales of the Plinabulin Products, which sets forth minimum royalties to be received by Wanchunbulin for a specified period.

The Hengrui Collaboration Agreement is within the scope of ASC 808 as both parties are active participants and are exposed to the risks and rewards dependent on the commercial success of the activities performed under the agreement. The Company identified the following material components under the agreement: (1) license of exclusive commercialization rights of the Plinabulin Products (the "License"), (2) the manufacturing and supply of the Plinabulin Products (the "Manufacturing and Supply Services"), and (3) research and development of the Plinabulin Products for additional indications. The Company further determined the license of exclusive commercialization rights of the Plinabulin Products and the manufacturing and supply of the Plinabulin Products are reflective of a vendor-customer relationship and therefore within the scope of ASC 606, and research and development of the Plinabulin Products for additional indications is not a promise to a customer within the scope of ASC 606.

The Company determined that the License and the Manufacturing and Supply Services are not distinct from each other and represent a single performance obligation. The transaction price of the arrangement was the upfront payment of RMB 200,000 ($29,476). The development and commercialization milestone payments and the minimum royalty payments are fully constrained at contract inception due to uncertainty of achievement and are not included in the transaction price. The transaction price allocated to the License and Manufacturing and Supply Services, as a combined performance obligation, will be recognized as revenue over time using unit of delivery measure of progress, as the Company believes that it faithfully depicts the Company's performance toward complete satisfaction of the performance obligation. The Company did not recognize any revenues from the Hengrui Collaboration Agreement for the three and six months ended June 30, 2025 and 2026, and recorded the entire upfront non-refundable fee received as deferred revenue.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

4. Collaboration agreements (continued)

Eli Lilly and Company

On November 12, 2020, the Company's subsidiary, SEED, entered into a research collaboration and license agreement (the "Lilly Collaboration Agreement") with Eli Lilly and Company ("Lilly"). Under the Lilly Collaboration Agreement, SEED controls certain rights to an intellectual property and other materials related to a platform technology for ubiquitin ligase agonist screening (the "Ub Platform Technology"), and Lilly and SEED shall use commercially reasonable efforts to conduct a research and development program to generate, identify and/or optimize active compounds ("Lilly Compounds") that directed against no more than three targets selected by Lilly ("Lilly Targets"), using the Ub Platform Technology in accordance with the applicable research plans for each of the Lilly Targets.

Under the Lilly Collaboration Agreement, Lilly paid SEED an upfront non-refundable fee of $10,000 in November 2020. In addition, SEED will also be eligible to receive up to approximately $780,000 in potential pre-clinical discovery, clinical and regulatory development milestone payments, as well as commercial milestones and royalty payments based on net sales of products that result from the collaboration. As of June 30, 2026, SEED has received $3,000 of these milestone payments for pre-clinical discovery. The Lilly Collaboration Agreement is within the scope of ASC 808, as both parties are active participants and are exposed to the risks and rewards dependent on the commercial success of the activities performed under the agreement. The Company further determined the collaboration is reflective of a vendor-customer relationship and therefore within the scope of ASC 606.

Under ASC 606, the Company determined the license under the Ub Platform Technology is not distinct within the context of the contract because it is used as inputs to produce and deliver the combined outputs, i.e. the identification of Lilly Compounds. The Company determined that it has a single performance obligation which is the stand ready obligation to provide the research and development services to Lilly throughout the shorter of the period up to the completion of research and development activities under the research plans for three Lilly Targets or the contract period of 7 years. Transaction price allocated to the research and development services is recognized as revenue over time on a straight-line basis because the customer simultaneously receives and consumes the benefits as the Company performs throughout a fixed term. The preclinical discovery, clinical and regulatory development milestone payments were fully constrained at contract inception, and are not included in the transaction price.

SEED recognized collaboration revenue of $500 and $500 related to the Lilly Collaboration Agreement for the three months ended June 30, 2025 and 2026, respectively, and $1,000 and $1,000 for the six months ended June 30, 2025 and 2026, respectively. Revenue recognized in each period were from amounts included in contract liabilities at the beginning of the period and milestone payments received during the period, if any. These recognized revenues were included in loss from discontinued operations and the related contract liabilities were included in current and noncurrent liabilities of discontinued operations, for all the periods presented.

SEED has received notice of Lilly's decision to voluntarily end the Lilly Collaboration Agreement. The notice specifies an effective end date of August 20, 2026. SEED will retain its rights to the collaboration targets and SEED-owned inventions, subject to the terms of the agreement. SEED is currently in discussions with Lilly regarding a potential license to certain Lilly intellectual property that could support the continued development of specific compounds arising from the collaboration. These discussions remain preliminary, and there is no assurance that SEED and Lilly will enter into a new agreement, or if an agreement is reached, what its terms or timing may be.

5. Property and equipment, net

Property and equipment of continuing operations consisted of the following:

	December 31, 2025	June 30, 2026
	$	$ (Unaudited)
Office equipment	323	325
Laboratory equipment	115	118
Motor vehicles	98	101
Leasehold improvements	271	273
	807	817
Less: accumulated depreciation	(641)	(679)
Property and equipment, net	166	138

Depreciation expenses of continuing operations for the three and six months ended June 30, 2025 were $23 and $44, respectively. Depreciation expenses of continuing operations for the three and six months ended June 30, 2026 were $19 and $38, respectively.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

6. Income taxes

Income tax expense was $100 and $22 for the three months ended June 30, 2026 and 2025, respectively. Income tax expense was $292 and $42 for the six months ended June 30, 2026 and 2025, respectively. The income tax expense for the three and six months ended June 30, 2026 was primarily attributable to interest accrued related to uncertain tax positions ("UTP") in income tax expense.

The effective tax rate for the three months ended June 30, 2026 was (6.0)%, compared with (1.2)% for the corresponding period of 2025. The effective tax rate for the six months ended June 30, 2026 was (7.7%) compared to the effective tax rate of (0.95%) for the six months ended June 30, 2025. The change was largely attributable to the change of the remeasurement of the FIN 48 liability which drives the changes in interest accrued for UTP. The primary component of the Company's effective rate for both periods that drives the difference from the U.S. Federal corporate income tax rate of 21% is the impact of the tax rates in the jurisdictions, as well as the increases to the valuation allowance recorded against the deferred tax assets.

On a quarterly basis, the Company evaluates the realizability of deferred tax assets by jurisdiction and assesses the need for a valuation allowance. In assessing the realizability of deferred tax assets, the Company considers historical profitability, evaluation of scheduled reversals of deferred tax liabilities, projected future taxable income and tax-planning strategies. Valuation allowances have been provided on deferred tax assets where, based on all available evidence, it was considered more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. After consideration of all positive and negative evidence, as of December 31, 2025 and June 30, 2026, the Company maintained a full valuation allowance against its net deferred tax assets.

As of June 30, 2026, the Company had gross unrecognized tax positions of $10,861. The Company plans to reassess its UTP during the year, and as a result, the amount of UTP may change within the next 12 months.

7. Earnings (loss) per share

Ordinary equivalent shares consist of the ordinary shares issuable upon the conversion of the share options and the vesting of restricted shares, using the treasury stock method. Ordinary share equivalents are excluded from the computation of diluted earnings (loss) per share if their effects would be anti-dilutive. The effects of all share options and unvested restricted shares were excluded from the calculation of diluted earnings (loss) per share as their effect would have been anti-dilutive during the three and six months ended June 30, 2025 and 2026.

Basic and diluted net earnings (loss) per share attributable to ordinary shareholders was calculated as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2026	2025	2026
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Numerator:				
Net income (loss) attributable to BeyondSpring Inc. – basic and diluted	$ (1,806)	$ (849)	$ 2,671	$ (3,008)
Denominator:				
Weighted average number of ordinary shares outstanding – basic and diluted	40,316,320	41,119,820	40,316,320	41,119,820
Net earnings (loss) per share – basic and diluted	$ (0.04)	$ (0.02)	$ 0.07	$ (0.08)

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

8. Share-based compensation

2017 Omnibus Incentive Plan

On February 24, 2017, in connection with the IPO, the Company's board of directors and shareholders approved an equity compensation plan, the 2017 Omnibus Incentive Plan (the "2017 Plan"), which became effective on March 9, 2017, to provide an additional incentive to selected officers, employees, non-employee directors, independent contractors and consultants of the Company (the "Participants"). The share awards granted by the Company under the 2017 Plan contain service conditions, and will generally vest based on a time-based vesting schedule determined by the administrator of the 2017 Plan. Certain awards also contain (1) performance conditions with respect to research and development progress or/and business development progress, or/and (2) market conditions with respect to the share price of the Company. Under the 2017 Plan, the maximum number of the Company's ordinary shares reserved for issuance is 5,277,197 shares.

The Company granted a total of 183,624 and 183,624 share options, respectively for the three and six months ended June 30, 2026, and did not grant any restricted shares during either period.

The following table summarizes total share-based compensation expense recognized under 2017 Plan for the three and six months ended June 30, 2025 and 2026:

	Three months ended June 30,		Six months ended June 30,	
	2025	2026	2025	2026
	$ (unaudited)	$ (unaudited)	$ (unaudited)	$ (unaudited)
Research and development	28	16	54	35
General and administrative	95	64	287	125
Total	123	80	341	160

SEED 2022 Share Incentive Plan

In 2022, SEED adopted its 2022 Share Incentive Plan (the "SEED Plan"). Under this plan, SEED has granted share options to some of its employees and consultants, which will be settled by SEED in its ordinary shares upon exercise of those options. These awards are generally subject to a four-year or five-year time-based vesting schedule as determined by the administrator of the plan.

SEED granted a total of 1,525,038 and 2,166,287 share options under the SEED Plan for the three and six months ended June 30, 2026, respectively.

The following table summarizes total share-based compensation expense recognized under the SEED Plan for the three and six months ended June 30, 2025, and 2026. These expenses were included in loss from discontinued operations for all the periods presented.

	Three months ended June 30,		Six months ended June 30,	
	2025	2026	2025	2026
	$ (unaudited)	$ (unaudited)	$ (unaudited)	$ (unaudited)
Research and development	7	73	15	79
General and administrative	15	422	33	797
Total	22	495	48	876

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

9. Employee defined contribution plan

Full time employees of the Company in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing funds and other welfare benefits are provided to employees. Chinese labor regulations require that the Company's PRC subsidiaries make contributions to the government for these benefits based on certain percentages of the employees' salaries. The Company has no legal obligation for the benefits beyond the contributions made. The total amounts for such employee benefits from continuing operations, which were expensed as incurred, were $17 and $33 for the three and six months ended June 30, 2025 and were $1 and $3 for the three and six months ended June 30, 2026, respectively.

BeyondSpring US maintains a defined contribution 401(k) savings plan (the "401(k) Plan") for eligible employees in the U.S. employees. The 401(k) Plan allows participants to defer a portion of their annual compensation on a pretax or Roth basis. In addition, the Company matches up to 6% of the participant's base salary. Company contributions for continuing operations to the 401(k) Plan totaled $14 and $29 for the three and six months ended June 30, 2025 and $16 and $32 for the three and six months ended June 30, 2026, respectively.

10. Restricted net assets

As a result of PRC laws and regulations, the Company's PRC subsidiaries are restricted in their ability to transfer a portion of their net assets to the Company. As of December 31, 2025 and June 30, 2026, amounts restricted were the net assets of the Company's PRC subsidiaries, which amounted to $12 and $9, respectively.

11. Supplemental balance sheet information

Other noncurrent assets consist of the following:

	As of	
	December 31, 2025	June 30, 2026
	$	$ (unaudited)
Deductible input value-added tax	125	128
Others	99	-
Total	224	128

Other current liabilities consist of the following:

	As of	
	December 31, 2025	June 30, 2026
	$	$ (unaudited)
Compensation related	538	781
Professional services	2	227
Other taxes payable	248	6
Others	34	41
Total	822	1,055

Other noncurrent liabilities consist of the following:

	As of	
	December 31, 2025	June 30, 2026
	$	$ (unaudited)
Compensation related	90	99
Income tax payable	3,474	3,877
Other taxes payable	417	444
Total	3,981	4,420

12. Contingently redeemable noncontrolling interests

The main rights, preferences and privileges of Preferred Shares issued by SEED are as follows: Liquidation preferences

In the event of any voluntary or involuntary liquidation, dissolution or winding up of SEED, or in a deemed liquidation event, the assets of SEED shall be distributed in the following order:

a. before any payment shall be made to the holders of Series A-1 Preferred Shares or ordinary shares by reason of their ownership thereof, holders of Series A-2 Preferred Shares and Series A-3 Preferred Shares (the "Senior Series A Preferred Shares") shall be entitled to an amount per share equal to the greater of (i) the applicable original issue price, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all Senior Series A Preferred Shares been converted into ordinary shares immediately prior to such liquidation, dissolution, winding up or deemed liquidation event.
b. after the payment in full of the amount distributable or payable on the Senior Series A Preferred Shares, the holders of Series A-1 Preferred Shares then outstanding shall be entitled to be paid out of the assets of SEED available for distribution to its Shareholders, and in the event of a deemed liquidation event, the holders of Series A-1 Preferred Shares then outstanding shall be entitled to be paid out of the consideration not payable to the holders of Senior Series A Preferred Shares or the remaining available proceeds, as applicable, before any payment shall be made to the holders of ordinary shares by reason of their ownership thereof, an amount per share equal to the greater of (i) the applicable original issue price, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all Series A-1 Preferred Shares been converted into ordinary shares immediately prior to such liquidation, dissolution, winding up or deemed liquidation event.
c. after the payment in full of the amount distributable or payable on the Preferred Shares, the remaining assets of SEED available for distribution to the shareholders or, in the case of a deemed liquidation event, the consideration not payable to the holders of Preferred Shares or the remaining available proceeds, as the case may be, shall be distributed among the holders of ordinary shares, pro rata based on the number of ordinary shares held by each such holder.

Conversion rights

Each Preferred Share shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable ordinary shares of SEED as at an initial conversion ratio of 1:1 adjusted for share splits, share dividends, recapitalizations and similar transactions.

Each Preferred Shares shall automatically be converted into ordinary shares based on a one-for-one basis upon either (a) in the event of a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, in the Nasdaq Stock Market's National Market, the New York Stock Exchange or another exchange or marketplace approved by SEED's Board of Directors, at a price per share of at least $7.5375 resulting in at least $50,000 of gross proceeds to SEED (the "Qualified IPO") or (b) the date and time, or the occurrence of an event, specified by vote or written consent of either (x) at least a majority of the outstanding Preferred Shares voting together as a single class on an as-converted basis, which majority must include the approval of either Lilly or Eisai or (y) a majority of the Senior Series A Preferred Shares, voting together as a single class on an as-converted basis.

Voting rights

Each holder of outstanding Preferred Shares shall be entitled to cast the number of votes equal to the number of whole ordinary shares into which the Preferred Shares held by such holder are convertible as of the record date for determining shareholders entitled to vote on such matter.

Accounting for the Series A-2/A-3 Preferred Shares

The Series A-2 Preferred Shares were previously classified as contingently redeemable noncontrolling interests within mezzanine equity due to redemption features outside the control of the Company, with the carrying amount adjusted to redemption value at each reporting date. On July 26, 2024, upon execution of the A-3 share purchase agreement ("A3 SPA"), such redemption rights were removed, and the carrying amount was reclassified from mezzanine equity to permanent equity.

The Series A-3 Preferred Shares were classified as permanent equity because the shares did not have redemption features that were not solely within the control of the Company, and their conversion option is clearly and closely related to the host instrument and the underlying ordinary shares are not publicly traded nor readily convertible into cash. The Series A-3 Preferred Shares are recorded at their initial fair value, equal to the original issuance price, less issuance costs, and are not subsequently remeasured.

(Amounts in thousands of U.S. Dollar ("$") and Renminbi ("RMB"), except for number of shares and per share data)

13. Commitments and contingencies

Legal proceedings

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operation, financial condition or cash flows.

Commitments

Wanchunbulin, a subsidiary of the Company, has entered into a government grant agreement with specific local authorities in PRC. Wanchunbulin commits to staying within designated districts, maintaining current tax jurisdictions, and retaining its registered capital, until 2033. Wanchunbulin also undertakes not to establish additional entities in other jurisdictions within Greater China for the purposes of conducting research, development, and commercialization activities related to Plinabulin, provided such activities fall within the scope of the government grant agreement. Otherwise, Wanchunbulin may be required to refund the grants.

14. Segment reporting and geographic information

The Company operates in two reportable segments: (i) Plinabulin pipeline and (ii) TPD platform.

On December 13, 2024, the Company's Board of Directors discussed and approved a divestiture plan to sell and transfer about 90% to 100% of the Company's interests in SEED to potential investors at a determined price. The TPD platform segment was comprised of SEED's operations. As a result, the TPD platform segment qualified for discontinued operations reporting. See Note 3 – Discontinued operations.

The Company presents segment information after elimination of inter-company transactions. In general, revenues and operating expenses are directly attributable, or are allocated, to each segment. The Company allocates operating expenses that are not directly attributable to a specific segment, such as those that support infrastructure across different segments, to different segments mainly on the basis of usage, headcount, depending on the nature of the relevant operating expenses.

The Company's Chief Executive Officer, as the CODM, uses segment net loss to allocate resources for each segment and to assess the performance of each segment, primarily by monitoring actual results versus approved budgets. Significant segment expenses are presented in the table below. Other segment items include interest income, other income, net, and income tax expenses. The CODM does not evaluate the performance of segments using asset or liability information.

	Three months ended June 30,		Six months ended June 30,	
	2025	2026	2025	2026
	$ (unaudited)	$ (unaudited)	$ (unaudited)	$ (unaudited)
Clinical and pre-clinical expenses	188	569	302	1,101
Patent expenses	271	30	436	220
Personnel costs	679	645	1,768	1,311
Professional services	470	245	1,442	832
Other operational expenses	341	242	610	499
Other segment items	(71)	19	(97)	138
Segment net loss	1,878	1,750	4,462	4,101
Reconciliation of net loss:				
Net loss (income) from discontinued operations	2,771	3,950	(983)	8,273
Consolidated net loss	4,649	5,700	3,479	12,374

The Company's long-lived assets of continuing operations by geographic area are presented as follows:

	As of	
	December 31, 2025	June 30, 2026
	$	$ (unaudited)
Property and equipment, net:		
PRC	11	9
U.S.	155	129
Total	166	138

15. Subsequent events

Effective July 1, 2026, in connection with Dr. Lan Huang's transition from her role as Chief Executive Officer, her 271,154 unvested share options and unvested long-term incentive awards were forfeited. The Company expects to recognize reversals of previously recognized compensation expense in the third quarter of 2026, consisting of approximately $101 of share-based compensation expense.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial condition and results of operations of BeyondSpring Inc. (the "Company") should be read in conjunction with the condensed consolidated financial statements and the notes related thereto which are included in "Part I. Financial Information—Item 1. Financial Statements" of this Quarterly Report on Form 10-Q and with our audited consolidated financial statements and notes thereto for the year ended December 31, 2025 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 filed with the SEC on March 25, 2026. Certain information contained in the discussion and analysis set forth below includes forward-looking statements. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth under "Forward-Looking Statements," "Part II. Other Information—Item 1A. Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q.

Overview

We are a clinical stage global biopharmaceutical company focused on developing innovative therapies to improve clinical outcomes for patients with high unmet medical needs. Our first-in-class lead asset, Plinabulin, is a novel brain-penetrant microtubule modulator with mechanism as a guanine nucleotide exchange factor H1 (GEF H1) agonist with the biological outcome of dendritic cell maturation, vasculature modulation and reduction of CIN, which can potentially mitigate "acquired resistance" from prior immune checkpoint inhibitors (ICI) treatment in cancer patients. Plinabulin has been administered to over 700 cancer patients with generally good tolerability and is being developed as a potential "pipeline in a drug" in various cancer indications as a direct anti-cancer agent with the safety benefit of reducing CIN. After completion of a successful global phase 3 study (DUBLIN-3) in NSCLC, the data of which was published in LANCET Respiratory Medicine journal in September 2024, we plan to launch a confirmatory global phase 3 study (DUBLIN-4) with "plinabulin and docetaxel" versus standard of care docetaxel in second- and third-line non-squamous NSCLC with epidermal growth factor receptor (EGFR) wild type after progression on prior immune checkpoint inhibitors, a severe unmet medical need. We are also developing three small molecule immune agents, which are currently in pre-clinical stages. In addition, we founded and continue to own an equity stake in SEED Therapeutics Inc., or SEED.

Plinabulin binds in a unique pocket of tubulin and activates the immune defense protein GEF-H1, which leads to induction of innate and adaptive immunity via dendritic cell (DC) maturation. In June 2025, we published in Cell Press "Med" Plinabulin's DC maturation benefit to responding patients in eight cancers, based on our multi-year collaboration with MD Anderson Cancer Center. In January 2026, our research collaborator Dr. Steinmetz group published in "Cell" on the structural basis of microtubule-mediated signal transduction, which suggests the important role of microtubule as signal sensors to regulate cellular function, further supporting Plinabulin's unique biological function. With this unique immune mechanism, Plinabulin is being studied as an anti-cancer agent in a number of company-sponsored studies and investigator-initiated studies in late-line and first-line cancer treatments, including targeting patients progressed on checkpoint inhibitors in NSCLC with no actionable driver alteration, which we believe presents a severe unmet medical need.

The current standard of care for first-line EGFR wild type NSCLC is PD-1/PD-L1 antibodies with or without platinum doublet. However, over 60% of patients progress on these therapies. Defined as “acquired resistance” due to “T cell exhaustion” and/or “antigen presenting cell (APC) pathway mutation” (Memon et al., Cancel Cell 2024). Once patients progress on these regimens, docetaxel, a drug approved over 25 years ago, is recommended in the second- and third-line EGFR wild type NSCLC, but it has modest clinical benefit and high severe neutropenia. Recently, multiple phase 3 studies, with agents including PD-1/PD-L1 antibodies combinations or Antibody Drug Conjugate (ADC) have failed to surpass docetaxel in overall survival (OS) in this population. We believe that Plinabulin’s mechanism of DC maturation could help mitigate ICI acquired resistance, as DC is the most potent APC with its ability to prime T cells.

To address the significant unmet need in this population, we have been conducting multiple studies on Plinabulin combinations. First, we completed a randomized global Phase 3 study of Plinabulin in combination with docetaxel compared with docetaxel alone for second- and third-line treatment of NSCLC, with EGFR wild type (DUBLIN-3 Phase 3 registration study). The DUBLIN-3 study enrolled 559 patients at 58 clinical sites globally and the final results from the study showed that the Plinabulin and docetaxel combination had statistically significant and clinically meaningful overall survival benefit compared to standard of care (SOC) docetaxel alone with doubling 2-year and 3-year OS rate. It has more pronounced overall survival benefit in plinabulin-mechanism targeted non-squamous patients (OS HR 0.72 after additional 2-year follow-up, p=0.0078). Key secondary endpoints were also achieved with additional clinically significant benefits in progression free survival (PFS) and objective response rate (ORR), coupled with a significant reduction in grade 4 neutropenia, with over 80% reduction from over 33% to 5% ($p<0.0001$). The finding was published in LANCET Respiratory Medicine journal in September 2024, and at the same time we made an oral presentation at the International Association for the Study of Lung Cancer (IASLC) conference. Based on the DUBLIN-3 data described above and productive discussion with U.S. and China regulatory agencies, we plan to initiate a confirmatory global phase 3 study (DUBLIN-4) in second- and third-line non-squamous NSCLC with EGFR wild type after progression on prior immune checkpoint inhibitors.

In addition, we are conducting a number of investigator-initiated study (IIT) on Plinabulin in ICI progressed cancers, including NSCLC, head-and-neck cancer and Hodgkin’s Lymphoma, and first line extensive-stage small cell lung cancer (ES-SCLC). We provide financial support for these various investigator-initiated clinical trials as well as the drug supply of Plinabulin. First, our collaborators at Peking Union Medical College Hospital in China are conducting an investigator-initiated Phase 2 study (Study 303) with the completion of all 47 patients enrolled: Plinabulin in combination with Keytruda® (pembrolizumab), a PD-1 antibody, and docetaxel for the treatment of NSCLC patients who progressed from PD-1/PD-L1 antibodies. We presented clinically meaningful data of high disease control rate of 80% and prolonged PFS from this study at European Society for Medical Oncology (ESMO) 2024, Society for Immunotherapy of Cancer (SITC) 2024, and American Society of Clinical Oncology (ASCO) 2025 and 2026. Further, our collaborators at MD Anderson Cancer Center have completed a phase 1 IIT study in Plinabulin’s combination with PD-1 or PD-L1 antibodies and radiation for the treatment of patients with eight cancer types who progressed from PD-1/PD-L1 antibodies, with disease control rate of 54%. This paper was published in Cell Press “Med” in June 2025. Plinabulin’s rapid DC maturation biomarker analysis was observed in responding patients. Additionally, Plinabulin is being studied in a Phase 2 IIT study (Study 302) in combination with Keytruda®, etoposide and platinum for the first-line treatment of ES-SCLC patients at Wuhan Union Hospital in China, where the current standard of care has limited median PFS. Additional completed IITs with Plinabulin include: 1) in combination with nivolumab, a PD-1 antibody, for the treatment of NSCLC at the University of California San Diego, or UCSD, and the University of Washington (Phase 1 completed); and 2) in combination with nivolumab and ipilimumab, a CTLA-4 antibody, for the treatment of second line ES-SCLC at the Rutgers University and other U.S. clinical centers (both Phase 1 and Phase 2 completed).

Recently, we reported the preclinical study data of Plinabulin in combination with antibody drug conjugates (ADC), which are targeted chemotherapy, at American Association for Cancer Research (AACR) 2026, showing that plinabulin improves complete response rates, overall survival, and tolerability when combined with leading ADC drugs (T-DXd (trastuzumab deruxtecan) and Dato-DXd (datopotamab deruxtecan)), with or without immunotherapy. Biomarker analysis also showed that Plinabulin enhanced the body’s own cancer-fighting T-cells, significantly increasing CD8+T cell/Treg ratio – providing a biological explanation for why the combination outperforms either drug alone.

We expect each of these studies to benefit from our previous investigation of Plinabulin as an agent that has been studied in two randomized, controlled Phase 3 clinical studies to have demonstrated a statistically significant reduction in CIN. In total, over 700 patients have been treated with Plinabulin, where improvements in CIN have been repeatedly observed. Our strategy is to develop Plinabulin in multiple indications with the potential for Plinabulin to be an important component of the multi-agent combination with immune checkpoint inhibitor regimens to elevate the anti-cancer benefit for cancer patients, supported by Plinabulin's potent dendritic cell maturation mechanism. To implement our strategy, we use a highly efficient business model that integrates clinical resources in the U.S. and China. We work with global contract research organizations, or CROs, such as ICON and Covance (now Labcorp), to ensure data quality with studies conducted under U.S. Good Clinical Practice requirements. Our drug development capabilities are facilitated by interest from clinical investigators in the U.S. and China, as well as by our understanding of the pharmaceutical industry, clinical resources and regulatory system in China.

We have partnered with Hengrui to commercialize Plinabulin, if approved, in Greater China through our subsidiary, Dalian Wanchunbulin Pharmaceuticals Ltd., or Wanchunbulin. China recognized Plinabulin as a National Science and Technology Major Project for "essential new drug research and development." Also, with the grant of status as a 2017 National Science and Technology Major Project in China, or the 2017 Grant, Plinabulin has been included in the National Drug Priority Review List. We believe that, pending drug approval and successful pricing negotiations with the Chinese government, the 2017 Grant could help position Plinabulin for inclusion in the National Insurance System, which would allow for faster access to patients and reimbursement. In the U.S. and for the rest of the world, we currently plan to seek a co-development and commercialization partner to maximize Plinabulin's potential in multiple cancer indications, if approved.

Since the inception of Wanchun Biotech, the former holding company of our U.S. subsidiary, in 2010, our operations have focused on organizing and staffing our company, business planning, raising capital, establishing our intellectual property portfolio, including protecting the rights to Plinabulin, and conducting studies in animals and clinical trials of Plinabulin. We do not have any product candidates approved for sale and have not generated any revenue from product sales. We have financed our operations with a combination of equity financings, shareholder and third-party loans, including bank loans, sale of subsidiary interests and collaboration arrangements.

Through June 30, 2026, we have raised approximately $301.0 million in equity financings, $10.2 million of issuance of non-controlling interests, $37.0 million from the sale of preferred shares of SEED in connection with its Series A-2/A-3 financings and $7.4 million from the sale of preferred shares of SEED by the Company to third-party investors, $2.1 million from bank loans, of which $0.6 million has been forgiven in July 2021 and $1.5 million has been repaid in March 2022, $2.5 million in third party loans, of which $1.0 million has since been converted into an equity investment and $1.5 million has been repaid, and $14.4 million in shareholder loans, of which $6.0 million has been repaid and $8.4 million was assumed by Wanchun Biotech, the former holding company of our U.S. subsidiary, on July 20, 2015 pursuant to our internal restructuring, $10.0 million upfront payment to SEED from Eli Lilly and Co. ("Eli Lilly") and RMB 200 million (approximately $29 million) upfront payment to Wanchunbulin from Hengrui. As of June 30, 2026, our continuing operations had no outstanding debt and held $6.5 million in cash and cash equivalents and short-term investments. We expect to receive $28.07 million in tranches from the sale of our Series A-1 Preferred Shares of SEED as described under "—Discontinued Operations."

Our consolidated net loss was $4.6 million and $3.5 million for the three and six months ended June 30, 2025, respectively. Our consolidated net loss was $5.7 million and $12.4 million for the three and six months ended June 30, 2026, respectively. As of December 31, 2025 and June 30, 2026, we had an accumulated deficit of $408.4 million and $411.4 million, respectively. Substantially all of our losses have resulted from funding our preclinical studies, clinical trials, manufacturing our drug product, our research and development programs and from general and administrative costs associated with our operations. We expect to continue to incur significant expenses and operating losses for the foreseeable future. We anticipate that our expenses may increase in connection with our ongoing activities, as we:

- continue preclinical studies and clinical development of our programs including in connection with the clinical development programs for Plinabulin in NSCLC and combination studies with immune agents and related chemistry, manufacturing, and controls and regulatory activities;
- incur additional costs associated with operating as a domestic issuer;
- maintain, expand and protect our intellectual property portfolio; and
- fund the discovery and development of new product candidates.

We will need substantial additional funding to support our operating activities as we advance our product candidates through clinical development, seek regulatory approval and prepare for and, if any of our product candidates are approved, proceed to commercialization. We continue to explore strategic options in the U.S. and globally to support the execution of our business plan and to maximize shareholder value. These options may include licensing and partnership arrangements, a sale of the Company or its assets, equity or debt financing, or a combination of the above. Adequate funding may not be available to us on acceptable terms, or at all. In particular, inflation and high interest rates across the global economy, governments' monetary policy in response to inflation concerns, concerns around tariffs and a possible recession, the ongoing hostilities between Russia and Ukraine and escalating geopolitical tensions and military conflicts in the Middle East, including conflicts involving Israel, Hamas, Iran and other regional actors, have caused, and may continue to cause, market volatility, and under such market conditions, we may not be able to obtain funding on reasonable terms or at all.

Discontinued Operations

SEED was founded by us in 2019. Since then, Eli Lilly participated in SEED's Series A-2 financing in 2020 and Eisai Co., Ltd. ("Eisai") participated in SEED's Series A-3 financing in 2024. SEED is utilizing a proprietary Targeted Protein Degradation (TPD) drug discovery platform, or "molecular glue" technology, to develop innovative therapeutic agents from internal research and development efforts and with our collaborators on currently undruggable protein targets. SEED has advanced its wholly owned lead oncology asset, a novel RBM39 degrader, into phase 1 clinical studies in January 2026. SEED has partnered with Eli Lilly and Eisai to discover and develop new chemical entities through this proprietary TPD platform which could produce therapeutic benefits to patients suffering from immunology and central nervous system (CNS) disease, among others. SEED has received notice of Eli Lilly's decision to voluntarily end that certain Research and Collaboration Agreement by and between SEED and Eli Lilly, dated November 12, 2020. The notice specifies an effective end date of August 20, 2026. SEED will retain its rights to the collaboration targets and SEED-owned inventions, subject to the terms of the agreement. SEED is currently in discussions with Eli Lilly regarding a potential license to certain Eli Lilly intellectual property that could support the continued development of specific compounds arising from the collaboration. These discussions remain preliminary, and there is no assurance that SEED and Eli Lilly will enter into a new agreement, or if an agreement is reached, what its terms or timing may be.

In January 2025, we entered into definitive agreements to sell a portion of our Series A-1 Preferred Shares of SEED for $35.4 million, or $4.25 per share, to certain third-party investors in three installments. The first closing of 1,730,454 shares for approximately $7.35 million occurred in February 2025. The second closing of 3,103,055 shares for approximately $13.19 million is expected to be completed in 2026. Under the terms of the definitive agreements, the third closing of 3,500,128 shares for approximately $14.88 million is scheduled to occur no later than December 15, 2026. Each agreement contains specified termination rights for us and each purchaser, including a mutual termination right in the event a closing shall not have occurred by such specified date as set forth in each agreement.

In September 2025, SEED entered into share purchase agreements with a related party and certain third-party investors to sell an aggregate of 1,411,761 of its Series A-3 Preferred Shares for an aggregate purchase price of $6 million at a cash purchase price of $4.25 per share.

As of the date of this Quarterly Report on Form 10-Q, the BYSI Entities own approximately 38.03% of the outstanding equity interest in SEED, and are expected to own approximately 26.56% and 13.62% of the outstanding equity interest in SEED after the second and third closings, respectively, in each case calculated on an as-converted basis (excluding any shares that may be reserved under an employee stock ownership plan, or similar arrangement), and assuming there is no other change to SEED's share capital prior to such closings. For so long as the BYSI Entities remain holders of a majority of the Series A-1 Preferred Shares of SEED, they have the right to elect two directors of SEED. In addition, holders of a majority of the Series A-1 Preferred Shares and ordinary shares of SEED will have the right to elect two independent directors of SEED.

As a result, SEED's operations met the criteria under ASC 205-20 as discontinued operations for financial reporting purposes. We classified the financial results of SEED to Discontinued Operations in the Condensed Consolidated Statements of Comprehensive Income (Loss) for all periods presented. In connection with the first closing described above, we recorded a gain on sale of subsidiary interests of $7.0 million. We also classified the related assets and liabilities as current and noncurrent assets and liabilities of discontinued operations on the accompanying Condensed Consolidated Balance Sheets as of December 31, 2025 and June 30, 2026. Cash flows from discontinued operations are not reclassified in the Condensed Consolidated Statements of Cash Flows but are disclosed in the accompanying condensed consolidated financial statements footnotes. See Note 3 (Discontinued operations) to our condensed consolidated financial statements for additional information.

Segments

From 2022 to 2024, we operated in two reportable segments, namely Plinabulin pipeline and TPD platform. The TPD platform segment was comprised of SEED's operations. As a result of SEED's operations being classified as discontinued operations, the TPD platform segment is excluded from the Company's continuing operations.

See Note 14 (Segment reporting and geographic information) to our condensed consolidated financial statements for additional information.

Components of Results of Operations

Revenue

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from the sale of products in the foreseeable future. For the three and six months ended June 30, 2026, our discontinued operations generated $0.5 million and $1.0 million of revenue, respectively, through SEED's research collaboration and license agreement with Eli Lilly and our continuing operations did not generate any revenue. The RMB 200 million (approximately $29 million) upfront payment received by Wanchunbulin from Hengrui is recorded as deferred revenue and will be recognized as revenue over time after product approval using unit of delivery measure of progress. In the future, we may generate revenue from a combination of product sales, reimbursements, upfront payments, milestone payments and royalties in connection with existing and future collaborations. If we fail to complete the development of our product candidates in a timely manner or fail to obtain their regulatory approval, we will not generate revenue from product sales in the future.

Operating Expenses

Research and Development Expenses

The largest component of our total operating expenses has historically been our investment in research and development activities. Research and development expenses consist of costs associated with our research and development activities, conducting preclinical studies and clinical trials of Plinabulin and development of our pipeline of immune-oncology product candidates. Research and development expenses also include activities related to:

- employee-related expenses, including salaries, benefits, share-based compensation and travel expense for research and development personnel;
- expenses incurred under agreements with CROs, contract manufacturing organizations, and consultants that conduct and support clinical trials and preclinical studies;
- costs associated with preclinical studies and development activities;
- costs associated with regulatory operations;
- costs associated with protecting intellectual property;
- share-based compensation to employees, directors and non-employee consultants; and
- other expenses, which include direct and allocated expenses for rent, insurance and other supplies used in research and development activities.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect our research and development expenses to continue to be significant over the next several years as we continue to develop our product pipeline through additional preclinical studies and clinical trials.

We expense research and development costs when we incur them. We record costs for some development activities, such as clinical trials, based on an evaluation of the progress to completion of specific tasks using data such as subject enrollment, clinical site activations or information our vendors provide to us.

There are numerous factors that will impact research and development costs, including future clinical trials and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. Additionally, future commercial requirements and regulatory factors beyond our control will impact our clinical development programs and plans. The successful development of our product candidates is highly uncertain. Due to the inherently unpredictable nature of preclinical studies and clinical development and commercialization of product candidates, we cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete the remainder of the development of, or when, if ever, material net cash inflows may commence from, any of our other product candidates. This unpredictability is due to the numerous risks and uncertainties associated with the duration and cost of clinical trials and commercialization of product candidates, which vary significantly over the life of a project as a result of many factors, including:

- the number of clinical sites included in the trials;
- the design of the trial and changes to the design of the trial;
- establishing an appropriate safety profile;
- the length of time required to enroll suitable patients;
- the number of patients that ultimately participate in the trials;
- the number of doses patients receive;
- the duration of patient follow-up;
- the results of our clinical trials;
- making arrangements with third-party manufacturers;
- receipt of marketing approvals from applicable regulatory authorities;
- commercializing the product candidates, if and when approved, whether alone or in collaboration with others;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity for our product candidates;
- continued acceptable safety profiles of the products following approval; and
- retention of key research and development personnel.

A change in the outcome of any of these variables with respect to the development of any of our product candidates would significantly change the costs, timing and viability associated with the development of that product candidate.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel costs, including executive, finance and human resource functions, and information technology, and share-based compensation costs. Other general and administrative expenses include professional fees for legal, consulting, auditing and tax services as well as other direct expenses for rent, insurance and supplies used in general and administrative activities. We currently do not expect to incur significant pre-commercialization costs in the near future. We also incur legal, compliance, accounting, directors and officers insurance, and investor and public relations expenses associated with being a public company.

Other Income (Expenses)

Other income consists primarily of interest income earned on our cash and cash equivalents and short-term investments, and foreign exchange gains. Other expenses consist primarily of foreign exchange losses.

Results of Operations

Comparison of the Three Months Ended June 30, 2026 and 2025

The following table summarizes the results of our operations for the three months ended June 30, 2026 and 2025, respectively, together with the percentage changes in those items:

	Three Months Ended June 30,		
	2026	2025	Change
	(in thousands of U.S. Dollars ("$"))		%
Revenue	—	—	—
Operating expenses			
Research and development	(973)	(1,002)	-3%
General and administrative	(758)	(947)	-20%
Loss from operations	(1,731)	(1,949)	-11%
Other income			
Foreign exchange gain, net	61	47	30%
Interest income	4	28	-86%
Other income, net	16	18	-11%
Total other income, net	81	93	-13%
Net loss before income tax	(1,650)	(1,856)	-11%
Income tax expenses	(100)	(22)	355%
Net loss from continuing operations	(1,750)	(1,878)	-7%
Discontinued operations:			
Loss from discontinued operations	(3,950)	(2,771)	43%
Net loss from discontinued operations	(3,950)	(2,771)	43%
Net loss	(5,700)	(4,649)	23%

Research and Development Expenses

Research and development (R&D) expenses were $1.0 million for the three months ended June 30, 2026, compared to $1.0 million for the three months ended June 30, 2025. R&D expenses remained relatively flat, as a $0.3 million increase in drug manufacturing activities to prepare for potential future study initiation was substantially offset by lower patent-related professional services and personnel-related costs.

The following table summarizes the research and development expenses for the three months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		
	2026	2025	Change
	(in thousands of U.S. Dollars ("$"))		%
Clinical expenses	563	129	338%
Preclinical expenses	6	59	-90%
Professional services	89	373	-76%
Personnel compensation and related costs	267	347	-23%
Facility and other expenses	48	94	-49%
Total research and development	973	1,002	-3%

General and Administrative Expenses

General and administrative (G&A) expenses were $0.8 million for the three months ended June 30, 2026, compared to $0.9 million for the three months ended June 30, 2025. The $0.1 million decrease was primarily due to lower legal fees and lower consulting costs related to accounting advisory and business development.

Other Income

Other income for the three months ended June 30, 2026 and 2025 consisted primarily of foreign exchange gains and interest income.

Comparison of the Six Months Ended June 30, 2026 and 2025

The following table summarizes the results of our operations for the six months ended June 30, 2026 and 2025, respectively, together with the percentage changes in those items:

	Six Months Ended June 30,		
	2026	2025	Change
	(in thousands of U.S. Dollars ("$"))		%
Revenue	—	—	—
Operating expenses			
Research and development	(2,049)	(1,876)	9%
General and administrative	(1,914)	(2,683)	-29%
Loss from operations	(3,963)	(4,559)	-13%
Other income			
Foreign exchange gain, net	111	76	46%
Interest income	12	45	-73%
Other income, net	31	18	72%
Total other income, net	154	139	11%
Net loss before income tax	(3,809)	(4,420)	-14%
Income tax expenses	(292)	(42)	595%
Net loss from continuing operations	(4,101)	(4,462)	-8%
Discontinued operations:			
Loss from discontinued operations	(8,273)	(6,003)	38%
Gain on sale of subsidiary interests	—	6,986	-100%
Net income (loss) from discontinued operations	(8,273)	983	-942%
Net loss	(12,374)	(3,479)	256%

Research and Development Expenses

Research and development (R&D) expenses were $2.0 million for the six months ended June 30, 2026 compared to $1.9 million for the six months ended June 30, 2025. The $0.1 million increase was primarily driven by expanded drug manufacturing activities, partially offset by lower patent-related professional service fees, regulatory filing advisory expenses and a non-cash adjustment for 2024 incentive compensation recognized in 2025.

The following table summarizes the research and development expenses for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30,		
	2026	2025	Change
	(in thousands of U.S. Dollars ("$"))		%
Clinical expenses	991	181	448%
Preclinical expenses	110	121	-9%
Professional services	288	661	-56%
Personnel compensation and related costs	556	760	-27%
Facility and other expenses	104	153	-32%
Total research and development	2,049	1,876	9%

General and Administrative Expenses

General and administrative (G&A) expenses were $1.9 million for the six months ended June 30, 2026, compared to $2.7 million for the six months ended June 30, 2025. The $0.8 million decrease was primarily due to lower incentive compensation and share-based compensation for G&A personnel and lower professional services expenses in legal advisory.

Other Income (Expenses)

Other income for the six months ended June 30, 2026 and 2025 consisted primarily of foreign exchange gains and interest income.

Non-Accelerated Filer

As a non-accelerated filer, we intend to rely on an exemption from the rule requiring us to provide an auditor's attestation report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and potential exemptions from the rule requiring us to comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis.

Liquidity and Capital Resources

Since inception, we have incurred negative cash flows from our operations. Substantially all of our negative cash flows have resulted from funding our research and development programs and general and administrative expenses associated with our operations. We incurred consolidated net losses of $12.4 million and $3.5 million for the six months ended June 30, 2026 and 2025, respectively. As of June 30, 2026 and December 31, 2025, we had an accumulated deficit of $411.4 million and $408.4 million, respectively. Our primary use of cash is to fund research and development programs and for general and administrative expenses. Our operating activities used $7.1 million and $10.1 million of cash, including $4.6 million and $5.8 million used in discontinued operating activities, during the six months ended June 30, 2026 and 2025, respectively. We have financed our operations with a combination of equity offerings, shareholder and third-party loans, including bank loans, sale of subsidiary interests and collaboration arrangements. As of June 30, 2026, our continuing operations had cash and cash equivalents of $2.7 million and short-term investments of $3.8 million.

Going Concern

Our liquidity is affected by financing activities, our clinical trials, and research and development and general and administrative expenses. In order to operate as a going concern in the foreseeable future, we will need, among other things, additional capital resources. We are evaluating various financing alternatives to fund our operations, including equity and debt financings, potential licensing and partnership arrangements, sale of subsidiary or investee interests, as well as other strategic transactions. There can be no assurance that capital will be available as necessary to meet our working capital requirements or, if the capital is available, that it will be on terms acceptable to us. The issuances of additional equity securities by us may result in dilution in the equity interests of our current shareholders. Obtaining commercial loans, assuming those loans will be available, will increase our liabilities and future cash commitments and may include financial covenants and restrictions. If we are unable to obtain financing in the amounts and on terms deemed acceptable, our business and future success will be materially and adversely affected. These factors raise substantial doubt regarding our ability to continue as a going concern.

The following table provides information regarding our consolidated cash flows for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30,	
	2026	**2025**
	(in thousands of U.S. Dollars ("$"))	
Net cash used in operating activities	(7,049)	(10,072)
Net cash provided by investing activities	4,474	17,154
Net cash used in financing activities	(4,231)	—
Net effect of foreign exchange rate changes	33	(2)
Net increase (decrease) in cash and cash equivalents	(6,773)	7,080

The following table provides information regarding cash flows of discontinued operations for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30,	
	2026	**2025**
	(in thousands of U.S. Dollars ("$"))	
Net cash used in discontinued operating activities	(4,552)	(5,790)
Net cash provided by discontinued investing activities	3,531	9,800
Net cash used in discontinued financing activities	(4,223)	—

Cash inflows generated by our discontinued operations were used to support their own operations, including funding their own R&D activities, rather than being transferred to or used by the continuing operations. As such, we believe the liquidity of our continuing operations will not be negatively affected by the absence of discontinued operation's cash flows.

Net Cash Used in Operating Activities

The cash used in operating activities for the six months ended June 30, 2026 and 2025 reflects adjustments to our net loss of $12.4 million and $3.5 million, respectively, for non-cash gains and charges, and changes in components of working capital. During the six months ended June 30, 2026, these non-cash adjustments mainly consisted of $1.0 million of non-cash share-based compensation and $0.4 million of non-cash operating lease expenses. Net cash used in operating activities was $7.1 million for the six months ended June 30, 2026, compared to $10.1 million for the six months ended June 30, 2025. The $3.0 million decrease was primarily driven by a strategic extension of payment terms with vendors to manage short-term liquidity requirements.

The primary use of our cash in the periods presented was to fund our research and development, regulatory and other clinical trial costs and related administrative costs. Our advances to suppliers and other current assets, accounts payable and accrued expense balances in all periods presented were affected by the timing of vendor invoicing and payments.

Net Cash Used in Investing Activities

Net cash provided by investing activities for the six months ended June 30, 2026 was $4.5 million, consisting primarily of $26.6 million cash proceeds from maturity of time deposits and structured deposits, offset by $22.1 million used to purchase structured deposits. Net cash provided by investing activities for the six months ended June 30, 2025 was $17.2 million, consisting primarily of $14.9 million cash proceeds from maturity of time deposits, $7.4 million cash consideration received in February 2025 for the first closing of the sale of a portion of our equity interests in SEED, offset by $5.0 million used to purchase time deposits.

Net Cash Used by Financing Activities

Net cash used in financing activities for the six months ended June 30, 2026 was $4.2 million, which was primarily attributable to discontinued operations, consisting of $4.5 million repayment of short-term loans, offset by $0.3 million cash proceeds from the issuance of SEED's Series A-3 Preferred Shares. There were no cash provided or used by financing activities for the six months ended June 30, 2025.

Future Liquidity and Material Cash Requirements

We do not expect to generate significant revenue from product sales unless and until we obtain regulatory approval of and commercialize any of our current product candidates. We anticipate that we will continue to generate losses for the foreseeable future as we continue the development of, and seek regulatory approvals for, our current product candidates. Accordingly, we anticipate that we will need additional funding in connection with our future operations.

Our liquidity is affected by financing activities, our clinical trials, and research and development and general and administrative expenses. We will need, among other things, additional capital resources to fund our business activities. There can be no assurance that capital will be available as necessary to meet our working capital requirements or, if the capital is available, that it will be on terms acceptable to us. If we are unable to obtain financing in the amounts and on terms deemed acceptable, our business and future success will be materially and adversely affected. We have based our estimates on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development, regulatory approval and commercialization of our product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures necessary to complete the development, regulatory filing and commercialization of our product candidates.

Our future capital requirements will depend on many factors, including:

- the costs, timing and outcome of regulatory reviews and approvals;
- the ability of our product candidates to progress through clinical development successfully;
- the initiation, progress, timings, costs and results of studies in animals and clinical trials for our other programs and potential product candidates;
- the number and characteristics of the product candidates we pursue;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the extent to which we acquire or in-license other products and technologies;
- our ability to establish and maintain arrangements partnership with other pharmaceutical companies for the development, licensing and commercialization of our assets; and
- our ability to maintain and establish collaboration arrangements on favorable terms, if at all.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity and debt financing, potential licensing and partnership arrangements, sale of subsidiary or investee interests, or other strategic transactions. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our shareholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our shareholders. Debt financing, if available, will increase our liabilities and future cash commitments and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends and may require the issuance of warrants, which could potentially dilute the ownership interest of our shareholders. If we raise additional funds through collaborations, strategic alliances, marketing or distribution arrangements or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams or research programs or to grant licenses on terms that may not be favorable to us. Sale of subsidiary or investee interests, such as the sale of our Series A-1 Preferred Shares of SEED as described under "—Discontinued Operations," will cause our controlling power over such subsidiary or investee to diminish and limit our ability to benefit from potential growth of its business. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves.

Contractual Obligations

Lease commitments

The principal commitments from continuing operations consist of obligations under our operating leases for office space.

We lease all of our facilities and believe our current facilities are sufficient to meet our needs. Our principal executive offices are located in New Jersey, and we also have offices in Dalian, China.

We currently lease office space in New Jersey, with total space of 9,727 square feet. The lease expires in February 2027. Our current rent is $26,749 per month. We additionally pay for the cost of utilities, as well as our share of building real estate taxes and building operating expenses. Payments under the lease are expensed on a straight-line basis over the period of the lease.

We lease office space in Dalian, China, with total space of 210.65 square meters and a monthly rent of RMB 10,255 (approximately $1,511). The lease is set to expire on December 31, 2027. Payments under the lease are expensed on a straight-line basis over the period of the lease. We are entitled to receive rent subsidy in the amount of RMB 220,000 (approximately $32,000) from the local government office of Dalian, China, with respect to our prior office lease in Dalian, China.

Other contractual obligations

We enter into agreements in the normal course of business with CROs and institutions to license intellectual property. These contracts are cancelable at any time by us with prior written notice.

Our subsidiary Wanchunbulin has entered into a government grant agreement with specific local authorities in the PRC. Wanchunbulin commits to staying within designated districts, maintaining current tax jurisdictions, and retaining its registered capital, until 2033. Wanchunbulin also undertakes not to establish additional entities in other jurisdictions within Greater China for the purposes of conducting research, development, and commercialization activities related to Plinabulin, provided such activities fall within the scope of the government grant agreement. Otherwise, Wanchunbulin may be required to refund the grants.

Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses. We evaluate our estimates and judgments on an ongoing basis, and our actual results may differ from these estimates. We base our estimates on historical experience, known trends and events, contractual milestones and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

There have been no material changes to our critical accounting estimates as compared to those described in the section titled "Part I—Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Recent Accounting Pronouncements

See Note 2 to our condensed consolidated financial statements included in this Quarterly Report for recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the fiscal quarter ended June 30, 2026, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our management has concluded that during the period covered by this report, our disclosure controls and procedures were effective.

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial and accounting officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended June 30, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors

Except as set forth below, there have been no material changes from the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025. Any of these factors, including the additional risk factors set forth below, could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations.

Risks Related to Our Financial Position and Need for Additional Capital

We will depend on our ability to obtain necessary financing to fund our working capital requirement to continue as a going concern.

We are a clinical stage global biopharmaceutical company focused on developing innovative therapies to improve clinical outcomes for patients with high unmet medical needs. We have incurred operating losses and negative cash flows from operations since our inception. We have devoted most of our financial resources to research and development, including our clinical and preclinical development activities. To date, we have financed our operations primarily through equity financings. We have not generated, and do not expect to generate, any significant revenue for the foreseeable future. We expect to continue to incur significant operating losses for the foreseeable future due to the cost of research and development, clinical trials, preclinical studies and the regulatory approval process for product candidates. The amount of our future net losses is uncertain and will depend, in part, on the rate of our future expenditures. Our ability to continue operations as a going concern will depend on, among other things, additional capital resources. There can be no assurance that capital will be available as necessary to meet the Company's working capital requirements or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in dilution in the equity interests of its current shareholders. Obtaining commercial loans, assuming those loans will be available, will increase the Company's liabilities and future cash commitments. Our financial statements do not contain any adjustments to the amounts or classification of recorded assets or liabilities that might be necessary if we do not continue as a going concern. The financial statements take no account of unsuccessful product development or commercialization.

Risks Related to Our Industry, Business and Operation

Our future success depends on our ability to retain our Chief Executive Officer and other key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on our senior management team and other key personnel. Effective July 1, 2026, Mr. Min Qiu began serving as our Chief Executive Officer in connection with a leadership transition. While we believe this transition supports continuity in the management of our business, the loss of the services of Mr. Qiu or any of our other executive officers or key employees, or our inability to attract, retain and motivate additional qualified personnel, could delay or prevent the achievement of our research, development, regulatory and business objectives and could adversely affect our business, financial condition and results of operations. Competition for qualified personnel in the biopharmaceutical industry is intense, and we may not be able to attract or retain qualified personnel on acceptable terms, or at all, due to competition for such personnel among numerous pharmaceutical and biotechnology companies, universities and research institutions.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds from Registered Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
10.1 (1)	Employment Agreement, dated as of July 1, 2026, between BeyondSpring Inc. and Min Qiu
10.2 (1)	English Translation of the Employment Agreement, dated September 1, 2025, between Wanchun Hongji (Dalian) Pharmaceuticals Ltd. and Na Li
31.1 (1)	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 (1)	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1 (2)	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 (2)	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

(1) Filed with this Quarterly Report on Form 10-Q.

(2) Furnished with this Quarterly Report on Form 10-Q.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BeyondSpring Inc.

Date: August 14, 2026

/s/ Min Qiu

Name: Min Qiu
Title: Chief Executive Officer
(Duly Authorized Officer)

BeyondSpring Inc.

Date: August 14, 2026

/s/ Na Li

Name: Na Li
Title: Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 10.1

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into on July 1, 2026 (the "Effective Date") by and between BeyondSpring Inc. ("Company") and Min Qiu ("Employee") (collectively, the "Parties").

WHEREAS, Employee and the Company desire to enter into an agreement in which Employee will be an employee of the Company;

WHEREAS, the Company and Employee have agreed to certain terms and conditions, which are set forth below.

AND NOW, intending to be legally bound, the Parties agree as follows:

1. Position and Duties

a. Employee shall serve and the Company shall employ Employee in the position of Chief Executive Officer. Employee shall report directly to the Board ("Supervisor"). The duties of Employee shall be assigned by the Supervisor from time to time commensurate with Employee's education, skills and experience.

b. Employee shall work full-time and devote Employee's best efforts to do the business of the Company in a manner that will further the interests of the Company.

c. Employee shall not work for any other person or entity while in the employ of the Company without prior written consent from the Supervisor. Notwithstanding the foregoing, nothing herein shall preclude Employee from: (i) serving, with the prior consent and approval of the Company's Board of Directors (which shall not be unreasonably withheld or delayed), as a member of no more than two (2) boards of directors of non-competing businesses and charitable organizations (ii) engaging in charitable activities and community affairs; and (iii) managing Employee's personal investments and affairs; provided, however, that the activities set out in clauses (i), (ii) and (iii) herein shall be limited by Employee so as not to interfere in any material respect, individually or in the aggregate, with the performance of Employee's duties and responsibilities hereunder, or pose a conflict of interest or violate any provision of this Agreement, such determinations to be made at the reasonable good faith discretion of the Company's Board of Directors.

d. Employee shall comply with all Company policies including, but not limited to those set forth in the Company's Employee Handbook.

2. Term and Termination

a. Employee's employment may be terminated at any time and for any reason by action of the Employee or the Company, and the Parties agree that nothing in this Section shall change the "at-will" employment relationship between the Parties.

b. Should Employee choose to resign voluntarily from the Company at any point in time, Employee agrees to give the Company a minimum of three (3) months' written notice prior to Employee's resignation date.

c. If, during the term of this Agreement, the Company terminates Employee's employment other than for death, disability or Cause, or if Employee terminates employment for Good Reason, then, subject to Section 2.f below, the Company shall pay to Employee (i) his base salary, as of the date of termination, for the nine (9) month period commencing on the date of termination (the "Severance Period"), payable over the Severance Period in regular installments in accordance with the Company's normal payroll practices as they may exist from time to time, with the installments that otherwise would be paid prior to the first payroll date following the date the Release described in Section 2.f. becomes effective and irrevocable in accordance with its terms, being paid (without interest) on such payroll date in a lump sum and the remaining installments being paid as otherwise scheduled assuming payments had begun immediately after the date of termination; and (ii) a pro-rated portion of any bonus earned for the year in which the date of termination occurs, based on actual performance results, and paid at the same time as other senior executives who did not terminate employment.

d." Cause" shall mean (i) Employee's substantial and continued failure (except where due to a disability, illness or periods of vacation or approved leave), neglect, or refusal to perform in any material respect Employee's duties and responsibilities; (ii) any intentional or grossly negligent act of Employee that has the effect of injuring the business of the Company or its subsidiaries in any material respect; (iii) Employee's conviction of, or plea of guilty or no contest to (a) a felony, (b) any material violation of federal or state securities laws or (c) any other criminal charge that has, or could be reasonably expected to have, a material adverse impact on the performance of Employee's duties to the Company or otherwise result in material injury to the business of the Company or its subsidiaries; (iv) the commission by Employee of an act of fraud or embezzlement against the Company or its subsidiaries; (v) any material violation by Employee of the policies of the Company or its subsidiaries, including but not limited to those relating to sexual harassment or business conduct, and those otherwise set forth in the manuals or statements of policy of the Company or its subsidiaries; or (vi) Employee's material breach of this Agreement.

e." Good Reason" shall mean, without Employee's consent: (i) a material diminution in Employee's duties or responsibilities; (ii) a reduction in base salary as initially set forth in Section 3.a hereof or as subsequently increased by the Company (other than pursuant to an across-the-board reduction applicable to all similarly situated executives); (iii) any requirement by or directive from the Company that Employee permanently relocate his principal residence or change in the primary place of the Company's business by more than 50 miles from its then current location; (iv) any material breach of a provision of this Agreement by the Company; and (v) a "change of control" (as defined in the Company's 2017 incentive plan). Employee acknowledges and agrees that Employee's exclusive remedy in the event of any breach of this Agreement shall be to assert Good Reason pursuant to the terms and conditions of Section 2.e. hereof. A termination of Employee's employment under Sections 2.e. shall not be deemed to be for Good Reason unless (a) Employee gives notice to the Company of the existence of the event or condition constituting Good Reason within 30 calendar days after becoming aware of the initial occurrence or existence of such event or condition, and (b) the Company fails to cure such event or condition within 30 calendar days after receiving such notice. Additionally, Employee must terminate his employment within 90 calendar days after the initial occurrence of the circumstance constituting Good Reason for such termination to be "Good Reason" hereunder. Notwithstanding the foregoing, during the term of this Agreement, in the event that the Company reasonably believes that Employee may have engaged in conduct that could constitute Cause hereunder, the Company may, in its sole and absolute discretion, suspend Employee from performing Employee's duties hereunder for a period not to exceed 90 days, and in no event shall any such suspension constitute an event pursuant to which Employee may terminate employment with Good Reason or otherwise constitute a breach hereunder; provided, that no such suspension shall alter the Company's obligations under this Agreement during such period of suspension.

f. Notwithstanding anything contained herein to the contrary, the Company shall not be obligated to make any payment or provide any benefit under Section 2.e., hereof unless: (i) Employee or Employee's legal representative first executes within 30 calendar days after the date of termination (or such longer period as required by applicable law) a release of claims agreement in a form provided by the Company (the "Release"); (ii) Employee does not revoke the Release; and (iii) the Release becomes effective and irrevocable in accordance with its terms. (the "Release Date").

3. Compensation

a. Employee shall be paid a salary of $100,000 annually. In addition to the base salary, Employee will be eligible to earn an annual bonus of up to 30% of annual base salary. Whether you receive this bonus, and the amount, will be determined in the sole discretion of the Company and based, in part, on your performance and the performance of the Company during the calendar year. The terms, conditions, and metrics for any annual bonus compensation may be further established in writing by the Company. The Company will pay you this bonus, if any, in the following calendar year. The bonus is not earned until paid and no pro-rated amount will be paid if your employment terminates for any reason prior to the payment date, subject to applicable state and local law.

b. In connection with the commencement of Employee's employment, Employee shall be eligible for a grant to purchase 100,000 stock options with the Company, subject to and conditioned upon your commencement of employment with the Company, and effective on your start date. The share option will vest over 4 years at the rate of 25% per year on the first through fourth anniversary of your grant date and will have an exercise price equal to the closing price of the Company's common stock on the last trading day immediately prior to your grant date. The share option shall otherwise be granted on the terms, and subject to the conditions, of the BeyondSpring Inc. 2017 Omnibus Incentive Plan (the "Plan") and form of share option award agreement provided by the Company and signed by you (together with the Plan, the "Share Option Agreement"), it being understood that such grant shall be conditioned upon your execution of the Share Option Agreement. The Share Option Agreement controls as to all matters concerning the share option grant and supersedes anything else that may have been communicated to you before, including in this letter. During your employment with BeyondSpring Inc., the Company and its affiliates may, but shall have no obligation to, grant additional equity compensation awards to you under the Plan.

4. Nonsolicitation

a. Employee shall not, for a period of two (2) years after the date of Employee's termination from the Company, directly or indirectly, solicit for hire any employees of the Company or induce any employees of the Company to terminate their relationship with the Company; provided that Employee will not be restricted from (i) making any general solicitation for employment that is not specifically directed at such employees or (ii) soliciting any such employee whose employment with the Company terminated more than 6 months prior to such solicitation; and provided further that Employee will not be restricted from hiring any such employee who responds to any such excluded solicitation.

b. Employee agrees that Employee shall pay the Company the amount of Five Thousand Dollars ($5000) for each breach of Section 4.a. herein.

5. Non-Disclosure of Confidential Information

a. The term Confidential Information means and includes any materials or information (whether in written, printed, graphic, video, audio, electronically stored, disk or other format) which (i) is not generally known to the public; (ii) was acquired or learned by Employee as a result of and during his relationship with Company at any time prior to or after the Effective Date; and (iii) relates to the business of Company and has actual or potential value to Company because it is not generally known. Without limiting the generality of the term, it includes any and all information made available to Employee in the course of his performance of services to Company prior to and after the Effective Date, including but not limited to all information relating to Company's products, services, customers, employees, affiliates, suppliers, production processes, research, development, patents, copyrights, trademarks, intellectual property, finances, contracts, inventions, and actual and/or potential business opportunities; Company's business plans and strategies; Company's financing arrangements; and any other non-public information relating in any way to Company's business or prospective business affairs. Confidential Information includes information or materials developed or acquired by Employee, alone or in concert with others, and also includes drafts, works-in-process, duplicates or reproductions of such information prior to and following the Effective Date.

b. Employee agrees to hold and safeguard for the sole benefit of Company all Confidential Information acquired or developed by Employee. Employee will not, without the prior written consent of Company, during the term hereof or thereafter, misappropriate, use for his own advantage, disclose or otherwise make available Confidential Information to any person, except in the good faith performance of Employee's duties during the term of the Agreement to persons having a need to know such information for the benefit of the Company.

c. Before disclosing Confidential Information under the compulsion of legal process, Employee agrees to give prompt notice to Company of the fact that Employee has been served with legal process which may require the disclosure of Confidential Information. The notice will be given within sufficient time before disclosure to permit Company to intervene in the matter or to take such other action as may be necessary to protect its interests and rights in its Confidential Information.

d. Upon the termination of the Agreement for any reason, Employee agrees to immediately return to Company all Confidential Information in any form or format in his possession or under his control. Employee agrees that he will not retain any copies or reproductions of Confidential Information in any form or format.

6. Ownership of Inventions

a. All Inventions are the property of Company, and may be used, assigned, sold, patented or applied by Company without the approval of Employee or the payment of additional consideration. The term Inventions means all ideas, innovations, improvements, creations, discoveries, developments, concepts and designs (whether or not patentable) and all computer programs, software, insurance product applications, literary works, publications, audio/visual works, photographs, drawings, designs or other works (whether or not copyrightable) which relate to the business in which the Company is engaged or plans to engage and which were created or conceived by Employee, alone or in concert with others, during the term of the Agreement.

b. Employee hereby assigns to Company Employee's entire right, title and interest in and to all Inventions, without further consideration, free from any claim, lien for balance due, or rights of retention. During or after Employee's employment, Employee agrees, upon request, to execute all documents necessary to evidence or effectuate such assignment; and further, to promptly and fully assist the Company in every lawful way, without additional compensation, but at Company's expense, to obtain for the benefit of Company any patents, copyrights or other legal protection for such Inventions, including assisting in the preparation and filing of patent and copyright applications, giving testimony in legal proceedings and execution of all necessary documentation relating to obtaining, securing, defending and renewing such patents and copyrights.

7. Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed given if delivered personally or sent by guaranteed overnight delivery service or registered or certified mail to the following addresses:

To Employee: Mr. Min Qiu, _____

To Company: BeyondSpring Inc., 100 Campus Drive, West Side, 4th Fl, Suite 410, Florham Park, NJ 07932

or to such other addresses as wither party may designate to the other in writing.

8. Governing Law. This Agreement is made under and shall be governed in its validity and interpretation by and in accordance with the substantive laws of the State of New York without giving effect to the principles of conflicts of laws.

9. Venue. Any dispute arising under this Employment Agreement shall be filed in the New York Supreme Court, New York County.

10. Severability. In case any provision hereof shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been included herein. If any provision hereof shall, for any reason, be held by a court of competent jurisdiction to be excessively broad as to duration, geographical scope, activity or subject matter, it shall be construed by limiting and reducing it to make it enforceable to the extent compatible with applicable law as then in effect.

11. Entire Agreement. This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes all prior negotiations, representations, agreements, proposals and understandings among the Parties with respect thereto.

12. Headings. The headings of the sections are for the convenience of reference only and shall not control or affect the meaning or construction or limit the scope or intent of any of the provisions of this Agreement.

13. Counterparts. This Agreement may be executed in several counterparts or with counterpart signature pages, each of which shall be deemed an original, but such counterparts shall together constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

/s/ Min Qiu
Min Qiu

/s/ Matthew Kirkby
Matthew Kirkby, Board Member,
Chair, Compensation Committee
BeyondSpring Inc.

ENGLISH TRANSLATION OF CHINESE-LANGUAGE ORIGINAL

This document is an English translation of a Chinese-language labor contract. It is provided for reference purposes only. In the event of any discrepancy between this translation and the original Chinese-language document, the Chinese-language original shall govern. Blank or unfilled fields in the original document are indicated as "[blank in original]."

EMPLOYMENT AGREEMENT

(Template promulgated by the Dalian Municipal Human Resources and Social Security Bureau, March 2014)

Contract No.: [blank in original]

Party A (Employer): Wanchun Hongji (Dalian) Pharmaceuticals Ltd. (万春宏基（大连）医药有限公司)

Party B (Employee): Li Na (李娜) [signed]

NOTICE

1. Party A shall truthfully inform Party B of the job content, working conditions, work location, occupational hazards, workplace safety conditions, and labor compensation, as well as other matters that Party B requests to understand. Party A has the right to understand basic information directly related to the labor contract from Party B, and Party B shall provide truthful information.

2. When hiring Party B, Party A shall not withhold Party B's resident identity card or other documents, nor demand that Party B provide a guaranty or collect property from Party B under any other pretext.

3. Party A shall enter into a written labor contract with Party B within one month from the date of commencement of employment, and shall promptly complete labor employment registration procedures. Where the parties enter into a labor contract prior to the commencement of employment, the labor relationship shall be established as of the date employment commences.

4. For a labor contract term of three months or more but less than one year, the probation period shall not exceed one month; for a term of one year or more but less than three years, the probation period shall not exceed two months; for a fixed-term contract of three years or more, or a non-fixed-term contract, the probation period shall not exceed six months. No probation period may be agreed for a labor contract with a term based on the completion of a specified task, or for a labor contract with a term of less than three months. The probation period is included within the term of the labor contract. If a labor contract only stipulates a probation period, the probation period shall not be established, and such period shall instead constitute the term of the labor contract.

5. Where any of the following circumstances applies, and Party B proposes or agrees to renew or enter into a labor contract, a non-fixed-term labor contract shall be entered into, unless Party B proposes to enter into a fixed-term labor contract: (1) Party B has worked continuously for Party A for a full 10 years; (2) Party A is implementing the labor contract system for the first time, or re-entering into labor contracts due to restructuring of a state-owned enterprise, and Party B has worked continuously for Party A for a full 10 years and is less than 10 years from the statutory retirement age; (3) two consecutive fixed-term labor contracts have been entered into, and none of the circumstances specified in Article 39 or Article 40, Items 1 and 2, of the Labor Contract Law apply to Party B, and the labor contract is being renewed.

6. Except for the two circumstances of agreed service periods and non-competition restriction clauses, Party A shall not agree with Party B that Party B shall bear liquidated damages.

7. Labor Security Policy Consultation Hotline: 12333. Labor Security Supervision Agency complaint/report hotlines by district (Dalian): Dalian City 84369110; Jinzhou New District 87622867 (Development Zone) / 87779072 (Jinzhou); Zhongshan District 82799610; Pulandian City 83118624; Changhai County 89884660; Xigang District 39608681; Wafangdian City 85630056; Gaoxin (High-Tech) Park District 84796982; Shahekou District 84610121; Zhuanghe City 89725696; Changxing Island Port Industrial Zone 85280951; Ganjingzi District 86589470; Bonded Area 87307460; Huayuankou Economic Zone 89128623; Lushunkou District 62682217.

Pursuant to the relevant provisions of the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Implementing Regulations of the Labor Contract Law, and in accordance with the principles of lawfulness, fairness, equality, voluntariness, mutual consultation and consensus, and good faith, Party A and Party B enter into this Contract and undertake to jointly abide by it.

I. Basic Information of the Parties

Article 1. Party A (Employer) Name: Wanchun Hongji (Dalian) Pharmaceuticals Ltd.

Legal Representative, Principal Person in Charge, or Authorized Agent: Jia Linqing

Entity Type (Enterprise/Other): Enterprise; Economic Type: Limited Liability Company

Organization Code / Unified Social Credit Code: 91210213MA7LPQ8N5F

Registered Address: No. 19-6, DD 4 Street, Dalian Economic & Technological Development Zone, Dalian, Liaoning

Actual Business Address: No. 19-6, DD 4 Street, Dalian Economic & Technological Development Zone, Dalian, Liaoning

Contact Person and Phone Number: Li Na

Article 2. Party B (Employee) Name: Li Na; Gender: Female

Resident ID Card Number:

Or Other Valid ID Document Name and Number:

Household Registration Address:

Actual Residential Address:

Mailing Address, Email, and Contact Number:

Article 3. If Party B's contact information changes, Party B shall promptly notify Party A.

II. Term of the Labor Contract

Article 4. The term of this Contract, as agreed by both parties through consultation, shall take form (1) below:

(1) Fixed Term: From September 1, 2025 to September 1, 2028. The probation period therein shall run from [blank in original] to [blank in original].

(2) Non-Fixed Term: Commencing from [not applicable — not selected]. The probation period therein shall run from [blank] to [blank].

(3) Term Based on Completion of a Specified Task: From [not applicable — not selected] until completion of [blank].

III. Job Content and Work Location

Article 5. Based on operational needs, Party A assigns Party B to the position of Chief Financial Officer, engaged in financial management work, with the work location being Dalian.

Party A and Party B may enter into a position agreement specifying the specific duties and requirements of the position.

Article 6. Party B shall diligently perform the duties of the position and complete work tasks on time in accordance with the job content and requirements assigned by Party A, and shall comply with the rules and regulations lawfully established by Party A.

IV. Working Hours and Rest/Leave

Article 7. Party A shall implement working hours system (1) below for Party B's position:

(1) Standard Working Hours System: Party B shall work no more than 8 hours per day, with an average of no more than 40 hours per week, and weekly rest days shall be Saturday and Sunday.

(2) Non-Fixed Working Hours System. On the basis of protecting Party B's physical health and fully soliciting Party B's opinions, Party A shall adopt appropriate methods such as concentrated work, concentrated rest, rotating rest/compensatory leave, and flexible working arrangements, to ensure Party B's rest and leave rights and the completion of production and work tasks.

(3) Comprehensive Calculated Working Hours System, with a cycle of [blank] (month/quarter/year), with average daily and average weekly working hours not exceeding the statutory standard working hours.

Where the Non-Fixed Working Hours System or the Comprehensive Calculated Working Hours System is implemented, Party A shall obtain approval from the human resources and social security administrative department before implementation.

Article 8. Party A shall reasonably arrange Party B's working hours in accordance with relevant national regulations and the operational needs of the enterprise, and shall lawfully guarantee Party B's right to rest, and ensure that Party B lawfully enjoys statutory holidays as well as leave rights such as home leave, marriage/bereavement leave, family planning leave, and paid annual leave.

Article 9. Party A shall strictly implement labor quota standards and shall not force or disguisedly force Party B to work overtime. Due to operational needs, working hours may be extended after consultation with the labor union and Party B, generally not exceeding 1 hour per day. Where working hours need to be extended due to special reasons, and subject to safeguarding Party B's physical health, the extended working hours shall not exceed 3 hours per day and 36 hours per month.

V. Labor Compensation

Article 10. Party A and Party B shall agree on Party B's wage level through consultation in accordance with the lawfully established wage distribution system, and shall implement equal pay for equal work.

Article 11. Party A shall pay Party B's wages in form (1) below:

(1) Time-based Wage. Party B's wage standard shall be [blank in original] RMB/month.

(2) Piece-rate Wage. Party B's labor quota standard shall be [blank], and the piece rate shall be [blank].

(3) Determined in accordance with the wage distribution system lawfully established by Party A.

Party B's wage standard during the probation period shall be [blank in original].

Article 12. Party A shall pay Party B's wages in full, in cash or by bank transfer, before the 10th day of each month. If this date falls on a holiday or rest day, payment shall be advanced to the nearest working day.

Party A shall maintain written records of the time, amount, number of working days, signature, and other details of wage payments to Party B, and shall provide Party B with a wage statement.

Article 13. Where Party A arranges for Party B to work extended hours or on rest days or statutory holidays, Party A shall lawfully arrange compensatory rest for Party B or pay overtime wages to Party B in accordance with relevant national regulations.

Article 14. Where Party B provides normal labor, the wages paid by Party A to Party B shall not be lower than the local minimum wage standard.

Article 15. During Party B's medical treatment period, sick leave pay shall be paid by Party A in accordance with the standards set forth in the enterprise's rules and regulations, provided that such pay shall not be lower than 80% of the local minimum wage standard.

VI. Social Insurance and Benefits

Article 16. Party A and Party B shall lawfully participate in social insurance and shall pay social insurance premiums in full and on time. The portion borne by Party B shall be withheld and paid by Party A on Party B's behalf.

Article 17. During the term of the Contract, Party B's entitlements with respect to rest and leave, illness or non-work-related injury, occupational disease or work-related injury, childbirth, death, and the duration and entitlements of the medical treatment period, pregnancy, maternity, and breastfeeding periods, shall be implemented in accordance with the relevant laws and regulations.

Article 18. Party A provides Party B with the following supplementary insurance and benefits: None.

VII. Labor Protection, Working Conditions, and Occupational Hazard Prevention

Article 19. Party A shall establish and improve safety and technical operating procedures, work standards, and labor safety and health / occupational hazard prevention systems, and shall provide Party B with necessary training. Party B shall strictly comply with all systems, standards, and safety technical operating procedures during the course of work.

Article 20. Party A shall provide Party B with labor safety and health conditions and necessary labor protective equipment that comply with national regulations. Where Party B is assigned to work involving occupational hazards, Party A shall arrange regular health check-ups for Party B.

Article 21. For positions that may give rise to occupational disease hazards, Party A shall fulfill its obligation to truthfully inform Party B, and shall provide Party B with labor safety and health education, to prevent accidents during the labor process and reduce occupational hazards.

Article 22. Party B has the right to refuse where Party A issues commands in violation of regulations or forces Party B to engage in hazardous operations that endanger Party B's personal safety. Party B has the right to criticize, report, and file complaints against Party A regarding working conditions that endanger life safety and physical health.

VIII. Performance and Modification of the Labor Contract

Article 23. Party A and Party B shall lawfully and fully perform their respective obligations in accordance with the provisions of this Contract.

Article 24. Changes to Party A's name, legal representative, principal person in charge, investors, or other such matters shall not affect the performance of this Contract.

Article 25. In the event of a merger, division, or similar event involving Party A, this Contract shall remain valid and shall continue to be performed by the entity that succeeds to Party A's rights and obligations.

Article 26. The content agreed in this Contract may be modified upon mutual consultation and consensus between Party A and Party B, and shall be confirmed in writing.

IX. Rescission and Termination of the Labor Contract

Article 27. This Contract may be rescinded upon mutual consultation and consensus between Party A and Party B.

Article 28. Party B may rescind this Contract by providing Party A with 30 days' prior written notice. During the probation period, Party B may rescind this Contract by providing Party A with 3 days' prior notice.

Article 29. Party B may rescind this Contract if Party A commits any of the following:

(1) Failing to provide labor protection or working conditions as agreed;

(2) Failing to pay labor compensation in full and on time;

(3) Failing to pay social insurance premiums for Party B in accordance with the law;

(4) Party A's rules and regulations violate laws or regulations, harming Party B's rights and interests;

(5) The labor contract is rendered invalid due to circumstances specified in Article 26, Paragraph 1 of the Labor Contract Law;

(6) Party A forces Party B to work by means of violence, threats, or illegal restriction of personal freedom, or issues commands in violation of regulations or forces hazardous operations that endanger Party B's personal safety — in which case Party B may immediately rescind this Contract without prior notice to Party A.

Article 30. Party A may rescind this Contract if Party B commits any of the following:

(1) Being proven, during the probation period, not to meet the recruitment conditions;

(2) Seriously violating Party A's rules and regulations;

(3) Serious dereliction of duty or malpractice for personal gain, causing significant damage to Party A;

(4) Simultaneously establishing an employment relationship with another employer, which seriously affects the completion of work tasks for Party A, and failing to make corrections after being asked to do so by Party A;

(5) Causing Party A to enter into or modify the labor contract against its true intentions by means of fraud, coercion, or taking advantage of another's difficulties;

(6) Being subjected to criminal liability in accordance with the law.

Article 31. Party A may rescind this Contract by providing Party B with 30 days' prior written notice or paying Party B an additional one month's wages, if any of the following applies to Party B:

(1) Party B is ill or suffers non-work-related injury, and after the prescribed medical treatment period expires, is unable to perform the original work or other work reassigned by Party A;

(2) Party B is incompetent for the job, and remains incompetent even after training or a job transfer;

(3) The objective circumstances relied upon at the time of entering into the labor contract have significantly changed, rendering the labor contract unperformable, and the parties, after consultation, fail to reach agreement on modifying the contents of the labor contract.

Article 32. If Party A needs to conduct layoffs, it shall do so in accordance with the provisions of the Labor Contract Law, and shall not infringe upon Party B's lawful rights and interests.

Article 33. This Contract shall terminate upon the occurrence of any of the following:

(1) Expiration of the labor contract term;

(2) Party B reaches the statutory retirement age;

(3) Party B begins to lawfully enjoy basic pension insurance benefits;

(4) Party B dies, or is declared dead or missing by a people's court;

(5) Party A is lawfully declared bankrupt;

(6) Party A's business license is revoked, or Party A is ordered to close, is dissolved, or Party A decides on early dissolution.

Article 34. Upon rescission or termination of the labor contract, Party A shall issue Party B a certificate of rescission or termination of the labor contract, and shall complete the procedures for transferring Party B's personnel file and social insurance relationship within 15 days. Party B shall complete the work handover in accordance with the agreement. Where economic compensation is payable to Party B, Party A shall pay such compensation upon completion of Party B's work handover. Party A shall retain the text of rescinded or terminated labor contracts for at least 2 years for future reference.

X. Economic Compensation and Damages

Article 35. Where the Contract is rescinded by Party A pursuant to Article 27 of this Contract, or rescinded pursuant to Articles 29, 31, or 32 of this Contract, or terminated pursuant to Article 33 of this Contract, Party A shall pay Party B economic compensation in accordance with Article 46 of the Labor Contract Law and Article 22 of the Implementing Regulations of the Labor Contract Law.

Article 36. Economic compensation shall be paid at the rate of one month's wages for each full year that Party B has worked for Party A. A period of 6 months or more but less than 1 year shall be counted as 1 year; a period of less than 6 months shall be compensated with half a month's wages. The wage standard shall be Party B's average wages actually due for the 12 months preceding the rescission or termination of the labor contract. Where this is lower than the local minimum wage standard, it shall be calculated based on the local minimum wage standard. Where Party B has worked less than 12 months, the average wage shall be calculated based on the actual number of months worked.

Article 37. If Party B's wages exceed 3 times the average monthly wage of employees in the region for the preceding year, as published by the people's government of the municipality directly under the central government or the municipality with districts where Party A is located, Party A shall pay economic compensation to Party B based on 3 times such average monthly wage, and the number of years for which compensation is paid shall not exceed 12 years.

Article 38. Where Party A unlawfully rescinds or terminates this Contract and Party B demands continued performance of this Contract, Party A shall continue to perform it; where Party B does not demand continued performance, or this Contract can no longer be performed, Party A shall lawfully pay Party B damages at twice the economic compensation standard.

Where Party B unlawfully rescinds the labor contract and causes losses to Party A, Party B shall bear liability for damages.

XI. Other Matters

Article 39. Where Party A provides special training expenses for Party B and provides professional and technical training to Party B, the parties may enter into a special agreement stipulating a service period.

Where Party B violates the agreed service period, Party B shall pay liquidated damages as agreed.

Article 40. Where Party B bears confidentiality obligations, the parties may enter into a special agreement stipulating non-competition restriction clauses.

Where Party B violates the agreed non-competition restriction, Party B shall pay liquidated damages as agreed. Where losses are caused to Party A, Party B shall bear liability for damages.

Article 41. Party A and Party B shall contribute to the housing provident fund in accordance with relevant national and Dalian municipal regulations, and the portion payable by Party B shall be withheld and paid by Party A on Party B's behalf.

Disputes between the parties regarding the housing provident fund shall be handled by the housing provident fund administration department in accordance with relevant regulations.

Article 42. The following agreements shall serve as appendices to this Contract:

(1) Position Agreement

(2) Training Agreement

(3) Confidentiality Agreement

(4) None

Article 43. Other matters agreed by the parties: None

Article 44. Labor disputes arising between Party A and Party B from the performance of this Contract may be resolved through consultation. If consultation fails, the parties may apply for arbitration or file a lawsuit in accordance with the law.

Article 45. Matters not covered by this Contract shall be handled in accordance with relevant national, provincial, and municipal regulations.

Article 46. This Contract shall take effect upon signature or seal by both Party A and Party B. This Contract is executed in duplicate, with each party retaining one copy.

Party A (Seal): [Company seal of Wanchun Hongji (Dalian) Pharmaceuticals Ltd.]

Legal Representative, Person in Charge, or Authorized Agent (Signature or Seal): Jia Linqing [signed/sealed]

Party B (Signature): Li Na [signed]

Date: September 1, 2025 Date: September 1, 2025

LABOR CONTRACT MODIFICATION

Upon mutual consultation and consensus between Party A and Party B, this Contract may be modified.

Article [blank], Item [blank] of the above contract terms is modified; the content after modification is as follows: [blank in original]

Effective date of modified clause: [blank in original]

Signature or seal of Party A's legal representative or authorized agent: [blank in original] Date: [blank in original]

Party B's signature: [blank in original] Date: [blank in original]

LABOR CONTRACT RENEWAL

Renewal No. [blank in original]:

Fixed Term: From [blank in original] to [blank in original].

Non-Fixed Term: Commencing from [blank in original].

Signature or seal of Party A's legal representative or authorized agent: [blank in original] Date: [blank in original]

Party B's signature: [blank in original] Date: [blank in original]

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Min Qiu, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BeyondSpring Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 14, 2026

By: /s/ Min Qiu
Name: Min Qiu
Title: Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Na Li, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BeyondSpring Inc. (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 14, 2026

By: /s/ Na Li
Name: Na Li
Title: Chief Financial Officer (Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Min Qiu, Chief Executive Officer of BeyondSpring Inc. (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Company's quarterly report on Form 10-Q for the three months ended June 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: August 14, 2026

By: /s/ Min Qiu
Name: Min Qiu
Title: Chief Executive Officer (Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Na Li, Chief Financial Officer of BeyondSpring Inc. (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Company's quarterly report on Form 10-Q for the three months ended June 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: August 14, 2026

By: /s/ Na Li
Name: Na Li
Title: Chief Financial Officer (Principal Financial Officer)