# LUYE PHARMA GROUP LTD.
# 绿叶制药集团有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 02186)**

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

### FINANCIAL HIGHLIGHTS

- Revenue increased by RMB106.5 million or 3.5% to RMB3,181.1 million, as compared to the six months ended 30 June 2024.
- Gross profit increased by RMB79.0 million or 3.8% to RMB2,157.6 million, as compared to the six months ended 30 June 2024, and gross profit margin was 67.8%.
- Net profit decreased by RMB80.8 million or 18.4% to RMB357.4 million, as compared to the six months ended 30 June 2024.
- Profit attributable to shareholders decreased by RMB74.9 million or 19.3% to RMB312.9 million, as compared to the six months ended 30 June 2024.
- EBITDA increased by RMB48.1 million or 4.2% to RMB1,204.2 million, as compared to the six months ended 30 June 2024.
- Earnings per share was RMB8.32 cents compared to RMB10.31 cents for the six months ended 30 June 2024.
- No interim dividend was proposed by the Board for the six months ended 30 June 2025.

## INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Luye Pharma Group Ltd. (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2025, together with the comparative figures for the corresponding period of 2024, as follows:

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | | For the six months ended 30 June | |
|---|---|---|---|
| | | **2025** | 2024 |
| | | **(Unaudited)** | (Unaudited) |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| **REVENUE** | *4* | **3,181,110** | 3,074,582 |
| Cost of sales | | **(1,023,501)** | (996,032) |
| Gross profit | | **2,157,609** | 2,078,550 |
| Other income and gains | | **197,797** | 202,931 |
| Selling and distribution expenses | | **(1,018,816)** | (850,826) |
| Administrative expenses | | **(315,486)** | (289,179) |
| Other expenses | | **(212,982)** | (334,008) |
| Finance costs | *6* | **(338,460)** | (277,836) |
| Share of profits and losses of associates | | **(12,022)** | 345 |
| **PROFIT BEFORE TAX** | *5* | **457,640** | 529,977 |
| Income tax expense | *7* | **(100,257)** | (91,799) |
| **PROFIT FOR THE PERIOD** | | **357,383** | 438,178 |
| Attributable to: | | | |
| Owners of the parent | | **312,886** | 387,836 |
| Non-controlling interests | | **44,497** | 50,342 |
| | | **357,383** | 438,178 |
| **EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT** | *9* | | |
| Basic (RMB) | | **8.32 cents** | 10.31 cents |
| Diluted (RMB) | | **8.32 cents** | 10.31 cents |

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | For the six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| **PROFIT FOR THE PERIOD** | **357,383** | 438,178 |
| **OTHER COMPREHENSIVE INCOME** | | |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreign operations | **68,464** | (3,203) |
| Other comprehensive income that will not be reclassified to profit or loss in subsequent periods: | | |
| Equity investments designated at fair value through other comprehensive income: | | |
| Changes in fair value | **(65)** | 5,300 |
| Income tax effect | **9** | 37 |
| | **(56)** | 5,337 |
| **OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX** | **68,408** | 2,134 |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **425,791** | 440,312 |
| Attributable to: | | |
| Owners of the parent | **381,319** | 389,990 |
| Non-controlling interests | **44,472** | 50,322 |
| | **425,791** | 440,312 |

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Notes | As at 30 June 2025 (Unaudited) RMB'000 | 31 December 2024 (Audited) RMB'000 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | | **5,025,539** | 5,004,624 |
| Right-of-use assets | | **325,263** | 334,581 |
| Goodwill | | **1,089,937** | 1,012,456 |
| Other intangible assets | | **6,702,853** | 6,585,487 |
| Investment in a joint venture | | **359,420** | 359,420 |
| Investment in associates | | **1,494,795** | 1,511,687 |
| Equity investments designated at fair value through other comprehensive income | | **2,814** | 2,786 |
| Prepayments, other receivables and other assets | | **583,021** | 710,962 |
| Financial assets at fair value through profit or loss | | **648,963** | 618,512 |
| Deferred tax assets | | **111,682** | 163,578 |
| Total non-current assets | | **16,344,287** | 16,304,093 |
| **CURRENT ASSETS** | | | |
| Inventories | | **871,650** | 911,893 |
| Trade and notes receivables | *10* | **3,171,850** | 2,779,767 |
| Prepayments, other receivables and other assets | | **564,933** | 1,939,220 |
| Financial assets at fair value through profit or loss | | **1,634,839** | 1,504,067 |
| Pledged deposits | | **2,245,700** | 1,174,015 |
| Time deposits with original maturity of over three months | | **262,000** | 62,000 |
| Cash and cash equivalents | | **6,936,206** | 4,937,145 |
| Total current assets | | **15,687,178** | 13,308,107 |
| **CURRENT LIABILITIES** | | | |
| Trade and notes payables | *11* | **663,482** | 689,300 |
| Other payables and accruals | | **2,305,161** | 2,182,079 |
| Interest-bearing loans and borrowings | *12* | **7,668,450** | 6,574,007 |
| Convertible bonds | | **1,053,001** | 1,011,067 |
| Government grants | | **15,792** | 18,302 |
| Tax payable | | **233,139** | 294,387 |
| Total current liabilities | | **11,939,025** | 10,769,142 |
| **NET CURRENT ASSETS** | | **3,748,153** | 2,538,965 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **20,092,440** | 18,843,058 |

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

| | Note | As at 30 June 2025 (Unaudited) RMB'000 | 31 December 2024 (Audited) RMB'000 |
|---|---|---|---|
| **NON-CURRENT LIABILITIES** | | | |
| Convertible bonds | | **1,046,785** | 1,015,543 |
| Interest-bearing loans and borrowings | *12* | **2,102,400** | 1,720,437 |
| Employee defined benefit obligation | | **5,963** | 5,341 |
| Government grants | | **181,505** | 118,207 |
| Deferred tax liabilities | | **32,381** | 36,479 |
| Other non-current liabilities | | **180,791** | 193,381 |
| Total non-current liabilities | | **3,549,825** | 3,089,388 |
| Net assets | | **16,542,615** | 15,753,670 |
| **EQUITY** | | | |
| Equity attributable to owners of the parent | | | |
| Issued capital | | **486,107** | 486,107 |
| Share premium | | **4,250,260** | 4,250,260 |
| Equity component of convertible bonds | | **461,359** | 461,359 |
| Reserves | | **9,494,801** | 8,956,803 |
| | | **14,692,527** | 14,154,529 |
| Non-controlling interests | | **1,850,088** | 1,599,141 |
| Total equity | | **16,542,615** | 15,753,670 |

## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

*30 June 2025*

### 1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024.

### 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

| | |
|---|---|
| Amendments to IAS 21 | *Lack of Exchangeability* |

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

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

### 3. OPERATING SEGMENT INFORMATION

The Group manages its businesses by type of products. The Group's chief operating decision maker is the Chief Executive Officer, who reviews revenue from and results of the major type of products sold for the purpose of resource allocation and assessment of segment performance. Segment result is evaluated based on gross profit less selling expenses allocated. No analysis of the Group's assets and liabilities by operating segment is disclosed as it is not regularly provided to the chief operating decision maker for review.

**For the six months ended 30 June 2025 (Unaudited)**

| | Oncology drugs *RMB'000* | Cardio-vascular system drugs *RMB'000* | Alimentary tract and metabolism drugs *RMB'000* | Central nervous system drugs *RMB'000* | Others *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|---|---|
| **Segment revenue** | | | | | | |
| Sales of products | **1,003,783** | **693,009** | **180,244** | **824,826** | **135,332** | **2,837,194** |
| Sales of product know-how | **280,000** | **–** | **–** | **–** | **–** | **280,000** |
| Provision of research and development services | **9,904** | **–** | **–** | **–** | **4,594** | **14,498** |
| Out-licensing agreements | **1,518** | **–** | **–** | **42,625** | **5,275** | **49,418** |
| Total revenue | **1,295,205** | **693,009** | **180,244** | **867,451** | **145,201** | **3,181,110** |
| Segment results | **596,673** | **188,486** | **53,124** | **262,485** | **38,025** | **1,138,793** |
| Other income and gains | | | | | | **197,797** |
| Administrative expenses | | | | | | **(315,486)** |
| Other expenses | | | | | | **(212,982)** |
| Finance costs | | | | | | **(338,460)** |
| Share of profits and losses of associates | | | | | | **(12,022)** |
| Profit before tax | | | | | | **457,640** |

**For the six months ended 30 June 2024 (Unaudited)**

| | Oncology drugs *RMB'000* | Cardio-vascular system drugs *RMB'000* | Alimentary tract and metabolism drugs *RMB'000* | Central nervous system drugs *RMB'000* | Others *RMB'000* | Total *RMB'000* |
|---|---|---|---|---|---|---|
| **Segment revenue** | | | | | | |
| Sales of products | 855,157 | 763,331 | 195,729 | 822,579 | 120,268 | 2,757,064 |
| Sales of product know-how | 250,000 | – | – | – | – | 250,000 |
| Provision of research and development services | 35,750 | – | – | 101 | 1,217 | 37,068 |
| Out-licensing agreements | – | – | – | – | 30,450 | 30,450 |
| Total revenue | 1,140,907 | 763,331 | 195,729 | 822,680 | 151,935 | 3,074,582 |
| Segment results | 631,765 | 266,795 | 34,780 | 232,967 | 61,417 | 1,227,724 |
| Other income and gains | | | | | | 202,931 |
| Administrative expenses | | | | | | (289,179) |
| Other expenses | | | | | | (334,008) |
| Finance costs | | | | | | (277,836) |
| Share of profits and losses of associates | | | | | | 345 |
| Profit before tax | | | | | | 529,977 |

## 4. REVENUE

An analysis of revenue is as follows:

| | For the six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| *Revenue from contracts with customers* | **3,181,110** | 3,074,582 |

## 5. PROFIT BEFORE TAX

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

| | For the six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Cost of products sold | **1,012,825** | 963,428 |
| Write-down of/(reversal of write-down of) inventories to net realisable value | **10,284** | (1,810) |
| Impairment of trade receivables, net | **7,302** | 7,861 |
| Impairment of financial assets included in prepayments, other receivables and other assets, net | **(2,842)** | 3,640 |
| Depreciation of items of property, plant and equipment | **203,351** | 174,936 |
| Amortisation of other intangible assets | **189,893** | 159,997 |
| Depreciation of right-of-use assets | **14,894** | 13,372 |
| Auditor's remuneration | **2,877** | 2,877 |
| Research and development costs | **193,417** | 280,908 |
| Foreign exchange differences, net | **(114,025)** | 38,309 |
| Share-based payment expense | **6,637** | 10,292 |
| Donation | **1,754** | 3,983 |
| Loss/(gain) on disposal of non-current assets | **1,396** | (8,375) |

## 6. FINANCE COSTS

| | For the six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Interest on bank loans and other borrowings (including convertible bonds) | **300,804** | 228,424 |
| Interest on discounted notes receivable | **26,707** | 31,156 |
| Interest on discounted letters of credit | **9,275** | 7,895 |
| Interest on redemption liabilities | **–** | 8,089 |
| Interest on lease liabilities | **1,674** | 2,272 |
| Total | **338,460** | 277,836 |

## 7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The major components of income tax expense during the six months ended 30 June 2025 and 2024 are:

| | For the six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | **(Unaudited)** | (Unaudited) |
| | ***RMB'000*** | *RMB'000* |
| Current tax | **52,869** | 191,350 |
| Deferred tax | **47,388** | (99,551) |
| Total tax charge for the period | **100,257** | 91,799 |

## 8. DIVIDEND

No interim dividend was declared by the Company for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,761,670,643 (six months ended 30 June 2024: 3,761,670,643) outstanding during the period.

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 June 2024 and 2025 in respect of a dilution as the impact of the convertible bonds outstanding had an anti-dilutive effect on the basic earnings per share amount presented.

## 10. TRADE AND NOTES RECEIVABLES

| | **30 June 2025 (Unaudited) *RMB'000*** | 31 December 2024 (Audited) *RMB'000* |
|---|---|---|
| Trade receivables | **2,898,001** | 2,388,581 |
| Notes receivable | **285,780** | 395,966 |
| Subtotal | **3,183,781** | 2,784,547 |
| Impairment | **(11,931)** | (4,780) |
| Net carrying amount | **3,171,850** | 2,779,767 |

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month to three months, extending up to six months for major customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

The notes receivable are due within twelve months. As at 30 June 2025, notes receivable of RMB24,836,000 (31 December 2024: RMB131,227,000) were classified as financial assets at fair value through other comprehensive income under IFRS 9. The fair value changes of these notes receivable at fair value through other comprehensive income were insignificant for the six months ended 30 June 2025. The remaining notes receivable of RMB260,944,000 (31 December 2024: RMB264,739,000) were measured at amortised cost.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

| | **30 June 2025 (Unaudited) *RMB'000*** | 31 December 2024 (Audited) *RMB'000* |
|---|---|---|
| Within 3 months | **2,572,504** | 2,240,985 |
| 3 to 6 months | **59,203** | 46,942 |
| 6 to 12 months | **260,289** | 99,722 |
| 1 to 2 years | **5,142** | 75 |
| Over 2 years | **863** | 857 |
| Total | **2,898,001** | 2,388,581 |

## 11. TRADE AND NOTES PAYABLES

| | **30 June 2025 (Unaudited) *RMB'000*** | 31 December 2024 (Audited) *RMB'000* |
|---|---|---|
| Trade payables | **423,529** | 503,814 |
| Notes payable | **239,953** | 185,486 |
| Total | **663,482** | 689,300 |

An ageing analysis of the trade and notes payables as at the end of the reporting period, based on the invoice date, is as follows:

| | **30 June 2025 (Unaudited) *RMB'000*** | 31 December 2024 (Audited) *RMB'000* |
|---|---|---|
| Within 3 months | **410,255** | 555,091 |
| 3 to 6 months | **60,451** | 68,151 |
| 6 to 12 months | **91,476** | 26,776 |
| 1 to 2 years | **86,110** | 28,175 |
| Over 2 years | **15,190** | 11,107 |
| Total | **663,482** | 689,300 |

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

As at 30 June 2025, the Group's notes payable were secured by certain of the Group's deposits amounting to RMB94,096,000 (31 December 2024: RMB46,371,000).

The maturity of the notes payable is within twelve months.

## 12. INTEREST-BEARING LOANS AND BORROWINGS

**As at 30 June 2025**

| | Effective interest rate (%) | Maturity | *RMB'000* |
|---|---|---|---|
| **Current** | | | |
| Bank loans – secured | 2.27~4.50 | 2025~2026 | 3,149,496 |
| US$19,000,000 bank loan – secured | 5.31~5.33 | 2025 | 136,370 |
| Current portion of long-term bank loans – secured | 3.65~5.00 | 2026 | 653,488 |
| Current portion of long-term HK$1,287,400,000 bank loan – secured | 1-month HIBOR | 2026 | 235,073 |
| Current portion of long-term other borrowings – secured | 4.85~6.00 | 2026 | 132,757 |
| Discounted notes receivable | 1.07~4.50 | 2025~2026 | 2,272,255 |
| Discounted letters of credit | 1.38~3.55 | 2025~2026 | 1,068,831 |
| Lease liabilities | 3.50~8.29 | 2025~2026 | 20,180 |
| Subtotal – current | | | 7,668,450 |
| Convertible bonds – debt component | 5.85 | 2025 | 1,053,001 |
| Total – current | | | 8,721,451 |
| **Non-current** | | | |
| Bank loans – secured | 3.65~4.32 | 2026~2029 | 308,000 |
| HK$1,287,400,000 bank loan – secured | 1-month HIBOR | 2026~2028 | 911,531 |
| Long-term other borrowings – secured | 5.10~6.00 | 2026~2028 | 845,553 |
| Lease liabilities | 3.50~8.29 | 2026~2028 | 37,316 |
| Subtotal – non-current | | | 2,102,400 |
| Convertible bonds – debt component | 6.25 | 2028 | 1,046,785 |
| Total – non-current | | | 3,149,185 |
| Total | | | 11,870,636 |

**As at 31 December 2024**

| | Effective interest rate (%) | Maturity | *RMB'000* |
|---|---|---|---|
| **Current** | | | |
| Bank loans – secured | 3.00~4.80 | 2025 | 2,833,923 |
| US$4,926,973 bank loan – secured | 6.02 | 2025 | 35,417 |
| JPY60,000,000 bank loan – secured | 0.70 | 2025 | 27,750 |
| Current portion of long-term bank loans – secured | 3.55~5.00 | 2025 | 409,805 |
| Current portion of long-term US$115,461,756 bank loan – secured | SOFR+3.11 | 2025 | 829,985 |
| Current portion of long-term other borrowings – secured | 4.85~6.00 | 2025 | 196,531 |
| Discounted notes receivable | 0.46~4.50 | 2025 | 1,388,428 |
| Discounted letters of credit | 1.26~3.50 | 2025 | 832,380 |
| Lease liabilities | 3.25~7.52 | 2025 | 19,788 |
| Subtotal – current | | | 6,574,007 |
| Convertible bonds – debt component | 5.85 | 2025 | 1,011,067 |
| Total – current | | | 7,585,074 |
| **Non-current** | | | |
| Bank loans – secured | 3.55~5.00 | 2026~2029 | 813,670 |
| Long-term other borrowings – secured | 5.10~6.00 | 2026~2028 | 864,600 |
| Lease liabilities | 3.25~7.52 | 2026~2028 | 42,167 |
| Subtotal – non-current | | | 1,720,437 |
| Convertible bonds – debt component | 6.25 | 2028 | 1,015,543 |
| Total – non-current | | | 2,735,980 |
| Total | | | 10,321,054 |

*Notes:*

(a) Certain of the Group's bank loans are secured by:

(i) the pledge of certain of the Group's deposits of RMB174,496,000 (31 December 2024: RMB165,711,000);

(ii) the pledge of certain of the Group's property, plant and equipment, which had a net carrying value at the end of the reporting period of approximately RMB787,681,000 (31 December 2024: RMB794,133,000);

(iii) the pledge of certain of the Group's right-of-use assets, which had a net carrying value at the end of the reporting period of approximately RMB28,101,000 (31 December 2024: RMB28,950,000); and

(iv) the pledge of certain of the Group's subsidiaries' shares.

(b) Certain of the Group's other borrowings are from independent third parties, bear interest at rates ranging from 5.1% to 6.0% per annum and are secured by the pledge of certain of the Group's property, plant and equipment, which had a net carrying value at the end of the reporting period of approximately RMB419,657,000 (31 December 2024: RMB297,004,000).

## 13. RELATED PARTY TRANSACTIONS

Details of the Group's principal related parties are as follows:

| **Company** | **Relationship** |
|---|---|
| Steward Cross Pte. Ltd. ("**Steward Cross**") | Associate |
| Shandong Quanzhong Biomedical Technology Co., Ltd. ("**Shandong Quanzhong**") | Associate |
| Luye Pharma Venture Capital ("**LPVC**") | Joint venture |
| Yantai Painuo Biotech Co., Ltd. ("**Yantai Painuo**") | Controlled by the controlling shareholder |
| Shandong International Biotechnology Development Co., Ltd. ("**Biotech Park Development**") | Controlled by the controlling shareholder |
| Yantai Yunyue Winery Management Co., Ltd. ("**Yunyue Winery**") | Controlled by the controlling shareholder |
| Yantai Cellzone Medical Diagnostics Center Co., Ltd. ("**Yantai Cellzone**") | Controlled by the controlling shareholder |
| Qingdao Luye Shanghe Pharmaceutical Technology Co., Ltd. ("**Qingdao Luye**") | Controlled by the controlling shareholder |
| Sairun (Shanghai) Medical Technology Co., Ltd. ("**Shanghai Sairun**") | Controlled by the controlling shareholder |
| Shandong Asford Biotechnology Co., Ltd. ("**Shandong Asford**") | Controlled by the controlling shareholder |

(a) The Group had the following transactions with related parties during the period:

| | Notes | For the six months ended 30 June 2025 (Unaudited) RMB'000 | 2024 (Unaudited) RMB'000 |
|---|---|---|---|
| Sales of products to: | | | |
| Steward Cross | *(i)* | **4,197** | 5,263 |
| Qingdao Luye | *(i)* | **3,185** | 3,444 |
| Sales of equipment to: | | | |
| Shandong Asford | *(ii)* | **1,483** | – |
| Lease buildings and equipment to: | | | |
| Yantai Painuo | *(iii)* | **1,915** | 2,508 |
| Provision of manufacturing service to: | | | |
| Yantai Painuo | *(iii)* | **660** | 976 |
| Provision of property management service to: | | | |
| Yantai Painuo | *(iii)* | **–** | 47 |
| Accommodation services from: | | | |
| Yunyue Winery | *(iii)* | **–** | 34 |
| Lease and property management services from: | | | |
| Biotech Park Development | *(iii)* | **1,419** | 6,719 |
| Payment on behalf by: | | | |
| Biotech Park Development | *(iv)* | **2,881** | 5,545 |
| Repayment to: | | | |
| Biotech Park Development | *(iv)* | **5,621** | 5,816 |
| Payment on behalf of: | | | |
| Shanghai Sairun | *(iv)* | **–** | 853 |
| Yantai Painuo | *(iv)* | **–** | 438 |

*Notes:*

(i) The transaction prices were determined on normal commercial terms, negotiated on arm's length basis, and on similar basis as the Group conducted businesses with major customers.

(ii) The transaction price was determined on terms mutually agreed between the parties with reference to the net book value of equipment.

(iii) The transaction prices were determined on terms mutually agreed between the parties with reference to the actual costs incurred and fees for similar transactions in the market.

(iv) The payments and advances were unsecured, interest-free and repayable on demand.

(b) Outstanding balances with related parties:

| | **30 June 2025 (Unaudited) *RMB'000*** | 31 December 2024 (Audited) *RMB'000* |
|---|---|---|
| **Other receivables** | | |
| Yantai Painuo | **36,041** | 32,662 |
| Qingdao Luye | **5,031** | 1,587 |
| Steward Cross | **1,417** | 1,279 |
| LPVC* | **87,288** | 87,650 |
| Shandong Asford | **–** | 6,146 |
| Shandong Quanzhong* | **–** | 788 |
| Biotech Park Development | **1,102** | – |
| Total | **130,879** | 130,112 |
| **Other payables** | | |
| Biotech Park Development | **–** | 2,383 |
| Yantai Cellzone | **1,164** | 1,164 |
| Shandong Quanzhong | **100,000** | – |
| Total | **101,164** | 3,547 |

* The balances were non-trade in nature.

Other outstanding balances with related parties were all trade in nature. The balances with related parties except for lease liabilities are unsecured, interest-free and have no fixed terms of repayment.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Overview

The Group is an international pharmaceutical company dedicated to the research and development ("**R&D**"), manufacturing and sale of innovative medications. The Group has established R&D centers in the People's Republic of China (the "**PRC**" or "**China**"), the United States (the "**U.S.**") and Europe, with a robust pipeline of over 30 drug candidates in China and more than 10 drug candidates in other international markets. The Group maintains high-level international standards in novel drug delivery technologies including microspheres, liposomes, and transdermal drug delivery systems. The Group has achieved multiple innovations in new chemical entities and antibodies, and is also actively making strategic developments in the fields of cell therapies and gene therapies.

The Group is developing a global supply chain of 8 manufacturing sites built up around the world, with Good Manufacturing Practice ("**GMP**") quality management and control systems established in line with international standards. With more than 30 products covering the central nervous system ("**CNS**"), oncology, cardiovascular, metabolism and other therapeutic areas, the Group's business is conducted in over 80 countries and regions around the world, including the largest pharmaceutical markets – China, the U.S., Europe and Japan, as well as in fast growing emerging markets.

During the six months ended 30 June 2025 (the "**Reporting Period**") and up to the date of this announcement, the Group has persisted in its "innovation-driven" and "internationalization" development strategy and has made remarkable achievements in all aspects of R&D, sales and marketing, business collaborations and manufacturing.

During the Reporting Period, the Group recorded an increase in revenue of 3.5% to RMB3,181.1 million, as compared to the six months ended 30 June 2024.

### Market Positioning and Key Products

For the China market, the Group's key products are competitively positioned in four key therapeutic areas (oncology, CNS, cardiovascular and metabolism). According to IQVIA data, during the Reporting Period, oncology, metabolism, CNS and cardiovascular related pharmaceutical products constituted the 1st, 2nd, 4th and 5th largest pharmaceutical markets in China, respectively. The Group's key products portfolio in China includes 6 (Lipusu, Boyounuo, Baituowei, Zepzelca, CMNa and Mimeixin) in oncology therapeutic area, 5 (Seroquel, Ruoxinlin, Rykindo, Meibirui and Jinyouping) in CNS therapeutic area, 3 (Xuezhikang, Oukai and Maitongna) in cardiovascular therapeutic area and 2 (Beixi and Boyouping) in metabolism therapeutic area.

For international markets, the Group's products are mainly positioned in CNS therapeutic area, including Seroquel, Seroquel XR, Erzofri, Rykindo, Rivastigmine once-daily transdermal patch, Rivastigmine Multi-Day Transdermal Patch ("**Rivastigmine MD**" or "**LY30410**"), Rotigotine patches, Fentanyl patches and Buprenorphine patches.

During the Reporting Period, the Group's revenue from oncology therapeutic area increased by 13.5% to RMB1,295.2 million. Revenue from CNS therapeutic area increased by 5.4% to RMB867.5 million. Revenue from cardiovascular system therapeutic area decreased by 9.2% to RMB693.0 million. Revenue from metabolism therapeutic area decreased by 7.9% to RMB180.2 million.

The Group's 18 key products are competitively positioned globally for high prevalence medical conditions and their market positions are expected to grow or maintain at its current level.

***Key products related to oncology therapeutic area***

*Lipusu (力撲素)*

Lipusu is the only marketed paclitaxel liposome for injection in the world. Its unique formulation allows it to target tumors and lymph nodes and have a longer half-life, making the drug more potent in killing tumor cells, and also safer and better-tolerated. Since its launch, the drug has been widely recognized by physicians and patients in clinical practice, and has also been recommended by multiple authoritative guidelines and consensuses for its efficacy and safety. In November 2024, Lipusu has been included in the regular catalogue of the 2024 China's National Reimbursement Drug List ("**NRDL**"), covering all of its indications, including non-small-cell lung cancer, ovarian cancer, and breast cancer. The 2024 NRDL has been taken effect on 1 January 2025.

*Boyounuo (博優諾)*

Boyounuo (bevacizumab injection) has been approved to the market by the National Medical Products Administration ("**NMPA**") in China in April 2021. It is an anti-VEGF humanized monoclonal antibody injection developed by Shandong Boan Biotechnology Co., Ltd. ("**Boan Biotech**"), a subsidiary of the Company. As of 30 June 2025, Boyounuo has been approved by the NMPA for the treatment of mCRC, advanced metastatic or recurrent non-small cell lung cancer, recurrent glioblastoma, epithelial ovarian, fallopian tube or primary peritoneal cancer, cervical cancer and hepatocellular carcinoma. In addition, Boyounuo has been included in the NRDL for all indications. For the international market, this product is under Biologics License Application ("**BLA**") review in Brazil.

*Baituowei (百拓維)*

Baituowei (goserelin microspheres for injection) is the world's only marketed formulation of long-acting goserelin microspheres. It is indicated for treating prostate cancer in patients requiring androgen deprivation therapy, and treating breast cancer in premenopausal and perimenopausal women that can be treated with hormones. The drug has already been included in the 2023 NRDL for its indication to treat prostate cancer. In November 2024, a new indication for breast cancer has been included in the 2024 NRDL. The 2024 NRDL has taken effect on 1 January 2025.

Baituowei was developed on the Group's globally leading microsphere platform. With its upgraded microsphere formulation and improved injection method, the product is able to balance efficacy, safety, and patient experience, providing a more convenient new option for patients. The Group and BeiGene Ltd. (NASDAQ: BGNE; HKEX: 06160; SSE: 688235) are working together to commercialize this product in China.

*Zepzelca (贊必佳)*

Zepzelca is a selective inhibitor of oncogenic transcription. Whilst inhibiting oncogenic transcription and induce tumor cell apoptosis, it also modulate the microenvironment for tumors to further exert its anti-tumor effects. In December 2024, Zepzelca has been approved by NMPA of China for marketing through the priority review program. The drug is indicated for the treatment of adult patients with metastatic small cell lung cancer ("**SCLC**") with disease progression on or after platinum-based chemotherapy.

The drug has also been approved by the U.S. Food and Drug Administration ("**FDA**") through its Accelerated Approval Program in 2020. It has been the only new chemical entity approved by the FDA for the treatment of relapsed SCLC in nearly 28 years since 1997. To date, Zepzelca® has been approved for marketing in 18 countries or regions worldwide. The Group has been granted the rights to develop and commercialize this drug in mainland China, Hong Kong, and Macao, and has received marketing approval for the drug in these three regions.

*CMNa (希美納)*

CMNa is sodium glycididazole, a proprietary compound that the Group prepares in injectable form and is indicated for use in connection with radiotherapy for certain solid tumours. It is a Class I New Chemical Drug and as far as the Company is aware, the only approved sensitiser for cancer radiotherapy by the NMPA in China. According to the NMPA, CMNa was the only glycididazole product available for sale as of 30 June 2025. A study conducted by an independent third party in 2009 concluded that the use of CMNa for the treatment of certain cancers increased the probability of complete or partial remission and reduced overall treatment costs.

*Mimeixin (米美欣)*

Mimeixin has been approved to the market by the NMPA in China for the management of severe pain (cancer pain and non-cancer pain) that can only be effectively controlled by opioids in adults in June 2024. Mimeixin is an oral sustained-release tablet combined with oxycodone and naloxone, which exerts analgesic effect through the strong opioid receptor agonist oxycodone, and due to the low oral bioavailability of naloxone, it can directly bind to gastrointestinal opioid receptors to combat oxycodone-induced constipation without affecting the analgesic effect. In addition, Mimeixin employs proprietary drug-locking technology to prevent the grinding, extraction, and conversion of oxycodone, thereby deterring drug abuse. Additionally, naloxone, by antagonizing the activity of oxycodone, can prevent users from experiencing euphoria and induce precipitated withdrawal, a mechanism of action that allows Mimeixin to further mitigate the risk of abuse.

***Key products related to CNS therapeutic area***

*Seroquel (思瑞康) and Seroquel XR (思瑞康緩釋片)*

Seroquel (quetiapine fumarate, immediate release, IR) and Seroquel XR (extended release formulation) are atypical antipsychotic medicines with antidepressant properties. The main indications for Seroquel are the treatment of schizophrenia and bipolar disorder. Seroquel XR is also approved in some markets for major depressive disorder ("**MDD**") and generalised anxiety disorder. In addition to China, Seroquel and Seroquel XR are also marketed by the Group in 50 other developed and emerging countries.

*Ruoxinlin (若欣林)*

Ruoxinlin (Toludesvenlafaxine Hydrochloride Extended-Release Tablets), as a new chemical entity, has been approved to the market by the NMPA in China for treating MDD in November 2022. As far as the Company is aware, it is the first class 1 innovative chemical drug with independent intellectual property rights for the treatment of MDD developed by a local company in China. Ruoxinlin could comprehensively and stably improve depressive symptoms, including significantly reducing anxiety and retardation/fatigue, relieving anhedonia, improving cognition, and facilitating faster social recovery of patients. Further, the drug does not cause somnolence and has no significant impacts on sexual functioning, bodyweight, and lipid metabolism, demonstrating a favorable safety profile and good tolerability. In November 2024, Ruoxinlin has been included in the 2024 NRDL. The 2024 NRDL has been taken effect on 1 January 2025.

*Rivastigmine Transdermal Patches (the "**Rivastigmine Patch**")*

The Rivastigmine Patch is rivastigmine in transdermal patches form approved in China, the U.S., Europe and other emerging countries or regions, indicated for mild to moderate dementia of the Alzheimer's type and dementia due to Parkinson's disease ("**PD**").

*Rykindo (瑞可妥)*

Rykindo has been approved for marketing by the NMPA in China in January 2021. It is the first innovative formulation developed under the Group's long acting and extended technology platform that received marketing approval. Rykindo is an extended-release microsphere for injection administered bi-weekly for the treatment of schizophrenia. Rykindo can significantly improve the medication compliance issues which are common among patients with schizophrenia in relation to oral antipsychotic drugs, and simplify the treatment regimen. Patients using Rykindo are also expected to have stable clinically effective plasma drug level and can benefit from more convenient clinical treatment. In December 2023, Rykindo has been included in the NRDL again under a renewed contract, maintaining the same payment standard under the health insurance remaining. In addition to China, Rykindo has also been approved by the FDA in January 2023, as a treatment for schizophrenia in adults and as monotherapy or as adjunctive therapy to lithium or valproate for the maintenance treatment of bipolar I disorder in adults.

*Erzofri*

Erzofri (paliperidone palmitate) extended-release injectable suspension obtained marketing approval as a new drug under section 505(b)(2) of the Federal Food, Drug and Cosmetic Act in the U.S. in July 2024. It has been approved by the FDA for treatment of schizophrenia in adult patients and for treatment of schizoaffective disorder in adults as monotherapy and as an adjunct to mood stabilizers or antidepressants. This drug, administered once per month, is the first patented paliperidone palmitate long acting injection developed by a Chinese company to be approved in the U.S. with independent intellectual property rights. The product has been granted a patent in the U.S. (Patent No. 11,666,573) in 2023, which will be expired in 2039.

*Meibirui (美比瑞)*

Meibirui (Paliperidone Palmitate Injection) has been approved by the NMPA for the acute and maintenance treatment of schizophrenia in June 2024.

*Jinyouping (金悠平)*

Jinyouping (Rotigotine Extended-Release Microspheres for Injection) has been approved for marketing by the NMPA for the treatment of PD in China in June 2024. It is the world's first long-acting extended-release microsphere formulation for the treatment of PD developed by the Group. It can maintain a stable release of rotigotine over seven days which is aligned with the concept of continuous dopaminergic stimulation and overcomes the non physiological and pulsatile stimulation generated by short acting dopaminergic drugs. Additionally, the once-a-week dosing frequency improves patients' medication compliance and makes the long-term management of the disease easier.

***Key products related to cardiovascular therapeutic area***

*Xuezhikang (血脂康)*

Xuezhikang is the Group's proprietary natural medicine derived from red yeast rice indicated for hypercholesterolaemia. According to the NMPA, the Group was the only Xuezhikang manufacturer in China as of 30 June 2025. According to IQVIA, the market for lipid regulating drugs in China was estimated to be approximately RMB7.5 billion in the first six months of 2025. According to IQVIA, Xuezhikang ranked as the most popular natural medicine for the treatment of hypercholesterolaemia and the fifth most-used lipid-regulating drug in China in the first six months of 2025.

*Maitongna (麥通納)*

Maitongna is sodium aescinate in injectable form and is indicated for the treatment of cerebral edema and edema caused by trauma or surgery as well as for the treatment of venous reflux disorder. According to IQVIA, the market for vasoprotective pharmaceutical products in China was estimated to be approximately RMB1.8 billion in the first six months of 2025. Maitongna was the second best-selling domestically manufactured sodium aescinate product in China and ranked as the third most-used vasoprotective pharmaceutical product domestically manufactured in China in the first six months of 2025.

*Oukai (歐開)*

As far as the Company is aware, Oukai is the only oral aescinate tablet in China to contain sodium salt and is widely used to treat soft tissue swelling and venous edema caused by various reasons. According to IQVIA, Oukai was ranked as the best-selling vasoprotective pharmaceutical product domestically manufactured in China in the first six months of 2025.

***Key products related to metabolism therapeutic area***

*BeiXi (貝希)*

BeiXi is acarbose in capsule form and is indicated for lowering blood glucose in patients with type 2 diabetes mellitus. According to the NMPA, the Group was the only manufacturer of acarbose in capsule form in the first six months of 2025. According to IQVIA, the market for acarbose products in China was estimated to be approximately RMB0.6 billion in the first six months of 2025 and BeiXi ranked as the second most popular acarbose product domestically manufactured in China in the first six months of 2025.

*Boyouping (博优平)*

Boyouping (dulaglutide injection) has been approved by the NMPA for glycemic control in adults with type 2 diabetes in August 2025. It is a long-acting glucagon-like peptide-1 ("**GLP-**1") receptor agonist developed by Boan Biotech, a subsidiary of the Company. Boyouping is the first and only biosimilar to Trulicity® approved for marketing in the world. In China, no other dulaglutide biosimilar is in the BLA stage yet. Boan Biotech is partnering with Shanghai Pharmaceutical Co., Ltd. ("**Shaphar**") to commercialize this drug in the Chinese mainland.

**Research and Development**

The Group's R&D activities are organised around four platforms in the chemical drug sector – long acting and extended-release technology, liposome and targeted drug delivery, transdermal drug delivery systems and new compounds. The Group has expanded its R&D capability to biological sector supported by Boan Biotech's four cutting-edge platforms, namely Human Antibody Transgenic Mouse and Phage Display Technology, Bispecific T-cell Engager Technology, Antibody-drug Conjugate ("**ADC**") Technology and Cell Therapy Platform. The Group balances clinical development risks by strategically allocating its resources between proprietary formulations of proven compounds and new chemical entities as well as biosimilars and novel biologics. The Group believes that its R&D capabilities will be the driving force behind the Group's long-term competitiveness, as well as the Group's future growth and development. As of 30 June 2025, the Group's R&D team consisted of 611 employees, including 59 Ph.D. degree holders and 299 master's degree holders in medical, pharmaceutical and other related areas. As of 30 June 2025, the Group had been granted 272 patents and had 89 pending patent applications in the PRC, as well as 586 patents and 145 pending patent applications overseas.

The Group will continue to invest the products in four strategic therapeutic areas – oncology, CNS, cardiovascular and metabolism. As of 30 June 2025, the Group had 31 PRC pipeline product candidates in various stages of development. These candidates included 13 oncology products, 12 CNS products and 6 other products. Also, the Group had 14 pipeline product candidates in the U.S., Europe and Japan in various stages of development.

During the Reporting Period and up to the date of this announcement, the Group had remarkable R&D achievements in the following product candidates.

***R&D progress for non-Boan Biotech's product candidates***

***LY30410 (Rivastigmine Twice Weekly Transdermal Patch):*** *the world's first patch formulation of Rivastigmine to be administered twice a week developed by the Group.*

*It has been approved for marketing in several European countries in 2021 for the treatment of mild to moderate dementia associated with Alzheimer's disease ("**AD**"). It has been approved by NMPA in China in October 2023 for the symptomatic treatment of mild to moderate AD.*

- In March 2025, it has been approved for marketing by the Ministry of Health, Labour and Welfare of Japan as a new drug for suppression of the progression of dementia symptoms in mild to moderate AD. The product is to be marketed as Rivaluen® LA Patch 25.92 mg/51.84 mg. It is the first extended-release Rivastigmine transdermal patch product approved for marketing in Japan. To expedite the availability of this innovative treatment for Japanese patients, the Group entered into an agreement with Towa Pharmaceutical Co., Ltd. in December 2020, granting the latter an exclusive license for the development and commercialization of the Rivastigmine Twice Weekly Transdermal Patch in the Japanese market.

***Ruoxinlin (Toludesvenlafaxine Hydrochloride Extended-Release Tablets):*** *China's first independently developed and patented Class 1 innovative chemical drug for the treatment of MDD.*

*It has been approved for marketing by the NMPA in Chinese mainland for treating MDD in November 2022.*

- In April 2025, it has been approved for marketing in Macao by the Pharmaceutical Administration Bureau of the Macao SAR Government.

- In August 2025, all patients have been enrolled for a phase 3 clinical trial of Ruoxinlin for the treatment of Generalized Anxiety Disorder.

***Rotigotine Luye (Rotigotine Transdermal Patch):*** *the first generic transdermal patch of Neupro launched in European market.*

*It is indicated for the treatment of the signs and symptoms of early-stage and advanced idiopathic PD, as well as moderate-to-severe idiopathic restless legs syndrome in adults. Rotigotine Luye patches have the same dosage strengths as Neupro patches. At the equivalent dosage strength, a Rotigotine Luye patch is 8% smaller in size and has a lower drug load compared to a Neupro patch. Furthermore, unlike Neupro patches, the adhesive substrate of Rotigotine Luye patches does not contain sodium metabisulfite, a known contact allergen that may cause allergic reactions.*

- In April 2025, it has been launched in the United Kingdom (the "**U.K.**").

***LY03015:*** *an innovative VMAT2 (vesicular monoamine transporter 2) inhibitor and a Sigma-1 receptor agonist, the next-generation drug for the treatment of tardive dyskinesia ("**TD**") and Huntington's disease (HD) independently developed by the Group.*

*Preclinical studies show that, compared to marketed VMAT2 inhibitors, LY03015 exhibits enhanced Sigma-1R activation, offering a dual mechanism of symptom control and pathological improvement. It demonstrates superior pharmacological activity both in vitro and in vivo. It is not metabolized by CYP2D6, thereby reducing the risk of individual different in safety and efficacy that comes from the genetic polymorphism of CYP2D6. A Phase 1 clinical trial shows that LY03015 is generally safe and well-tolerated with a relatively long half-life, which can be administered orally once a day.*

- In January 2025, LY03015 has completed the enrollment of the first patient in China for a phase 2 clinical trial. The phase 2 clinical trial of LY03015 in China is a multicenter, randomized, double-blind, and placebo-controlled study in TD patients.

***LY03017:*** *a serotonin 2A receptor ("**5-$HT_{2A}$R**") inverse agonist and serotonin 2C receptor ("**5-$HT_{2C}$R**") antagonist, intended for the treatment of Parkinson's disease psychosis ("**PDP**"), Alzheimer's disease psychosis ("**ADP**"), and the negative symptoms of schizophrenia (NSS), independently developed by the Group.*

*The pathogenesis of PDP, ADP, and NSS remains unclear, but it is believed to be associated with upregulation or hyperactivity of 5-$HT_{2A}$ receptors in the brain. LY03017 acts as an inverse agonist at 5-$HT_{2A}$ receptors and an antagonist at 5-$HT_{2C}$ receptors, inhibiting dopamine release in the ventral striatum while promoting dopamine release in the prefrontal cortex. This mechanism allows it to treat hallucinations and delusions in patients with PDP and ADP, as well as improve NSS.*

*Preclinical studies have shown that LY03017 demonstrates significantly superior in vivo and in vitro pharmacological activity, tissue distribution, and cardiac safety compared to the currently marketed and investigational products. It holds promise for breakthroughs in the treatment of ADP and NSS, and may offer improved efficacy over the existing therapy for PDP.*

- In January 2025, a single ascending dose ("**SAD**") study of LY03017 was completed in China, showing good safety. In May 2025, the first subject was enrolled in the multiple ascending dose ("**MAD**") study.

***LY03020:*** *a next generation antipsychotic and the first dual-target agonist against both the trace amine associated receptor 1 (TAAR1) and the 5-$HT_{2C}$R in the world independently developed by the Group. Compared to investigational products of the same category, it eliminates activity at the serotonin 1A receptor (5-$HT_{1a}$R), which addresses the defect of target desensitization. It also increases 5-$HT_{2C}$R activity and is anticipated to have better efficacy and to control lipid metabolic disorders.*

*Preclinical studies have demonstrated that LY03020 significantly improves the positive and negative symptoms as well as cognitive impairments associated with schizophrenia, and also significantly improves the positive and negative symptoms of ADP. In head-to-head comparisons with marketed second- and third-generation antipsychotics, LY03020 has shown superior efficacy, without noticeable risks for extrapyramidal symptoms (EPS) as well as metabolic syndromes like weight gain and abnormal glucose/lipid levels, which have the potential to better meet clinical need.*

- In February 2025, It has completed the SAD study in China, demonstrating a favourable safety profile. The enrollment of the first subject for the MAD study has been completed in August 2025.

- In January 2025, it has obtained the approval from the FDA to initiate clinical trials in the U.S. for treating schizophrenia.

***LY03021:*** *An innovative compound independently developed by the Group, intended for the treatment of MDD. It functions as a γ- aminobutyric acid type A receptor-positive allosteric modulator ($GABA_AR$ PAM), as well as an inhibitor of both the norepinephrine transporter ("**NET**") and the dopamine transporter ("**DAT**"). Compared to marketed and investigational products of the same category, LY03021 exhibits enhanced NET and DAT inhibition, which not only increases antidepressant efficacy but also addresses the inherent risk of consciousness impairment associated with $GABA_AR$-targeted therapies through the wake-promoting effects of norepinephrine (NE) and dopamine (DA).*

*Non-clinical studies have shown that LY03021 significantly improved depressive symptoms in animal models 24 hours after administration, and maintained this effects with continuous administration until the end of the 21-day study, demonstrating the characteristics of rapid onset and sustained efficacy. In the repeat-dose toxicity studies, the NOAEL (no observed adverse effect level) is 50 times above its effective dose, indicating the wide margin of safety for LY01021.*

- In August 2025, the first subject has been enrolled in a phase 1 clinical trial in China for LY03021.

***R&D progress for Boan Biotech's products candidates***

***Boyoubei (BA6101, 60mg Denosumab Injection):*** *a human immunoglobulin G2 monoclonal antibody of the RANK ligand and the first biosimilar to Prolia independently developed by Boan Biotech.*

*It has been approved for marketing by the NMPA in China for the treatment of postmenopausal women with osteoporosis at high risk for fracture in November 2022.*

- In May 2025, it has been approved for marketing in Macau.

***Boluojia (BA1102, 120mg Denosumab Injection):*** *a fully human IgG2 anti-RANKL monoclonal antibody and a biosimilar to Xgeva independently developed by Boan Biotech.*

*It has been approved for marketing by the NMPA in China for the treatment of giant cell tumor of bone that is unresectable or where surgical resection is likely to result in severe morbidity in adults and skeletally mature adolescents (defined as having at least one mature long bone and with body weight ≥45 kg) in May 2024.*

- In May 2025, it has been approved for marketing in Macau.

***Boyouping (BA5101, Dulaglutide Injection):*** *a long-acting GLP-1 receptor agonist and a biosimilar to Trulicity independently developed by Boan Biotech.*

*Boyouping is indicated for glycemic control in adults with type 2 diabetes. Boyouping® is the first and only biosimilar to Trulicity® approved for marketing in the world. In China, no other dulaglutide biosimilar is in the BLA stage yet.*

- In August 2025, it has been approved for marketing in China for glycemic control in adults with type 2 diabetes.

***BA1104 (Nivolumab Injection):*** *a monoclonal antibody that can enhance the immune response of T cells against tumors by preventing the programmed cell death 1 (PD-1) receptor from binding to its ligands PD-L1 and PD-L2. It is a biosimilar to Opdivo independently developed by Boan Biotech.*

*In October 2023, the first patient in the phase 3 clinical trial of BA1104 in China was enrolled. As the date of this announcement, this phase 3 clinical trial is well progressing.*

- In March 2025, Boan Biotech have held a Biological Product Development (BPD) type 2b meeting with FDA. The FDA has agreed on a "streamlined" clinical approach for BA1104, which means only one pharmacokinetics (PK) similarity study (phase 1) is sufficient to support the submission of BLA in the U.S., and the comparative clinical study (CCS, Phase 3) is not needed.

***BA1302:*** *a novel CD228-directed ADC independently developed by Boan Biotech.*

*CD228 is a glycosylphosphatidylinositol (GPI)-anchored glycoprotein first identified in melanoma. It plays a role in tumor migration and proliferation. The protein is highly expressed in various tumors, including squamous non-small-cell lung cancer ("**sqNSCLC**"), pancreatic cancer, melanoma, breast cancer, mesothelioma, and colorectal cancer. In contrast, its expression is low in normal tissues. This high specificity to tumor cells makes CD228 an ideal target for ADC therapies.*

*The antibody of BA1302 is generated from Boan Biotech's proprietary fully human antibody transgenic mice platform – BA-huMab®. It exclusively binds to the membrane-bound form of CD228 without interacting with its soluble form, sMFI2. This feature minimizes payload release in non-target cells and reduces off-target toxicity. Additionally, BA1302 employs the cysteine conjugation technique, which provides excellent in vivo and in vitro stability as well as potent anti-tumor activity.*

- In March 2025, it has recently been granted the Orphan Drug Designations for the treatment of sqNSCLC and pancreatic cancer by the FDA, respectively.

- In June 2025, it has been approved by the FDA to initiate clinical trials in the U.S..

***BA1106:*** *a non-IL-2 blocking anti-CD25 antibody independently developed by us.*

*BA1106 is able to overcome both challenges thanks to molecular engineering design. In vitro activity assays show that BA1106 has a "moderate" antibody-dependent cellular cytotoxicity (ADCC): it can effectively deplete Tregs in which CD25 is highly expressed to relieve immunosuppression while sparing Teffs with a relative low CD25 expression. In this process, BA1106 does not interfere with the IL-2 signaling pathway, ensuring the functioning of Teffs in immune responses.*

- In April 2025, the early results from a multicenter, open-label, first-in-human phase 1 clinical trial has been presented at the 2025 Annual Meeting of the American Association for Cancer Research (AACR).

**Sales, Marketing and Business Collaborations**

***For global market***

The business of the Group covers 80 countries or regions including the U.S., Japan, countries in the European Union, Association of Southeast Asian Nations, Latin America, Gulf Cooperation Council region and other emerging countries or regions. The Group also has strong sales partnerships with more than 50 partners throughout the world.

During the Reporting Period, we have remarkable business progress in relation to our products in overseas market as below:

- In April 2025, Erzofri has been available for commercial sale in the U.S. for the treatment of adults with schizophrenia and as a monotherapy or adjunct therapy for the treatment of adults with schizoaffective disorder.

- In May 2025, Erzofri has made its first show at the American Psychiatric Association Annual Meeting.

***For China market***

The Group has established an extensive nationwide sales and distribution network and sold its products to 31 provinces, autonomous regions and municipalities throughout the PRC as of 30 June 2025. The Group's sales, marketing and distribution functions are conducted through around 1,000 sales and marketing personnel, a network of approximately 1,740 distributors that collectively enabled the Group to sell its products to over 22,520 hospitals, which comprised approximately 2,320 or approximately 89.5% of all Class III hospitals, approximately 6,075 or approximately 67.1% of all Class II hospitals and approximately 14,125 or approximately 65.0% of all Class I and other hospitals and medical institutions, in the PRC as of 30 June 2025. The Group believes that its sales and marketing model, together with the extensive coverage of hospitals and other medical institutions represent a significant competitive advantage and a culmination of both academic promotions by the Group's in house personnel in different regions and partnerships with high-quality distributors across China. The Group also believes that its sales and marketing model provides a solid foundation for the Group to continue to enhance market awareness of its brand and expand the market reach of its products.

***For business collaborations***

During the Reporting Period, we have explored a number of cooperations with well-known domestic and foreign companies in relation to our products around the world as below:

- In January 2025, Boan Biotech has granted the promotion rights of denosumab injection (BA6101 and BA1102) in Hong Kong SAR and Macau SAR to Kexing Biopharm Co., Ltd. ("**Kexing**").

- In June 2025, Boan Biotech has granted Shaphar the exclusive right to market and distribute Boyouping through all channels in the Chinese mainland. Boan Biotech and Shaphar will work together to enhance both the accessibility and the market coverage of the drug. As a leading distributor of pharmaceuticals in China, Shaphar has established a nationwide distribution network covering over 70,000 healthcare institutions across 25 provinces, with a sales & marketing team of nearly 1,000 people. With its strong expertise in integrated sales & marketing across channels as well as its extensive distribution network, we will distribute Boyouping to hospitals, retail pharmacy chains, and Direct-to Patient pharmacies throughout China at the fastest speed possible.

- In June 2025, Boan Biotech has granted Kexing the exclusive right to market and distribute BA9101 in all countries and regions in the world except for the Chinese mainland, the European Union, the U.K., the U.S., and Japan.

**Manufacturing**

The Group is developing a global supply chain of 8 manufacturing sites around the world, with GMP quality management and control systems established in line with international standards. For the six months ended 30 June 2025, the Group has been working on establishing a global quality control and quality assurance system as well as information platform to ensure the successful integration of the Group's global manufacturing facility system. The manufacturing site for transdermal patches in Miesbach, Germany, is running at full capacity and is striving to increase output to address growing customer demands. Several customer audits and an inspection by the Government of Upper Bavaria confirmed compliance with GMP standards. New customers were on-boarded during the Reporting Period and their product launches were supported as per customer timelines. Still, Rotigotine patch keeps its position in the European markets as the first and so far only alternative option to UCB's Neupro© patch. Significant investments in additional production capacity are under way in the framework of "Project Miesbach 2027" which is running according to project timeline and budget.

**Post Results Outlook**

During the Reporting Period, the Group recorded an increase of 3.5% in revenue in the first half of 2025 compared to that of the first half of 2024 and an increase of 6.5% in revenue compared to that of second half of 2024. The trend of revenue is positively improving and this indicates that the Group's business has started to recover and grow from the bottom. With the rapid increase in sales of newly approved products over the past three years, and the expected approval and launch of more new products in the future, the Group anticipate that the revenue will grow sustainably further.

The Group believes that the following matters could be potential developments or progress that shareholders or other stakeholders can look forward to in the next twelve months.

- The Group will have several products (including Rykindo, Mimeixin, Zepzelca and Jinyouping, etc.) undergoing negotiations for NRDL or commercial insurance in the second half of 2025. The Group will do its utmost to secure insurance coverage at good prices, in order to provide patients with better treatment options and accelerate the rapid growth of the Group's products. If the negotiations are successful, the relevant catalogue will be implemented in 2026.

- In addition to the first domestically produced dulaglutide injection that was just approved for marketing in August 2025, the Group's aflibercept intravitreous injection are expected to be approved for marketing in the fourth quarter of 2025. These two products will further enrich the Group's product portfolio and bring more growth to the Group's revenue.

- The Group plans to submit BLA for two denosumab injections (BA6101 and BA1102) in the U.K. by the end of 2025 and the U.S. in 2026.

- The Group expects that several innovative drugs may complete relevant clinical trials or have partial data readouts. For example, LY03015 may complete its phase 2 clinical trial in China by the end of 2025, and the efficacy data from this study may be read out in the first half of 2026. LY03017 may complete its phase 1 clinical trial in China by the end of 2025 and obtained the IND approval in the U.S. in the third quarter of 2025. LY03020 may complete its phase 1 clinical trial in China in the first quarter of 2026. The combination therapy of BA1106 and BA1104 may obtain the phased results of efficacy by the end of 2025. BA1302 is undergoing the monotherapy dose escalation of phase 1 clinical trial and this study may be completed by the end of 2025.

- The Group have started discussions with a number of pharmaceutical companies (including multinational corporations) or investment institutions for the licensing or co-development of the Group's innovative drug pipelines. With such a wealth of R&D progress, it is expected that there may be some opportunities for global cooperation reached in the next twelve months.

In addition to the potential catalysts mentioned above, the Group will further strengthen sales of our existing products, especially those newly approved in the past three years, including Baituowei, Zepzelca, Mimeixin, Ruoxinlin, Erzofri and etc. In terms of R&D, the Group will continue to optimize the pipeline structure and strengthen the input and output of new molecule innovative candidates with new mechanisms. Continuous innovation will enhance the Group's long-term market competitiveness and international influence.

In summary, the Group will continue to create short to long-term value for the Group's shareholders and other stakeholders through scientific management measures and forward-looking layout.

## FINANCIAL REVIEW

### Revenue

For the six months ended 30 June 2025, the Group's revenue amounted to approximately RMB3,181.1 million, as compared to RMB3,074.6 million for the six months ended 30 June 2024, representing an increase of approximately RMB106.5 million, or 3.5%. The increase was mainly attributable to the increase in sales of some of the Group's key products.

For the six months ended 30 June 2025, revenue from oncology products increased to RMB1,295.2 million, as compared to RMB1,140.9 million for the six months ended 30 June 2024, representing an increase of approximately RMB154.3 million, or 13.5%, primarily attributable to the higher sales of some key products of the Group.

For the six months ended 30 June 2025, revenue from cardiovascular system products decreased to RMB693.0 million, as compared to RMB763.3 million for the six months ended 30 June 2024, representing a decrease of approximately RMB70.3 million, or 9.2%, primarily attributable to the decrease in sales of a few cardiovascular system products of the Group.

For the six months ended 30 June 2025, revenue from alimentary tract and metabolism products decreased to RMB180.2 million, as compared to RMB195.7 million for the six months ended 30 June 2024, representing a decrease of approximately RMB15.5 million, or 7.9%, primarily attributable to the decrease in the sales of our key alimentary tract and metabolism product of the Group.

For the six months ended 30 June 2025, revenue from CNS products increased to RMB867.5 million, as compared to RMB822.7 million for the six months ended 30 June 2024, representing an increase of approximately RMB44.8 million or 5.4%, primarily attributable to the increase in sales of CNS products.

For the six months ended 30 June 2025, revenue from other products decreased to RMB145.2 million, as compared to RMB151.9 million for the six months ended 30 June 2024, representing a decrease of approximately RMB6.7 million, or 4.4%, primarily attributable to the decrease in sales of various other products of the Group.

**Cost of Sales**

The Group's cost of sales increased from RMB996.0 million for the six months ended 30 June 2024 to approximately RMB1,023.5 million for the six months ended 30 June 2025, which accounted for approximately 32.2% of the Group's total revenue for the same period.

**Gross Profit**

For the six months ended 30 June 2025, the Group's gross profit increased to RMB2,157.6 million, as compared to RMB2,078.6 million for the six months ended 30 June 2024, representing an increase of approximately RMB79.0 million, or 3.8%. The gross profit margin increased slightly to 67.8% for the six months ended 30 June 2025, from 67.6% for the six months ended 30 June 2024 mainly due to the higher sales of products with slightly higher margin.

**Other Income and Gains**

The Group's other income and gains mainly comprised government grants, interest income and changes in fair value of financial instruments. For the six months ended 30 June 2025, the Group's other income and gains decreased to RMB197.8 million, as compared to RMB202.9 million for the six months ended 30 June 2024, representing a decrease of approximately RMB5.1 million, or 2.5%. The decrease was mainly attributable to a decrease in government grant and offset by foreign exchange gain during the period.

**Selling and Distribution Expenses**

The Group's selling and distribution expenses consisted of expenses that were directly related to the Group's marketing, promotion and distribution activities. For the six months ended 30 June 2025, the Group's selling and distribution expenses amounted to RMB1,018.8 million, as compared to RMB850.8 million for the six months ended 30 June 2024, representing an increase of RMB168.0 million, or 19.7%. The increase was mainly attributable to the increase in promotion expenses, staff cost and conference expenses. On the other hand, as a percentage of revenue, the Group's selling and distribution expenses increased from 27.7% for the six months ended 30 June 2024 to 32.0% for the six months ended 30 June 2025, primarily as a result of higher selling and distribution expenses during the period.

**Administrative Expenses**

The Group's administrative expenses primarily consisted of staff cost, general operating expenses, conference and entertainment expenses, travel and transportation expenses, depreciation, amortisation and impairment loss, auditor's remuneration, consulting expenses, bank charges, taxation and other administrative expenses. For the six months ended 30 June 2025, the Group's administrative expenses amounted to approximately RMB315.5 million, as compared to RMB289.2 million for the six months ended 30 June 2024, representing an increase of approximately RMB26.3 million, or 9.1%. The increase was primarily attributable to higher staff cost during the period.

**Other Expenses**

The Group's other expenses primarily consisted of its R&D costs, donations and miscellaneous expenses. For the six months ended 30 June 2025, the Group's other expenses amounted to approximately RMB213.0 million, as compared to RMB334.0 million for the six months ended 30 June 2024, representing a decrease of approximately RMB121.0 million, or 36.2%. The decrease was mainly due to lower R&D costs and no net foreign exchange loss during the period.

**Finance Costs**

For the six months ended 30 June 2025, the Group's finance costs amounted to RMB338.5 million, as compared to RMB277.8 million for the six months ended 30 June 2024, representing an increase of approximately RMB60.7 million, or 21.9%. The increase was mainly due to higher convertible bonds interest during the six months ended 30 June 2025 as compared to the corresponding period of 2024.

**Income Tax Expense**

For the six months ended 30 June 2025, the Group's income tax expense amounted to RMB100.3 million, as compared to RMB91.8 million for the six months ended 30 June 2024, representing an increase of RMB8.5 million, or 9.3%. The effective tax rates for the six months ended 30 June 2025 and 2024 were 21.9% and 17.3%, respectively.

**Net Profit**

The Group's net profit for the six months ended 30 June 2025 was approximately RMB357.4 million, as compared to RMB438.2 million for the six months ended 30 June 2024, representing a decrease of approximately RMB80.8 million, or 18.4%.

## LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

As at 30 June 2025, the Group had net current assets of approximately RMB3,748.2 million, as compared to approximately RMB2,539.0 million as at 31 December 2024. The current ratio of the Group increased slightly to approximately 1.31 as at 30 June 2025 from approximately 1.24 as at 31 December 2024. The increase in current ratio was mainly attributable to slightly higher current assets under the period.

**Borrowings and Pledge of Assets**

As at 30 June 2025, the Group had an aggregate interest-bearing loans and borrowings of approximately RMB9,770.9 million, as compared to approximately RMB8,294.4 million as at 31 December 2024. Amongst the loans and borrowings, approximately RMB7,668.5 million are repayable within one year, and approximately RMB2,102.4 million are repayable after one year. RMB7,072.4 million of the loans and borrowings of the Group carried interest at fixed interest rate. As at 30 June 2025, the Group's borrowings were primarily denominated in RMB, Hong Kong dollars and U.S. dollars, and the cash and cash equivalents were primarily denominated in RMB, Hong Kong dollars and U.S. dollars.

**Gearing Ratio**

As at 30 June 2025, the gearing ratio of the Group, which is calculated by dividing total borrowings by total equity, increased to 59.1% from 52.7% as at 31 December 2024. The increase was primarily due to an increase in the Group's total borrowings during the Reporting Period.

**Contingent Liabilities**

As at 30 June 2025, the Group had no material contingent liabilities.

**Foreign Exchange and Exchange Rate Risk**

The Group primarily operates in the PRC and is exposed to foreign currency risk arising from fluctuations in exchange rate between RMB and other currencies in which the Group conducts its business. The Group is subject to foreign currency risk attributable to the bank balances, trade and other receivables and payables as well as bank loans that are denominated in currencies other than RMB. The Group seeks to limit the exposure to foreign currency risk by minimising its net foreign currency position. The Group did not enter into any hedging transactions in respect of foreign currency risk as at 30 June 2025. The Directors expect that the fluctuation of the RMB exchange rate will not have a material adverse effect on the operation of the Group.

**Hedging Activities**

As at 30 June 2025, the Group did not use any financial instruments for hedging purposes and did not enter into any hedging transactions in respect of foreign currency risk or interest rate risk.

## SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not hold any significant investment with a value greater than 5% of its total assets as at 30 June 2025. The Group does not have plans for material investments or capital assets.

## SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

There were no other significant events that required additional disclosure or adjustments occurred after the end of the Reporting Period.

## INTERIM DIVIDEND

No interim dividend was declared by the Company for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") as its own code of corporate governance.

During the six months ended 30 June 2025, the Company has complied with all the applicable code provisions set out in the CG Code, save and except for the deviation from Code Provision C.2.1 of the CG Code, which requires the roles of chairman and chief executive officer should be separate and performed by different individuals.

Under the current organisation structure of the Company, Mr. Liu Dian Bo is the Executive Chairman of the Board and the Chief Executive Officer. With extensive experience in the pharmaceutical industry, the Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the business prospects and management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms meeting the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuer (the "**Model Code**") contained in Appendix C3 to the Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code for the six months ended 30 June 2025.

The Company has also adopted its own code of conduct regarding employees' securities transactions on terms meeting the required standard as set out in the Model Code. This ensures compliance by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities (including treasury shares) of the Company for the Reporting Period. As at 30 June 2025, the Company did not hold any treasury shares.

## AUDIT COMMITTEE

The Audit Committee of the Company has reviewed, with the management, the accounting principles and policies adopted by the Group, and discussed the unaudited interim condensed consolidated financial statements and interim results announcement of the Group for the six months ended 30 June 2025 and recommended its adoption by the Board.

In addition, the independent auditor of the Company, Ernst & Young, has reviewed the unaudited interim results for the six months ended 30 June 2025 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

## PUBLICATION OF THE INTERIM RESULTS AND 2025 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.luye.cn), and the 2025 interim report containing all the information required by the Listing Rules will be despatched to the shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
**LUYE PHARMA GROUP LTD.**
**LIU Dian Bo**
*Chairman*

Hong Kong, 28 August 2025

*As at the date of this announcement, the executive directors of the Company are Mr. LIU Dian Bo, Mr. YANG Rong Bing, Mr. YUAN Hui Xian and Ms. ZHU Yuan Yuan; the non-executive directors of the Company are Mr. SONG Rui Lin and Mr. HUANG Liming; and the independent non-executive directors of the Company are Mr. ZHANG Hua Qiao, Professor LO Yuk Lam, Mr. LEUNG Man Kit, Mr. CHOY Sze Chung Jojo and Ms. XIA Lian.*