Pharma
绿叶制药

Luye Pharma Group Ltd.
绿叶制药集团有限公司

(incorporated in Bermuda with limited liability)

Stock Code: 2186

2025
INTERIM REPORT

CONTENTS

COMPANY OVERVIEW

The Group focuses on developing, producing, marketing and selling innovative pharmaceutical products in four of the largest and fast growing therapeutic areas in the People's Republic of China ("PRC" or "China"), the United States ("the U.S."), Europe and other countries or districts, namely oncology, central nervous system ("CNS"), cardiovascular system, alimentary tract and metabolism. The Group has a portfolio of over 30 products, covering over 80 countries and regions around the world, including large pharmaceutical markets — China, the U.S., Europe and Japan, as well as fast growing emerging markets.

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 in the first half of 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.

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

The Group's research and development ("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 four cutting-edge platforms of Shandong Boan Biotechnology Co., Ltd. ("Boan Biotech"), 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.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. LIU Dian Bo
(Executive Chairman and Chief Executive Officer)
Mr. YANG Rong Bing *(Vice Executive Chairman)*
Mr. YUAN Hui Xian
Ms. ZHU Yuan Yuan

Non-Executive Directors

Mr. SONG Rui Lin
Dr. LYU Dong (resigned on 10 March 2025)
Mr. HUANG Liming (appointed on 10 March 2025)

Independent Non-executive Directors

Mr. ZHANG Hua Qiao
Professor LO Yuk Lam
Mr. LEUNG Man Kit
Mr. CHOY Sze Chung Jojo
Ms. XIA Lian

COMPANY SECRETARY

Ms. LEE Mei Yi

AUTHORIZED REPRESENTATIVES

Mr. YANG Rong Bing
Ms. ZHU Yuan Yuan

AUDIT COMMITTEE

Mr. LEUNG Man Kit *(Chairman)*
Mr. ZHANG Hua Qiao
Professor LO Yuk Lam

REMUNERATION COMMITTEE

Mr. CHOY Sze Chung Jojo *(Chairman)*
Mr. ZHANG Hua Qiao
Professor LO Yuk Lam

NOMINATION COMMITTEE

Professor LO Yuk Lam *(Chairman)*
Mr. ZHANG Hua Qiao
Mr. CHOY Sze Chung Jojo

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Professor LO Yuk Lam *(Chairman)*
Mr. YANG Rong Bing
Mr. SONG Rui Lin

REGISTERED OFFICE

Clarendon House
2 Church Street
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Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

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Hong Kong

CORPORATE INFORMATION (CONTINUED)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Bermuda

HONG KONG SHARE REGISTRAR

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Central
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Conyers Dill & Pearman
2901 One Exchange Square
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AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
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Quarry Bay
Hong Kong

STOCK CODE

2186

COMPANY'S WEBSITE

www.luye.cn

PRINCIPAL BANKERS

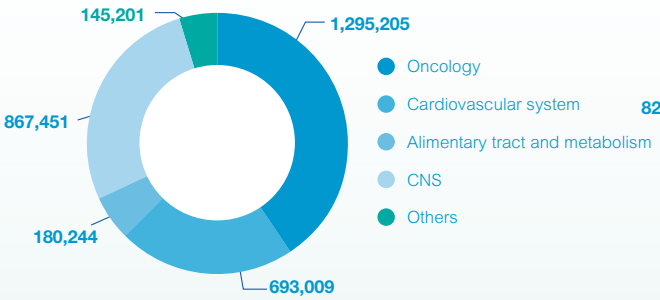
Bank of China Limited
China Everbright Bank
Industrial and Commercial Bank of China Limited
Citibank (China) Limited

FINANCIAL HIGHLIGHTS

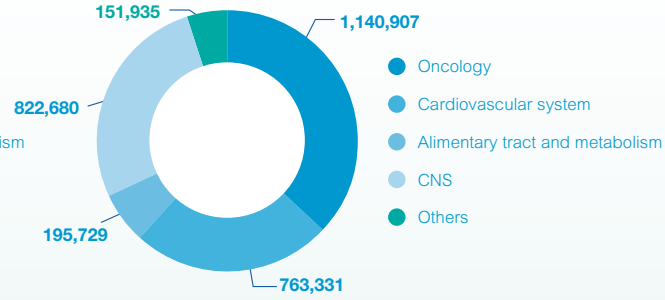
- Revenue increased by RMB106.5 million or 3.5% to RMB3,181.1 million, as compared to the six months ended 30 June 2024.
- Gross profit increased by RMB79.0 million or 3.8% to RMB2,157.6 million, as compared to the six months ended 30 June 2024, and gross profit margin was 67.8%.
- Net profit decreased 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 (the "Board") of directors (the "Directors") of the Company for the six months ended 30 June 2025.

	2021 RMB Million	2022 RMB Million	2023 RMB Million	2024 RMB Million	30-Jun-24 RMB Million	**30-Jun-25 RMB Million**
Revenue	5,200.2	5,981.7	6,143.1	6,061.4	3,074.6	**3,181.1**
Gross Profit	3,396.7	4,140.5	4,204.2	4,044.2	2,078.6	**2,157.6**
EBITDA	906.9	1,812.8	2,077.4	2,191.7	1,156.1	**1,204.2**
Net Profit	(144.8)	583.3	539.1	645.0	438.2	**357.4**
Profit attributable to owners of the Parent	(134.4)	604.8	532.6	471.9	387.8	**312.9**
Total Assets	22,582.1	24,249.6	25,490.7	29,612.2	27,198.5	**32,031.5**
Total Liability	13,468.2	13,207.9	11,962.2	13,858.5	13,113.8	**15,488.9**
Equity	9,113.9	11,041.7	13,528.5	15,753.7	14,084.7	**16,542.6**

30 June 2025 RMB'000



30 June 2024 RMB'000



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is an international pharmaceutical company dedicated to the R&D, manufacturing and sale of innovative medications. The Group has established R&D centers in the PRC, 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 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"), 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 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, 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, 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 25.92mg/51.84mg. 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-HT1aR), 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 report, 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 EU, ASEAN, Latin America, GCC 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 EU, 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. 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. Details of the charges on assets of the Group as at 30 June 2025 are included in note 15 to the interim condensed consolidated financial information.

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.

MATERIAL ACQUISITIONS AND DISPOSALS

During the six months ended 30 June 2025, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group employed a total of 5,115 employees, as compared to a total of 5,150 employees as at 31 December 2024. For the six months ended 30 June 2025, the staff costs, (including Directors' emoluments but excluding any contributions to pension scheme), were approximately RMB480.1 million as compared to RMB476.6 million for the corresponding period in 2024.

The Group's employee remuneration policy has remain unchanged since the date of the Company's annual report for the year ended 31 December 2024.

During the Reporting Period and up to the date of this interim report, the Company has no share scheme (including any share option scheme) subject to the provisions of Chapter 17 of the Listing Rules.

The Group provides orientation training to its newly recruited employees to help them understand the corporate culture of the Company. From time to time, the Group also holds training meetings to enhance the skills of its employees and to reinforce the required standards in respect of core values. The Company's policy on directors' participation in induction and continuous professional development has remain unchanged since the date of the Company's annual report for the year ended 31 December 2024.

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).

OTHER INFORMATION

FUND RAISING ACTIVITIES

The Group did not conduct any equity fund-raising activities during the Reporting Period.

Convertible Bonds

2023 convertible bonds

On 6 July 2023, the Company issued 6.25 per cent convertible bonds with an aggregate principal amount of US$180,000,000 (the "2023 Convertible Bonds") and the listing of the bonds on The Stock Exchange of Hong Kong Limited ("Stock Exchange") was effective on 7 July 2023. The 2023 Convertible Bonds are offered and sold to no less than six independent placees (who were professional investors) and are convertible at the option of the bondholders into ordinary shares with the initial conversion price of HK$4.88 per share any time on or after 16 August 2023 and up to the close of business on the date falling ten days prior to 6 July 2028. Such conversion price of HK$4.88 per share represents a premium of approximately 26.10 per cent. Over the closing price of HK$3.87 as quoted on the Stock Exchange on 27 June 2023 (being the date of the subscription agreement in respect of such 2023 Convertible Bonds). On 6 July 2026, the holder of each bond will have the right at such holder's option, to require the Company to redeem all or some only of the bonds at their principal amount, together with interest accrued but unpaid. Any convertible bonds not converted will be redeemed on 6 July 2028 at its principal amount together with accrued but unpaid interest thereon. The bonds carry interest at a rate of 6.25 per cent per annum, which is payable semi-annually in arrears on 6 January and 6 July.

The Board considers that the issue of the 2023 Convertible Bonds represents an opportunity to improve the liquidity position of the Group and to settle certain short term liabilities of the Group. The Board believes that the issue of the 2023 Convertible Bonds will improve the Group's debt maturity profile and finance Group's ongoing business development.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as equity component and is included in shareholders' equity.

The net proceed from the 2023 Convertible Bonds (after deduction of commission related expenses) are approximately US$176,736,000 (equivalent to HK$1,382,764,000) representing a net issue price of approximately HK$4.79 per converted shares.

Intended use of proceeds	Approximate allocation of net proceeds as previously disclosed (HKD in million)	Approximate utilisation of proceeds as at 31 December 2024 (HKD in million)	Approximate utilisation of proceeds during the period (HKD in million)	Approximate utilisation of proceeds as at 30 June 2025 (HKD in million)	Approximate amount of net proceeds unutilised as at 30 June 2025 (HKD in million)	Expected timeline for utilisation of unutilised proceeds
Research and development, including preclinical studies, clinical trials and related registration and administration, of products under development including LY03010, LY03003, LY01005, LY03005 and other products in the Pipeline	276.55	142.42	41.48	183.90	92.65	2026
Repayment of debts falling due within 12 months	1,106.21	829.66	88.50	918.16	188.05	2026
Total	1,382.76	972.08	129.98	1,102.06	280.70	

As at 30 June 2025, the Company had used, and proposed to use, the proceeds from the 2023 Convertible Bonds according to the intentions previously disclosed by the Company.

2024 convertible bonds

On 30 October 2024 and 13 December 2024, the Company issued 5.85 per cent convertible bonds with an aggregate principal amount of US$100,000,000 and US$50,000,000 (together, the "2024 Convertible Bonds"). Kale Asset Holding Ltd, an independent third party, is the subscriber of the 2024 Convertible Bonds. The 2024 Convertible Bonds are convertible at the option of the bondholders into ordinary shares with the initial conversion price of HK$3.672 per share any time on or after 10 December 2024 and 23 January 2025 and up to the close of business on the date falling ten days prior to 29 October 2025. Such conversion price of HK$3.672 per share represents a premium of approximately 20.00 per cent. over the closing price of HK$3.06 as quoted on the Stock Exchange on 22 October 2024 (being the date of the subscription agreements in respect of the 2024 Convertible Bonds). Any convertible bonds not converted will be redeemed on 29 October 2025 at its principal amount together with accrued but unpaid interest thereon. The bonds carry interest at a rate of 5.85 per cent per annum, which is payable semi-annually in arrears on 30 January, 30 April, 30 July and 29 October.

The Board considers that the issue of the 2024 Convertible Bonds represents an opportunity to improve the liquidity position of the Group and to replace certain short term loans of the Group. The Board believes that the net proceeds from the issue of the 2024 Convertible Bonds will reduce the Group's funding cost whilst improving the Group's debt maturity profile.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as equity component and is included in shareholders' equity.

The net proceed from the 2024 Convertible Bonds (after deduction of commission related expenses) are approximately US$147,759,558 (equivalent to HK$1,148,505,000) representing a net issue price of approximately HK$3.62 per converted shares.

Intended use of proceeds	Approximate allocation of net proceeds as disclosed (HKD in million)	Approximate utilisation of proceeds as at 31 December 2024 (HKD in million)	Approximate utilisation of proceeds during the period (HKD in million)	Approximate utilisation of proceeds as at 30 June 2025 (HKD in million)	Approximate amount of net proceeds unutilised as at 30 June 2025 (HKD in million)	Expected timeline for utilisation of unutilised proceeds
Refinance of existing indebtness	918.80	183.76	413.46	597.22	321.58	2025
Research and development of products	114.85	34.46	59.72	94.18	20.67	2025
General corporate purpose	114.85	28.71	45.94	74.65	40.20	2025
Total	1,148.51	246.93	519.12	766.05	382.45	

As at 30 June 2025, the Company had used, and proposed to use, the proceeds from the 2024 Convertible Bonds according to the intentions previously disclosed by the Company.

OTHER INFORMATION (CONTINUED)

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 (hereinafter referred to as 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 Part 2 of the CG Code, save for the deviation from code provision C.2.1 of the CG Code, which requires the roles of chairman and chief executive officer to 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 Mr. Liu Dian Bo 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 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 six months ended 30 June 2025. 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.

CHANGES IN DIRECTORS' INFORMATION

During the Reporting Period, Dr. Lyu Dong resigned as a non-executive Director with effect from 10 March 2025. Mr. Huang Liming has been appointed as a non-executive Director with effect from 10 March 2025.

Other than the above, upon specific enquiry by the Company and following confirmations from Directors, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the Company's annual report for the year ended 31 December 2024.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this interim report, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate for the six months ended 30 June 2025.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, to the best of the Directors' knowledge, the following persons (other than the Directors and chief executives of the Company) had or were deemed or taken to have an interests and/or short position in the shares or the underlying shares which fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO") or as recorded in the register required to be kept pursuant to Section 336 of the SFO:

Name	Capacity/Nature of interest	Number of securities	Approximate percentage of shareholding
LuYe Pharmaceutical Investment Co., Ltd.[1]	Beneficial owner	1,246,108,703 (L)	33.13%
		212,229,950 (S)	5.64%
LuYe Pharmaceutical International Co., Ltd.[1]	Interest in controlled corporation	1,246,108,703 (L)	33.13%
		212,229,950 (S)	5.64%
Luye Pharma Holdings Limited[1]	Interest in controlled corporation	1,246,108,703 (L)	33.13%
		212,229,950 (S)	5.64%
Luye Life Sciences Group Ltd.[2]	Interest in controlled corporation	1,246,108,703 (L)	33.13%
		212,229,950 (S)	5.64%
Nelumbo Investments Limited[2]	Interest in controlled corporation	1,246,108,703 (L)	33.13%
		212,229,950 (S)	5.64%
Ginkgo (PTC) Limited[2]	Trustee	1,246,108,703 (L)	33.13%
		212,229,950 (S)	5.64%
Shorea LBG[2]	Interest in controlled corporation	1,246,108,703 (L)	33.13%
		212,229,950 (S)	5.64%
Hillhouse Investment Management, Ltd.[3]	Investment manager	552,324,108 (L)	14.68%
Hillhouse Fund V, LP.[3]	Interest in controlled corporation	552,324,108 (L)	14.68%
Hillhouse NEV Holdings Limited[3]	Beneficial owner	552,324,108 (L)	14.68%
UBS Group AG	Interest in controlled corporation	456,442,427 (L)	12.13%
		468,003,385 (S)	12.44%
Kale Asset Holding Ltd[4]	Beneficial owner	317,516,338 (L)	8.44%
Ong Tiong Sin[4]	Interest in controlled corporation	317,516,338 (L)	8.44%
RRJ Capital IV Ltd[4]	Interest in controlled corporation	317,516,338 (L)	8.44%
RRJ Capital Master Fund IV, L.P.[4]	Interest in controlled corporation	317,516,338 (L)	8.44%

Remark: The Letter "L" denotes long position in such securities and "S" denotes short position in such securities.

Notes:

1. *LuYe Pharmaceutical Investment Co., Ltd. ("Luye Investment") is wholly-owned by LuYe Pharmaceutical International Co., Ltd., which is in turn wholly-owned by Luye Pharma Holdings Ltd. Luye Investment had a short position in 192,317,950 shares of the Company as a result of certain equity derivatives held, written or issued by Luye Investment, as the case may be.*

2. *Nelumbo Investments Limited holds 70% of the issued share capital of Luye Life Sciences Group Ltd. The entire issued share capital of Nelumbo Investments Limited is held by Ginkgo (PTC) Limited as trustee of the family trust of Mr. Liu Dian Bo. Ginkgo (PTC) Limited is wholly-owned by Shorea LBG whose sole shareholder is Mr. Liu Dian Bo.*

3. *Hillhouse NEV Holdings Limited is wholly-owned by Hillhouse Fund V, L.P. and Hillhouse Investment Management, Ltd. is the sole investment manager of Hillhouse NEV Holdings Limited.*

4. *Kale Asset Holding Ltd is wholly-owned by RRJ Capital Master Fund IV, L.P., which in turn is wholly-owned by RRJ Capital IV Ltd. RRJ Capital IV Ltd is wholly-owned by Ong Tiong Sin.*

Save as disclosed above, as at 30 June 2025, the Directors have not been aware of any person who had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept pursuant to Section 336 of the SFO.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code, are as follows:

(i) Interest in the Company

Name of Director	Nature of interest	Number of securities[1]	Approximate percentage of shareholding
Liu Dian Bo[1]	Founder of a discretionary trust	1,246,108,703(L) 212,229,950(S)	33.13% 5.64%

Remark: The Letter "L" denotes long position in such securities and "S" denotes short position in such securities.

Note:

1. *Mr. Liu Dian Bo through his controlled corporations, namely Shorea LBG, Ginkgo (PTC) Limited, Nelumbo Investments Limited, Luye Life Sciences Group Ltd., Luye Pharma Holdings Ltd., LuYe Pharmaceutical International Co., Ltd. and LuYe Pharmaceutical Investment Co., Ltd., is deemed to be interested in 1,246,108,703 ordinary shares and 212,229,950 short position in the Company held by LuYe Pharmaceutical Investment Co., Ltd. Nelumbo Investments Limited holds 70% of the issued share capital of Luye Life Sciences Group Ltd. The entire issued share capital of Nelumbo Investments Limited is held by Ginkgo (PTC) Limited as trustee of the family trust of Mr. Liu Dian Bo, who is the founder of such trust. Ginkgo (PTC) Limited is wholly-owned by Shorea LBG whose sole shareholder is Mr. Liu Dian Bo.*

(ii) Interest in associated corporations

Name of Director	Associated Corporation	Nature of interest	Number of securities	Approximate percentage in the registered capital of the associated corporation
Liu Dian Bo	Luye Life Sciences Group Ltd.[2]	Founder of a discretionary trust	8,400(L)	70%
Liu Dian Bo	Ginkgo (PTC) Limited[1]	Founder of a discretionary trust	1(L)	100%
Liu Dian Bo	Luye Pharma Holdings Ltd.[2]	Founder of a discretionary trust	1,136,852(L)	100%
Liu Dian Bo	LuYe Pharmaceutical International Co., Ltd.[2]	Founder of a discretionary trust	202,180,988(L)	100%
Liu Dian Bo	LuYe Pharmaceutical Investment Co., Ltd.[2]	Founder of a discretionary trust	1(L)	100%
Liu Dian Bo	Nelumbo Investments Limited[1]	Founder of a discretionary trust	1(L)	100%
Yang Rong Bing	Luye Life Sciences Group Ltd.[2]	Beneficial interest	1,800(L)	15%
Yuan Hui Xian	Luye Life Sciences Group Ltd.[2]	Beneficial interest	1,800(L)	15%

Remark: The Letter "L" denotes long position in such securities.

Notes:

1. *The entire issued share capital of Nelumbo Investments Limited is held by Ginkgo (PTC) Limited as trustee of the family trust of Mr. Liu Dian Bo, who is the founder of such trust.*

2. *Luye Life Sciences Group Ltd. holds the entire issued ordinary share capital of Luye Pharma Holdings Ltd. LuYe Pharmaceutical International Co., Ltd. is wholly-owned by Luye Pharma Holdings Ltd. and LuYe Pharmaceutical Investment Co., Ltd. is wholly-owned by Luye Pharmaceutical International Co., Ltd.*

Save as disclosed above, as at 30 June 2025, none of our Directors and chief executive of the Company has any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register required to be kept under Section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the Reporting Period, the Company received a series of conversion notices from holder of the 2024 Convertible Bonds, which consist convertible bonds with an aggregate principal amount of US$100,000,000 (the "Tranche A Bonds") and convertible bonds with an aggregate principal amount of US$50,000,000 (the "Tranche B Bonds"). Between 1 August 2025 and 10 September 2025, an aggregate principal amount of US$100,000,000 of the Tranche A Bonds and US$10,000,000 of the Tranche B Bonds were converted into a total of 232,845,310 new Shares at the conversion price of HK$3.672 per Share.

As at 22 September 2025 (being the latest practicable date for the purpose of ascertaining the relevant information prior to publication of this interim report), all of the Tranche A Bonds have been fully converted and no Tranche A Bonds remain outstanding, while the outstanding principal amount of the Tranche B Bonds is US$40,000,000.

INDEPENDENT REVIEW REPORT

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Independent review report
To the board of directors of Luye Pharma Group Ltd.
(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 29 to 62, which comprises the condensed consolidated statement of financial position of Luye Pharma Group Ltd. (the "Company") and its subsidiaries (the "Group") as at 30 June 2025 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
28 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) 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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) 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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	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
Investments 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	*10*	**583,021**	710,962
Financial assets at fair value through profit or loss	*11*	**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	*12*	**3,171,850**	2,779,767
Prepayments, other receivables and other assets	*10*	**564,933**	1,939,220
Financial assets at fair value through profit or loss	*11*	**1,634,839**	1,504,067
Pledged deposits	*13*	**2,245,700**	1,174,015
Time deposits with original maturity of over three months	*13*	**262,000**	62,000
Cash and cash equivalents	*13*	**6,936,206**	4,937,145
Total current assets		**15,687,178**	13,308,107
CURRENT LIABILITIES			
Trade and notes payables	*14*	**663,482**	689,300
Other payables and accruals		**2,305,161**	2,182,079
Interest-bearing loans and borrowings	*15*	**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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2025

	Note	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	*15*	**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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent												
	Issued capital RMB'000	Share premium account RMB'000	Equity component of convertible bonds RMB'000	Other reserves* RMB'000	Safety production reserve* RMB'000	Statutory surplus reserves* RMB'000	Share award reserve* RMB'000	Retained earnings* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Foreign currency translation reserve* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2024 (audited)	486,107	4,250,260	461,359	961,074	32,051	1,447,629	55,740	6,384,012	917	75,380	14,154,529	1,599,141	15,753,670
Profit for the period	–	–	–	–	–	–	–	312,886	–	–	312,886	44,497	357,383
Other comprehensive income for the period:													
Changes in fair value of investments, net of tax	–	–	–	–	–	–	–	–	(56)	–	(56)	–	(56)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	–	68,489	68,489	(25)	68,464
Total comprehensive income for the period	–	–	–	–	–	–	–	312,886	(56)	68,489	381,319	44,472	425,791
Appropriation to safety production reserve	–	–	–	–	5,212	–	–	(5,212)	–	–	–	–	–
Safety production reserve used	–	–	–	–	(2,068)	–	–	2,068	–	–	–	–	–
Issue of shares by a subsidiary (note)	–	–	–	152,512	–	–	–	–	–	–	152,512	209,505	362,017
Dividends declared to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	(5,500)	(5,500)
Share-based payment arrangements	–	–	–	–	–	–	4,167	–	–	–	4,167	2,470	6,637
At 30 June 2025 (unaudited)	486,107	4,250,260	461,359	1,113,586	35,195	1,447,629	59,907	6,693,754	861	143,869	14,692,527	1,850,088	16,542,615

Note: On 11 June 2025, the Group's subsidiary, Shandong Boan Biotechnology Co., Ltd. ("Boan Biotech"), placed a total of 38,400,000 shares at a placing price of HK$10.42 per placing share.

* *These reserve accounts comprise the consolidated reserves of RMB9,494,801,000 in the consolidated statement of financial position as at 30 June 2025.*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2024

	Attributable to owners of the parent											
	Issued capital RMB'000	Share premium account RMB'000	Equity component of convertible bonds RMB'000	Safety production reserve RMB'000	Statutory surplus reserves RMB'000	Share award reserve RMB'000	Retained earnings RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Foreign currency translation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2023 (audited)	486,107	4,159,320	386,362	30,654	1,319,814	43,404	6,060,730	(11,731)	56,525	12,531,185	997,309	13,528,494
Profit for the period	–	–	–	–	–	–	387,836	–	–	387,836	50,342	438,178
Other comprehensive income for the period:												
Changes in fair value of investments, net of tax	–	–	–	–	–	–	–	5,337	–	5,337	–	5,337
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	(3,183)	(3,183)	(20)	(3,203)
Total comprehensive income for the period	–	–	–	–	–	–	387,836	5,337	(3,183)	389,990	50,322	440,312
Appropriation to safety production reserve	–	–	–	4,926	–	–	(4,926)	–	–	–	–	–
Safety production reserve used	–	–	–	(3,210)	–	–	3,210	–	–	–	–	–
Capital contribution from non-controlling interests	–	90,940	–	–	–	–	–	–	–	90,940	14,615	105,555
Share-based payment arrangements	–	–	–	–	–	7,288	–	–	–	7,288	3,004	10,292
At 30 June 2024 (unaudited)	486,107	4,250,260	386,362	32,370	1,319,814	50,692	6,446,850	(6,394)	53,342	13,019,403	1,065,250	14,084,653

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**457,640**	529,977
Adjustments for:			
Share of profits and losses of associates		**12,022**	(345)
Depreciation and amortisation of non-current assets		**408,138**	348,305
Loss/(gain) on disposal of non-current assets		**1,396**	(8,375)
Gain on a finance lease as a sublease lessor		**–**	(547)
Share-based payment expense	*19*	**6,637**	10,292
Bank interest income		**(30,871)**	(43,702)
Changes in fair value of investments		**(30,790)**	(35,093)
Finance costs	*6*	**338,460**	277,836
Provision for a legal claim	*16*	**7,236**	7,277
		1,169,868	1,085,625
Decrease in inventories		**40,243**	12,317
Increase in trade and notes receivables		**(391,932)**	(222,717)
Decrease/(increase) in prepayments, other receivables and other assets		**886,762**	(743,440)
Decrease/(increase) in pledged deposits		**163,062**	(242,645)
(Decrease)/increase in trade and notes payables		**(25,818)**	29,821
Increase in other payables and accruals		**202,277**	20,040
Increase in government grants		**60,788**	4,186
Decrease in other non-current liabilities		**(12,351)**	(38,798)
Cash generated from/(used in) operations		**2,092,899**	(95,611)
Interest paid		**(212,196)**	(239,198)
Income tax paid		**(96,351)**	(59,591)
Net cash flows from/(used in) operating activities		**1,784,352**	(394,400)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Net cash flows from/(used in) operating activities	**1,784,352**	(394,400)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of non-current assets	**(587,413)**	(715,872)
Proceeds from disposal of non-current assets	**306**	2,800
Purchases of investments	**(140,481)**	(114,100)
Proceeds from disposal of investments	**10,043**	113,601
Withdrawal of investments in associates	**—**	400,000
Purchases of shareholdings in associates	**(450)**	—
Proceeds from a finance lease as a sublease lessor	**—**	1,861
Placement of time deposits with original maturity of over three months	**62,000**	(237,305)
Withdrawal of time deposits with original maturity of over three months	**(262,000)**	—
Refund of advance payment for an equity investment	**150,000**	—
Receipt of repayment from third parties	**469,776**	—
Interest received	**30,854**	43,702
Net cash flows used in investing activities	**(267,365)**	(505,313)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank and other borrowings	**9,247,331**	5,720,572
Repayment of bank and other borrowings	**(7,774,832)**	(4,718,064)
Placement of pledged deposits	**(1,234,747)**	(116,195)
Capital contribution from non-controlling shareholders	**—**	105,555
Principal portion of lease payments	**(10,045)**	(11,469)
Dividend paid to non-controlling interests	**(5,915)**	—
Proceeds from issue of shares by a subsidiary	**362,017**	—
Net cash flows from financing activities	**583,809**	980,399
NET INCREASE IN CASH AND CASH EQUIVALENTS	**2,100,796**	80,686
Cash and cash equivalents at beginning of period	**4,937,145**	3,238,973
Effect of foreign exchange rate changes, net	**(101,735)**	19,990
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**6,936,206**	3,339,649

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**5,715,021**	3,337,760
Time deposits	**3,728,885**	3,013,865
	9,443,906	6,351,625
Less:		
Pledged deposits for letters of credit	**(191,080)**	(48,625)
Pledged deposits for bank loans	**(174,496)**	(174,963)
Pledged deposits for notes payable	**(1,555,124)**	(993,388)
Pledged deposits for a letter of guarantee	**(325,000)**	(286,000)
Time deposits with original maturity of over three months when acquired	**(262,000)**	(1,509,000)
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	**6,936,206**	3,339,649

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 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 for the year ended 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 resources 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.

3. OPERATING SEGMENT INFORMATION (Continued)

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

3. OPERATING SEGMENT INFORMATION (Continued)

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 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Revenue from contracts with customers	**3,181,110**	3,074,582

4. REVENUE (Continued)

Disaggregated revenue information for revenue from contracts with customers

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
Type of goods or services						
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	1,295,205	693,009	180,244	867,451	145,201	3,181,110
Geographical markets						
Mainland China	1,269,529	689,104	178,818	279,042	145,201	2,561,694
Other countries	25,676	3,905	1,426	588,409	–	619,416
Total	1,295,205	693,009	180,244	867,451	145,201	3,181,110
Timing of revenue recognition						
Transferred at a point in time	1,285,301	693,009	180,244	867,451	143,467	3,169,472
Transferred over time	9,904	–	–	–	1,734	11,638
Total	1,295,205	693,009	180,244	867,451	145,201	3,181,110

4. REVENUE (Continued)

Disaggregated revenue information for revenue from contracts with customers (continued)

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
Type of goods or services						
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	1,140,907	763,331	195,729	822,680	151,935	3,074,582
Geographical markets						
Mainland China	1,140,907	759,463	193,117	399,439	151,935	2,644,861
Other countries	—	3,868	2,612	423,241	—	429,721
Total	1,140,907	763,331	195,729	822,680	151,935	3,074,582
Timing of revenue recognition						
Transferred at a point in time	1,105,157	763,331	195,729	822,579	150,718	3,037,514
Transferred over time	35,750	—	—	101	1,217	37,068
Total	1,140,907	763,331	195,729	822,680	151,935	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 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

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted and been in effect as at 30 June 2025 in certain jurisdictions in which the Group operates, such as Australia, Germany, Switzerland, United Kingdom and Hong Kong. Pillar Two legislation has not been enacted or effective as at 30 June 2025 in the other jurisdictions in which the Group operates, such as Mainland China.

The Group has performed an assessment of the potential exposure arising from Pillar Two legislation based on the information available for the six months ended 30 June 2025. Based on the assessment carried out so far, the Group has identified potential exposure to Pillar Two income taxes mainly related to Switzerland and Mainland China. However, the enactment or substantial enactment of Pillar Two legislation in the relevant jurisdictions in which the Group operates does not have a material impact to the Group's overall exposure to Pillar Two income taxes.

8. DIVIDENDS

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. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Current		
Other receivables	**350,135**	1,525,252
Prepaid income tax	**—**	17,766
Value-added tax recoverable	**88,869**	76,927
Prepayments	**127,410**	323,598
	566,414	1,943,543
Impairment allowance	**(1,481)**	(4,323)
Total — current	**564,933**	1,939,220
Non-current		
Advance payments for property, plant and equipment and other intangible assets	**573,837**	551,651
Advance payment for an equity investment	**—**	150,000
Other long-term receivables	**9,184**	9,311
Total — non-current	**583,021**	710,962
Total	**1,147,954**	2,650,182

Included in the Group's prepayments, other receivables and other assets were other receivables of RMB130,879,000 (31 December 2024: RMB130,112,000) due from related parties (note 18(b)).

The financial assets included in the above balances are non-interest-bearing, unsecured and repayable on demand.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Current		
Listed equity investment, at fair value	**1,087**	1,092
Other unlisted investments, at fair value	**1,633,752**	1,502,975
Total — current	**1,634,839**	1,504,067
Non-current		
Unlisted equity investments, at fair value	**648,963**	618,512
Total	**2,283,802**	2,122,579

The above equity investments were classified as financial assets at fair value through profit or loss as they were held for trading.

The above other unlisted investments were wealth management products issued by licensed financial institutions in Mainland China and investment in a private fund. The fair values of the financial assets approximate to their costs plus expected interest. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The fair value of the listed equity investment is derived from quoted price in an active market.

The fair value of the unlisted equity investments which are not quoted in an active market is valued using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves.

12. 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

13. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Cash and bank balances	**5,715,021**	962,207
Time deposits	**3,728,885**	5,210,953
Subtotal	**9,443,906**	6,173,160
Less:		
Pledged deposits for letters of credit	**(191,080)**	(160,118)
Pledged deposits for bank loans	**(174,496)**	(165,711)
Pledged deposits for notes payable	**(1,555,124)**	(562,186)
Pledged deposits for a letter of guarantee	**(325,000)**	(286,000)
Non-pledged time deposits with original maturity of over three months when acquired	**(262,000)**	(62,000)
Cash and cash equivalents	**6,936,206**	4,937,145
Denominated in RMB	**6,556,833**	4,543,845
Denominated in HK$	**320,550**	298,828
Denominated in US$	**32,920**	63,791
Denominated in EUR	**10,054**	13,655
Denominated in other currencies	**15,849**	17,026
Total	**6,936,206**	4,937,145

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of Mainland China is subject to exchange restrictions imposed by the PRC government.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one day and twelve months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

13. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (Continued)

As at 30 June 2025, deposits of RMB174,496,000 (31 December 2024: RMB165,711,000) were pledged to secure bank loans (note 15).

As at 30 June 2025, deposits of RMB1,461,028,000 (31 December 2024: RMB515,815,000) and RMB94,096,000 (31 December 2024: RMB46,371,000) were pledged to secure intra-group notes payable and third parties notes payable (note 14), respectively.

14. 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) (note 13).

The maturity of the notes payable is within twelve months.

15. 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

15. INTEREST-BEARING LOANS AND BORROWINGS (Continued)

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

15. INTEREST-BEARING LOANS AND BORROWINGS (Continued)

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) (note 13);

(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).

16. PROVISION

Luye Hong Kong was involved in an arbitration brought by the former distributor of Seroquel in Mainland China disputing the subsidiary's basis of terminating the distribution agreement with such distributor. During the year ended 2021, Luye Hong Kong received the arbitral award from the Hong Kong International Arbitration Centre in relation to the arbitration, and the tribunal made final verdict on the amount of claim as approximately RMB273,482,000, which also included such distributor's arbitration fees and interests related. Accordingly, a provision for the claimed amount was made in the financial statements. Thereafter, Luye Hong Kong submitted the application for revoking the arbitral award to the Hong Kong High Court, and the decision was handed down that Luye Hong Kong's application for setting aside the award was dismissed ("Setting Aside Decision"). Subsequently, Luye Hong Kong applied for and was granted leave to appeal against the Setting Aside Decision. During the period, an additional provision of RMB7,236,000 was provided for the interest charged on the claim amount (six months ended 30 June 2024: RMB7,277,000).

17. COMMITMENTS

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

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Buildings	**299,461**	74,126
Machinery and equipment	**452,947**	328,911
Other intangible assets	**57,779**	66,556
Total	**810,187**	469,593

18. 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

18. RELATED PARTY TRANSACTIONS (Continued)

(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 service 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

18. RELATED PARTY TRANSACTIONS (Continued)

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

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.

19. SHARE-BASED PAYMENTS

Share-based payment scheme of Boan Biotech

In December 2020, the board of directors of Boan Biotech passed a resolution to grant equity interests of Boan Biotech to the eligible employees (including directors) in order to provide incentives and rewards to participants for the business development of Boan Biotech. Subsequently, Yantai Bolian Investment Centre Limited Partnership ("Yantai Bolian"), Yantai Bosheng Investment Centre Limited Partnership ("Yantai Bosheng") and Yantai Bofa Investment Centre Limited Partnership ("Yantai Bofa"), three employee incentive platforms established in the PRC, subscribed paid-in capital of RMB21,380,000, RMB14,930,000 and RMB11,250,000 of Boan Biotech for total considerations of RMB64,140,000, RMB44,790,000 and RMB33,750,000, respectively.

On 27 January 2021, 4.4247% of the then equity interest in Boan Biotech was granted to 36 selected directors and employees of Boan Biotech for a consideration of RMB64,140,000 through Yantai Bolian. 3.0898% of the then equity interest in Boan Biotech was granted to 45 selected directors and employees of Boan Biotech for a consideration of RMB44,790,000 through Yantai Bosheng. 2.3282% of the then equity interest in Boan Biotech was granted to 47 selected directors and employees of Boan Biotech for a consideration of RMB33,750,000 through Yantai Bofa. The management has the power to select the eligible employees and Boan Biotech derive benefits from the services of the employees who have been granted the then equity interest through their continued employment with Boan Biotech.

Pursuant to the partnership agreements of Yantai Bolian, Yantai Bosheng and Yantai Bofa (collectively referred to as the "ESOP Entities"), (i) the ESOP Entities shall not dispose of any of the shares they held within 36 months immediately following the date of Boan Biotech's listing (the "ESOP Lock-up Period"); and (ii) a partner is entitled to direct the ESOP Entities to dispose of his/her share of the shares held by the ESOP Entities (based on his/her shareholding percentage in the ESOP Entities) (the "ESOP Shares") in the following manner: (a) 25% of his/her ESOP Shares upon the expiry of 12 months following the day after the ESOP Lock-up Period; (b) 50% of his/her ESOP Shares upon the expiry of 24 months following the day after the ESOP Lock-up Period; (c) 75% of his/her ESOP Shares upon the expiry of 36 months following the day after the ESOP Lock-up Period; and (d) 100% of his/her ESOP Shares upon the expiry of 48 months following the day after the ESOP Lock-up Period. If a person cease to be qualified as a partner during the vesting period, the general partner shall have the right to purchase or appoint other eligible employees to purchase the share of that person at cost or cost plus market interest. In August 2021, the ESOP Lock-up Period was revised as 12 months immediately following the date of Boan Biotech's listing pursuant to the updated partnership agreements.

19. SHARE-BASED PAYMENTS (Continued)

Share-based payment scheme of Boan Biotech (Continued)

The fair value of services received in return for equity interests granted is measured by reference to the fair value of the equity interests granted less the consideration received by Boan Biotech.

The fair value of the equity interests granted is determined by the back-solve method and equity value allocation based on the option pricing model at the grant date.

The following table lists the inputs to the model used:

	Year ended 31 December 2021
Risk-free interest rate (%)	2.9%
Volatility (%)	42.0%

The Group recognised a share-based payment expense of RMB6,637,000 during the period (six months ended 30 June 2024: RMB10,292,000).

20. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 30 June 2025 and 31 December 2024 are as follows:

As at 30 June 2025 (Unaudited)

Financial assets

	Financial assets at fair value through profit or loss				
	Designated as such upon initial recognition RMB'000	Mandatorily designated as such RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	–	–	2,814	–	2,814
Notes receivable	–	–	24,836	260,944	285,780
Trade receivables	–	–	–	2,886,070	2,886,070
Financial assets included in prepayments, other receivables and other assets	–	–	–	357,838	357,838
Financial assets at fair value through profit or loss	1,263	2,282,539	–	–	2,283,802
Time deposits with original maturity of over three months	–	–	–	262,000	262,000
Pledged deposits	–	–	–	2,245,700	2,245,700
Cash and cash equivalents	–	–	–	6,936,206	6,936,206
Total	1,263	2,282,539	27,650	12,948,758	15,260,210

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade and notes payables	663,482
Financial liabilities included in other payables and accruals	1,628,274
Convertible bonds	2,099,786
Other non-current liabilities	57,269
Interest-bearing loans and borrowings	9,770,850
Total	14,219,661

20. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

The carrying amounts of each of the categories of financial instruments as at 30 June 2025 and 31 December 2024 are as follows: (Continued)

As at 31 December 2024 (Audited)

Financial assets

	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income		
	Designated as such upon initial recognition RMB'000	Mandatorily designated as such RMB'000	Equity investments RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	–	–	2,786	–	2,786
Notes receivable	–	–	131,227	264,739	395,966
Trade receivables	–	–	–	2,383,801	2,383,801
Financial assets included in prepayments, other receivables and other assets	–	–	–	1,530,113	1,530,113
Financial assets at fair value through profit or loss	1,263	2,121,316	–	–	2,122,579
Time deposits with original maturity of over three months	–	–	–	62,000	62,000
Pledged deposits	–	–	–	1,174,015	1,174,015
Cash and cash equivalents	–	–	–	4,937,145	4,937,145
Total	1,263	2,121,316	134,013	10,351,813	12,608,405

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade and notes payables	689,300
Financial liabilities included in other payables and accruals	1,419,479
Convertible bonds	2,026,610
Other non-current liabilities	57,508
Interest-bearing loans and borrowings	8,294,444
Total	12,487,341

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

During the reporting period, the fair values of the Group's financial instruments approximated to their respective carrying amounts.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

Management has determined that the carrying amounts of cash and cash equivalents, pledged deposits, trade receivables, notes receivable classified as debt investments at amortised cost, financial assets included in prepayments, other receivables and other assets, trade and notes payables, financial liabilities included in other payables and short-term interest-bearing loans and borrowings, based on their notional amounts, reasonably approximate to their fair values because these financial instruments are mostly short term in nature.

The fair values of the non-current portion of interest-bearing loans and borrowings and other non-current liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing loans and borrowings as at the end of the reporting period was assessed to be insignificant. The fair value of the liability portion of the convertible bonds is estimated by discounting the expected future cash flows using an equivalent market interest rate for a similar convertible bond with consideration of the Group's own non-performance risk.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at fair value through other comprehensive income are based on recently executed transaction prices in securities of the issuer. The fair value of the unlisted equity investment at fair value through profit or loss has been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the management to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate price multiple, which is price to book value ("P/B") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by a book value measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to measure the fair value of the unlisted equity investment. The management believes that the estimated fair value resulting from the valuation technique, which is recorded in the consolidated statement of financial position, and the related change in fair values, which is recorded in the consolidated statement of profit and loss, are reasonable, and that it was the most appropriate value at the end of the reporting period.

The Group invests in unlisted investments, which represent wealth management products issued by licensed financial institutions in Mainland China and investment in a private fund. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of the notes receivable classified as financial assets at fair value through other comprehensive income as at 30 June 2025 have been calculated by discounting the expected future cash flows, which are the par values of the notes receivable. In addition, the notes receivable will mature within twelve months, thus their fair values approximate to their carrying values.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025 and 31 December 2024:

	Valuation technique	Significant unobservable inputs	Weighted average rate	Sensitivity of fair value to the input
Financial assets at fair value through profit or loss	Market approach	Discount for lack of marketability	20% (31 December 2024: 20%)	1% (31 December 2024: 1%) increase/ decrease in discount would result in decrease/increase in fair value by RMB23,000/RMB23,000 (31 December 2024: RMB16,000/RMB16,000)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	2,814	–	–	2,814
Notes receivable	–	24,836	–	24,836
Financial assets at fair value through profit or loss	1,087	2,281,452	1,263	2,283,802
Total	3,901	2,306,288	1,263	2,311,452

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments: (continued)

Assets measured at fair value: (continued)

As at 31 December 2024 (Audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	2,786	—	—	2,786
Notes receivable	—	131,227	—	131,227
Financial assets at fair value through profit or loss	1,092	2,120,224	1,263	2,122,579
Total	3,878	2,251,451	1,263	2,256,592

The Group did not have any financial liabilities measured at fair value as at 30 June 2025 and 31 December 2024.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (six months ended 30 June 2024: Nil).