Asymchem Laboratories (Tianjin) Co., Ltd.

凱萊英醫藥集團（天津）股份有限公司

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

www.asymchem.com

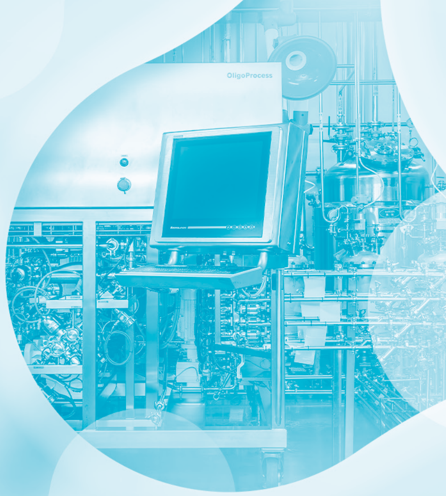
Stock Code: 6821

2025

INTERIM REPORT

ASYMCHEM

www.asymchem.com



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CORPORATE INFORMATION

I. BOARD OF DIRECTORS

i. Executive Directors

Dr. Hao Hong
Ms. Yang Rui
Mr. Zhang Da
Mr. Hong Liang

ii. Non-executive Directors

Dr. Ye Song
Ms. Zhang Ting

iii. Independent Non-executive Directors

Dr. Sun Xuejiao
Dr. Hou Xinyi
Mr. Xie Weikai *(appointed on 6 August 2025)*
Mr. Lee, Kar Chung Felix *(retired on 6 August 2025)*

II. BOARD OF SUPERVISORS*

Ms. Zhi Xinxin *(ceased on 6 August 2025 due to abolition of the Board of Supervisors)*
Ms. Hou Jingyi *(ceased on 6 August 2025 due to abolition of the Board of Supervisors)*
Ms. Di Shanshan *(ceased on 6 August 2025 due to abolition of the Board of Supervisors)*

III. REGISTERED OFFICE AND HEAD OFFICE

No. 6 Dongting 3rd Street
Economic – Technological Development Area
Tianjin
PRC

IV. PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

40th Floor, Dah Sing Financial Centre
248 Queen's Road East
Wanchai
Hong Kong

V. H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

VI. JOINT COMPANY SECRETARIES

Mr. Xu Xiangke
Mr. Cheng Ching Kit *(associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)*

VII. AUTHORIZED REPRESENTATIVES

Mr. Zhang Da
Mr. Xu Xiangke

VIII. AUDIT COMMITTEE

Dr. Sun Xuejiao *(Chairperson)*
Ms. Zhang Ting
Dr. Hou Xinyi

IX. STRATEGY COMMITTEE

Dr. Hao Hong *(Chairperson)*
Ms. Yang Rui
Dr. Sun Xuejiao *(appointed on 6 August 2025)*
Mr. Lee, Kar Chung Felix *(retired on 6 August 2025)*

X. NOMINATION COMMITTEE

Mr. Xie Weikai *(Chairperson) (appointed on 6 August 2025)*
Mr. Lee, Kar Chung Felix *(Chairperson) (retired on 6 August 2025)*
Dr. Sun Xuejiao *(appointed on 6 August 2025)*
Mr. Hong Liang *(retired on 6 August 2025)*
Dr. Hou Xinyi

* *abolished on 6 August 2025*

XI. REMUNERATION AND EXAMINATION COMMITTEE

Dr. Hou Xinyi *(Chairperson)*
Mr. Xie Weikai *(appointed on 6 August 2025)*
Mr. Zhang Da *(retired on 6 August 2025)*
Dr. Sun Xuejiao

XII. STOCK CODES

Hong Kong Stock Exchange (H Shares): 6821
Shenzhen Stock Exchange (A Shares): 002821

XIII. AUDITOR

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

XIV. LEGAL ADVISERS TO THE COMPANY

Hong Kong laws

Kirkland & Ellis
26/F, Gloucester Tower
The Landmark
15 Queens's Road Central
Central
Hong Kong

PRC laws

DeHeng Law Offices
12/F, Tower B, Focus Place
19 Finance Street
Xicheng District
Beijing
PRC

XV. PRINCIPAL BANKERS

Bank of China Dunhua Branch

No. 1218, Hanzhang Street
Dunhua
Jilin Province
PRC

SPD Bank Puxin Branch

No. 920, Tanggu Chunfeng Road
Binhai New District
Tianjin
PRC

SPD Bank Puhui Branch

No. 116, West Cuiheng Square
No. 39 Third Street
Economic – Technological
Development Area
Tianjin
PRC

XVI. COMPANY'S WEBSITE

www.asymchem.com

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June 2025 RMB'000 (except percentages)	For the six months ended 30 June 2024 RMB'000 (except percentages)	Change %
Revenue	**3,188,307**	2,655,046	20.08
Gross profit	**1,379,157**	1,094,701	25.98
Gross profit margin	**43.26%**	41.23%	2.03
Net profit attributable to shareholders of the parent	**617,470**	499,131	23.71
Net profit margin attributable to shareholders of the parent	**19.37%**	18.80%	0.57
Non-IFRS Measures:			
Adjusted net profit attributable to shareholders of the parent (Note 1)	**681,530**	432,723	57.50
Adjusted net profit margin attributable to shareholders of the parent (Note 1)	**21.38%**	16.30%	5.08
	RMB	RMB	
Earnings per share			
– Basic	**1.68**	1.40	20.00
– Diluted	**1.68**	1.40	20.00

	As of 30 June 2025 RMB'000 (except percentages)	As of 31 December 2024 RMB'000 (except percentages)	Change %
Total assets	**19,851,388**	19,288,556	2.92
Total liabilities	**2,755,196**	2,425,984	13.57
Equity attributable to the owners of the Company	**17,083,033**	16,845,384	1.41
Cash and bank balances	**6,794,304**	5,789,408	17.36
Gear ratio (Note 2)	**13.88%**	12.58%	1.30

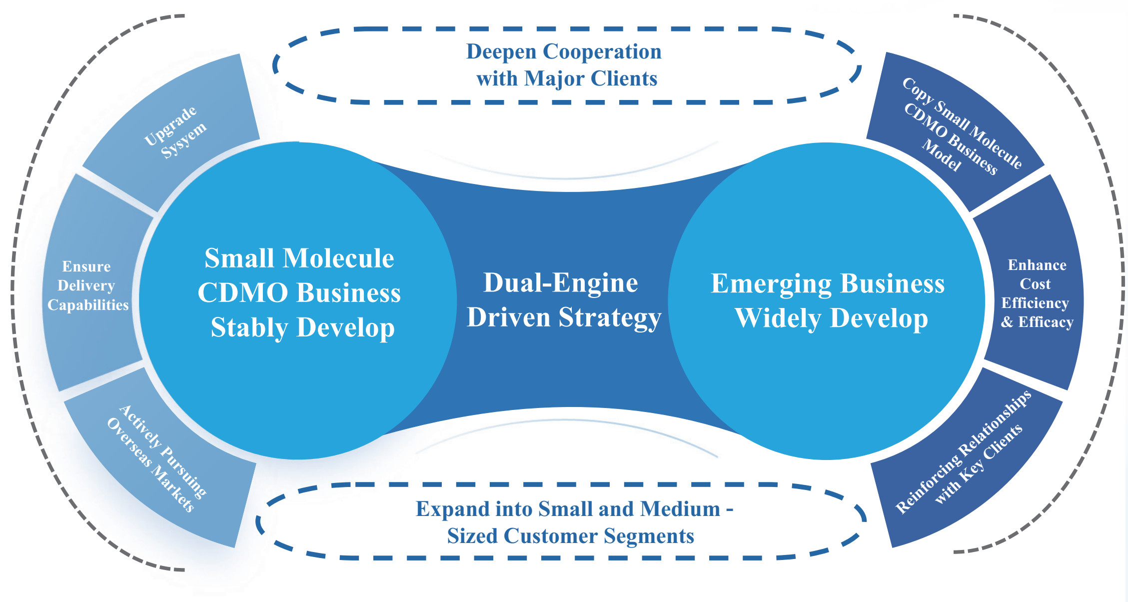
Note 1: Please refer to "Management Discussion and Analysis – II. Financial Review – (xxiv) Adjusted Non-IFRS Measures."

Note 2: Gearing ratio is calculated by dividing total liabilities by total assets.

I. BUSINESS REVIEW

In the first half of 2025 ("**2025H1**"), the Company comprehensively advanced and implemented the dual-engine driven strategy on business growth by remaining committed to its business principle of "deepening cooperation with major clients, expanding into small and medium-sized customer segments, advancing market presence in Europe, and enhancing cost efficiency and effectiveness." This involved upgrading the management and operational systems to ensure order delivery capabilities, reinforcing relationships with key clients, and actively pursuing growth opportunities in international and domestic markets. By leveraging iterative technological advancements, we successfully promoted the advantages of small molecule drug CDMO services, expanded into chemical macromolecule CDMO (including peptide, oligonucleotide, toxin linker and lipid), drug product services, green technology exporting, synthetic biology technology, clinical research services, and biological macromolecule CDMO. As of the date of this interim report, the Company has secured a total order backlog of US$1,088 million, in addition to the recognized revenue orders during the Reporting Period.

During the Reporting Period, the Company achieved a total revenue of RMB3,188.31 million, with an increase of 20.08% period-on-period. The gross profit margin for 2025H1 was 43.26%, reflecting an increase of 2.03 percentage points compared to the same period last year. In the small molecule CDMO business, revenue reached RMB2,429.08 million, marking a period-on-period increase of 12.80%. Additionally, the emerging business segment contributed RMB756.02 million in revenue, experiencing a period-on-period increase of 51.32%. Despite ongoing challenges in the global biopharmaceutical financing environment, the Company has demonstrated steady organic revenue growth and positive trends, underscoring the operational strength and progress, as well as the growing visibility of internal organic revenue growth and a solid global customer base. As the effects of cost reduction and efficiency improvement measures became apparent, along with the increasing delivery scale of emerging businesses and the ramp-up of capacity utilization, the Company recorded a net profit attributable to shareholders of the parent of RMB617.47 million, marking a 23.71% rise period-on-period. The net profit growth rate exceeded the revenue growth rate by 3.63 percentage points.



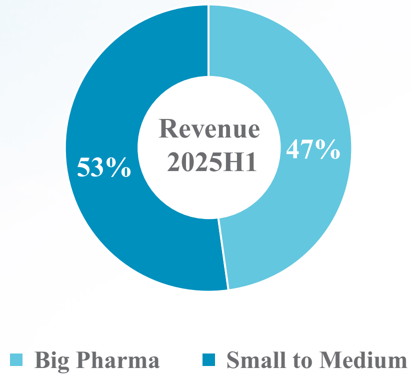
MANAGEMENT DISCUSSION AND ANALYSIS

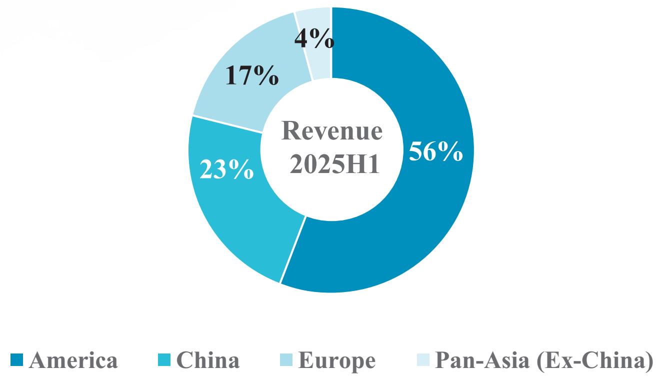
Market Expansion and Diversified Customer Base

During the Reporting Period, revenue from big pharmaceutical ("**Big Pharma**") companies was RMB1,508.25 million, representing a 17.63% increase compared to the same period last year.

In 2025H1, despite fluctuations in global biotech funding trends, we achieved revenue of RMB1,680.06 million from the small- to medium-sized companies, reflecting a 22.38% increase compared to the six months ended 30 June 2024. Our revenue from small to medium companies in 2025H1 was driven by sustained expansion of customers in Europe.

Market expansion remains one of the central focuses of the Company's endeavors, and accelerated progress has been achieved in the market sector. During the Reporting Period, our overseas business generated a total revenue of RMB2,474.97 million, representing a 25.89% increase compared to the same period last year.





Throughout the Reporting Period, the revenue derived from the U.S. customers reached RMB1,789.39 million, showing a period-on-period growth of 2.75% compared to the same period last year. The European market sustained its revenue breakthrough, with a substantial growth of 210.44% compared to the first half of 2024.

i. Small Molecule CDMO Business

The global small molecule CDMO business features a broad market with low industry concentration and a sustained increase in industry penetration. The growing incidence of chronic diseases and the aging population trend propels the demand for innovative small molecule drugs. The pharmaceutical industry's focus on developing novel, more efficacious, and targeted therapies has resulted in increased product pipelines and the need for innovative drug delivery methods. Simultaneously, per the Frost & Sullivan Analysis, while small and mid-sized pharmaceutical companies are responsible for over 70% of drugs in the R&D pipeline, they often require external expertise to bring their clinical pipeline to market. For the past few years, the shift in global small molecule CDMO demand toward emerging markets, particularly to China, accelerated and the trend is likely to continue in the coming years.

During the Reporting Period, despite facing many industry challenges, our Company has relied on its continuously optimized R&D platform and industry-leading operational system, while maintaining stable development in the small molecule business. As of 30 June 2025, the small molecule business achieved 329 projects. In 2025H1, revenue amounted to RMB2,429.08 million with a gross profit margin of 47.56%. Gross profit margin of small molecules CDMO experienced an increase of 1.40 percentage points compared to the same period last year. Meanwhile, the gross profit margin at a constant exchange rate for small molecules CDMO stood at 47.07%.

Positioning Firmly in Commercialization Projects as the Backbone to Continuous Revenue Growth

As of 30 June 2025, the Company successfully progressed 44 small molecule commercialization projects. The Company has continued to execute its existing industry-leading small molecule commercialization projects while simultaneously accelerating the onboarding of new projects. With a strong track record in project delivery, the Company is well-positioned to foster deeper collaboration with numerous international and domestic clients in the field of commercialization projects.

Focusing on Potential Therapeutics to Reinforce the Growth Visibility

The Company strategically reserves potential bulk projects, and clinical phase III projects served by the Company involved several popular targets and promising novel targets. As of 30 June 2025, the Company had a total of 285 pre-clinical and clinical stage projects, including 52 clinical phase III projects, securing project reserves for the continued commercialization orders of bulk drugs. We are actively involved in the development of leading GLP-1 programs, and we recognize that emerging and recently approved obesity treatment pipelines, coupled with advances in drug delivery technologies and increasing funding, may significantly expand the clinical trial landscape and market potential for anti-obesity drug candidates. According to the current small molecule clinical stage orders in hand, it is expected that the number of projects reaching process performance qualification ("**PPQ**") stage in the second half of 2025 will reach 11. This has established a sufficient reserve of commercial orders, providing strong support for long-term and steady performance growth.

Adhere to the Guideline of Strengthening Key Clients and Expanding Customer Diversity in Various Regional Markets

We have upheld a customer-centric business philosophy and have a diverse, high-quality, and loyal customer base. Rather than just an outsourced service provider, we are regarded as a reliable partner by our customers. Our primary focus lies in serving pharmaceutical and Biotech Companies with headquarters located in the United States, Europe, China, etc. Notably, our clientele includes a large group of renowned multinational pharmaceutical companies. For the regional market expansion, the European market kept a positive growth with the in-depth cooperation with existing customers being continuously improved and new customers being developed in an orderly manner.

The Company forged ahead with overseas capacity expansion steadily, driving customer development and building operational systems at its research and active pharmaceutical ingredient ("**API**") pilot production located in Sandwich, U.K. facilities (the "**Sandwich Site**"). During the Reporting Period, the Company delivered 4 R&D projects and completed its first production project. The Company continued to optimize the delivery system development and enhance the domestic and international synergy mechanism. In addition, the Company continuously advanced project development for overseas clients and successfully passed its first QA audit conducted by a multinational corporation ("**MNC**") client. In parallel, the Company actively promoted capacity expansion, integrating technology platforms such as continuous hydrogenation and photoelectric reaction, and scaling up its high throughput screening ("**HTS**") platform. While steadily building these capabilities, the Company also conducted in-depth evaluations related to the development of commercial production capacity.

Moving forward, our approach involves: (i) Deepening our services vertically to encompass new projects for existing multinational pharmaceutical companies while continuing ongoing commercial projects; (ii) Proactively re-establishing communication and collaboration with dormant clients who may have shifted their focus toward pipeline concentration rather than small molecule business, particularly those interested in licensing new novel target pipelines in small molecules; (iii) Expanding and diversifying our customer pool of multinational pharmaceutical companies; and (iv) Capitalizing on our extensive experience in serving multinational pharmaceutical companies, we will also collaborate with leading Biotech Companies and a wide range of small and medium-sized global pharmaceutical companies.

ii. Emerging Business

During the Reporting Period, these emerging business lines generated RMB756.02 million in revenue, representing a 51.32% increase compared to the same period last year. The gross profit margin was 29.53%, reflecting a period-on-period increase of 9.30 percentage points, despite the impact of funding turmoil for the global Biotech Companies, the continued downturn in domestic market, and certain businesses still being in a capacity ramp-up phase. Our Company continues to focus on enhancing competitiveness and actively advancing market expansion. As of the date of this interim report, the order backlog surged by over 40% period-on-period and the estimated emerging business PPQ will reach nine in 2025, forming a sufficient reserve of commercial orders.

Chemical Macromolecule CDMO Business

During the Reporting Period, chemical macromolecule CDMO business (including peptide, oligonucleotide, toxin linker and lipid) achieved revenue of RMB379.35 million, with a notable period-on-period increase of over 130%. During the Reporting Period, the Company completed 88 projects and enlarged the client pool for 38 new clients. As of the date of this interim report, the order backlog has risen by over 90% period-on-period, with overseas orders accounting for over 40%. The Company projects that this sector will maintain robust revenue growth of more than double in the second half of 2025. Drawing on the existing order backlog, the Company expects five PPQ projects for the second half of 2025.

During the Reporting Period, our major domestic client's first GLP-1 peptide project in obesity had been launched, laying the foundation for delivery of commercial project throughout the year. In the fields of peptide and small nucleic acid, the Company advanced more than 10 clinical mid and later stage projects reserved for related popular targets respectively. In addition, the Company carried forward eight toxin-linker NDA projects. The Company continuously strengthened technological reserves and developed peptide and small nucleic acid synthesis technology platforms. These platforms complement each other to address issues in different types of synthesis technologies and have made technological reserves in various types of purification and separation techniques.

Drug Product

During the Reporting Period, the revenue of drug product CDMO business generated RMB117.76 million, growing by 7.88% period-on-period. During the Reporting Period, the Company delivered 171 projects, of which 31 were in the middle and later stages, showing a continuous rising trend. In 2025H1, the Company completed FDA, PMDA, and NMPA dynamic inspections, along with five new commercialized drug products in the Chinese market. Additionally, during the Reporting Period, the Company achieved the first commercial drug product supply in the U.S. As of the date of this interim report, the order backlog had increased by over 35% period-on-period, with over 30% revenue resulting from overseas orders. Based on the current order backlog, we estimated three PPQ projects for the second half of 2025.

In addition to the traditional small molecule drug products, new drug product projects continued to expand. Multiple oral peptide projects have been completed, with certain projects entering Phase II clinical trials. The small nucleic acid drug product technology platform was continuously reinforced. On the basis of solidifying sterile solutions drug product, the Company delivered new dosage delivery of small nucleic acid gel and nasal spray. In addition, the range of complex drug product projects are constantly expanding, including liposomes, nanoparticles, lipid nanoparticles ("**LNP**"), oral sustained-release preparations, and so on.

Clinical Research Service

During the Reporting Period, clinical contract research organization ("**CRO**") business generated revenue of RMB139.22 million, achieving a growth of 44.91% period-on-period. The Company facilitated 13 projects in obtaining implied China investigational new drug application ("**IND**") approvals and contributed to one implied FDA IND approval for our customers. We have successfully undertaken 115 projects. Our overseas business continued to grow with 10 new overseas applications and clinical services orders. The Company strengthened its established expertise in traditional strengths such as oncology, immunology, infectious diseases, orthopedics, respiratory system, hematology and gynecology. At the same time, the Company sustained ongoing in-depth exploration in rare diseases and new breakthroughs have been achieved in neurology, endocrinology and metabolism, ophthalmology, cardiovascular, gastroenterology, dermatology and nephrology. As of the end of the Reporting Period, the Company was conducting 278 clinical research projects, including 95 Phase II and later-stage projects.

In terms of data intelligence, the Company applied a full-process intelligent pharmacovigilance platform to more than 20 innovative drug projects, along with the establishment of clinical trial project management and laboratory management platforms.

Biological Macromolecules CDMO

During the Reporting Period, biological macromolecule CDMO reported a revenue of RMB89.92 million, achieving a period-on-period increase of 70.88%. The Company delivered 53 batches and completed three IND applications. Among the ongoing projects, 41 are at IND stage and five are at biologics license application ("**BLA**") stage. The first antibody in the PPQ stage entered production and was successfully delivered. As of the date of this interim report, the order backlog surged by over 60% period-on-period, with overseas orders taking up more than 35% of it. The revenue of this business segment is projected to be over double by 2025. The Company undertook our first allophycocyanin ("**APC**") one-stop service project and contributed to the overseas out-licensing of our first ADC BLA project in later stage. The Company also assisted several leading domestic clients in successfully licensing out multiple projects, showcasing our international service capabilities.

During the Reporting Period, the Company successfully passed 12 audits, including multiple audits by MNC clients, actively meeting the regulatory requirements and the standards of multinational pharmaceutical companies. Key breakthroughs have been made in the process optimization and technological innovation of biological macromolecules and five mature industrial technologies have been added in Toolbox.

Synthetic Biology Technology

During the Reporting Period, the revenue of synthetic biology technology remained flat period-on-period. Synthetic biology technology delivered 41 projects and engaged with 19 new customers. Based on the order backlog, we project one PPQ project in the second half of 2025.

The enzyme engineering technology platform has continued to deepen and an "automation + AI" driven enzyme evolution platform has been successfully implemented in more than 20 projects. A fully automated workflow from enzyme design to product has been achieved. The synthetic biology technology platform has developed into a complete technical system and successfully enabled the development of a range of advantageous products. Among these, the salidroside project was shortlisted in the first batch of biomanufacturing landmark products announced by the Ministry of Industry and Information Technology of the PRC, underscoring its technical capabilities and market position in the field of synthetic biology.

The Company has established a full-process, end-to-end, and systematic service capability spanning from the early-stage research and development of biological products to IND application.

Export of New Technologies

During the Reporting Period, the Company continued to implement projects for customers across fine chemical fields such as pharmaceuticals, pesticides, and materials in an orderly manner. As of the date of this interim report, we are currently fulfilling 20 active orders and continuously expanding the reserve of self-developed projects. The Company remains committed to optimizing its order project management system. In 2025, dedicated facilities for factory acceptance testing ("**FAT**") of pilot-scale project execution and commercial project equipment will be established to ensure the integrity and stability of front-end loading procedures of project plans.

Adhering to the dual-track advancement of "R&D + equipment", the Company consistently consolidates core technological capabilities. On the R&D front, we accumulated deep experience in R&D orders, established systematic verification standards, and simultaneously developed and reserved cutting-edge technologies to support the development of new equipment/instruments. On the equipment side, the Company completed the design and manufacture of standardized laboratory-level equipment. Meanwhile, the Company accelerated the modularization and standardization of continuous reaction equipment at both the pilot and manufacturing scales, aiming to complete a standardized equipment library by 2025. Efforts are now underway to optimize the management and operation system, building a professional multidisciplinary project team spanning chemistry, chemical engineering, equipment, and engineering, focusing on enhancing efficiency and service capabilities.

iii. Investments and Construction of Capacity Expansion

We maintain advanced manufacturing sites built from the ground up to stringent standards. As of 30 June 2025, we had multiple R&D centers, manufacturing sites, production facilities and branches/offices across China, the United States, the United Kingdom, and other regions, and secured the first research and manufacturing site in Europe. The following map illustrates the locations of our manufacturing sites, as well as our offices across China, the United States and the United Kingdom.

As of the end of the Reporting Period, the total solid-phase peptide synthesis capacity expanded to approximately 30,000L and is projected to reach 44,000L by the end of 2025 to meet the future production capacity demands of the order backlog. Furthermore, the Company continued to expedite the construction of high-potency production capacity. An additional Occupational Exposure Band 5 ("**OEB5**") plant and R&D building were constructed and commissioned during the Reporting Period to meet the escalating demand for toxin-linker projects in later stage.

During the Reporting Period, the Company advanced accumulation in new technologies of drug products, continuously enhancing the service capabilities of the injectable in-situ gelling drug delivery technology platform, the oral peptide technology platform, and the microfluidic system nanoparticles preparation R&D technology platform. The construction of new drug product capacity accelerated, further expanding the construction of hot melt extrusion commercialization production; the construction of β-lactam solid drug product workshop which has passed GMP verification and commenced for production; the construction of pre-filled syringes and pen syringes production has progressed on schedule and is expected to be put into production in the fourth quarter of 2025, thereby enhancing the production capacity of our drug product business.

The biological production system continued to be optimized and upgraded. The biological pharmaceutical CDMO R&D and commercial production site in Fengxian, Shanghai has been put into operation, and the ADC commercial capacity construction has been expanded simultaneously.

To advance our synthetic biology technology, the 500L GMP fermentation workshop has been officially put into use in the first quarter of 2025. So far, the Company has accomplished the production and delivery of Phase II clinical samples, verifying the mature and stable operational capability.

We generally expand and build our development and manufacturing facilities in anticipation of increased demand arising from new customer engagements and strategic plans. For details, please refer to the section headed "Corporate Governance and Other Information - (X) Use of Net Proceeds from the Issuance of Securities" in this interim report. We are strategically focusing on further expanding our overseas capacity in the small molecule business segment. Recognizing the growing global demand for our services, we aim to strengthen our presence in international markets by establishing production facilities abroad or through the acquisition of a suitable production base. This approach will enable us to effectively cater to the needs of our overseas core client base and enhance our competitiveness on a global scale. By leveraging our expertise, advanced technologies, and efficient processes, we are committed to providing high-quality small molecule CDMO solutions to customers worldwide. Through overseas capacity expansion, we aim to optimize our supply chain, shorten lead times, and improve overall operational efficiency. This strategic initiative aligns with our commitment to delivering exceptional services to our clients while solidifying our position as a leader in the small molecule CDMO industry.

iv. R&D Platform Construction

The Company continued to invest in the R&D platform, with an expenditure of RMB285.75 million in 2025H1, accounting for 8.96% of the total revenue. During the Reporting Period, in terms of continuous reactions and biosynthetic, the Company achieved significant results in technologies such as continuous synthesis, peptide TFA cleavage, and recombinant synthesis. As at the end of June 2025, our Group has obtained a total of 538 authorized patents both domestically and internationally, including 423 patents in China and 115 patents in other jurisdictions. Among these, 183 are in the field of synthetic biology and 204 are in the continuous flow technology, respectively. Our research papers on new technologies have been published multiple times in the most authoritative scientific journals in the field of natural sciences such as Nature, as well as other important journals in the industry including Journal of the American Chemical Society, Angewandte Chemie (Germany Applied Chemistry), Journal of Organic Chemistry, Organic Letters, and other leading international journals. By the end of the Reporting Period, a total of 51 papers have been published, among which 16 have impact factors exceeding 10.

v. Social Responsibility and Sustainable Development

As a listed company with social responsibility, Asymchem stays committed to offering quality products and professional services to its partners. The Company, in strict accordance with the provisions of relevant laws and regulations and in light of its particular conditions, undertakes the responsibilities to Shareholders, partners, employees, society and other stakeholders. The Company gives back to society through practical action and fosters a harmonious environment for development, to achieve the ultimate goal of sustainable development.

Under the Asymchem sustainability model, there are four major elements for synergy: enabling customers, being responsible to citizens, construction of community, and protecting the earth. As a leading CDMO service provider in China, we are committed to global pharmaceutical technology innovation and commercial application. We are sincerely dedicated to providing customers with quality products and professional services, and actively fulfill and assume responsibility for our employees, shareholders, investors, and other stakeholders. While maximizing economic benefits, we pursue the collaborative development of social benefits and environmental protection in order to achieve sustainable development. We are highly focused on protecting the interests of our shareholders, customers, all employees, suppliers, and other interest groups and stakeholders. We have established an improved corporate governance structure, a complete internal control system, and a platform to interact with investors, to assure all Shareholders of fairness, promptness, justice, transparency, and openness.

In our daily operations, we are committed to our customer-centric approach and provide our customers with high-quality services through continuous development of technologies and processes. In terms of employee rights and interests, we comply in all material respects with the PRC Company Law, Labor Contract Law and other laws and regulations, and have formed a management philosophy that “there will be no quality products without satisfactory employees”, showing that we care about the health, safety, and satisfaction of our employees. At the same time, we maintain good interaction with suppliers, especially suppliers with long-term cooperative relationships. We fully understand that most of our overseas clients have established comprehensive environmental, social and governance (“**ESG**”) management objectives, which will be communicated to Asymchem. In particular, overseas customers have put forward clear ESG expectations for supply chain companies. As part of the supply chain, we strive for the best efforts to balance the requirements while operating the business to maximize the mutual benefit.

We have established "Teda-Asymchem Scholarship" in several colleges and universities to support the study and research of college students, showing our concern for the growth of young students and encouragement to them. Particularly, we have set up several scholarships for college students in hardship in many universities and colleges. We have also created several fellowships for outstanding research results of drug synthesis in some universities and colleges and sponsored various academic conferences and symposiums.

For more details regarding social responsibility and sustainable development information, please refer to the 2024 ESG Report published on 23 April 2025.

II. FINANCIAL REVIEW

In 2025H1, the Company realized revenue of RMB3,188.31 million, representing an increase of 20.08% compared to the same period last year. The gross profit margin in 2025H1 was 43.26%, up by 2.03 percentage points from the same period last year. The adjusted net profit attributable to shareholders of the parent amounted to RMB681.53 million, representing an increase of 57.50% as compared with the first half of 2024. During the Reporting Period, the small molecule CDMO business generated revenue of RMB2,429.08 million, a period-on-period increase of 12.80%. Revenue from the emerging business was RMB756.02 million in 2025H1, an increase of 51.32% from the same period last year. Our revenue in foreign countries (including North America, Europe and Pan-Asia ex China) reached RMB2,474.97 million in 2025H1 representing an increase of 25.89% from the same period last year, and domestic revenue reached RMB713.34 million in 2025H1, showing an increase of 3.52% from the same period last year.

i. Revenue

During the Reporting Period, the Company's revenue by product categories was as follows:

	Six months ended 30 June				
	2025		2024		Change ratio
	RMB'000	**Proportion**	RMB'000	Proportion	%
Small molecule CDMO business	**2.429,080**	**76.19%**	2,153,419	81.10%	12.80
Emerging business	**756,018**	**23.71%**	499,615	18.82%	51.32
Total revenue from principal business	**3,185,098**	**99.90%**	2,653,034	99.92%	20.05
Other businesses	**3,209**	**0.10%**	2,012	0.08%	59.49
Total revenue	**3,188,307**	**100.00%**	2,655,046	100.00%	20.08

The Company's R&D, production, analysis, supply chain management, quality and other departments and teams achieved seamless cooperation and worked in coordination to fully satisfy the needs of customers for pharmaceutical supply, further enhancing the level of fine management and the advantages of the platform system. The Company continuously developed key processes and technologies for green pharmaceuticals and increased the use of new technologies and intelligent equipment to continuously enhance its competitive advantage in the commercialization of small molecule CDMOs. Many industry-leading commercialization projects were continuously implemented, and the Company's good track record in delivery will further drive deeper collaboration with numerous domestic and international clients on commercial projects. During the Reporting Period, the Company had a total of 309 small molecule CDMO projects for which the revenue has been recognized, achieving revenue of RMB2,429.08 million, representing a period-on-period increase of 12.80%.

Leveraging our competitive advantages accumulated in the small molecule CDMO segment, the Company accelerated the construction of its talent team and capabilities, promoted the fast development of new business such as chemical macromolecule CDMO, drug product, export of new technology, synthetic biology technology, clinical research services, biological macromolecules CDMO and other strategic emerging segments. During the Reporting Period, the strategic emerging segments recorded revenue of RMB756.02 million, representing a period-on-period increase of 51.32%. Chemical macromolecule CDMO business (including peptide oligonucleotide, toxin linker and lipid) achieved revenue of RMB379.35 million in 2025H1, representing a period-on-period increase of over 130%. Drug product CDMO business achieved revenue of RMB117.76 million in 2025H1, growing by 7.88% period-on-period. CRO business generated revenue of RMB139.22 million, achieving a growth of 44.91% period-on-period. Biological macromolecule CDMO achieved revenue of RMB89.92 million in 2025H1, representing a period-on-period increase of 70.88%.

During the Reporting Period, the Company's revenue by countries or regions where our customer operates was as follows:

	Six months ended 30 June				
	2025		2024		Change ratio
	RMB'000	**Proportion**	RMB'000	Proportion	%
Domestic (China)	**710,129**	**22.27%**	687,093	25.88%	3.35
Foreign countries (including North America, Europe, and Asia Pacific except China)	**2,474,969**	**77.63%**	1,965,941	74.05%	25.89
Total revenue from principal business	**3,185,098**	**99.90%**	2,653,034	99.92%	20.05
Domestic revenue from other businesses	**3,209**	**0.10%**	2,012	0.08%	59.49
Total revenue	**3,188,307**	**100.00%**	2,655,046	100.00%	20.08

In 2025H1, our revenue in domestic (China) market from principal business increased 3.35% compared with the same period last year. Our revenue in foreign countries (including North America, Europe and Asia Pacific except China) reached RMB2,474.97 million in 2025H1, representing an increase of 25.89% from the same period of 2024. The Group is prioritizing market development, and its market business has shown positive progress. During the Reporting Period, revenue from North American customers amounted to RMB1,789.39 million; revenue from Asia Pacific (except China) customers amounted to RMB137.87 million, representing a period-on-period increase of 187.31%; revenue from European customers amounted to RMB547.71 million, representing a period-on-period increase of 210.44%.

ii. Cost of Sales and Services

Our costs of sales and services include costs of raw materials, direct personnel costs, manufacturing expenses and other related expenditures. Raw materials costs cover direct and indirect materials required for production. Manufacturing expenses include depreciation of plant and equipment, energy cost, testing and release expenses, among others. The category of "Others" includes transportation and insurance costs directly linked to sales, as well as associated taxes and fees. In 2025H1, our cost of sales and services was RMB1,809.15 million, representing an increase of 15.95% from the first half of 2024, primarily attributed to revenue increased in the first half of the year compared to the same period last year.

During the Reporting Period, the Company's cost by revenue type was as follows:

	Six months ended 30 June		
	2025	2024	Change ratio
	RMB'000	RMB'000	%
Small molecule CDMO business	**1,273,719**	1,159,322	9.87
Emerging business	**532,777**	398,532	33.68
Total cost of principal business	**1,806,496**	1,557,854	15.96
Other business costs	**2,654**	2,491	6.54
Total operating cost	**1,809,150**	1,560,345	15.95

iii. Gross Profit and Gross Profit Margin

During the Reporting Period, the Company's gross profit margin of principal business by product categories was as follows:

	Six months ended 30 June		
	2025	2024	Change
	%	%	%
Small molecule CDMO business	**47.56**	46.16	1.40
Emerging business	**29.53**	20.23	9.30
Total gross profit margin of principal business	**43.28**	41.28	2.00

During the Reporting Period, the Group's revenue of principal business increased by 20.05% and the cost increased by 15.96%, leading to an increase of principal business gross profit margin by 2.00 percentage points compared with the same period last year. Gross profit margin of the Company in 2025H1 increased by 2.03 percentage points compared with the same period last year.

The gross profit margin for small molecule CDMO business was 47.56% in 2025H1, reflecting an increase of 1.40 percentage points compared to the same period last year. Similarly, the gross profit margin for emerging business stood at 29.53%, reflecting an increase of 9.30 percentage points compared to the same period last year.

During the Reporting Period, the Company's gross profit margin of principal business by countries or regions where our customer operates was as follows:

	Six months ended 30 June		
	2025	2024	Change
	%	%	%
Domestic (China)	**20.58**	19.13	1.45
Foreign countries (including North America, Europe, and Asia Pacific except China)	**49.80**	49.02	0.78
Total gross profit margin of principal business	**43.28**	41.28	2.00

Notes:

(1) Our gross profit margin of principal business from domestic (China) in 2025H1 was 20.58%, increased by 1.45 percentage points compared with the same period last year.

(2) Our gross profit margin of principal business from foreign countries (including North America, Europe and Pan-Asia ex China) in 2025H1 was 49.80%, with an increase of 0.78 percentage points compared to the same period last year.

iv. Other Income and Gains

The decrease in other income and gains from RMB258.89 million in the first half of 2024 to RMB184.42 million in 2025H1 was primarily attributed to the decrease in exchange gain and interest income.

v. Selling and Marketing Expenses

In 2025H1, our sales expenses were RMB90.95 million, demonstrating a decrease of 11.20% from the same period last year, mainly due to the ongoing implementation of cost reduction and efficiency improvement initiatives, leveraging years of in-depth market cultivation and the synergy effect from "deepening cooperation with major clients", with a particular focus on optimizing marketing and promotional expenses during the Reporting Period.

vi. Administrative Expenses

Our administrative expenses in 2025H1 were RMB397.05 million, which increased by 5.42% compared with the RMB376.64 million for the same period last year.

vii. R&D Expenses

Our R&D expense amounted to RMB285.75 million in 2025H1, decreasing by 13.06% compared with the same period last year. This decrease is primarily attributed to the Group's more focused direction and emphasis on R&D investment in 2025H1. While the Group is committed to its core principle of being technology-driven, maintaining investments in technology innovation and independent research and development of core technologies, fostering eight innovation R&D platforms, and enhancing related R&D investment.

viii. Impairment Loss on Financial and Contract Assets

The Group recorded an impairment provision for credit losses on financial assets measured and recognized using the expected credit loss approach. In 2025H1, recognition of our impairment losses amounted to approximately RMB29.83 million, compared with the reversal amounted to RMB7.30 million in the same period of 2024, mainly attributed to the increase in the balance of trade receivables at the end of the current period, which was mainly caused by the increase in revenue.

ix. Finance Costs

Our finance costs primarily consist of interest expenses on lease liabilities. In 2025H1, our finance costs totaled RMB6.3 million, increasing by 147.67% compared with the RMB2.53 million for the same period last year. This increase is primarily attributed to the addition of right-of-use assets compared with the same period last year.

x. Income Tax Expense

Our income tax expense amounted to RMB86.95 million in 2025H1, reflecting an increase of 116.10% from 2024H1. This increase aligns with the Group's profit growth trend and is primarily attributed to the increase in revenue.

xi. Net Profit and Net Profit Margin

Our net profit increased by 24.52% from RMB492.42 million in the first half of 2024 to RMB613.15 million in 2025H1. In 2025H1, the net profit attributable to shareholders of the listed company amounted to RMB617.47 million, representing an increase of 23.71% as compared with the RMB499.13 million for the first half of 2024. In 2025H1, the net profit margin attributable to shareholders of the listed company was 19.37%, representing an increase of 0.57 percentage points as compared with the 18.80% for the first half of 2024.

xii. Basic and Diluted Earnings per Share

Our basic earnings per share increased from RMB1.40 in the first half of 2024 to RMB1.68 in 2025H1. Our diluted earnings per share increased from RMB1.40 in the first half of 2024 to RMB1.68 in 2025H1. The increase of basic and diluted earnings per share was mainly due to the increase in net profit.

xiii. Liquidity and Financial Resources/Cash and Bank Balances

During the Reporting Period, the Group's operations and investments were supported by our internal resources. The cash and bank balances of the Group, mainly denominated in RMB, as at 30 June 2025 increased by RMB1,004.90 million or 17.36% from 31 December 2024, mainly due to a net cash inflow of RMB701.72 million generated by the Group's operating activities and the decrease in the purchase of short-term and low-risk wealth management products of the banks. We believe the Group has sufficient liquidity to meet the requirements of its daily liquidity management and capital expenditure, and to control internal operating cash flows.

As of 30 June 2025, we had bank borrowings of RMB0.00 million (as at 31 December 2024: approximately RMB0.00 million).

xiv. Analysis on Assets and Liabilities

	As of 30 June 2025 RMB'000	As of 31 December 2024 RMB'000	Change ratio %	Reason
Current Assets				
Trade and bill receivables	**1,980,992**	1,836,887	7.85	Primarily due to the increase in revenue
Prepayments, other receivables and other assets	**811,843**	586,795	38.35	Primarily attributed to the due date of time deposits
Non-Current Assets				
Property, Plant and Equipment	**6,106,308**	5,939,832	2.80	Primarily resulting from the construction of strategic emerging segments and development of equipment and plant infrastructure for operation
Deferred tax assets	**286,937**	248,353	15.54	Primarily attributed to the increase in deferred tax assets recognized for deductible losses
Prepayments, deposits and other receivables	**348,277**	482,409	(27.80)	Primarily attributed to the due date of time deposits

	As of 30 June 2025 RMB'000	As of 31 December 2024 RMB'000	Change ratio %	Reason
Current Liabilities				
Other payables and accruals	1,463,538	1,166,097	25.51	Primarily attributed to the increase in the liability for restricted Share repurchase and dividend payable
Tax Payable	76,413	50,177	52.29	Mainly due to the increase in profit
Non-Current Liabilities				
Deferred income	275,060	298,622	(7.89)	Including grants received during the Reporting period
Deferred tax liabilities	124,199	134,703	(7.80)	Mainly recorded in respect of taxable temporary differences existing in the accelerated depreciation of fixed assets

xv. Investment Analysis & Income Analysis of Long-term Equity Investment Under Equity Method

Financial assets at fair value through profit or loss (current portion and non-current portion)

Financial assets at fair value through profit or loss mainly consisted of short-term and low-risk wealth management products purchased from banks and investment in Sany Zhongzhi (Tianjin) Venture Capital Center (L.P.) and Sany Zhongzhi Phase II (Tianjin) Venture Capital Center (L.P.). The Group's financial assets at fair value through profit or loss among current and non-current assets decreased from RMB1,697.57 million as of 31 December 2024 to RMB825.56 million as of 30 June 2025, mainly due to the decrease in the purchase of short-term and low-risk wealth management products from the banks.

Loss from long-term equity investment under equity method

During the Reporting Period, the loss from long-term equity investment under equity method amounted to RMB2.69 million, compared with the loss of RMB5.46 million in the first half of 2024. This decrease was mainly determined based on the changes in net assets of Tianjin Haihe Asymchem Biomedical Industry Innovation Investment Fund (Limited Partnership) ("**Haihe Asymchem Fund**") (天津海河凱萊英生物醫藥產業創新投資基金(有限合夥)), Tianjin Haihe Asymchem Medical and Health Industry Investment Fund Partnership Enterprise (Limited Partnership) ("**Haihe Asymchem Medical and Health Fund**") (天津海河凱萊英醫療健康產業投資基金合夥企業(有限合夥)) and Tianjin Yugen Medtech Co., Ltd (天津有濟醫藥科技發展有限公司) ("**Yugen Medtech**"), in which the Group has invested, multiplied by the Group's shareholding ratio during the Reporting Period.

The Group's major joint venture, Haihe Asymchem Fund, primarily invests in the commercialization projects of the innovative field of biological medicine in the clinical stage. It is accounted for using the equity method and is strategically important to the Group's operations. The Group's other joint venture, Yugen Medtech, serves as a platform for scientific research CRO technology services, integrating innovative drug druggability research, pre-clinical and clinical stage systematic evaluation and registration services. It is also accounted for using the equity method and is strategically significant to the Group's operations. The Group's joint ventures, Haihe Asymchem Medical and Health Fund, primarily invest in the innovative biopharmaceutical industry. It is accounted for using the equity method and is strategically important to the Group's operation.

xvi. Goodwill

Goodwill with net carrying amount of approximately RMB146.18 million as at 30 June 2025 (as at 31 December 2024: approximately RMB146.18 million) is acquired through the Group's acquisition of Tianjin GoalGen Biotechnology Co., Ltd. and Beijing Improve-Quality Technology Co., Ltd. Management of the Group performed impairment reviews of goodwill annually or more frequently if events or changes in circumstances indicated a potential impairment.

xvii. Pledge of Assets

As at 30 June 2025, the net book value of buildings, land and equipment pledged by the Group was nil (as at 31 December 2024: nil), and the pledged deposits amounted to approximately RMB21.55 million (as at 31 December 2024: approximately RMB61.67 million), primarily for letter of credit guarantees.

xviii. Funding and Treasury Policies

The Group's finance department is responsible for the funding and treasury policies with regard to the overall business operation of the Group. The Company expects to fund its working capital and other capital requirements from a combination of various sources, including but not limited to internal financing and external financing at reasonable market rates. The Group continues to seek improvements in the return on equity and assets while maintaining prudent funding and treasury policies.

xix. Capital Expenditure

During the Reporting Period, the Group's capital expenditure on property, plant and equipment, land use rights and other intangible assets amounted to approximately RMB485.84 million (from January 2024 to June 2024: approximately RMB653.67 million).

xx. Capital Commitments

As at 30 June 2025, the Group had capital commitments of approximately RMB656.90 million (as at 31 December 2024: approximately RMB414.68 million), all of which were used for the purchase of property, plant and equipment.

xxi. Contingent Liabilities

As at 30 June 2025, the Group did not have any material contingent liabilities and guarantees that would have a material impact on the financial position or operations of the Group.

xxii. Subsequent Events

Please refer to the section "Corporate Governance and Other Information – (XIX) Events After the Reporting Period" of this interim report for the details.

xxiii. Gearing Ratio

As at 30 June 2025, the gearing ratio (calculated by dividing total liabilities by total assets) of the Group was 13.88% (as at 31 December 2024: 12.58%).

xxiv. Adjusted Non-IFRS Measures

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS, the Group has provided adjusted net profit attributable to shareholders of the parent and other data as additional financial measures, which are not required by or presented in accordance with IFRS. The Group believes that the adjusted financial measures are useful for understanding and assessing underlying business performance and operating trends. The Group's management and investors may benefit from referring to these adjusted financial measures in assessing the Group's financial performance by eliminating the impact of certain unusual, non-recurring, non-cash and/or non-operating items that the Group does not consider indicative of the performance of the Group's core business.

These non-IFRS financial measures, which the Group's management considers widely accepted and adopted in the industry, are provided to supplement the financial information prepared in accordance with IFRS. It is important to note that the presentation of these non-IFRS financial measures is not intended to be viewed in isolation or as a replacement for the IFRS-compliant financial information. Shareholders of the Group and potential investors should not solely rely on the adjusted results but should consider them in conjunction with the results reported under IFRS. Furthermore, these non-IFRS financial measures may not be directly comparable to similar measures used by other companies in the industry.

Additional data is provided below to reconcile adjusted net profit attributable to shareholders of the parent and adjusted net profit margin attributable to shareholders of the parent.

	Six months ended 30 June	
	2025	2024
	RMB'000 (except percentage)	RMB'000 (except percentage)
Net profit attributable to the shareholders of the listed companies	**617,470**	499,131
Add: equity incentive amortization expense	**30,305**	33,966
Gain or loss on exchange rate fluctuations	**33,305**	(112,093)
Income tax effect	**450**	11,719
Adjusted net profit attributable to shareholders of the listed company	**681,530**	432,723
Adjusted net profit margin attributable to shareholders of the listed company	**21.38%**	16.30%

Notes:

In order to better reflect the key results of the Group's current business and operations, the adjusted net profit is based on the net profit attributable to shareholders of the parent, and adjusted for the following matters:

(1) share-based compensation expense;

(2) foreign exchange gains or losses, primarily generated from revaluation of the assets and liabilities denominated in foreign currencies and the fair value change of foreign currency forward contracts, which the management believes is irrelevant to the Group's core business; and

(3) the calculation of the adjusted net profit margin attributable to shareholders of the parent is based on the above net profit attributable to shareholders of the parent.

xxv. Foreign Exchange Risk

The majority of our revenues are derived from sales denominated in USD, while most of our service and operating costs and expenses are denominated in Renminbi, and our financial data is presented in Renminbi. Consequently, when the Renminbi strengthens against the USD, our margins come under pressure, potentially limiting our ability to price our service contracts, especially those with our U.S. customers, in currencies other than the USD. The Group managed the foreign exchange risk by conducting regular reviews of the Group's net foreign exchange exposures and would consider the use of foreign exchange contracts to mitigate foreign exchange risk.

xxvi. Cash Flows

During the Reporting Period, the Group's net cash flows from operating activities amounted to RMB701.72 million, representing a decrease of RMB171.84 million as compared to the corresponding period of last year, mainly due to the decrease in the collection of trade receivables as a result of reduced revenue in 2024.

During the Reporting Period, the Group's net cash flows from investing activities amounted to RMB1,070.80 million, increasing by 252.80% compared with net cash flows used in investing activities amounted to RMB700.77 million of the same period last year. This increase was primarily due to the Group's reduced purchase of short-term and low-risk wealth management products of the banks and increased purchase of short-term pledged deposit, as well as the cash outflow for investments in associates of the Group in the corresponding period of last year.

During the Reporting Period, the Group's net cash flows used in financing activities amounted to RMB139.41 million, as compared to RMB1,418.49 million of the corresponding period of last year. The decrease was mainly due to the cash outflow for share repurchase in the corresponding period of last year.

xxvii. Capital Structure

Total equity attributable to Shareholders amounted to approximately RMB17,096.19 million as at 30 June 2025, as compared to approximately RMB16,862.57 million as at 31 December 2024.

III. MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the Reporting Period, the Group did not have any significant acquisitions or disposals of subsidiaries, associates and joint ventures of the Company. As of 30 June 2025, the Group didn't hold any investments (including any investment in an investee company with a value of 5 percent or more of the Group's total assets as of 30 June 2025).

IV. EMPLOYEES AND REMUNERATION POLICY

As a leading CDMO company, we recognize the importance of cultivating and retaining a diverse pool of professionals with multi-disciplinary expertise. Our global team possesses advanced technical knowledge, strong execution capabilities, and a customer-centric culture, which enables us to help our clients overcome complex process development and manufacturing challenges through teamwork and collaboration.

Our Company firmly grasps and adheres to the strategy of talent introduction by optimizing various employment mechanisms such as talent selection, training, utilization, evaluation, incentive, and retention. We established talent management systems for our small molecule CDMO business and strategic emerging business, and accelerated the introduction of talent including business leaders and key technical positions in emerging business segments. In 2025H1, we recruited 54 experts, including 24 Ph.D., 4 senior executives and above, and 39 returnees and personnel with working backgrounds in overseas pharmaceutical companies.

As of 30 June 2025, we had a total of 9,106 employees (including senior management and excluding interns, individuals with disabilities and rehired retirees, etc.), of which 311 held Ph.D. degrees, 1,852 were masters, and 4,948 were undergraduates. The proportion of undergraduate students and/or above was approximately 78%. Additionally, we had 4,251 R&D and analysis personnel, accounting for approximately 47% of the total number of employees. The proportion of senior R&D personnel with master's and doctoral degrees among R&D personnel was 37%. We believe that our employees are the valuable wealth of the Company, and we serve as the platform for employees to show their talents and realize their values.

We attract and cultivate talent globally by offering a collaborative work environment, cutting-edge projects, a reasonable competitive remuneration package, and a community-driven career development platform. The Company is dedicated to developing a comprehensive and market-competitive compensation system for all employees, with a particular focus on key positions. We have established a multi-dimensional compensation structure comprising fixed salaries, performance-based bonuses, diverse welfare benefits and long-term incentives. We have made contributions to social security insurance funds (including pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing provident funds, while providing diversified cash and non-cash benefits, such as supplementary commercial insurance, annual health check-ups and holiday benefits for our employees.

We offer internal training programs to equip our employees with the latest technology advancements, industry know-how, and regulatory developments. We have invested in continuing education and training programs for all employees, which encompass a leadership development program and a structured three-stage training program consisting of orientation training, probation period basic skills training and on-the-job training skills enhancement training. In response to multiple business demands, we have also tailored specific personnel training programs for targeted departments. These initiatives form a dedicated talent development framework aimed at cultivating specific talents within our management team and other employees to elevate their skills and knowledge continuously.

In terms of talent risk management, we have established the Values and Code of Conduct at the Company level, integrating a Supply Chain Code of Conduct to ensure compliance and monitor business development comprehensively, as well as providing fundamental principles and guidelines for employees to align their actions with the Company's value. The Diversity, Equity and Inclusion Policy was set up for employees, which undergoes periodic reviews and updates as the Company grows, aiming to safeguard the fundamental rights and interests of our employees.

The Company also has the 2022 ESOP, 2025 A Share Scheme and H Share Restricted Share Scheme in effect as of 30 June 2025. For further details, please refer to the section "Corporate Governance and Other Information - (XIII) Share Incentive Schemes" in this interim report.

During the Reporting Period, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

V. FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of the date of this interim report, the Company did not have any existing plan for material investments or acquisition of capital assets in the second half of 2025.

VI. OUTLOOK AND PROSPECT

i. Core Advantages

Asymchem is a leading, technology driven CDMO providing comprehensive solutions and services throughout the drug development and manufacturing process. Our Company's industry experience covers more than two decades in small molecule drug development and manufacturing and has become an integral part of the global value chain for innovative drugs. With extensive know-how and advanced technologies, the Company has collaborated with diversified largest global pharmaceutical companies and has become the leading small molecule CDMO in China.

Drawing on our extensive industry knowledge, well-established R&D platforms, manufacturing capabilities, and stellar reputation with customers, we have enhanced our CDMO offerings to encompass cutting-edge drug modalities. These include peptides, oligonucleotides, monoclonal antibodies ("**mAbs**"), antibody-drug conjugates ("**ADCs**"), and messenger RNA ("**mRNA**"). Furthermore, we have expanded our service portfolio to encompass chemical macromolecule CDMO solutions, drug product solutions, biosynthesis solutions, and clinical CRO solutions, collectively referred to as our Emerging Services. Our vision is to become a reliable partner for the global pharmaceutical industry, providing superior one-stop CDMO services and solutions throughout the full lifecycle of drugs from their development to commercialization.

Leveraging our management team's global vision, intensive strategy, and local expertise, Asymchem is well positioned to capture the growing trend of global CDMO outsourcing to China, with its technological leadership and extensive know-how, established long-term relationships with global leading biopharma/biotechnology companies, as well as service capability expansion into new modalities and service types.

- **We have continued to develop as a technology driven CDMO providing comprehensive solutions with strong revenue growth performance of the flagship services through small molecule and emerging business services.** Asymchem has amassed over decades of experience and solidified its position in the small molecule business. Our collaborations with international multinational pharmaceutical companies have grown stronger. The gradual resumption of international business travel enables more clients to witness our capabilities firsthand, while an increasing number of advanced projects, including API verification initiatives, are successfully being implemented. We have effectively addressed external apprehensions regarding the partnerships between multinational pharmaceutical firms and Asymchem through tangible outcomes. Moreover, the enhancement of research and development production efficiency for small molecules, driven by collective efforts, coupled with ongoing cost reductions, ensures our sustained competitiveness. Serving as the foundational business of Asymchem, the prospects for small molecule CDMO remain promising with ample space for further growth.

We strive to further advance our market leadership in the small molecule CDMO market through the established reputation, advanced R&D platforms, robust manufacturing capabilities and high-quality customer services to diversified multinational pharmaceutical companies and leading biotechnology companies across different jurisdictions. Derived from six business lines of the emerging services segment, we spotted on peptide and oligonucleotide in chemical macromolecules, captured the blooming of biological macromolecules through integration service of ADC, various conjugated drugs, and payload linkers, and promoted export continuous flow technology and synthetic biology Technology. The two flagship technologies have evolved from individual components into full-fledged technological platforms. We can now offer external technology output, enabling partners from diverse fields to leverage our cutting-edge technological achievements to address their own pain points, leading to notable enhancements in efficiency and safety while significantly reducing costs. By leveraging the deep industry insights, we will continue to push forward emerging business, which we believe will drive the diauxic growth curve of the Company through the number of blockbuster drugs and several drug candidates of our other innovative projects which hold great promise to become blockbuster drugs in the future.

- **We have laid the groundwork for revenue growth and a broad project funnel through strong customer retention and expanding customer base.** Our Company has been able to retain its top global pharma companies' client base, which are favorable diversified multinational pharmaceutical companies, through a cooperative relationship of more than ten consecutive years which demonstrates very strong customer loyalty. Our Company is gaining traction in global pharmaceutical companies, small to midsize pharmaceutical companies and leading biotechnology companies by upholding a customer-centric business philosophy. The robust customer base with expansion allows us to have an extensive pipeline of projects at various stages creating a broad funnel to maintain a steady stream of small molecules business segments and increment of emerging services. Our commercial stage projects and late-stage clinical projects continue to increase, which has substantially improved the stability and predictability of our revenue growth.

- **We have continued to focus on advancing and evolving eight R&D platforms for technology leadership based on our customer-focused innovation root.** With a strategic emphasis on the "development" component of CDMO, our Company has been focusing on developing a top-tier technology platform and is among the CDMO companies that contribute the most to R&D per Frost & Sullivan Analysis. Our Company was one of the earliest CDMOs to apply continuous flow technology in drug production and is also one of the few that can apply the technology at the ton-level instead of gram-level, leading to simplified procedures, reduced processing duration and raw material cost, enhancement of yield and safety, and eventually turning out to be a cost efficiency to clients. As of 30 June 2025, certain number of our middle and late-stage clinical projects and commercial stage projects of the Company applied key technologies for green pharmaceuticals, generating favorable economic benefits and efficiency, including but not limited to continuous flow technology and synthetic biology technology, etc. CBTI enhanced internal R&D, strengthened forward-looking capabilities, and streamlined process development. This continued focus on R&D has enabled Asymchem to maintain its competitive edge and technology leadership in small molecule CDMO space and further development of emerging businesses. Meanwhile, promoting the export of green technologies, i.e., continuous flow technology and synthetic biology technology to external clients, allows Asymchem to enhance the industrial image, drive the industrial trend, and elevate to a higher level of source of revenue through technologies rather than customized manufacturing.

- **We have enriched the first-class operational and quality management capabilities meeting the stringent requirements from clients and global industry standards and have built a decent industry reputation.** Our extensive technical know-how in process development makes us a preferred choice for large customers. We can expediently solve a variety of complex process challenges in the scale-up production of innovative drugs, accelerating clinical development process and providing high-quality enhancement of yield and stable production during the commercial stage. Based on years of large-scale manufacturing experience, we have established a comprehensive, rigorous Current Good Manufacture Practices ("**cGMP**") quality system and a first-class environmental, health, and safety ("**EHS**") and quality assurance ("**QA**") system. In the past, we have an outstanding track record of ESH and EA system compliance and further extensive improvement and development on the rapid upgrading of supplier requirements from several clients i.e. multiple pharmaceutical companies through their individual ESG standards.

- **We have further enhanced our fully integrated platform from different aspects including talent introduction and capacities expansion.** In 2025H1, while keeping our cost-effectiveness and cost-efficiency as one of our core principles, we continuously strengthened talent recruitment and cultivation, and constantly improved the employment mechanisms, accelerating the embracing of talents, including key technical personnel in emerging business segments and senior executive talents with professional working backgrounds and extensive experience in overseas pharmaceutical companies. In addition, we accelerated construction of multiple production capacity expansion including but not limited to the peptide commercial production, achieving a commercialized solid-phase synthesis capacity exceeding 30,000L to meet the growing demand for peptide production, prioritized the development of the exclusive production workshop for multiple pilot-to-commercialization production lines for oligonucleotide, initiated commercial production capacity renovation and expansion in biological macromolecules CDMO business. As of 30 June 2025, we had multiple R&D centers, manufacturing sites, production facilities and branches/offices across China, the United States, the United Kingdom, and other regions.

- **We have maintained a stable, visionary, experienced senior executive management team who have long-term industry and operation experience with a sophisticated corporate governance sense, supported by talented and dedicated employees.** Our Company is led by the founder, Chairperson of the Board, and CEO Dr. Hao Hong and a group of senior executives with an average of more than 20 years of profound experience in their respective fields. The management team is also very stable with multiple members joining during the early days of the Company and several others who have been at the Company for over 10 years. Combined with the diversified talent pool and employees with a global vision, advanced technical knowledge, sturdy execution capabilities, and a strong sense of ownership, it is likely to continue driving the Company's growth.

- **We have maintained a healthy financial position with a long-term cash runway which provides flexibility for further development and overseas expansion.** After the global offering of the Company, having been successfully dual listed on the Main Board of the Hong Kong Stock Exchange, we have more than RMB6.79 billion cash and cash equivalents on hand. The healthy financial positions and consistently efficient capital allocation provide us with flexibility on the long-term strategy i.e. roll out our global footprint through overseas capacities, dual stock markets employee share schemes, and share buyback, etc.

ii. 2025 Strategy Highlights

In 2025, despite the complex and volatile international landscape and the slow recovery of financing for small and medium-sized pharmaceutical companies both domestically and abroad, Artificial Intelligence ("**AI**") technology has accelerated the development of innovative drugs, bringing new opportunities and challenges to domestic CDMO companies, including Asymchem. Following years of rapid growth, the Company now faces an urgent need to upgrade its management system to drive cost reduction and efficiency improvements. At the same time, the Company must expedite the expansion of its overseas production capacity and deepen cooperation with overseas clients, especially multinational pharmaceutical companies. Although challenges persist, the industry as a whole has gradually emerged from its most difficult period. The mark has been significantly boosted by the growth potential of GLP-1 drugs, and the ongoing activity in drug categories such as ADC and small nucleic acids has also brought fresh opportunities to the industry. Moreover, the trend of specialized division of labor in the global pharmaceutical industry remains unchanged. In the face of both challenges and opportunities, the Company will focus on the following key initiatives in 2025:

Accelerating Capacity Expansion: Expanding Production Capacity in Potential Fields

As a leading Chinese CDMO company that was originally established in the United States early on and later built its own production capacities upon returning to China, Asymchem has been seeking suitable production capacities or bases outside of China in previous years to maintain robust production support. We successfully obtained our first R&D and pilot production base in Europe. This will expand our business areas with competitive advantages, extend our service radius, and deepen cooperation with overseas customers, especially multinational pharmaceutical companies. We anticipate utilizing this as a lever to broaden our service areas and customer base, further attract domestic and international orders, continuously penetrate into the international market, accelerate our global footprint, and thereby further ensure future growth certainty and increase order visibility.

Optimizing Profitability: Reinforcing Backbone Business and Overall Operation

Adhering to years of leading professional accumulation and profound experience in the small molecule CDMO industry, Asymchem will (i) consistently prioritize to steadily increase the gross profit margin of the small molecule CDMO business, strictly control production costs by improving efficiency and management optimization, further reduce raw material costs through technological research and development; (ii) under the premise of prioritizing development, reasonably control the various costs of emerging businesses, especially the growth of fixed costs; and (iii) rigorously control unnecessary administrative expenses to optimize the overall profitability of the Company.

Building Capability: Advancing Emerging Services Offerings

We will vigorously accelerate the development of Emerging Services, striving to significantly enhance delivery capability and swiftly expand overseas markets. We will (i) upgrade management and operational systems, allocate resources synergistically, focus on delivering emerging business projects and capability building; (ii) expedite the rapid establishment of commercial production capacity for small nucleic acids, peptides, and ADCs, and achieve further breakthroughs in commercial project undertakings; (iii) leverage recent technological accumulation and performance records, synergize with the Company's accumulated customer resources and reputation, accelerate the exploration of overseas markets for emerging businesses; and (iv) further enhance the design and manufacturing of continuous flow reaction equipment, vigorously promote the application of continuous flow technology in multiple fields and strengthen the cooperation model with clients for the output of continuous flow reaction technology.

Technology Driven: Strengthening R&D Platform Capabilities

We will (i) maintain a substantial commitment to research and development investment, establish an iteratively evolving research and development platform, create cross-department collaboration models for processes, engineering, and equipment, fortify process synthesis route design and optimization using state-of-the-art research and development methodologies to facilitate order fulfillment; (ii) continually bolster the development of synthetic biology technology platforms, advocate for the integration of these platforms across different sectors, and cultivate manufacturing capabilities for synthetic biology products; and (iii) prioritize research and application in intelligent technology, digital platform construction, etc., leveraging advanced control methods to drive the advancement of intelligent manufacturing technology and the implementation of intelligent production in factories.

Operational Excellence: Enhancing Efficiency and Cost-effectiveness through System Upgrades

Looking back over the past decade, Asymchem has been able to seize opportunities every few years, undertaking and seamlessly completing high-quality orders with substantial amounts. In recent years, the rapid development of AI in the healthcare industry has presented new challenges and opportunities for the Company. We will consistently enhance the organizational and procedural development of operational management systems to drive continuous improvements in management efficiency and reinforce the cultivation of corporate culture, while emphasizing a people-centric approach to recruitment, ongoing enhancement of management talent, refinement of incentive structures, productivity enhancement, fostering unity, and boosting overall staff effectiveness. Additionally, we will retain our focus on excelling in the implementation of management digitization and digital transformation.

iii. Potential Risk Factors and Solutions

The Company is a global industry leading CDMO enterprise, specializing in the technological innovation and commercialization of global pharmaceutical processes. It also serves as a one-stop provider of drug development and manufacturing services for large and medium-sized pharmaceutical and biotechnology companies both domestically and internationally. Potential risks that the Company may encounter include issues related to the withdrawal or large-scale recall of major innovative drugs, operational challenges during clinical project stages, life cycle turnover, lower-than-anticipated market sales of key innovative drugs, failure to pass ongoing review by international drug regulatory authorities, loss of essential technical personnel, environmental protection and safety in production, as well as geopolitical issues, international trade disputes and exchange rate fluctuations.

CORPORATE GOVERNANCE AND OTHER INFORMATION

I. AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

At the Company's first extraordinary general meeting, the first A Shares class meeting and the first H Shares class meeting of 2025 held on 3 April 2025, and the second extraordinary general meeting, the third A Shares class meeting and the third H Shares class meeting of 2025 held on 6 August 2025, the Shareholders passed the amendments to the Articles of Association as special resolutions respectively. For details, please refer to the relevant announcements of the Company dated 18 March 2025, 3 April 2025, 18 July 2025 and 6 August 2025 and the circulars of the Company dated 18 March 2025 and 22 July 2025, respectively.

II. RAISING FUNDS

During the Reporting Period, there was no fund-raising activity carried out by the Company.

III. CONVERTIBLE BONDS

During the Reporting Period, the Group did not issue any convertible bonds.

IV. ONGOING DISCLOSURE RESPONSIBILITIES UNDER THE HONG KONG LISTING RULES

Save as disclosed in this interim report, the Company has no other disclosure responsibilities under Rules 13.20, 13.21 and 13.22 of the Hong Kong Listing Rules.

V. SUFFICIENCY OF PUBLIC FLOAT

The Hong Kong Stock Exchange has granted the Company a waiver from strict compliance with Rule 8.08(1)(b) of the Hong Kong Listing Rules, subject to the minimum public float of the Company being the highest of (a) 7.0% of the total issued share capital of the Company, or (b) such higher percentage of H Shares held by the public immediately after the completion of the Global Offering as a result of the issue of H Shares upon the exercise of the Over-allotment Option, and the minimum percentage of H Shares of the Company from time to time not subject to lock-up (i.e. free float) being the highest of (a) 7.0% of the total issued share capital of the Company, or (b) such increased percentage of free float H Shareholders as a result of the issue of H Shares upon the exercise of the Over-allotment Option immediately following the completion of the Global Offering. Based on the information that is publicly available to the Company and within the knowledge of the Board, the Company has maintained both the prescribed minimum public float and free float required by the Hong Kong Stock Exchange during the Reporting Period and as at the date of this interim report.

VI. PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the PRC, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

VII. CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

During the Reporting Period and up to the date of this interim report, the composition of the Board of Directors changed as follows:

Mr. Lee, Kar Chung Felix	–	Mr. Lee, Kar Chung Felix retired from the positions of an independent non-executive Director, the chairperson of the Nomination Committee and a member of the Strategy Committee with effect from 6 August 2025. For further details, please refer to the relevant announcements of the Company dated 18 July 2025 and 6 August 2025.
Mr. Xie Weikai	–	Following the retirement of Mr. Lee, Kar Chung Felix, Mr. Xie Weikai was elected as an independent non-executive Director to fill the vacancy of Mr. Lee, Kar Chung Felix with effect from 6 August 2025. Mr. Xie Weikai was also appointed as the chairperson of the Nomination Committee and a member of the Remuneration and Examination Committee with effect from 6 August 2025. For further details, please refer to the relevant announcements of the Company dated 18 July 2025 and 6 August 2025 and the circular of the Company dated 22 July 2025.
Mr. Zhang Da	–	Mr. Zhang Da retired as a member of the Remuneration and Examination Committee with effect from 6 August 2025. For further details, please refer to the relevant announcements of the Company dated 6 August 2025.
Mr. Hong Liang	–	Mr. Hong Liang retired as a member of the Nomination Committee with effect from 6 August 2025. For further details, please refer to the relevant announcements of the Company dated 6 August 2025.
Dr. Sun Xuejiao	–	Dr. Sun Xuejiao was appointed as a member of the Strategy Committee and a member of the Nomination Committee with effect from 6 August 2025. For further details, please refer to the relevant announcements of the Company dated 6 August 2025.

In addition, the Shareholders passed the resolutions in relation to abolition of the Board of Supervisors on 6 August 2025, pursuant to which, Ms. Zhi Xinxin, Ms. Hou Jingyi and Ms. Di Shanshan had ceased to be the Supervisors since 6 August 2025. For details, please refer to the relevant announcements of the Company dated 18 July 2025 and 6 August 2025 and the circular of the Company dated 22 July 2025.

Save as disclosed in this interim report, there were no other changes to the Directors', Supervisors' and chief executive's information required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

VIII. SHARE INCENTIVE SCHEMES

As of 30 June 2025, the Company had three effective Share Incentive Schemes, namely, (a) the 2022 Employee Share Ownership Plan, which was approved and adopted at the Shareholders' meeting held on 16 December 2022; (b) the 2025 A Share Scheme, which was approved and adopted at the Shareholders' meeting held on 3 April 2025; and (c) H Share Restricted Share Scheme, which was approved and adopted at the Shareholders' meeting held on 3 April 2025. The 2020 Restricted A Share Incentive Scheme, which was adopted and approved at the Shareholders' meeting held on 9 July 2020, was terminated on 26 May 2025 upon repurchase and cancellation of a total of 1,680 restricted A Shares granted but not yet unlocked under the reserved grant of the 2020 Restricted A Share Incentive Scheme, which were held by Mr. Sun Xuehui, who has resigned from the Company.

(A) 2020 Restricted A Share Incentive Scheme

Pursuant to Administrative Measures on the Equity Incentives of Listed Companies《上市公司股權激勵管理辦法》 issued by the CSRC, as amended and supplemented from time to time, the Company may adopt various equity incentive schemes at the same time provided that the aggregate number of A Shares involved in equity incentive schemes within any validity period shall not exceed 10% of the Company's total share capital.

i. Summary of the principal terms of the 2020 Restricted A Share Incentive Scheme

The principal terms of the 2020 Restricted A Share Incentive Scheme are summarized below:

Purpose

The purpose of the 2020 Restricted A Share Incentive Scheme is to establish the long-term incentive mechanism of the Company, attract and retain talents, mobilize the enthusiasm of the Directors, senior management and key technical employees of the Company, foster shared interests among the Shareholders, the Company and operators, thereby promoting sustained, long-term and healthy growth of the Company.

Type of Awards

The 2020 Restricted A Share Incentive Scheme provides for awards of restricted A Shares (the "**Awards**").

Administration

The Shareholders' meeting is the highest authority of the 2020 Restricted A Share Incentive Scheme. The Board is the managing authority of the 2020 Restricted A Share Incentive Scheme. The board of Supervisors of the Company (the "**Board of Supervisors**") and independent non-executive Directors are the supervising authorities of the 2020 Restricted A Share Incentive Scheme.

Scope of Participants

The Directors, senior or mid-level management and key technical employees of the Company (excluding independent non-executive Directors, Supervisors, Shareholders that hold more than 5% of the Company's Shares and the controlling Shareholders (as defined in the Hong Kong Listing Rules) and their spouses, parents and children) (the "**Participants**").

Source of Shares

The Shares underlying the 2020 Restricted A Share Incentive Scheme shall be ordinary A Shares.

Maximum Number of Shares

A total of 1,425,200 and 246,400 restricted A Shares under the initial grant and reserved grant of the 2020 Restricted A Share Incentive Scheme were granted to the Participants. The maximum number of Shares involved with the Awards to be granted to an eligible employee under the 2020 Restricted A Share Incentive Scheme shall not exceed 1% of the total outstanding share capital of the Company. The total number of Shares involved with the 2020 Restricted A Share Incentive Scheme shall not exceed 10% of the total outstanding share capital of the Company.

Validity Period of the 2020 Restricted A Share Incentive Scheme

Subject to the termination provisions under the 2020 Restricted A Share Incentive Scheme, the 2020 Restricted A Share Incentive Scheme shall be valid and effective commencing on the date that the Awards are granted (the "**Initial Grant**") to when such Awards are no longer under any lock-ups, fully exercised or cancelled. The term of validity underlying the 2020 Restricted A Share Incentive Scheme shall not exceed 60 months. Upon the completion of repurchase and cancellation of a total of 1,680 restricted A Shares granted but not yet unlocked held by Mr. Sun Xuehui, who has resigned from the Company, the 2020 Restricted A Share Incentive Scheme has officially concluded on 26 May 2025.

Date of Grant

The date on which the Awards are granted shall be determined by the Board, subject to approval of the 2020 Restricted A Share Incentive Scheme by the Shareholders' meeting, which shall be a trading day. The Awards shall be granted, registered and announced within 60 days after the approval of the 2020 Restricted A Share Incentive Scheme by the Shareholders' meeting. Otherwise, the 2020 Restricted A Share Incentive Scheme shall be terminated, and the Awards thereunder that have not been granted shall become invalid.

Grant and Exercise of Awards

On and subject to certain terms of the 2020 Restricted A Share Incentive Scheme, Awards can be granted to or exercised by any eligible employee, i.e., linking the grant and exercise of the Awards to the attainment or performance of milestones by the Company and the grantee. If the performance of the Company, the relevant grantee and other conditions are not fulfilled in the stipulated period, the Awards shall be repurchased or cancelled by the Company.

Grant Price and the Basis of Determining the Grant Price

Subject to adjustments according to the terms of the 2020 Restricted A Share Incentive Scheme, the grant price of the Restricted A Shares under the 2020 Restricted A Share Incentive Scheme shall be RMB117.07 per Share and RMB149.88 per Share for the initial grant and reserved grant, respectively, under the 2020 Restricted A Share Incentive Scheme.

The grant price of the Restricted A Shares under the 2020 Restricted A Share Incentive Scheme should be no lower than the par value of the A Shares and the higher of:

(1) 50% of the average trading price of the Company's A Shares on the trading day immediately preceding the date of the announcement of the grants, being RMB117.07 per Share for the initial grant and RMB149.88 per Share for the reserved grant; and

(2) 50% of the average trading price of the Company's A Shares for the 20 trading days immediately preceding the date of the announcement of the grants, being RMB110.21 per Share for the initial grant and RMB145.26 per Share for the reserved grant.

The grant prices were determined in accordance with the pricing methods above under the relevant provisions of the 2020 Restricted A Share Incentive Scheme. They were also determined with a view to stabilize talents and effectively incentivize the Participants, taking into consideration the level of difficulty of the performance targets which the Participants must achieve for the restricted A Shares to be unlocked.

Amendment or Termination of the 2020 Restricted A Share Incentive Scheme

Any amendment or termination of the 2020 Restricted A Share Incentive Scheme shall be submitted to the Board and Shareholders for consideration. The Board of Supervisors shall express its relevant views and the Company's legal adviser shall provide professional advice to the Board whether such adjustment is fair and reasonable and in compliance with the 2020 Restricted A Share Incentive Scheme and the relevant laws and regulations. Any amendment that results in early exercise or unlocking or lowers the exercise price or grant price is prohibited.

ii. Restricted A Shares Granted

As of 30 June 2025, nil restricted A Shares granted to eligible Participants under the 2020 Restricted A Share Incentive Scheme was outstanding. The following table sets forth the movement of restricted A Shares held by relevant Participants under the 2020 Restricted A Share Incentive Scheme during the Reporting Period:

Category of grantee	Date of grant	Grant price (RMB per Share)	Number of outstanding Awards as of 1 January 2025	Granted during the Reporting Period	Unlocked during the Reporting Period	Cancelled/ lapsed during the Reporting Period	Number of outstanding Awards as of 30 June 2025	Lock-up period
Members of senior or mid-level management (excluding senior management) and key technical employee of the Company[1]								Note[2]
Participants under the initial grant under the 2020 Restricted A Share Incentive Scheme	9 September 2020	80.46	-[3]	–	–	–	–	
Participants under the reserved grant under the 2020 Restricted A Share Incentive Scheme	9 February 2021	104.26	1,680[4]	–	–	1,680	–	
Total			1,680[4]	–	–	1,680	–	

Notes:

(1) None of the Participants is an independent non-executive Director, a Supervisor, a Shareholder that holds more than 5% of the Shares, a controlling Shareholder or his/her spouse, parents or children.

(2) The lock-up periods for the Awards underlying the 2020 Restricted A Share Incentive Scheme are 12 months, 24 months and 36 months, respectively. All the above-mentioned lock-up periods commence from the date on which the Awards were registered (the "**Registration Date**"). During the lock-up period, the Awards shall not be transferred, used as guarantee or repayment of debt.

(3) On 15 March 2024, the Board considered and approved the repurchase and cancellation of a total of 420 restricted A Shares under the initial grant of the 2020 Restricted A Share Incentive Scheme at a repurchase price of RMB80.46 per A Share. The above repurchase and cancellation of restricted A Shares had been completed as of 14 August 2024. Therefore, there were no outstanding Awards for participants under the initial grant under the 2020 Restricted A Share Incentive Scheme as of 1 January 2025 or as of 30 June 2025. For further details, please refer to the relevant announcement of the Company dated 14 August 2024.

(4) On 16 August 2024, a total of 1,680 restricted A Shares granted but not yet unlocked held by Mr. Sun Xuehui were subject to repurchase and cancellation due to Mr. Sun Xuehui's resignation. On 27 August 2024, 57,540 restricted A Shares were unlocked. Therefore, there were no outstanding Awards for participants under the reserved grant under the 2020 Restricted A Share Incentive Scheme as of 1 January 2025, though the 1,680 restricted A Shares was still pending repurchase and cancellation. On 26 May 2025, such 1,680 restricted A Shares were repurchased and cancelled by the Company. For further details, please refer to the relevant announcements of the Company dated 16 August 2024, 23 August 2024 and 26 May 2025.

The unlocking periods (each, an "**Unlocking Period**") in relation to the Restricted A Shares granted under the Initial Grant are set out below.

Unlocking Period of the 2020 Restricted A Share Incentive Scheme:

	Unlocking Period	Proportion of unlocking
First Unlocking Period	From the first trading day after 12 months from the Registration Date to the last trading day within 24 months from the Registration Date	40%
Second Unlocking Period	From the first trading day after 24 months from the Registration Date to the last trading day within 36 months from the Registration Date	30%
Third Unlocking Period	From the first trading day after 36 months from the Registration Date to the last trading day within 48 months from the Registration Date	30%

For details of the restricted A Shares repurchased and cancelled during the Reporting Period, please refer to the section "Corporate Governance and Other Information - (IX) Purchase, Sale or Redemption of the Listed Securities of the Company" in this interim report.

(B) Employee Share Ownership Plan

The Company's 2022 Employee Share Ownership Plan (the "**2022 ESOP**") was approved and adopted at the Shareholders' meeting held on 16 December 2022. The 2022 ESOP, which is discretionary, does not involve the granting of options to the Company to issue new shares or any other new securities, or constitute a stock option plan within the meaning of Chapter 17 of the Hong Kong Listing Rules.

The purpose of the 2022 ESOP is to establish and improve the benefit sharing mechanism of employees and Shareholders, improve the corporate governance level of the Company, enhance the cohesion of employees and the competitiveness of the Company, mobilize the enthusiasm and creativity of employees, and promote the long-term, sustainable, and healthy development of the Company. The participants of the 2022 ESOP are Directors (excluding independent non-executive Directors), senior management or core technology (business) personnel of the Company. The total number of participants shall not exceed 608, including four Directors (excluding independent non-executive Directors) and six senior management personnel. The final participants will be determined according to the actual payments of the 2022 ESOP.

The size of the underlying Shares involved in the 2022 ESOP shall not exceed 4,454,800 A Shares. The maximum number of Shares under the 2022 ESOP together with all other effective share incentive schemes of the Company granted to an eligible employee shall not exceed 1% of the total outstanding share capital of the Company. The source of the underlying Shares involved in the 2022 ESOP is the A Shares repurchased by the Company from the secondary market through the special account for share repurchase. The average repurchase price of the underlying Shares under the 2022 ESOP was approximately RMB152.9 per Share. The 2022 ESOP is funded through the legal compensation of the Company's employees, self-raised funds and other means permitted by laws and regulations. The Company does not provide financial assistance such as advance fund, guarantee, loan, or other financial support to the participants in any way. The 2022 ESOP does not involve leveraged funds, and there is no third-party arrangement to provide incentives, subsidies, or guarantees for employees to participate in the 2022 ESOP. The total amount of funds raised by the 2022 ESOP shall not exceed RMB155,918,000.00, which shall be subscribed and held by units of RMB1.00 per unit. The maximum number of units held by the 2022 ESOP shall not exceed 155,918,000 units.

On 22 May 2023, the 2022 ESOP had gone through the relevant procedures of the registration of the transfer of the A Shares held by the Company's special account for Share repurchase at the price of RMB35.00 per Share through non-transaction transfer and other ways permitted by laws and regulations. For further details, please refer to the relevant announcements of the Company dated 17 November 2022 and 16 December 2022, and the circular of the Company dated 28 November 2022. The initial duration period of the 2022 ESOP is 54 months commencing from the date when the Company announces that the last batch of the underlying A Shares has been transferred to the 2022 ESOP (the "**Starting Date**"), the remaining life of which was 26 months as of the date of this interim report, subject to early termination under the relevant provisions of the 2022 ESOP.

As of 30 June 2025, a total of 43,411,200 outstanding units, representing 2,067,200 underlying restricted A Shares, were granted to 541 participants under the 2022 ESOP. Set out below are the details of the movements of the outstanding units granted under the 2022 ESOP throughout the Reporting Period:

Name/Category of participants	Number of units outstanding as of 1 January 2025	Granted during the Reporting Period	Unlocked during the Reporting Period	Cancelled/ lapsed during the Reporting Period(2)	Number of units outstanding as of 30 June 2025	Lock-up period
Directors and Senior Management:						Note(1)
Ms. Yang Rui	3,150,000	–	–	1,575,000	1,575,000	
Mr. Zhang Da	4,200,000	–	–	2,100,000	2,100,000	
Dr. Hu Xinhui	5,880,000	–	–	2,940,000	2,940,000	
Mr. Hong Liang	3,150,000	–	–	1,575,000	1,575,000	
Mr. Chen Chaoyong	3,150,000	–	–	1,575,000	1,575,000	
Mr. Jiang Yingwei	2,520,000	–	–	1,260,000	1,260,000	
Dr. Xiao Yi(3)	420,000	–	–	420,000(5)	–	
Dr. Zhou Yan	1,680,000	–	–	840,000	840,000	
Mr. Xu Xiangke	1,680,000	–	–	840,000	840,000	
Mr. Zhang Ting	1,050,000	–	–	525,000	525,000	
Core technical (business) personnel	61,752,600(4)	–	–	31,571,400(5)	30,181,200	
Total	88,632,600(4)	–	–	45,221,400	43,411,200	

Notes:

(1) The lock-up period of the 2022 ESOP is as follows:

(a) the lock-up period of the first batch of the underlying Shares, accounting for 40% of the total underlying Shares of the 2022 ESOP, shall be 12 months commencing from the Starting Date;

(b) the lock-up period of the second batch of the underlying Shares, accounting for 30% of the total underlying Shares of the 2022 ESOP, shall be 24 months commencing from the Starting Date; and

(c) the lock-up period of the third batch of the underlying Shares, accounting for 30% of the total underlying Shares of the 2022 ESOP, shall be 36 months commencing from the Starting Date.

The participants of the 2022 ESOP have also undertaken the following additional lock-up period voluntarily:

(a) all the holders of the units have voluntarily undertaken not to allocate the interests of the underlying Shares in any form, which have satisfied the above unlocking conditions, within three months from the date of expiry of the lock-up period of each batch;

(b) on the basis of the arithmetic average of the closing market value of the Company for the 20 trading days prior to the approval of the Employee Share Ownership Plan by the Board, namely RMB54.889 billion, if the growth rate of such arithmetic average of the closing market value of the Company for the 20 trading days before the expiry of the additional three-month lock-up period following the expiry of the lock-up period of each batch is less than 45%, 55% and 65%, respectively, then the corresponding batch of the underlying Shares shall be locked up within another three months after the expiry of the additional lock-up period; and

(c) upon the expiry of the additional lock-up period and prior to the expiry of the 2022 ESOP, the 2022 ESOP shall decide whether to dispose of the underlying A Shares and handle all disposals satisfying the unlocking conditions with each batch in accordance with the arrangements of the 2022 ESOP and the prevailing market conditions.

(2) Pursuant to the relevant provisions of the 2022 ESOP, the lock-up period of the second batch of the underlying Shares expired on 23 May 2025 without satisfying the target performances. A total of 2,214,900 Shares scheduled to be unlocked upon satisfying the unlocking conditions with the second batch, accounting for 30% of the total number of underlying Shares in the 2022 ESOP, shall not be unlocked. For further details, please refer to the relevant announcement of the Company dated 28 March 2025.

(3) Dr. Xiao Yi retired from his position with the Company on 8 March 2025. The 420,000 outstanding units held by Dr. Xiaoyi under the 2022 ESOP were cancelled. For further details, please refer to the relevant announcement of the Company dated 7 March 2025.

(4) Prior to 1 January 2025, due to the resignation and/or retirement of 30 participants, 4,393,200 outstanding units held by such participants under the 2022 ESOP were cancelled.

(5) During the Reporting Period, due to the resignation and/or retirement of 17 participants (including Dr. Xiao Yi), 1,810,200 outstanding units held by such participants (including the 420,000 outstanding units held by Dr. Xiaoyi) under the 2022 ESOP were cancelled.

(C) 2025 A Share Scheme

Pursuant to Chapter 17 of the Hong Kong Listing Rules, the 2025 A Share Scheme constitutes a share scheme involving the grant of existing Shares by the Company, and no new Shares will be issued under the 2025 A Share Scheme.

i. Summary of the principal terms of the 2025 A Share Scheme

The principal terms of the 2025 A Share Scheme are summarized below.

Purposes and Objectives

To further establish and enhance the Company's long-term incentive mechanism, attract and retain exceptional talent, and fully engage the enthusiasm of the Company's core management team. The 2025 A Share Scheme aims to effectively align the interests of the Shareholders, the Company, and the core management team, fostering a collective focus on the Company's long-term development.

Administration

The Shareholders' general meeting, as the highest authority of the Company, shall be responsible for reviewing and approving the implementation, amendments, and termination of the 2025 A Share Scheme. It may delegate certain matters related to the 2025 A Share Scheme to the Board within the scope of its authority.

The Board shall serve as the executive and administrative body for the 2025 A Share Scheme and be responsible for its implementation. The Remuneration and Examination Committee, established under the Board, shall be responsible for drafting and revising the 2025 A Share Scheme, and submitting the 2025 A Share Scheme to the Board for review and approval. Upon review and approval of this 2025 A Share Scheme by the Board, it will be submitted to the Shareholders' general meeting for consideration and approval, after which the Board will handle matters related to the 2025 A Share Scheme within the scope authorized by the Shareholders' general meeting.

The Supervisory Committee shall serve as the supervisory body for the 2025 A Share Scheme, providing opinions on whether the 2025 A Share Scheme benefits the Company's sustainable development and whether it poses any significant risks to the interests of the Company and all Shareholders.

Scope and List of Incentive Participants

The Incentive Participants of the 2025 A Share Scheme include the Company's (including its controlled subsidiaries) Directors, senior management, management personnel and key personnel technology and business roles (excluding independent non-executive Directors, Supervisors, or Shareholders and actual controllers holding individually or collectively more than 5% of Shares, along with their spouses, parents and children). The Remuneration and Examination Committee shall draft a list of eligible Incentive Participants within the defined scope, which shall be verified and confirmed by the Supervisory Committee.

The Incentive Participants for the initial grant under the 2025 A Share Scheme include: (1) Directors and senior management; and (2) management personnel and key personnel in technology and business roles.

The above Incentive Participants do not include independent non-executive Directors, Supervisors, or Shareholders and actual controllers holding individually or collectively more than 5% of Shares, along with their spouses, parents and children. All Incentive Participants must maintain employment or labor relationship with the Company or its holding subsidiaries during the grant and assessment period of the 2025 A Share Scheme.

Source, Number of the Grant, and Grant Price of Target Shares

(1) Source and Type of Target Shares

The target Shares under the 2025 A Share Scheme are ordinary A Shares repurchased by the Company from the secondary market.

(2) Number of Restricted Shares to be Granted and Proportion of Total Shares

The total number of Restricted Shares proposed to be granted to the Incentive Participants under the 2025 A Share Scheme is 5,196,000. Among them, (i)4,273,300 Shares were granted as the initial batch during the Reporting Period, accounting for approximately 82.24% of the total Restricted Shares proposed to be granted under the 2025 A Share Scheme; (ii) 622,700 Shares remained ungranted as certain grantees for the initial batch did not accept the grant; and (iii) 300,000 Restricted Shares are reserved, accounting for approximately 5.77% of the total Restricted Shares to be granted under the 2025 A Share Scheme.

The total number of target Shares involved in all share incentive schemes during the validity period of the 2025 A Share Scheme shall not exceed 10% of the total share capital of the Company as at the date when the 2025 A Share Scheme is proposed to the Shareholders' general meetings. The total number of Shares granted under all share incentive schemes during the validity period of the 2025 A Share Scheme to any one of the Incentive Participants of the 2025 A Share Scheme shall not exceed 1% of the total share capital of the Company.

(3) Grant Price of the Initially Granted Restricted Shares and Determination Method

The grant price of the Restricted Shares is set at RMB37.52 per Share. Once the grant conditions are met, the Incentive Participants may acquire the A Shares, which were repurchased from the secondary market by the Company at a price of RMB37.52 per Share.

The grant price of the Restricted Shares shall not be lower than the nominal value of A Shares, and shall not be lower than the higher of the following prices:

(i) 50% of RMB75.03 per share of the average trading price of the A shares on the trading day immediately preceding the announcement of the proposal of 2025 A Share Scheme, calculated as the total trading amount of the Shares on the preceding trading day divided by the total trading volume of the Shares on the preceding trading day, which is RMB37.52 per Share;

(ii) 50% of RMB74.37 per share of the average trading price of A shares over the past 20 trading days preceding the announcement of the proposal of the 2025 A Share Scheme draft, calculated as the total trading amount of Shares over the preceding 20 trading days divided by the total trading volume of the Shares over the preceding 20 trading days, which is RMB37.19 per Share.

Validity Period, Granting Date, Lock-up Period and Black-out Period, and Unlocking Arrangement

(1) Validity Period of the 2025 A Share Scheme

The Validity Period of the 2025 A Share Scheme commences from the date of the completion of the registration for the initial grant of the Restricted Shares and ends on the date when all the Restricted Shares granted to the Incentive Participants are unlocked or repurchased and cancelled, which shall be no more than 72 months.

(2) Granting Date of the 2025 A Share Scheme

Within 60 days from the date on which the 2025 A Share Scheme is considered and approved at the Shareholders' general meetings of the Company, the Company shall convene a Board meeting to make the initial grant of the Restricted Shares to the Incentive Participants, and complete relevant procedures such as registration and announcement pursuant to the relevant provisions, the Granting Date must be a trading day. The reserved portion shall be granted within 12 months upon the approval of the 2025 A Share Scheme by the Shareholders' general meeting of the Company.

(3) Lock-Up Period and Black-Out Period of the 2025 A Share Scheme

The locking period of the Restricted Shares granted to the Incentive Participants shall be 12, 24, 36 or 48 months from the date of completion of the registration for the grant of Restricted Shares to the Incentive Participants (the "**Lock-up Period**").

Pursuant to the terms of the 2025 A Share Scheme, no Incentive Participant shall transfer the Restricted Shares to any third party in any form within the three months from the expiration date of each Lock-up Period (the "**Black-out Period**").

(4) Unlocking Arrangement under the 2025 A Share Scheme

The Unlocking Arrangement provides that 25% of the Restricted Shares will be unlocked in each of the following periods: from 12 to 24 months, 24 to 36 months, 36 to 48 months, and 48 to 60 months after the completion of registration for the grant of Restricted Shares.

For the Restricted Shares that failed to meet the unlocking conditions during the aforesaid agreed periods, the Company shall repurchase and cancel the corresponding Restricted Shares of the Incentive Participants.

If the unlocking conditions of the Restricted Shares are satisfied, the Company shall handle the unlocking of the Restricted Shares which satisfied the unlocking conditions together.

Unlocking of the Restricted Shares during the Unlocking Period is subject to the fulfilment of the following conditions: (1) no disqualifying events have occurred at the Company level, including the issuance of an auditor's report with adverse or disclaimer opinions on financial reports or internal controls, failure to distribute profits in accordance with laws and undertakings, regulatory prohibitions on share incentives, or other circumstances as determined by the CSRC; (2) no disqualifying events have occurred at the individual level, including regulatory ineligibility, administrative penalties, or other prohibitions under laws, regulations, or CSRC determinations; (3) the Company must meet the prescribed performance appraisal targets based on annual revenue and net profit growth over 2024 figures, applicable to both initially granted and Reserved Shares; and (4) each Incentive Participant must meet the individual performance appraisal criteria, where the unlock percentage is 100% for Grade A (Outstanding), 80% for Grade B (Exceeding), 60% for Grade C (Qualified), and 0% for Grade D (Unqualified).

Repurchase and Cancellation of Restricted Shares

When the Company repurchases and cancels Restricted Shares in accordance with the provisions of the 2025 A Share Scheme, the repurchase price will be the grant price, unless otherwise specified in the 2025 A Share Scheme.

ii. Restricted A Shares Granted

As of 30 June 2025, a total of 4,273,300 outstanding restricted A Shares, were granted to 561 eligible Participants under the 2025 A Share Scheme. The following table sets forth the restricted A Shares held by relevant Participants under the 2025 A Share Scheme as at 30 June 2025:

Category of grantee	Date of grant	Grant price (RMB per Share)	Number of outstanding Awards as of 1 January 2025	Granted during the Reporting Period	Unlocked during the Reporting Period	Cancelled/ lapsed during the Reporting Period	Number of outstanding Awards as of 30 June 2025	Closing price [1] (RMB per Share)	Fair value [2] (RMB per Share)	Weighted average closing price [3] (RMB per Share)	Lock-up period
Directors											Note[5]
Mr. Zhang Da	24 April 2025	37.52	–	65,000	–	–	65,000	67.06	12.46	N/A	
Ms. Zhang Ting	24 April 2025	37.52	–	30,000	–	–	30,000	67.06	12.46	N/A	
Other five highest paid individuals	24 April 2025	37.52	–	50,000	–	–	50,000	67.06	12.46	N/A	
Other Employee Participants – Senior Management, Management Personnel, Key personnel in technology (business) roles (totalling 558 staffs)[1]	24 April 2025	37.52	–	4,128,300	–	–	4,128,300	67.06	12.46, 28.98	N/A	
Total			–	4,273,300	–	–	4,273,300				

Notes:

(1) None of the Participants is an independent non-executive Director, a Supervisor, a Shareholder that holds more than 5% of the Shares, a controlling Shareholder or his/her spouse, parents or children.

(2) The closing price in this column refers to the closing price of the A Shares immediately before the date on which the restricted A Shares were granted.

(3) The fair value in this column refers to the fair value of restricted A Shares at the date of grant. The calculation of the fair value of the awards on the grant date is as follows:

① Accounting Treatment

In accordance with the requirements of the IFRS 2 – Share-based Payment, the Company shall, on each balance sheet date during the vesting period, adjust the estimated number of Shares as an award that may be exercised in accordance with the latest number of the RSU Selected Participants who have fulfilled the exercise conditions and the performance indicators, and recognize the services received during the period as the relevant costs or expenses and capital reserve in accordance with the fair value of the Shares as an award on the date of grant.

② Calculation of the Fair Value under RSU Scheme

According to the relevant provisions on the determination of fair value in the IFRS 2 – Share-based Payment, an appropriate valuation model is required to be selected to calculate the fair value under RSU Scheme. The Company chooses Black-Scholes model (B-S model) to calculate the fair value, and then uses the model to calculate the total fair value to be RMB93,084,377.20 as at the date of grant.

The specific parameters were selected as below:

(i) Price of the Underlying Shares: RMB73.77 per A Share (the closing price was RMB73.77 on the Grant Date)

(ii) Exercise Price: RMB37.52 per A Share

(iii) Validity Period: 12, 24, 36 and 48 months, respectively (based on the period commencing from Grant Date and ending on the first Exercisable Date for each respective period)

(iv) Historical volatility ratio: 47.04%-50.42%

(v) Risk-free interest rate: 1.34%-1.54%

(vi) Dividend yield: 0.00%

* The fair value is only an estimate made by the Company under the Black-Scholes model and a number of assumptions. Therefore, the fair value estimated is subject to uncertainty and the limitation of the model.

(4) The weighted average closing price in this column refers to the weighted average closing price of the A Shares immediately before the date on which the restricted A Shares were unlocked.

(5) The lock-up periods for the Awards underlying the 2025 A Share Scheme are 12 months, 24 months, 36 months and 48 months, respectively. All the above-mentioned lock-up periods commence from the date on which the Awards were registered (the "**Registration Date**"). During the lock-up period, the Awards shall not be transferred, used as guarantee or repayment of debt.

The unlocking periods (each, an "**Unlocking Period**") in relation to the Restricted A Shares granted under the Initial Grant are set out below.

Unlocking Period of the 2025 A Share Scheme:

	Unlocking Period	Proportion of unlocking
First Unlocking Period	Commencing from the first trading day upon the expiry of 12 months from the date of the completion of registration for the grant of Restricted Shares to the last trading day upon the expiry of 24 months from the date of the completion of registration for the grant of Restricted Shares	25%
Second Unlocking Period	Commencing from the first trading day upon the expiry of 24 months from the date of the completion of registration for the grant of Restricted Shares to the last trading day upon the expiry of 36 months from the date of the completion of registration for the grant of Restricted Shares	25%
Third Unlocking Period	Commencing from the first trading day upon the expiry of 36 months from the date of the completion of registration for the grant of Restricted Shares to the last trading day upon the expiry of 48 months from the date of the completion of registration for the grant of Restricted Shares	25%
Fourth Unlocking Period	Commencing from the first trading day upon the expiry of 48 months from the date of the completion of registration for the grant of Restricted Shares to the last trading day upon the expiry of 60 months from the date of the completion of registration for the grant of Restricted Shares	25%

(D) H Share Restricted Share Scheme

Pursuant to Chapter 17 of the Hong Kong Listing Rules, the H Share Restricted Share Scheme constitutes a share scheme of the Company involving the issuance of new Shares.

i. Summary of the principal terms of the H Share Restricted Share Scheme

The principal terms of the H Share Restricted Share Scheme are summarized below:

Purpose and Objectives

The specific objectives of the H Share Restricted Share Scheme are: (a) to establish and enhance the Company's long-term incentive mechanism, attract and retain exceptional talent; (b) to fully engage the enthusiasm of the Company's key management, technology and business personnel; and (c) to effectively align the interests of the Shareholders, the Company, and the key management, technology and business personnel, fostering a collective focus on the Company's long-term development.

Source of the Incentive Shares

The source of the Incentive Shares under the H Share Restricted Share Scheme shall be either (i) existing H Shares purchased by the Trustee(s) from the secondary market; (ii) H Shares allotted and issued by the Company to the Trustee(s); or (iii) treasury Shares (if any). In case the Company plans to utilize treasury shares for the Incentive Shares, the Company and/or the Board will obtain necessary mandate from the Shareholders at the Shareholders' meeting.

Eligible Participants and Basis of Determining the Eligibility

The Eligible Participants for the H Share Restricted Share Scheme include:

(a) any individual, being a Director, Supervisor, senior management or employee (whether full-time or part-time) of any members of the Group (the "**Employee Participant(s)**"); and

(b) any service provider engaged by the Group, including independent consultants and advisers who provide advisory services, consultancy services, and/or other professional services to any member of the Group in areas relating to the Group's principal business activities, or on areas that are desirable and necessary from a commercial or strategic perspective and help maintain or enhance the competitiveness of the Group (the "**Service Provider Participant(s)**"). Such Service Provider Participants shall provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business, and shall not include any placing agents, financial advisors providing advisory services for fundraising, mergers or acquisitions, or professional service providers who provide attestation services or are required to perform services impartially and objectively (such as auditors or valuers).

The basis of eligibility of any Eligible Participant shall be determined by the Board and/or its Delegate(s) at its sole discretion from time to time on the basis of the Eligible Participant's contribution to the development and growth of the Company in accordance with the rules of the H Share Restricted Share Scheme.

Scheme Mandate Limit and Service Provider Sublimit

Subject to the limit refreshment and separate approval of the Shareholders as stipulated in the H Share Restricted Scheme Rules, assuming that the total number of issued H Shares remains unchanged as at the date of the EGM, (i) the total number of H Shares which may be issued in respect of all options and awards to be granted under all Share Schemes must not exceed 2,755,326 H Shares, representing 10% of the total number of issued H Shares (excluding treasury shares) as at the EGM ("**10% Mandate Limit**"); (ii) within the 10% Mandate Limit, the total number of H Shares which may be issued in respect of all options and awards to be granted under all Share Schemes to Service Provider Participants shall not exceed 275,532 H Shares, representing approximately 1.0% of the total number of issued H Shares (excluding treasury shares) as at the EGM (the "**Service Provider Sublimit**"); and (iii) the total number of H Shares which may be issued in respect of all Incentive Shares to be granted under the H Share Restricted Share Scheme shall not exceed 2,085,000 H Shares, representing approximately 7.57% of the total number of issued H Shares (excluding treasury shares) as at the EGM (the "**H Share Scheme Mandate Limit**").

Individual Limit

Where any grant to an Eligible Participant would result in H Shares issued and to be issued in respect of all options and awards under all Share Schemes granted to such Eligible Participant (excluding those lapsed in accordance with the terms of all Share Schemes) in the 12-month period up to and including the date of such grant exceeds 1% of the total number of issued H Shares (excluding treasury shares) as at the date of such grant, such grant shall be subject to relevant requirements under Chapter 17 of the Hong Kong Listing Rules.

Any grant of Incentive Shares to Directors, Supervisors, chief executives or substantial Shareholders of the Company, or any of their respective associates shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Eligible Participant of the Incentive Shares).

Where any grant of the Incentive Shares to Directors (other than independent non-executive Directors), Supervisors, chief executives of the Company or any of their respective associates, would result in the H Shares issued and to be issued in respect of all awards (excluding any awards lapsed in accordance with the terms of the relevant scheme) granted to such proposed Eligible Participant in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of issued H Shares of the Company (excluding treasury shares), such further grant will not be effective unless it has complied with the relevant requirements under Chapter 17 of the Hong Kong Listing Rules.

Where any grant of the Incentive Shares to an independent non-executive Director, any substantial Shareholder or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) to such proposed Eligible Participant in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of issued H Shares (excluding treasury shares), such further grant will not be effective unless it has complied with the relevant requirements under Chapter 17 of the Hong Kong Listing Rules.

Performance targets

After the Board has decided to make a grant of Incentive Shares to any Eligible Participant, the Board shall procure the Company and the Eligible Participant to execute a Grant Instrument which sets out details of the Incentive Shares so granted and the conditions (if any, including but not limited to limitation any performance targets as the Board may determine from time to time based on the considerations as stipulated in the H Share Restricted Share Scheme Rules) upon which such Incentive Shares were granted. The exact proportion of the Incentive Shares to be vested for each vesting period shall be determined with reference to the fulfilment of the performance targets, if any.

The Directors are of the view that it is not practicable to expressly set out a generic set of performance targets in the H Share Restricted Share Scheme Rules, as each Selected Participant will play different roles and contribute in different ways to the Group. Instead, the H Share Restricted Share Scheme Rules include factors to be considered by the Board for determining individual performance targets, if any, from time to time. The Board shall have regard to the purpose of the H Share Restricted Share Scheme in making such determinations and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant Selected Participant(s).

Purchase Price of Incentive Shares

A Selected Participant to whom an Incentive Share shall be granted under the H Share Restricted Share Scheme is required to pay RMB1.00 per Incentive Share to the Company, being the nominal value of the H Shares.

Vesting period

The vesting period shall not be less than 12 months. The Directors are of the view that a vesting period of no less than 12 months would allow the Group to promote long-term commitment and stability among Selected Participants, which aligns with the purpose of the H Share Restricted Share Scheme.

Clawback mechanism

Under certain circumstances (such as acceptance or solicitation of bribes, corruption, theft, leaking commercial and technological secrets of the Company) as set out in the H Share Restricted Share Scheme Rules, the Board may (but is not obliged to) by notice in writing to the relevant Eligible Participant to claw back such number of Incentive Shares granted (to the extent not already vested) as the Board may consider appropriate. The Incentive Shares that are clawed back shall be regarded as cancelled and the Incentive Shares so cancelled shall be regarded as utilized for the purpose of calculating the H Share Scheme Mandate Limit.

ii. *Restricted H Shares Granted*

As of 30 June 2025, an aggregate of 1,465,000 restricted H Shares were granted to eligible Participants under the H Share Restricted Share Scheme. The following table sets forth the restricted H Shares held by relevant Participants under the H Share Restricted Share Scheme as at 30 June 2025:

Category of grantee	Date of grant	Grant price (RMB per Share)	Number of outstanding Awards as of 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled/ lapsed during the Reporting Period	Number of outstanding Awards as of 30 June 2025	Closing price[1] (HK$ per Share)	Fair value [2] (HK$ per Share)	Weighted average closing price[3] (HK$ per Share)	Vesting period and Lock-up period
Directors											Note[4] and Note[5]
Mr. Zhang Da	3 April 2025	1.00	–	155,000	–	–	155,000	58.30	32.60	N/A	
Mr. Hong Liang	3 April 2025	1.00	–	80,000	–	–	80,000	58.30	32.60	N/A	
Ms. Yang Rui	3 April 2025	1.00	–	60,000	–	–	60,000	58.30	32.60	N/A	
Ms. Zhang Ting	3 April 2025	1.00	–	35,000	–	–	35,000	58.30	32.60	N/A	
Employee Participants – directors, supervisors or chief executives of the Company's subsidiaries											
In aggregate	3 April 2025	1.00	–	640,000	–	–	640,000	58.30	32.60, 49.97	N/A	
Subtotal			**–**	**970,000**	–	–	**970,000**				
Other Employee Participants											
In aggregate	3 April 2025	1.00	–	495,000	–	–	495,000	58.30	49.97	N/A	
Total			**–**	**1,465,000**	**–**	**–**	**1,465,000**				

Notes:

(1) The closing price in this column refers to the closing price of the H Shares immediately before the date on which the restricted H Shares were granted.

(2) The fair value in this column refers to the fair value of restricted H Shares at the date of grant. The calculation of the fair value of the awards on the grant date is as follows:

① Accounting Treatment

In accordance with the requirements of the IFRS 2 – Share-based Payment, the Company shall, on each balance sheet date during the vesting period, adjust the estimated number of Shares as an award that may be exercised in accordance with the latest number of the RSU Selected Participants who have fulfilled the exercise conditions and the performance indicators, and recognize the services received during the period as the relevant costs or expenses and capital reserve in accordance with the fair value of the Shares as an award on the date of grant.

② Calculation of the Fair Value under RSU Scheme

According to the relevant provisions on the determination of fair value in the IFRS 2 – Share-based Payment, an appropriate valuation model is required to be selected to calculate the fair value under RSU Scheme. The Company chooses Black-Scholes model (B-S model) to calculate the fair value, and then uses the model to calculate the total fair value to be RMB48,786,917.77 as at the date of grant.

The specific parameters were selected as below:

(i) Price of the Underlying Shares: HKD55.75 per H Share (the closing price was HKD55.75 on the date of grant)

(ii) Exercise Price: RMB1.00 per H Share

(iii) Validity Period: 12, 24, 36 and 48 months, respectively (based on the period commencing from the date of grant and ending on the first Exercisable Date for each respective period)

(iv) Historical volatility ratio: 49.48%-58.47%

(v) Risk-free interest rate: 1.34%-1.44%

(vi) Dividend yield: 0.00%

* The fair value is only an estimate made by the Company under the Black-Scholes model and a number of assumptions. Therefore, the fair value estimated is subject to uncertainty and the limitation of the model.

(3) The weighted average closing price in this column refers to the weighted average closing price of the H Shares immediately before the date on which the restricted H Shares were vested.

(4) The vesting periods and vesting schedules are as follows: (a) maximum 25% of the incentive shares to be vested one year commencing from the first trading day after expiry of 12-month period following the grant date; (b) maximum 25% of the incentive shares to be vested one year commencing from the first trading day after expiry of 24-month period following the grant date; (c) maximum 25% of the incentive shares to be vested one year commencing from the first trading day after expiry of 36-month period following the grant date; and (d) maximum 25% of the incentive shares to be vested one year commencing from the first trading day after expiry of 48-month period following the grant date.

(5) Lock-up periods are as follows: After expiration of each vesting period as set forth above and the completion of vesting, each batch of the vested incentive Shares shall be subject to a three-month lock-up period (the "**Three-month Period**"), during which those incentive Shares shall not be transferred to any third party. Upon the expiration of the Three-month Period, the Board and/or its delegatee(s) may, in its sole discretion, determine whether to impose another three-month lock-up period based on the market capitalization of the Company.

The number of share options and awards available for grant under the scheme mandate limit and the service provider sublimit at the beginning and the end of the Reporting Period are set out below:

	10% Mandate Limit		Service Provider Sublimit		H Share Scheme Mandate Limit	
	Available for grant as of 1 January 2025	Available for grant as of 30 June 2025	Available for grant as of 1 January 2025	Available for grant as of 30 June 2025	Available for grant as of 1 January 2025	Available for grant as of 30 June 2025
Number of underlying Shares pursuant to the options and awards	2,755,326	1,290,326	275,532	275,532	2,085,000	620,000

The number of Shares that may be issued in respect of share options and awards granted under all schemes of the Company[(1)] during the Reporting Period is 970,000[(2)], representing 0.27% the weighted average number of Shares in issue (excluding treasury Shares) for the Reporting Period (i.e. 363,091,000 Shares). Among the above 970,000 shares may be issued, the Company issued nil Shares to satisfy the restricted A Shares or units were granted during the Reporting Period.

Notes:

(1) As of 30 June 2025, the H Share Restricted Share Scheme is the only share scheme of the Company involving the issuance of new Shares pursuant to Chapter 17 of the Hong Kong Listing Rules.

(2) Among the aggregate of 1,465,000 restricted H Shares were granted to eligible Participants under the H Share Restricted Share Scheme, only 970,000 restricted H Shares granted to connected persons of the Company shall be satisfied by allotment and issuance of new H Shares by the Company to the trust(s), while the 495,000 restricted H Shares granted to non-connected persons of the Company shall be satisfied by purchase of existing H Shares by the trustee(s) from the secondary market. For details, please refer to the circular of the Company dated 18 March 2025.

IX. PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

i. A Share Repurchase

Pursuant to the repurchase plan as approved by the Shareholders on 29 February 2024, the Company repurchased part of the A Shares with self-owned funds through centralized price bidding (the "**A Share Repurchase**") which will be used to implement the employee share ownership plan or the share incentive scheme of the Company and cancellation and reduction of the registered capital. The number of repurchased A Shares used to implement the employee share ownership plan or the share incentive scheme is no more than 60% of the total number of repurchased A Shares, and the number of repurchased A Shares used for cancellation and reduction of the registered capital is not less than 40% of the total number of repurchased A Shares. Such repurchase was financed entirely with the Company's self-owned funds, ensuring that the transaction price did not surpass the stipulated maximum limit of RMB157.00 per Share (inclusive) as outlined in the repurchase plan. For more details, please refer to the relevant announcements of the Company dated 31 January 2024 and 29 February 2024, and the circular of the Company dated 6 February 2024.

In light of the 2023 annual distribution of dividends, the Company adjusted the maximum repurchase price of the A Shares to RMB155.27 per Share accordingly pursuant to the requirements of the CSRC and the Shenzhen Stock Exchange, with effective from 28 June 2024 (ex-rights and ex-dividend date). For further details, please refer to the relevant announcement of the Company dated 27 June 2024.

As of 18 February 2025, the aforementioned A Share Repurchase had been completed. The implementation period for the A Share Repurchase was from 7 March 2024 to 18 February 2025. The Company had successfully accumulatively repurchased 12,300,701 A Shares, representing 3.6161% of the Company's total A Share capital, through the centralized competitive bidding process on the Shenzhen Stock Exchange in 2024. The repurchase prices ranged from a minimum of RMB71.65 to a maximum of RMB102.00 per Share, utilizing a total of RMB999,644,601.56 in funds (excluding commissions and additional fees). The operation was conducted in full compliance with applicable laws and regulations, aligning with the predetermined repurchase strategy. Among the 12,300,701 A Shares repurchased, following the review and confirmation by the Shenzhen Branch of the China Securities Depository and Clearing Co., Ltd., the cancellation of the Company's repurchased 7,122,703 A Shares was completed on 26 February 2025. For further details, please refer to the relevant announcements of the Company dated 18 February 2025 and 27 February 2025. During the Reporting Period, nil Shares were repurchased under the aforementioned A Share Repurchase.

ii. Repurchase and Cancellation of Certain Restricted A Shares Granted under the 2020 Restricted A Share Incentive Scheme

As certain participants of the 2020 Restricted A Share Incentive Scheme resigned, on 16 August 2024, the Board considered and approved the repurchase and cancellation of 1,680 restricted A Shares under the reserved grant of 2020 Restricted A Share Incentive Scheme at a repurchase price of RMB102.46 per A Share. All funds required for such repurchase and cancellation (i.e. RMB172,132.80) are derived from our internal funds. On 3 April 2025, the first extraordinary general meeting of 2025, the first A Shares class meeting of 2025 and the first H Shares class meeting of 2025 approved such repurchase and cancellation of restricted A Shares. Such repurchase and cancellation of restricted A Shares did not have any material impact on the operating results or financial conditions of the Company. For further details, please refer to the relevant announcements of the Company dated 16 August 2024, 3 April 2025 and the circular of the Company dated 18 March 2025. The above repurchase and cancellation of restricted A Shares had been completed as of 26 May 2025. For further details, please refer to the relevant announcement of the Company dated 26 May 2025.

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares). As of 30 June 2025, the Company held 1,442,700 treasury Shares which will be used to implement the employee share ownership plans or share incentive schemes of the Company and cancellation and reduction of the registered capital.

X. USE OF NET PROCEEDS FROM THE ISSUANCE OF SECURITIES

i. Use of Net Proceeds from the Global Offering

The net proceeds from the Global Offering (after deducting the underwriting fees and related listing expenses) (the "**Global Offering Proceeds**") amounted to approximately HKD7,318.06 million[(1)], and the balance of unutilized Global Offering Proceeds of approximately HKD1,209.90 million as of 30 June 2025.

The Global Offering Proceeds have been and will be utilized in accordance with the purposes set out in the Prospectus, except for the changes the Company made to the main purposes of several projects in January 2025. The table below sets out the planned applications of the Global Offering Proceeds and actual usage up to 30 June 2025:

Use of Global Offering Proceeds		Allocation of Global Offering Proceeds (HKD million)	Allocation of Global Offering Proceeds (RMB million)	Unutilized amount (as of 1 January 2025) (HKD million)	Utilized amount during the Reporting Period (HKD million)	Utilized amount (up to 30 June 2025) (HKD million)	Unutilized amount (as at 30 June 2025) (HKD million)	Expected timeline for utilizing the remaining allocated Global Offering Proceeds
To further enhance the manufacturing capacity and capabilities of our small molecule CDMO solutions	20%	1,463.61	1,195.82	599.43	219.90	1,084.08	379.53	
– To construct comprehensive small molecule R&D and manufacturing site and to purchase relevant equipment and machinery	15%	1,097.71	896.86	599.43	219.90	718.18	379.53	In or before December 2025
– To upgrade the equipment and machinery and expand the capacity of our existing manufacturing sites in Tianjin and Dunhua	5%	365.90	298.96	–	–	365.90	–	N/A

Use of Global Offering Proceeds		Allocation of Global Offering Proceeds (HKD million)	Allocation of Global Offering Proceeds (RMB million)	Unutilized amount (as of 1 January 2025) (HKD million)	Utilized amount during the Reporting Period (HKD million)	Utilized amount (up to 30 June 2025) (HKD million)	Unutilized amount (as at 30 June 2025) (HKD million)	Expected timeline for utilizing the remaining allocated Global Offering Proceeds
To strengthen our Emerging Services and expand our service offerings	35%	2,561.32	2,092.68	34.03	27.90	2,555.19	6.13	
– To construct a R&D and manufacturing facility for oligonucleotides and polypeptides in Tianjin and invest in R&D and manufacturing facilities for recombinant DNA products (including mAb) and ADC	20%	1,463.61	1,195.82	–	–	1,463.61	–	N/A
– To improve our capabilities related to our biosynthesis solutions and drug products solutions	10%	731.81	597.91	–	–	731.81	–	N/A
– To improve our capabilities related to our biosynthesis solutions and drug products solutions and construct a R&D and manufacturing facility in Tianjin for oligonucleotides and polypeptides	5%	365.90	298.95	34.03	27.90	359.77	6.13	In or before December 2025
To invest in R&D initiatives and maintain our technology leadership	20%	1,463.61	1,195.82	–	–	1,463.61	–	
– To upgrade our flow and continuous technology platform	10%	731.81	597.91	–	–	731.81	–	N/A
– To fund the R&D initiatives led by our Center of Biosynthesis Technology (CBST)	10%	731.80	597.91	–	–	731.80	–	N/A
To strategically set up foreign subsidiaries, engage in overseas investments to further expand production capacities, enhance overseas sales centers, and acquire equity interests in target companies	15%	1,097.71	896.86	930.27	106.03	273.47	824.24	In or before December 2025
For working capital and general corporate purposes	10%	731.81	597.91	–	–	731.81	–	N/A
	100%	7,318.06	5,979.09	1,563.73	353.83	6,108.16	1,209.90	

Note:

(1) The total Global Offering Proceeds included approximately HKD6,844.27 million from the Global Offering in December 2021 and HKD473.79 million from the partial exercise of over-allotment option in January 2022 as disclosed in the announcement of the Company dated 2 January 2022.

Changes and Delay in the Use of Part of the Global Offering Proceeds

On 4 July 2025, in light of market conditions and the Company's business needs, the Company proposed the below changes in part of the use of the Proceeds.

Main purposes	Proportion before the changes	Allocation of Global Offering Proceeds before the changes (HKD million)	Allocation of Global Offering Proceeds before the changes (RMB million)	Proportion after the changes	Allocation of Global Offering Proceeds after the changes (HKD million)	Allocation of Global Offering Proceeds after the changes (RMB million)	Expected timeline for utilizing the Remaining allocated Global Offering Proceeds before the changes	Expected timeline for utilizing the Remaining allocated Global Offering Proceeds after the changes
To construct comprehensive small molecule R&D and manufacturing site and to purchase relevant equipment and machinery (the "**Comprehensive Small Molecule Construction Project**")	15%	1,097.71	896.86	13.0%	951.35	777.28	In or before December 2025	In or before December 2028
To improve our capabilities related to our biosynthesis solutions and drug products solutions and construct a R&D and manufacturing facility in Tianjin for oligonucleotides and polypeptides (the "**New Business Capabilities Construction Project**")	5%	365.90	298.95	7.0%	512.26	418.53	In or before December 2025	In or before December 2028
To strategically set up foreign subsidiaries, engage in overseas investments to further expand production capacities, enhance overseas sales centers, and acquire equity interests in target companies (the "**Strategic Overseas Investment and Acquisition Project**")	15%	1,097.71	896.86	15%	1,097.71	896.86	In or before December 2025	In or before December 2028

Reasons for the Changes and Delay in the Use of Part of the Global Offering Proceeds

The changes in Global Offering Proceeds are aligned with the Company's future development strategy. Despite the complex and evolving international economic landscape, the fundamental trend of increasing specialization in the global pharmaceutical industry remains unchanged. Outsourcing penetration rate by big pharmaceutical companies continues to rise, and the sustained activeness of biotech companies is driving the continued expansion of the global CDMO industry. The global pharmaceutical sector is gradually recovering from its most challenging period. The emergence of GLP-1 has opened up substantial incremental market opportunities, and the ongoing momentum in drug categories such as ADCs and small nucleic acid presents new growth opportunities. In response to changes in the global pharmaceutical landscape, corresponding changes were proposed to be made to the use of the Global Offering Proceeds for the three projects above-mentioned:

The Change in relation to the Comprehensive Small Molecule Construction Project

The Company continues to improve capacity utilization efficiency through technological advancement and economies of scale. At the same time, the Company is actively expanding its overseas small molecule R&D and commercial production capacity. Accordingly, the Global Offering Proceeds for the Comprehensive Small Molecule Construction Project will be slightly reduced, and the geographical coverage of the use of the Global Offering Proceeds will be expanded from China to a global scale.

The Change in relation to the New Business Capabilities Construction Project

As the Company's emerging business enters a stage of rapid development, and in response to this trend, the Company proposes to increase investment in R&D and production facilities related to peptides, oligonucleotides, drug product, and synthetic biology solutions in response to this trend.

The Change in relation to the Strategic Overseas Investment and Acquisition Project

The Company is actively advancing its overseas strategic initiatives. In view of the longer construction cycles for overseas capacity and the time required to identify acquisition targets and close the transactions, the expected timeline for completion of use of the Global Offering Proceeds for the Strategic Overseas Investment and Acquisition Project will be moderately extended.

For more details on the changes and delay in the use of part of the Global Offering Proceeds, please refer to the announcements of the Company dated 4 July 2025 and 6 August 2025, and the circular of the Company dated 22 July 2025.

ii. Use of Net Proceeds from A Share Non-Public Offering

The Company issued 10,178,731 A Shares with an offering price of RMB227.00 per Share to designated investors in September 2020 and raised net proceeds (the "**A Share Non-Public Offering Proceeds**") of RMB2,274,960,656.06 (net of expenses related to the A Share Non-Public Offering). The following table sets out the projects funded by the A Share Non-Public Offering Proceeds and the use of the A Share Non-Public Offering Proceeds for such projects as of 30 June 2025:

No.	Implementation entity	Project name	Total investment amount (RMB0'000)	Investment amount proposed to be funded by the A Share Non-Public Offering Proceeds (RMB0'000)	Accumulated investment amount as of 30 June 2025 (RMB0'000)	Expected timeline to fully utilize the allocated A Share Non-Public Offering Proceeds
1.	Asymchem Life Science (Tianjin) Co., Ltd. (凱萊英生命科學技術(天津)有限公司)	Expansion Project of One-stop Service Platform for Innovative Drugs of Asymchem Life Science (Tianjin) Co., Ltd.	68,000.00	2,204.63	2,204.63	N/A

No.	Implementation entity	Project name	Total investment amount (RMB0'000)	Investment amount proposed to be funded by the A Share Non-Public Offering Proceeds (RMB0'000)	Accumulated investment amount as of 30 June 2025 (RMB0'000)	Expected timeline to fully utilize the allocated A Share Non-Public Offering Proceeds
2.	Shanghai Asymchem Biotechnology Co., Ltd. (上海凱萊英生物技術有限公司)	Construction Project of R&D and Production Platform for Biological Macromolecule Innovative Drugs and Preparations	62,236.45	6,551.69	6,551.69	N/A
3.	Asymchem Pharmacy (Jiangsu) Co., Ltd. (凱萊英藥業(江蘇)有限公司)	Biomedical R&D and Production Integration Base Project of Asymchem Pharmacy (Jiangsu) Co., Ltd. (the "**Taixing Project**")	230,938.65	60,000.00	6,632.28	On or before 30 June 2026
4.	Asymchem Life Science (Tianjin) Co., Ltd. (凱萊英生命科學技術(天津)有限公司)	Chemical Macromolecule Project of Asymchem Life Science (Tianjin) Co., Ltd.	50,000.00	40,000.00	40,000.00	N/A
5.	Tianjin Asymchem Biotechnology Co., Ltd. (天津凱萊英生物科技有限公司)	Key Green Technology Development and Industrialization Project of Tianjin Asymchem Biotechnology Co., Ltd.	40,000.00	13,257.10	13,257.10	N/A
6.	Tianjin Asymchem Biotechnology Co., Ltd. (天津凱萊英生物科技有限公司)	High-end Formulation Pilot and Industrialization Project of Tianjin Asymchem Biotechnology Co., Ltd. (the "**Formulation Pilot and Industrialization Project**")	11,000.00	10,000.00	7,605.01	On or before 30 June 2026
7.	Asymchem Life Science (Jiangsu) Co., Ltd. (凱萊英生命科學技術(江蘇)有限公司)	Pharmaceutical R&D Center Project of Asymchem Life Science (Jiangsu) Co., Ltd. (the "**R&D Center Project**")	30,000.00	20,000.00	11,601.30	On or before 30 June 2026
8.	Asymchem Life Science (Tianjin) Co., Ltd. (凱萊英生命科學技術(天津)有限公司)	Phase I Project of the Construction of Continuous Reaction Technology Service Platform of Asymchem Life Science (Tianjin) Co., Ltd. (the "**Continuous Reaction Technology Project**")	12,000.00	10,000.00	9,999.97	On or before 30 June 2025
9.	Asymchem Life Science (Tianjin) Co., Ltd. (凱萊英醫藥集團(天津)股份有限公司)	To supplement working capital	66,057.20	66,057.20	66,057.20	N/A
				228,070.62	**163,909.18**	

Specific Scheme for the Changes in A Share Non-Public Offering Proceeds

To align with the Company's development strategy, and for the purpose of effectively improving the efficiency of the use of the A Share Non-Public Offering Proceeds, the Company intends to change the use of the remaining A Share Non-Public Offering Proceeds allocated to the Taixing Project, under which the remaining A Share Non-Public Offering Proceeds in the Taixing Project will be (i) reallocated to a new project — the Chemical Macromolecule Integrated R&D and Manufacturing Project of Asymchem Life Science (Tianjin) Co., Ltd. (the "**Chemical Macromolecule Integration Project**"), and (ii) reallocated to the Formulation Pilot and Industrialization Project, with the expected timeline to fully utilize the allocated A Share Non-Public Offering Proceeds to be extended to 30 June 2027. In addition, the expected timeline to fully utilize the allocated A Share Non-Public Offering Proceeds for the R&D Center Project will be extended to 31 December 2028 (the "**Changes in A Share Non-Public Offering Proceeds**"). The particulars are as follows:

Project name	Investment amount proposed to be funded by the A Share Non-Public Offering Proceeds (before the Changes in A Share Non-Public Offering Proceeds) (RMB0'000)	Unused A Share Non-Public Offering Proceeds (before the Changes in A Share Non-Public Offering Proceeds) (RMB0'000)	Amount of the Changes in A Share Non-Public Offering Proceeds (RMB0'000)	Investment amount proposed to be funded by the A Share Non-Public Offering Proceeds (after the Changes in A Share Non-Public Offering Proceeds (RMB0'000)	Expected timeline for utilizing the remaining allocated A Share Non-Public Offering Proceeds before the changes	Expected timeline for utilizing the remaining allocated A Share Non-Public Offering Proceeds after the changes
The Taixing Project	60,000.00	53,367.72	(53,367.72)	6,632.28	on or before 30 June 2026	–
The Chemical Macromolecule Integration Project	–	–	47,367.72	47,367.72	–	on or before 31 December 2028
The Formulation Pilot and Industrialization Project	10,000.00	2,394.99	6,000.00	16,000.00	on or before 30 June 2026	on or before 30 June 2027
The R&D Center Project	20,000.00	8,398.70	–	20,000.00	on or before 30 June 2026	on or before 31 December 2028

Information on the Changes in A Share Non-Public Offering Proceeds

(A) Changes in A Share Non-Public Offering Proceeds for the Taixing Project

1. Original Investment Plan and Use of Proceeds for the Taixing Project

At the inception of the Taixing Project, the Company planned to leverage its accumulated technological advantages in the field of chemical drugs to build a sustainable model characterized by low energy consumption, low emissions, and high efficiency. The objective was to enhance its integrated R&D and manufacturing capabilities for small molecule projects, support the development and commercialization of innovative drugs for indications such as diabetes, cardiovascular and cerebrovascular diseases, immune system disorders, and oncology, thereby strengthening its competitiveness in domestic and overseas markets and promoting the healthy and sustainable development of the pharmaceutical industry.

The total investment amount in the Taixing Project was RMB2,309.39 million, of which RMB600 million was originally intended to be funded by the A Share Non-Public Offering Proceeds, which included RMB214.36 million for construction works, RMB269.48 million for equipment procurement, and RMB116.16 million for installation works. The construction scope included one new manufacturing workshop, one production control center, one R&D building, and various ancillary facilities for R&D, production, and environmental protection. A total of 218 units of R&D and production equipment and 17 auxiliary systems were to be procured to support the R&D and commercial-scale production of small molecule CDMO services.

According to preliminary estimates, the Taixing Project was expected to generate a total return on investment of no less than 14.31%, with an investment payback period of less than 7.32 years (including the construction period), indicating sound economic benefits and alignment with the Company's long-term development objectives.

As of 30 June 2025, the Company had invested approximately RMB66.32 million in the Taixing Project using the A Share Non-Public Offering Proceeds, with RMB533.68 million remaining unutilized, representing progress in use of A Share Non-Public Offering Proceeds of 11.05%. The Taixing Project was determined after careful analysis based on then-prevailing market conditions, industry trends, and the Company's actual circumstances, and was consistent with the Company's development strategy at the time.

2. Reasons for the Changes in A Share Non-Public Offering Proceeds for the Taixing Project

Although the feasibility of the Taixing Project had been fully demonstrated in the early stage, considering changes in market dynamics and the Company's operating conditions, the Company believes that, as the overall efficiency of its small molecule capacity continues to improve through technologies such as continuous flow technology and with the benefit of economies of scale, the demand for capacity in the chemical macromolecule business and drug product business for new molecular types segments has become significantly more urgent. As such, the Company proposes to reallocate part of the A Share Non-Public Offering Proceeds originally intended for enhancing small molecule capabilities to these two business segments, which is expected to improve the efficiency of fund utilization and provide a solid foundation for sustaining the Company's growth. In addition, the construction of the Taixing Project will continue to be advanced in phases by the Company using other types of funds.

This change in the use of A Share Non-Public Offering Proceeds is a prudent decision made after careful consideration. The Company will continue to invest in the construction of the Taixing Project in phases using its own funds, based on the ongoing execution of small molecule project orders.

(B) The New Chemical Macromolecule Integration Project to Be Funded by the A Share Non-Public Offering Proceeds and Delay in the Expected Timeline

The Company intends to reallocate the remaining RMB473.68 million of the unused A Share Non-Public Offering Proceeds in the Taixing Project to a new project, namely the Chemical Macromolecule Integration Project of Asymchem Life Science (Tianjin) Co., Ltd.

(1) Project name: the Chemical Macromolecule Integrated R&D and Manufacturing Project of Asymchem Life Science (Tianjin) Co., Ltd.

(2) Project implementation entity: Asymchem Life Science (Tianjin) Co., Ltd. (凱萊英生命科學技術(天津)有限公司)

(3) Project implementation location: Western District of the Economic – Technological Development Area, Tianjin, China

(4) Project construction period: 48 months

(5) Project investment amount: RMB508.00 million, including approximately RMB486.97 million for fixed assets investment and approximately RMB11.03 million for initial working capital. The Company intends to use RMB473.68 million of the A Share Non-Public Offering Proceeds to implement this project, with the remaining balance settled through self-financing of the Company.

(6) Project construction: The project involves the construction of one quality control building and installation of 650 units/sets of R&D and manufacturing equipment for oligonucleotide, peptide, and oncology drug production in existing production workshops.

(C) The Changes in A Share Non-Public Offering Proceeds for the Formulation Pilot and Industrialization Project and Delay in the Expected Timeline

In light of the robust development of the Company's drug product business, the Company will increase the investment amount in the Formulation Pilot and Industrialization Project and extend the timeline for its completion. The particulars are as follows:

Item	Before the Changes in A Share Non-Public Offering Proceeds		After the Changes in A Share Non-Public Offering Proceeds	
	Total investment amount (RMB0'000)	Committed investment amount (RMB0'000)	Total investment amount (RMB0'000)	Committed investment amount (RMB0'000)
Amount of Proceeds committed to be used for the Formulation Pilot and Industrialization Project	11,000	10,000	17,195.60	16,000
Date of reaching the expected conditions for use	30 June 2026		30 June 2027	

(D) The Delay in the Expected Timeline in the Use of the A Share Non-Public Offering Proceeds for the R&D Center Project

Although the Company had conducted sufficient feasibility assessments for its proceeds-funded projects in the early stages, there remain various uncontrollable factors during the actual construction and implementation process. As of the date of this interim report, the construction works of main body of the R&D Center Project have been substantially completed. However, the procurement of certain major imported R&D equipment and custom-manufactured equipment has lagged behind the original schedule, which has to some extent affected the overall progress of this project. In addition, in line with the Company's overall development strategy, while maintaining a high utilization rate of small molecule capacity and ensuring order fulfillment, the capital expenditure for small molecule capacity has been paced at a reasonable rate, resulting in the overall progress of the R&D Center Project falling short of the original schedule and being unable to reach the expected usable condition within the expected timeline.

In view of the above, based on the actual construction progress of the R&D Center Project and the Company's development strategy, and from the perspective of long-term planning, the Company proposes, after careful consideration, to extend the timeline for the R&D Center Project to reach the expected usable condition to December 2028, without changing the project implementation entity, implementation method, use of proceeds or total investment amount.

Impact of the Changes in the Use of Part of the A Share Non-Public Offering Proceeds on the Company

The changes in the use of part of the A Share Non-Public Offering Proceeds, the establishment of a new project, the adjustment of the investment amount for certain projects, and the extension of the implementation timeline for certain projects are prudent decisions made by the Company after comprehensive assessment of the external market environment, project implementation needs, and the Company's strategic plan for future business development. These changes are conducive to improving the efficiency in the use of the A Share Non-Public Offering Proceeds, optimizing the Company's capacity layout and operational efficiency, and enhancing the Company's overall competitiveness. The changes are in line with the Company's development strategy and long-term interests, as well as the interests of all Shareholders. They do not prejudice the interests of the Company or its Shareholders, especially minority Shareholders, nor will they have any material adverse impact on the Company's operations.

For more details on the changes in the use of the A Share Non-Public Offering Proceeds and relevant new projects, please refer to the announcements of the Company dated 4 July 2025 and 6 August 2025, and the circular of the Company dated 22 July 2025.

The expected timeline for utilizing the remaining proceeds from the Global Offering and the A Share Non-Public Offering is set on the basis of the best estimation of the Company taking into account, among other factors, prevailing and future market conditions and business developments and needs, and therefore is subject to changes.

XI. INTERIM DIVIDENDS

The Board has resolved not to declare the payment of an interim dividend to the Shareholders for the six months ended 30 June 2025 (2024: Nil).

XII. MATERIAL LITIGATION

During the Reporting Period, the Company was not engaged in any material litigation or arbitration of material importance, or the Directors were not aware of any material litigation or claim pending or threatened against the Group.

XIII. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests or short positions of the Directors, Supervisors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

i. Interests in Shares or Underlying Shares of Our Company

Name of Director and chief executive	Nature of interest	Class of Shares	Number of Shares interested[1]	Approximate percentage of the relevant class of Shares in issue[8]	Approximate percentage of the Company's issued Shares[8]
Dr. Hao Hong	Beneficial owner	A Shares	14,268,699 (L)	4.28%	3.96%
	Interests of controlled corporation	A Shares	115,133,168 (L) [2]	34.57%	31.93%
Dr. Ye Song	Interests of spouse	A Shares	129,401,867 (L) [3]	38.85%	35.89%
Ms. Yang Rui	Beneficial owner	H Shares	60,000 (L) [4]	0.22%	0.02%
Mr. Zhang Da	Beneficial owner	A Shares	391,000 (L)	0.12%	0.11%
	Beneficial owner	H Shares	155,000 (L) [5]	0.56%	0.04%
Mr. Hong Liang	Beneficial owner	A Shares	20,000 (L)	0.01%	0.01%
	Interests of controlled corporation	A Shares	6,555,504 (L) [6]	1.97%	1.82%
	Beneficial owner	H Shares	80,000 (L) [6]	0.29%	0.02%
Ms. Zhang Ting	Beneficial owner	A Shares	36,900 (L)	0.01%	0.01%
	Beneficial owner	H Shares	35,000 (L) [7]	0.13%	0.01%

Notes:

(1) (L) represents long position and (S) represents short position.

(2) Dr. Hao Hong directly holds 71.39% equity interest in ALAB. By virtue of the SFO, Dr. Hao Hong is deemed to be interested in the Shares held by ALAB.

(3) Dr. Ye Song is the spouse of Dr. Hao Hong. By virtue of the SFO, Dr. Ye Song is deemed to be interested in the same parcel of Shares in which Dr. Hao Hong is interested.

(4) Ms. Yang Rui is interested in 60,000 H Shares underlying the incentive Shares granted to her under the H Share Restricted Share Scheme.

(5) Mr. Zhang Da is interested in 155,000 H Shares underlying the incentive Shares granted to him under the H Share Restricted Share Scheme.

(6) Mr. Hong Liang directly holds 43.46% equity interest in Tianjin Guorong Business Information Co., Ltd. Therefore, Mr. Hong Liang is deemed to be interested in the 6,555,504 A Shares held by Tianjin Guorong Business Information Co., Ltd. In addition, he is interested in 80,000 H Shares underlying the incentive Shares granted to him under the H Share Restricted Share Scheme.

(7) Ms. Zhang Ting is interested in 35,000 H Shares underlying the incentive Shares granted to her under the H Share Restricted Share Scheme.

(8) As of 30 June 2025, the number of issued shares of the Company was 360,593,720, including 27,553,260 H Shares and 333,040,460 A Shares (including treasury Shares).

ii. Interest in Associated Corporations

Name of Director and chief executive	Associated Corporations	Nature of interest	Number of Shares interested [1]	Approximate percentage of shareholding interest
Dr. Hao Hong	Tianjin Yugen Medtech Co., Ltd. (天津有濟醫藥科技發展有限公司) ("**Yugen Medtech**")	Interests of controlled corporation	3,418,800 (L) [2]	9.15%
	Shanghai Asymchem Biotechnology Development Co., Ltd. ("**Asymchem Biotechnology Development**")	Beneficial owner	2,289,157 (L) [3]	1.00%
Ms. Yang Rui	Asymchem Biotechnology Development	Interests of controlled corporation	13,734,940 (L) [3, 4]	6.00%
Mr. Zhang Da	Asymchem Biotechnology Development	Interests of controlled corporation	4,578,313 (L) [3, 4]	2.00%

Notes:

(1) (L) represents long position and (S) represents short position.

(2) The Company holds 29.03% of the equity interest in Yugen Medtech, and therefore Yugen Medtech is an associated corporation of the Company. Dr. Hao Hong is a limited partner of Tianjin Tianhao Management Consulting Partnership (Limited Partnership) ("**Tianjin Tianhao**") and holds 90.70% of the limited partnership interest in Tianjin Tianhao. Yugen Medtech is a limited liability company established in the PRC with a registered capital of RMB37,369,689, of which Tianjin Tianhao contributed RMB3,418,800, representing approximately 9.15% of the registered capital of Yugen Medtech. By virtue of the SFO, Dr. Hao Hong is deemed to be interested in the limited partnership interest in Yugen Medtech held by Tianjin Tianhao.

(3) The Company holds 83.00% of the equity interest in Asymchem Biotechnology Development, and therefore Asymchem Biotechnology Development is an associated corporation of the Company. The number of shares listed above represents only the equity shares held by Dr. Hao Hong directly of the share capital of Asymchem Biotechnology Development.

(4) AsymCore Management Consulting Partnership (Limited Partnership) (凱萊同心(天津)企業管理諮詢合夥企業(有限合夥)) ("**AsymCore**") (a controlled corporation of Ms. Yang Rui) and Tianjin Haihe Asymchem Biomedical Industry Innovation Investment Fund (Limited Partnership) ("**Haihe Asymchem Fund**") (a controlled corporation of Ms. Yang Rui and Mr. Zhang Da) hold 4% and 2% of the equity interest in Asymchem Biotechnology Development, respectively. Ms. Yang Rui is the general partner of AsymCore and holds a 99% interest in it. Haiying Chuang (Tianjin) Investment Management Co., Ltd. (海英創(天津)投資管理有限公司) is the general partner of Haihe Asymchem Fund, and Haiying Chuang (Tianjin) Investment Management Co., Ltd. (海英創(天津)投資管理有限公司) is owned as to approximately 44.38% by Yunqi (Tianjin) Corporate Management Advisory Partnership (Limited Partnership) (雲起(天津)企業管理諮詢合夥企業(有限合夥)) ("**Yunqi Management**"). Yunqi Management is owned as to 60% and 40% by Ms. Yang Rui and Mr. Zhang Da, respectively. By virtue of the SFO, Ms. Yang Rui (through AsymCore and Haihe Asymchem Fund) and Mr. Zhang Da (through Haihe Asymchem Fund) are deemed to be interested in Asymchem Biotechnology Development.

iii. Interests in Debentures of Associated Corporations

Name of Director and chief executive	Associated Corporations	Nature of interest	Principal amount of the relevant bonds held	Approximate percentage of the total principal amount of the relevant bonds issued
Dr. Hao Hong	Yugen Medtech [1]	Interests of controlled corporation	RMB7,920,783 [2, 3]	15.84%
Ms. Yang Rui	Yugen Medtech [1]	Interests of controlled corporation	RMB20,198,135 [2, 4, 5]	40.40%
Mr. Zhang Da	Yugen Medtech [1]	Interests of controlled corporation	RMB20,198,135 [2, 4, 5]	40.40%

Notes:

(1) The Company holds 29.03% of the equity interest in Yugen Medtech, and therefore Yugen Medtech is an associated corporation of the Company.

(2) These bonds are convertible bonds which are not freely transferable but are convertible into shares of Yugen Medtech. The aggregate principal amount of the convertible bonds is RMB50,000,000, of which (i) RMB21,881,082 was subscribed by the Company, (ii) RMB12,198,135 was subscribed by Haihe Asymchem Fund, (iii) RMB8,000,000 was subscribed by Jihang (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) ("**Jihang Tianjin**") and (iv) RMB7,920,783 was subscribed by Tianjin Tianhao. For details of the convertible bonds, please refer to the announcement of the Company dated 11 April 2023.

(3) The principal amount of the convertible bonds of RMB7,920,783 is held by Tianjin Tianhao. Dr. Hao Hong is a limited partner of Tianjin Tianhao and holds 90.70% of the limited partnership interest in Tianjin Tianhao. Yugen Medtech is a limited liability company established in the PRC with a registered capital of RMB37,369,689, of which Tianjin Tianhao contributed RMB3,418,800, representing approximately 9.15% of the registered capital of Yugen Medtech. By virtue of the SFO, Dr. Hao Hong is deemed to be interested in the bonds of Yugen Medtech held by Tianjin Tianhao.

(4) The principal amount of the convertible bonds of RMB12,198,135 is held by Haihe Asymchem Fund. Haiying Chuang (Tianjin) Investment Management Co., Ltd. (海英創(天津)投資管理有限公司) is the general partner of Haihe Asymchem Fund, and Haiying Chuang (Tianjin) Investment Management Co., Ltd. (海英創(天津)投資管理有限公司) is owned as to approximately 44.38% by Yunqi Management, and Yunqi Management is owned as to 60% and 40% by Ms. Yang Rui and Mr. Zhang Da, respectively. By virtue of the SFO, Ms. Yang Rui and Mr. Zhang Da (through Haihe Asymchem Fund) are deemed to be interested in the bonds of Yugen Medtech.

(5) The principal amount of the convertible bonds of RMB8,000,000 is held by Jihang Tianjin. Ms. Yang Rui and Mr. Zhang Da are interested in 56.18% and 43.70% in Jihang Tianjin, respectively. By virtue of the SFO, Ms. Yang Rui and Mr. Zhang Da (through Jihang Tianjin) are deemed to be interested in the bonds of Yugen Medtech.

Save as disclosed above, to the best knowledge of the Directors, as at 30 June 2025, none of the Directors, Supervisors or the chief executive of the Company has any interests and/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 required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

XIV. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, so far as it was known to the Directors, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which are required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or had interests or short positions in the respective type of Shares which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of substantial Shareholder	Nature of interest	Class of Shares	Number of Shares interested[1]	Approximate percentage of the relevant class of Shares in issue[3]	Approximate percentage of the Company's issued Shares[3]
ALAB	Beneficial owner	A Shares	115,133,168 (L)	34.57%	31.93%
Fidelity Management & Research Company LLC	Beneficial owner	H Shares	2,328,185 (L)	8.45%	0.65%
	Interests of controlled corporation	H Shares	487,415 (L)	1.77%	0.14%
JPMorgan Asset Management (Asia Pacific) Limited	Investment manager	H Shares	3,184,300 (L)	11.56%	0.88%
Schroders PLC	Investment manager	H Shares	5,886,300 (L)	21.36%	1.63%
Norges Bank	Beneficial owner	H Shares	3,754,400 (L)	13.63%	1.04%
Citigroup Inc. [2]	Security interest in shares	H Shares	59,000 (L)	0.21%	0.02%
	Interests of controlled corporation	H Shares	903,640 (L) [2]	3.28%	0.25%
	Interests of controlled corporation	H Shares	903,375 (S) [2]	3.28%	0.25%
	Approved lending agent	H Shares	1,681,414 (P)	6.10%	0.47%

Note:

(1) (L) represents long position, (S) represents short position, and (P) represents lending pool.

(2) Out of 2,644,054 Shares (Long position), 116,900 shares (Long position) were unlisted derivatives – cash settled. Out of 903,375 Shares (Short position), 2,400 shares (Short position) were unlisted derivatives – cash settled.

(3) As of 30 June 2025, the number of issued shares of the Company was 360,593,720, including 27,553,260 H Shares and 333,040,460 A Shares (including treasury Shares).

Save as disclosed above, to the best knowledge of the Company, as at 30 June 2025, no person (other than the Directors, Supervisors and chief executives) had informed the Company that he/she had interests or short positions in the Shares or underlying Shares of equity derivatives of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or held any interests or short position in the respective types of capital in issue of the Company.

XV. ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the sections headed “Corporate Governance and Other Information - (XIII) Share Incentive Schemes” and “Corporate Governance and Other Information - (IX) Purchase, Sale or Redemption of the Listed Securities of the Company” in this interim report, at no time during the Reporting Period was the Company, its holding company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

XVI. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules. Specific enquiries have been made to all the Directors and they have confirmed that they have complied with the Model Code during the six months ended 30 June 2025. The Company’s relevant employees, who are likely to be in possession of unpublished inside information of the Company, are also required to comply with the Model Code. No incident of non-compliance of the Model Code by the employees was noted by the Company during the six months ended 30 June 2025.

XVII. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining good corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Hong Kong Listing Rules. During the Reporting Period, the Board is of the opinion that the Company has complied with all the code provisions in the CG Code except for code provisions C.2.1 and B.2.2 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairperson of the board and chief executive should be separate and should not be performed by the same individual. The roles of Chairperson of the Board and Chief Executive Officer of the Group are held by Dr. Hao Hong, who is the founder of the Group. The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) a decision to be made by the Board requires approval by at least a majority of the Board members and that the Board comprises three independent non-executive Directors out of nine Directors, thus the Board believes that the checks and balances on the Board are sufficient; (ii) Dr. Hao Hong and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require them (among others) to act in the best interests of the Group and make decisions for the Group accordingly; and (iii) the balance of power and authority in the operation of the Board is ensured by the experienced and high caliber individuals and professionals making up the Board, who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategy and other key business, financial and operational policies of the Group are made collectively after thorough discussion at both the Board and senior management levels. The Board believes that the combined role of Chairperson of the Board and Chief Executive Officer can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. Furthermore, in view of Dr. Hao Hong's industry experience, professional background, personal profile and his crucial roles in the Company as mentioned above, and also due to his deep understanding of the Group for over 20 years, Dr. Hao Hong is the best person to identify strategic opportunities and act as the key figure of the Board. Finally, as Dr. Hao Hong is the founder of the Company, the Board believes that vesting the roles of both Chairperson of the Board and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning and communication with the Group. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of Chairperson of the Board and Chief Executive Officer is necessary.

Pursuant to the Articles of Association and code provision B.2.2 of the CG Code, the term of office of the Directors (including independent non-executive Directors) is three years, renewable upon re-election at its expiry, provided that the term of office of the independent non-executive Directors shall not exceed a consecutive period of six years. In accordance with the announcement of the Company dated 2 February 2024, the term of the fourth session of the Board and the Board of Supervisors expired on 9 February 2024. As at the end of the Reporting Period, as the relevant nomination of candidates for the fifth session of the Board and the Board of Supervisors was still in process, in order to ensure the continuity and stability of the work of the Board and the Board of Supervisors, the election of the fifth session of the Board and the Board of Supervisors were postponed, and the terms of each special committee under the Board and senior management of the Company were extended accordingly. Before the completion of the election process, all the members of the fourth session of the Board and the Board of Supervisors, each special committee under the Board and the senior management of the Company continued to perform their respective obligations and duties in accordance with relevant laws and regulations and the Articles of Association. The Company fulfilled the obligations of information disclosure based on the progress of the election. As at the date of this interim report, the election of the fifth session of the Board, the abolition of the Board of Supervisors, the changes in the composition of the Board committees and the appointment of senior management members became effective upon passing of relevant resolutions at the Company's second extraordinary general meeting of 2025 and relevant class meetings held on 6 August 2025 and/or the subsequent Board meeting. For details, please refer to the sections headed "Changes in Information of Directors, Supervisors and Chief Executive" and "Events After the Reporting Period" in this interim report.

The Board is committed to achieving high corporate governance standards, which are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code and maintain a high standard of best practices.

XVIII. COMPLIANCE WITH LAW AND REGULATIONS

For the Reporting Period, the Company has complied with the relevant laws and regulations that have a significant impact on the Company, including the requirements under the Hong Kong Companies Ordinance, the Hong Kong Listing Rules, the SFO and the CG Code in relation to, among other things, information disclosure and corporate governance. None of the Group, or the Directors, Supervisors and senior management of the Company had been subject to any investigation or administrative penalty by the CSRC, banned from access to the market, identified as inappropriate candidates, publicly condemned by stock exchanges, subject to mandatory measures, transferred to judicial authorities or held criminally responsible, nor were they involved in any other litigation, arbitration or administrative proceedings that would have a material adverse effect on our business, financial condition or results of operations.

XIX. EVENTS AFTER THE REPORTING PERIOD

Changes in Part of the Use of Proceeds

On 6 August 2025, the Shareholders passed the resolutions in relation to the changes in the use of part of the Global Offering Proceeds and changes in the use of part of the A Share Non-Public Offering Proceeds. For details, please refer to the section headed "Corporate Governance and Other Information - (X) Use of Net Proceeds from the Issuance of Securities" in this interim report, and the relevant announcements of the Company dated 4 July 2025 and 6 August 2025 and the circular of the Company dated 22 July 2025.

Election and Appointment of Directors

On 6 August 2025, the election of the fifth session of the Board, including the appointment of an independent non-executive Director, namely Mr. Xie Weikai, and the changes in the composition of the Board committees, became effective. For details, please refer to the section headed "Corporate Governance and Other Information - (VII) Changes in Information of Directors, Supervisors and Chief Executive" in this interim report, and the relevant announcements of the Company dated 18 July 2025 and 6 August 2025 and the circular of the Company dated 22 July 2025.

Abolition of the Board of Supervisors and Repeal of the Rules of Procedures for the Board of Supervisors

On 6 August 2025, the Shareholders passed the resolutions in relation to the abolition of the Board of Supervisors and repeal of the Rules of Procedures for the Board of Supervisors. For details, please refer to the section headed "Corporate Governance and Other Information - (VII) Changes in Information of Directors, Supervisors and Chief Executive" in this interim report regarding the abolition of the Board of Supervisors, and the relevant announcements of the Company dated 18 July 2025 and 6 August 2025 and the circular of the Company dated 22 July 2025.

Amendments to the Articles of Association

At the Company's second extraordinary general meeting of 2025 held on 6 August 2025, the third A Shares class meeting and the third H Shares class meeting, the Shareholders passed the amendments to the Articles of Association as a special resolution. For details, please refer to the section headed "Corporate Governance and Other Information - (I) Amendments to the Memorandum and Articles of Association of the Company" in this interim report, and relevant announcements of the Company dated 18 July 2025 and 6 August 2025 and the circular of the Company dated 22 July 2025.

Amendments to the Internal Rules

On 6 August 2025, the Shareholders passed the special resolutions in relation to the amendments to certain internal rules and policies of the Company, including (i) the Rules of Procedures for the General Meetings and (ii) the Rules of Procedures for the Board of Directors, and respective ordinary resolutions are being proposed at the EGM to consider and approve the proposed amendments to (i) the Working Policy for Independent Non-executive Directors, (ii) the Administrative Measures for External Guarantees, (iii) the Administrative Measures for External Investments, (iv) the Management and Decision-making Measures for Related (Connected) Transactions, (v) the Administrative Measures for the Use of Proceeds, and (vi) the Code of Conduct for Controlling Shareholders. For details, please refer to the relevant announcements of the Company dated 18 July 2025 and 6 August 2025 and the circular of the Company dated 22 July 2025.

Election of Chairperson of the Board and Appointment of Senior Management Members and Joint Company Secretaries

On 6 August 2025, the Board elected Dr. Hao Hong as the chairperson of the fifth session of the Board. He shall hold office from 6 August 2025 until the expiration of the term of office of the fifth session of the Board. Meanwhile, the Board has appointed Dr. Hao Hong as the chief executive officer of the Company, Ms. Yang Rui (楊蕊) as the co-chief executive officer of the Company, Mr. Zhang Da (張達) as the chief financial officer and chief operating officer of the Company, Dr. Chengyi Chen as the chief technology officer of the Company, Dr. Xinhui Hu as the chief business officer of the Company, Mr. Hong Liang (洪亮), Mr. Chen Chaoyong (陳朝勇) and Mr. Jiang Yingwei (姜英偉) as executive vice presidents of the Company, Dr. Zhou Yan (周炎) and Mr. Xu Xiangke (徐向科) as senior vice presidents of the Company, and Mr. Xu Xiangke (徐向科) as the secretary to the Board. They shall hold office from 6 August 2025 until the expiration of the term of office of the fifth session of the Board. In addition, the Board also appointed Mr. Xu Xiangke (徐向科) and Mr. Cheng Ching Kit (鄭程傑) as joint company secretaries of the Company, both for a term from 6 August 2025 until the expiration of the term of office of the fifth session of the Board. For details, please refer to the relevant announcement of the Company dated 6 August 2025.

Save as disclosed above, subsequent to 30 June 2025 and up to the date of this interim report, there are no other significant events affecting the Group occurred.

XX. REVIEW OF FINANCIAL STATEMENTS

i. Audit Committee

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Hong Kong Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group and provide advice and comments to the Board. As of the date of this interim report, the Audit Committee comprises one non-executive Director Ms. Zhang Ting, and two independent non-executive Directors, namely Dr. Sun Xuejiao and Dr. Hou Xinyi, with Dr. Sun Xuejiao who possesses the appropriate professional qualification serving as the chairperson of the Audit Committee.

The Audit Committee has considered and reviewed the unaudited interim results of the Group for the six months ended 30 June 2025 and the accounting principles and practices adopted by the Group and has discussed with management on issues in relation to internal control, risk management and financial reporting. The Audit Committee is of the opinion that the unaudited interim results of the Group for the six months ended 30 June 2025 are in compliance with the relevant accounting standards, laws and regulations.

ii. Scope of Work of Ernst & Young

The unaudited interim results of the Group for the six months ended 30 June 2025 have been reviewed by the Group's auditor, Ernst & Young, Certified Public Accountants, 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. The work performed by the Group's auditors in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Group's auditors in this interim report.

By order of the Board
Asymchem Laboratories (Tianjin) Co., Ltd.
Dr. Hao Hong
Chairperson of the Board, Executive Director
and Chief Executive Officer

Tianjin, the PRC, 25 August 2025

INDEPENDENT REVIEW REPORT

Ernst & Young
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To the board of directors of Asymchem Laboratories (Tianjin) Co., Ltd.

(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 62 to 85, which comprises the condensed consolidated statement of financial position of Asymchem Laboratories (Tianjin) Co., 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 ("IASB"). 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
25 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	4	3,188,307	2,655,046
Cost of sales		(1,809,150)	(1,560,345)
Gross profit		1,379,157	1,094,701
Other income and gains		184,417	258,891
Selling and distribution expenses		(90,948)	(102,423)
Administrative expenses		(397,047)	(376,644)
Research and development expenses		(285,748)	(328,688)
(Losses on)/reversal impairment of financial and contract assets, net		(29,834)	7,295
Other expenses		(50,943)	(12,496)
Finance costs		(6,261)	(2,528)
Share of losses of associates		(2,694)	(5,457)
PROFIT BEFORE TAX	5	700,099	532,651
Income tax expense	6	(86,948)	(40,236)
PROFIT FOR THE PERIOD		613,151	492,415
Attributable to:			
Owners of the parent		617,470	499,131
Non-controlling interests		(4,319)	(6,716)
		613,151	492,415
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (expressed in RMB per share)	8	RMB1.68	RMB1.40
Diluted (expressed in RMB per share)	8	RMB1.68	RMB1.40

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
PROFIT FOR THE PERIOD	**613,151**	492,415
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	**10,615**	1,993
Equity investments at fair value through other comprehensive income:		
Changes in fair value	**–**	4,483
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**10,615**	6,476
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**623,766**	498,891
Attributable to:		
Owners of the parent	**628,085**	505,607
Non-controlling interests	**(4,319)**	(6,716)
	623,766	498,891

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	6,106,308	5,939,832
Right-of-use assets		693,999	699,765
Goodwill		146,183	146,183
Other intangible assets		25,356	27,490
Deferred tax assets		286,937	248,353
Investments in associates		533,893	536,587
Prepayments, other receivables and other assets		348,277	482,409
Financial assets at fair value through profit or loss		162,890	157,762
Total non-current assets		8,303,843	8,238,381
CURRENT ASSETS			
Inventories		1,212,004	1,193,346
Trade and bills receivables	10	1,980,992	1,836,887
Contract assets		81,804	101,470
Prepayments, other receivables and other assets		811,843	586,795
Tax recoverable		3,029	1,928
Financial assets at fair value through profit or loss		662,671	1,539,809
Amounts due from related parties		898	532
Cash and bank balances		6,794,304	5,789,408
Total current assets		11,547,545	11,050,175
CURRENT LIABILITIES			
Trade and bills payables	11	483,510	449,516
Other payables and accruals		1,463,538	1,166,097
Lease liabilities		50,271	42,225
Tax payable		76,413	50,177
Amounts due to related parties		1,304	1,330
Total current liabilities		2,075,036	1,709,345
NET CURRENT ASSETS		9,472,509	9,340,830
TOTAL ASSETS LESS CURRENT LIABILITIES		17,776,352	17,579,211

continued/...

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Deferred income		**275,060**	298,622
Lease liabilities		**280,505**	282,529
Deferred tax liabilities		**124,199**	134,703
Provision		**396**	785
Total non-current liabilities		**680,160**	716,639
Net assets		**17,096,192**	16,862,572
EQUITY			
Equity attributable to owners of the parent			
Share capital	12	**360,594**	367,716
Treasury shares		**(492,681)**	(1,232,758)
Reserves		**17,215,120**	17,710,426
		17,083,033	16,845,384
Non-controlling interests		**13,159**	17,188
Total equity		**17,096,192**	16,862,572

The consolidated financial information was approved and authorised for issue by the Board of Directors of the Company on 25 August 2025 and was signed on its behalf by:

Hao Hong
Executive Director

Da Zhang
Executive Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent									
	Share capital RMB'000 (note 12)	Restricted shares under share-based payment RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Reserve funds RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025 (audited)	367,716	(1,232,758)	9,396,271	208,970	26,722	457	8,078,006	16,845,384	17,188	16,862,572
Profit for the period	–	–	–	–	–	–	617,470	617,470	(4,319)	613,151
Exchange differences related to foreign operations	–	–	–	–	10,615	–	–	10,615	–	10,615
Total comprehensive income for the period	–	–	–	–	10,615	–	617,470	628,085	(4,319)	623,766
Final 2024 dividend declared and paid	–	–	–	–	–	–	(395,066)	(395,066)	–	(395,066)
Cancellation of A shares	(7,122)	578,964	(571,842)	–	–	–	–	–	–	–
Restricted A shares granted	–	187,018	(187,018)	–	–	–	–	–	–	–
Equity-settled share option arrangements	–	–	30,305	–	–	–	–	30,305	290	30,595
Repurchase of H Shares	–	(25,905)	–	–	–	–	–	(25,905)	–	(25,905)
Transfer from retained profits	–	–	–	–	–	230	–	230	–	230
At 30 June 2025 (Unaudited)	360,594	(492,681)	8,667,716	208,970	37,337	687	8,300,410	17,083,033	13,159	17,096,192

	Attributable to owners of the parent										
	Share capital RMB'000 (note 12)	Restricted shares under share-based payment RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Exchange fluctuation reserve RMB'000	Reserve funds RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024 (audited)	369,472	(494,010)	9,612,482	208,970	415	22,466	–	7,759,922	17,479,717	30,262	17,509,979
Profit for the period	–	–	–	–	–	–	–	499,131	499,131	(6,716)	492,415
Other comprehensive income for the period:											
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	–	4,483	–	–	–	4,483	–	4,483
Exchange differences related to foreign operations	–	–	–	–	–	1,993	–	–	1,993	–	1,993
Total comprehensive income for the period	–	–	–	–	4,483	1,993	–	499,131	505,607	(6,716)	498,891
Final 2023 dividend declared and paid	–	–	–	–	–	–	–	(641,938)	(641,938)	–	(641,938)
Cancellation of restricted shares	(1)	34	(35)	–	–	–	–	–	(2)	–	(2)
Vesting of restricted shares	–	30,025	–	–	–	–	–	–	30,025	–	30,025
Equity-settled share option arrangements	–	–	33,509	–	–	–	–	–	33,509	457	33,966
Repurchase of A Shares	–	(999,856)	–	–	–	–	–	–	(999,856)	–	(999,856)
Shareholder contribution	–	–	21,814	–	–	–	–	–	21,814	–	21,814
Transfer from retained profits	–	–	–	–	–	–	163	–	163	–	163
At 30 June 2024 (Unaudited)	369,471	(1,463,807)	9,667,770	208,970	4,898	24,459	163	7,617,115	16,429,039	24,003	16,453,042

* These reserve accounts comprise the consolidated reserves of RMB17,215,120,000 (30 June 2024: RMB17,523,375,000) in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	700,099	532,651
Adjustments for:		
Finance costs	6,261	2,528
Share of losses of associates	2,694	5,457
Interest income	(29,227)	(60,607)
Investment income	(23,932)	(28,390)
Fair value gain on financial assets/liabilities at fair value though profit or loss	(11,555)	(11,266)
Losses on disposal of items of property, plant and equipment	270	341
Gains on disposal of right-of-use assets	–	(19)
Depreciation of property, plant and equipment	235,740	226,133
Depreciation of right-of-use assets	33,416	23,512
Amortisation of other intangible assets	2,269	4,683
Losses/(Gains) on impairment of trade receivables and contract assets, net	29,834	(7,295)
Loss on impairment of inventories	12,704	9,762
Equity-settled share option expense	30,595	33,966
	989,168	731,456
Withdrawal/(placement) of restricted deposits	31,767	(23,988)
Increase in inventories	(31,362)	(62,374)
(Increase)/decrease in trade and bills receivables	(170,987)	520,979
Decrease/(increase) in contract assets	19,271	(16,575)
Increase in prepayments, deposits and other receivables	(27,631)	(27,605)
Increase/(decrease) in trade and bills payables	33,968	(65,294)
Decrease in other payables and accruals	(31,571)	(87,021)
Cash generated from operations	812,623	969,578
Tax paid	(110,901)	(96,019)
Net cash flows from operating activities	701,722	873,559

continued/...

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	61,073	29,404
Purchases of items of property, plant and equipment and other intangible assets	(485,839)	(653,671)
Proceeds from disposal of items of property, plant and equipment	25	11
Proceeds from disposal of items of a subsidiary	–	3,684
Purchases of investments at fair value through profit or loss	(4,527,873)	(5,282,523)
Proceeds from disposal of investments at fair value through profit or loss	5,435,370	5,128,146
Increase in investments in associates	–	(240,000)
Dividends received from associates	–	6,404
Purchase of time deposits with original maturity of more than three months when acquired	(1,544,870)	(1,288,805)
Placement of pledged time deposits	(4,952)	(15,867)
Withdrawal of pledged time deposits	2,137,869	1,612,450
Net cash flows from/(used in) investing activities	1,070,803	(700,767)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of employee stock option program	160,334	–
Share repurchase payment	(36,295)	(1,013,396)
Dividends paid to shareholders	(249,337)	(383,644)
Principal portion of lease payments	(7,850)	(18,926)
Interest paid	(6,261)	(2,528)
Net cash flows used in financing activities	(139,409)	(1,418,494)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,633,116	(1,245,702)
Cash and cash equivalents at beginning of period	3,009,209	4,771,612
Effect of foreign exchange rate changes, net	(871)	59,240
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4,641,454	3,585,150
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as stated in the statement of financial position	6,794,304	5,678,924
Term deposits with original maturity of more than three months	(2,131,300)	(2,046,468)
Pledged for letters of credit and others	(21,550)	(47,306)
Cash and cash equivalents as stated in the statement of cash flows	4,641,454	3,585,150

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

Operating segments are identified on the basis of internal reporting about components of the Group that are regularly reviewed by the Group's executive committee and the Company's board of directors for the purpose of resource allocation and performance assessment.

Operating segment

During the period, there is only one operating segment as the Group's operations relate to contract development and manufacturing which focuses on innovation and commercial application of global pharmaceutical technology.

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Mainland China	**713,338**	689,105
Overseas	**2,474,969**	1,965,941
Total	**3,188,307**	2,655,046

The revenue information above is based on the locations of the customers.

3. OPERATING SEGMENT INFORMATION (Continued)

Geographical information (Continued)

(b) Non-current assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Mainland China	7,555,721	7,543,072
United States	49,528	54,218
United Kingdom	248,767	234,976
Total	7,854,016	7,832,266

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

For the six months ended 30 June 2025, revenue of approximately RMB777,081,641 (30 June 2024: RMB257,775,520) was derived from a single customer, including a group of entities which are known to be under common control with that customer.

4. REVENUE

Small molecule CDMO business:

The Group provides services including (i) Clinical and pre-clinical stage CDMO solutions; and (ii) Commercial stage CDMO solutions. The Clinical and pre-clinical stage CDMO solutions provides process development and optimization, analytical services and scale-up services for small molecule drug products throughout the pre-clinical and clinical stage. The revenue generated from clinical stage CDMO solutions is derived from the transfer of goods and the provision of services under Full-time-equivalent (or "FTE") and Fee-for-service (or "FFS") arrangements. The Group recognises revenue on over time and at a point in time bases for services under FTE and FFS arrangements, respectively.

Commercial stage CDMO solutions provides ton-scale manufacturing services for registered starting materials (RSMs), advanced intermediates, and active pharmaceutical ingredients ("APIs") with high quality. All of the revenue generated from commercial stage CDMO solutions is derived from the transfer of goods and services, which is recognised at a point in time.

4. REVENUE (Continued)

Emerging business:

The Group provides services including (i) pre-formulation and formulation development, (ii) Chemical Macromolecule CDMO solutions for polypeptides, oligonucleotides, glycans, toxins-linkers and other macromolecules, (iii) biosynthesis solutions, (iv) biologics CDMO solutions for monoclonal antibodies (“mAbs”) and antibody-drug conjugates (ADCs), (v) Contract Research Organization (or “CRO”) solutions and (vi) messenger RNA (“mRNA”) solutions. The revenue generated from emerging business is mainly derived from the transfer of goods and services like the rendering of services settled at FFS and CRO solutions. Under CRO solutions, the Group’s performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date, and the Group recognises revenue over time. While for other revenue from emerging business, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis if the contracts have multiple deliverable units, except for the allocation of discounts and variable consideration, and the Group recognises revenue at a point since it did not meet the conditions of the revenue recognition over time. Therefore, the Group recognises revenue on over time and at a point in time bases for services under CRO solutions and FFS arrangements, respectively.

Others:

Others mainly include the sales of raw materials and sales of scrap materials.

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Transfer of goods and services	**3,185,098**	2,653,034
Others	**3,209**	2,012
Total	**3,188,307**	2,655,046

4. REVENUE (Continued)

Disaggregated revenue information for revenue from contracts with customers

(a) Disaggregated revenue information

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Types of goods or services		
Small molecule CDMO business	**2,429,080**	2,153,419
Emerging business	**756,018**	499,615
Others	**3,209**	2,012
Total	**3,188,307**	2,655,046
Geographical markets		
Mainland China	**713,338**	689,105
Overseas	**2,474,969**	1,965,941
Total	**3,188,307**	2,655,046
Timing of revenue recognition		
Goods transferred at a point in time	**2,928,813**	2,520,762
– Small molecule CDMO business	**2,308,806**	2,115,205
– Emerging business	**616,798**	403,545
– Others	**3,209**	2,012
Services transferred over time	**259,494**	134,284
– Small molecule CDMO business	**120,274**	38,214
– Emerging business	**139,220**	96,070
Total	**3,188,307**	2,655,046

The following table shows the amounts of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	**269,941**	221,204
Total	**269,941**	221,204

5. PROFIT BEFORE TAX

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

	Note	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of sales		**1,809,150**	1,560,345
Depreciation of property, plant and equipment	9	**235,740**	226,133
Depreciation of right-of-use assets		**33,416**	23,512
Amortisation of other intangible assets		**2,269**	4,683
Research and development costs:			
Current period expenditure		**285,748**	328,688
Lease payments not included in the measurement of lease liabilities		**16,116**	11,345
Auditor's remuneration		**840**	840
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		**1,047,210**	1,015,539
Share-based payment expense		**30,595**	33,966
Pension scheme contributions		**98,863**	95,049
Foreign exchange differences, net		**30,735**	(70,497)
Bank interest income		**(99,652)**	(120,702)
Fair value gain on financial assets at fair value through profit or loss, net		**(11,555)**	(11,266)
Losses on disposal of items of property, plant and equipment and other intangible assets		**270**	341
Losses on/(reversal) impairment of financial and contract assets, net		**29,834**	(7,295)
Write down of inventories to net realisable value		**12,704**	9,762

6. INCOME TAX

The provision for Mainland China current income tax is based on a statutory rate of 25% of the assessable profits of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Mainland China, that were accredited as "High and New Technology Enterprises" and entitled to a preferential rate of 15% in the six months ended 30 June 2025.

Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates. The provision for current income tax of Asymchem Inc. and Asymchem Boston Corporation, subsidiaries of the Group incorporated in the United States, are based on the federal tax rate of 21% in the six months ended 30 June 2025. The provision for current income tax of Asymchem Limited, a subsidiary of the Group incorporated in the United Kingdom, is based on a rate of 19%.

6. INCOME TAX (Continued)

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current	**136,036**	77,435
Deferred	**(49,088)**	(37,199)
Total	**86,948**	40,236

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 but not yet in effect as at 30 June 2025 in certain jurisdictions in which the Group operates.

7. DIVIDENDS

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Dividends declared:		
RMB1.10 for the six months ended 30 June 2025 and RMB1.80 for the six months ended 30 June 2024 per ordinary share	**395,066**	641,938

On 11 June 2025, the 2024 profit distribution plan ("2024 Profit Distribution Plan") of the Company was approved at the 2024 Annual General Meeting. Pursuant to the 2024 Profit Distribution Plan, a final dividend of RMB1.10 per share (inclusive of tax) based on the record date for determining the shareholders' entitlement to the 2024 Profit Distribution Plan was declared to both holders of A Shares and H Shares. The aggregate dividends amounted to RMB395,066,122.00, including A Shares dividends of RMB364,757,536.00 and H Shares dividends of RMB30,308,586.00.

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

The calculation of the basic earnings per share amount 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 363,091,000 shares (Six months ended 30 June 2024: 350,742,000 shares) outstanding during the period, as adjusted to reflect the rights issue during the period.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the diluted earnings per share calculation	**617,470**	499,131
Less: Cash dividends attributable to the shareholders of restricted shares expected to be unlocked in the future	**(7,774)**	(8,046)
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	**609,696**	491,085

* For the six months ended 30 June 2025, the restricted A Shares have an anti-diluting effect due to the cash dividend distribution plan. As the respective effect was excluded in the calculation of diluted earnings per share, the diluted earnings per share equals to the basic earnings per share.

	Number of shares	
	2025	2024
	'000	'000
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	**363,091**	350,742
Effect of dilution – weighted average number of ordinary shares:		
Restricted A Shares	**649**	20
Restricted H Shares	**196**	–
Weighted average number of ordinary shares outstanding during the period used in the diluted earnings per share calculation	**363,936**	350,762

9. PROPERTY, PLANT AND EQUIPMENT

30 June 2025 (Unaudited)	Buildings RMB'000	Leasehold improvements RMB'000	Machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Construction in progress ("CIP") RMB'000	Total RMB'000
At 1 January 2025							
Cost	2,463,864	166,403	3,230,332	126,670	23,244	1,866,781	7,877,294
Accumulated depreciation and impairment	(557,107)	(67,304)	(1,192,797)	(100,296)	(19,958)	–	(1,937,462)
Net carrying amount	1,906,757	99,099	2,037,535	26,374	3,286	1,866,781	5,939,832
At 1 January 2025, net of accumulated depreciation and impairment	1,906,757	99,099	2,037,535	26,374	3,286	1,866,781	5,939,832
Additions	–	–	27,438	1,274	5	373,805	402,522
Disposals	(1)	–	(3,684)	(10)	–	–	(3,695)
Depreciation provided during the period	(65,464)	(9,289)	(152,447)	(7,522)	(1,018)	–	(235,740)
Transfers from CIP	54,658	6,375	105,802	2,418	95	(169,348)	–
Transfers to intangible assets	–	–	–	–	–	(36)	(36)
Exchange rate impact	–	–	175	46	–	3,204	3,425
At 30 June 2025, net of accumulated depreciation and impairment	1,895,950	96,185	2,014,819	22,580	2,368	2,074,406	6,106,308
At 30 June 2025:							
Cost	2,518,394	172,778	3,358,122	130,089	23,145	2,074,406	8,276,934
Accumulated depreciation and impairment	(622,444)	(76,593)	(1,343,303)	(107,509)	(20,777)	–	(2,170,626)
Net carrying amount	1,895,950	96,185	2,014,819	22,580.00	2,368	2,074,406	6,106,308

10. TRADE AND BILLS RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade and bills receivables	**2,115,018**	1,939,914
Impairment	**(134,026)**	(103,027)
Total	**1,980,992**	1,836,887

The Group's trading terms with its customers are mainly on credit. The ordinary credit period is up to 90 days. Each customer has a maximum credit limit. 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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

10. TRADE AND BILLS RECEIVABLES (Continued)

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	**1,862,832**	1,759,490
1 to 2 years	**105,988**	74,247
2 to 3 years	**12,172**	3,150
Total	**1,980,992**	1,836,887

11. TRADE AND BILLS PAYABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	**377,816**	358,342
1 to 2 years	**71,600**	56,497
Over 2 years	**34,094**	34,677
Total	**483,510**	449,516

The trade payables are non-interest-bearing and are normally settled on terms of 15 to 90 days.

The trade payables are measured at amortised cost, and the carrying amounts reasonably approximate to fair values.

12. SHARE CAPITAL

Shares

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Issued and fully paid: ordinary shares	**360,594**	367,716

12. SHARE CAPITAL (Continued)

Shares (Continued)

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

	Number of shares in issue	Share capital RMB'000
At 1 January 2024	369,471,533	369,472
Forfeit of restricted A Shares	(2,100)	(2)
Cancellation of Repurchased Restricted A Shares	(1,753,010)	(1,754)
At 31 December 2024	367,716,423	367,716
Cancellation of A shares (Note (a))	(7,122,703)	(7,122)
At 30 June 2025 (Unaudited)	360,593,720	360,594

Note:

(a) These repurchased A shares was cancelled on 28 February 2025.

13. CONTINGENT LIABILITIES

As of 30 June 2025, the Group had no significant contingent liabilities.

14. COMMITMENTS

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Buildings	**238,926**	144,515
Plant and machinery	**417,976**	270,166
Capital contributions payable to financial investment	**60,000**	60,000
Total	**716,902**	474,681

15. RELATED PARTY TRANSACTIONS

(a) Names and relationships of related parties:

Names	Relationship
上海凱萊英檢測技術有限公司 Shanghai Asymchem Laboratories Testing Technology Co., Ltd ("Shanghai Asymchem Technology")	Subsidiary of an associate of the Group
有濟(天津)醫藥科技有限公司 Youji (Tianjin) Pharmaceutical Technology Co., Ltd	Subsidiary of an associate of the Group
天津有濟醫藥科技發展有限公司 Yugen Medtech	Associate
天津海河凱萊英生物醫藥產業創新投資基金(有限合夥) Tianjin Haihe Asymchem Biomedical Industry Innovation Investment Fund (Limited Partnership) ("Haihe Asymchem Fund")	Associate
天津海河凱萊英醫療健康產業投資基金合夥企業(有限合夥) Tianjin Haihe Asymchem Medical and Health Industry Investment Fund Partnership Enterprise (Limited Partnership) ("Haihe Asymchem Medical and Health Fund")	Associate
Asymchem Laboratories, Incorporated ("ALAB")	Parent company

15. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties:

(i) Due from related parties included in trade receivables, contract assets and prepayments

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Youji (Tianjin) Pharmaceutical Technology Co., Ltd	894	532
Yugen Medtech	4	–
Total	898	532

(ii) Due to related parties included in trade and other payables

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Youji (Tianjin) Pharmaceutical Technology Co., Ltd	1,304	1,330
ALAB*	113,982	–
Total	115,286	1,330

* As of June 30, 2025, dividend payables due to ALAB were recorded in other payables and accruals, which were paid in July 2025 subsequently.

The amount due to a related party is unsecured, interest-free and repayable on demand.

(c) Other transactions with related parties:

(i) Sales to a related party

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Youji (Tianjin) Pharmaceutical Technology Co., Ltd	357	162

(ii) Purchases from related parties

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Youji (Tianjin) Pharmaceutical Technology Co., Ltd	1,630	2,463
Shanghai Asymchem Technology	–	31
Total	1,630	2,494

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Short term employee benefits	13,398	14,530
Pension scheme contributions	1,121	1,123
Equity-settled share incentive scheme	8,503	9,296
Total compensation paid to key management personnel	23,022	24,949

15. RELATED PARTY TRANSACTIONS (Continued)

(e) Other related party transactions:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Co-investments with a related party		
Haihe Asymchem Medical and Health Fund (i)	–	240,000
Total	–	240,000

(i) Asymchem Life Science (Tianjin) Co., Ltd. ("Asymchem Life Science"), a wholly-owned subsidiary of the Group, plans to invest RMB300,000,000 as a limited partner in Haihe Asymchem Medical and Health Fund. Asymchem Life Science will hold 39.79% of the total capital of Haihe Asymchem Medical and Health Fund. The General Partner of Haihe Asymchem Medical and Health Fund is Haizunchuang (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) ("Haizunchuang"), and the actual controller of Tianjin Zunji Private Equity Fund Management Co., Ltd., the executive partner of Haizunchuang is Ms. Tu Zhiwei, the spouse of Mr. Wang Qingsong, who served as the Company's former independent director and resigned in March 2024.

16. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

30 June 2025 (Unaudited)

Financial assets

	Financial assets at fair value through profit or loss		
	Mandatorily designated as such RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Trade and bills receivables	–	1,980,992	1,980,992
Financial assets included in prepayments, other receivables and other assets	–	614,591	614,591
Financial assets at fair value through profit or loss	825,561	–	825,561
Cash and cash balances	–	6,794,304	6,794,304
Total	825,561	9,389,887	10,215,448

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade and bill payables	483,510
Financial liabilities included in other payables and accruals	375,607
Lease liabilities	330,776
Total	1,189,893

16. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

30 June 2024 (Unaudited)

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		
	Mandatorily designated as such RMB'000	Equity investments RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Equity investments at fair value through other comprehensive income	–	35,761	–	35,761
Trade and bills receivables	–	–	1,483,415	1,483,415
Financial assets included in prepayments, other receivables and other assets	–	–	588,266	588,266
Financial assets at fair value through profit or loss	2,196,265	–	–	2,196,265
Cash and cash balances	–	–	5,678,924	5,678,924
Total	2,196,265	35,761	7,750,605	9,982,631

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables	386,966
Financial liabilities included in other payables and accruals	349,571
Lease liabilities	164,892
Total	901,429

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	**30 June 2025 RMB'000 (Unaudited)**	31 December 2024 RMB'000 (Audited)
Financial assets				
Financial assets at fair value through profit or loss	**662,671**	1,539,809	**662,671**	1,539,809
An unlisted investment fund	**162,890**	157,762	**162,890**	157,762
Total	**825,561**	1,697,571	**825,561**	1,697,571

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, financial assets included in prepayments, deposits and other receivables, trade payables, and financial liabilities included in other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

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.

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

The Group invests in unlisted investments, which represent wealth management products issued by banks. The Group has estimated the fair values 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.

For the unlisted investment fund measured at fair value through profit or loss, management assessed the fair value based on the net asset value of the investment fund. Since the underlying unlisted equity portfolio was diversified and each underlying equity investment was immaterial to the Group, no fair value disclosure has been made for the underlying equity investments in the investment fund. Management has estimated the potential effect of using reasonably possible alternatives to be immaterial.

The carrying amounts of all the Group's financial instruments are equal to or reasonably approximate to fair values.

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

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
Financial assets at fair value through profit or loss	–	662,671	–	662,671
An unlisted investment fund	–	–	162,890	162,890
Total	–	662,671	162,890	825,561

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
Financial assets at fair value through profit or loss	–	1,539,809	–	1,539,809
An unlisted investment fund	–	–	157,762	157,762
Total	–	1,539,809	157,762	1,697,571

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

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

The movements in fair value measurements within Level 3 during the year are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Equity investments at fair value through profit or loss		
At 1 January	**157,762**	130,476
Changes in fair value	**5,128**	286
Purchases	**–**	27,000
Total	**162,890**	157,762

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Equity investments at fair value through profit or loss		
At 1 January	**–**	30,488
Changes in fair value	**–**	2,512
Disposals	**–**	(33,000)
Total	**–**	–

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

For the six months ended 30 June 2025, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2024: Nil).

18. EVENTS AFTER THE REPORTING PERIOD

There was no significant event after the reporting period.

DEFINITIONS AND GLOSSARIES

In this interim report, the following expressions have the meanings set out below unless the context otherwise requires. These terms and their definitions may not correspond to any industry standard definition and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as the Company.

"2020 Restricted A Share Incentive Scheme"	the 2020 Restricted A Share Incentive Scheme of the Company adopted at the Shareholders' meeting held on 9 July 2020
"2022 ESOP"	the 2022 Employee Share Ownership Plan of the Company adopted at the fifth extraordinary general meeting of 2022
"2024 Profit Distribution Plan"	profit distribution plan for the year ended 31 December 2024
"2025 A Share Scheme"	the 2025 A Share Restricted Share Incentive Scheme of the Company adopted at the first extraordinary general meeting of 2025, the first A Shares class meeting and the first H Shares class meeting on 3 April 2025
"H Share Restricted Share Scheme"	the H Share Restricted Share Scheme of the Company adopted at the first extraordinary general meeting of 2025, the first A Shares class meeting and the first H Shares class meeting on 3 April 2025
"ADC"	the antibody-drug conjugate
"AI"	artificial intelligence
"ALAB"	Asymchem Laboratories, Incorporated, a limited liability company incorporated in the United States on 27 November 1995, which is a controlling shareholder of the Company
"APC"	allophycocyanin
"API"	active pharmaceutical ingredient
"Articles of Association"	the articles of association of the Company, as amended from time to time
"A Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 per share, which are listed for trading on the Shenzhen Stock Exchange and traded in Renminbi
"Audit Committee"	the audit committee of the Board
"Big Pharma"	big pharmaceutical companies

"Biotech Companies" or "Biotech Clients"	biotechnology companies/biotechnology clients
"BLA"	Biologics License Application, a request made to the U.S. FDA for permission to introduce, or deliver for introduction, of a biological product into interstate commerce in the United States
"Board"	the board of directors of the Company
"CBTI"	Center of Biological Technology and Innovation
"CDMO"	Contract Development Manufacturing Organization, a company that mainly provides CMC, drug development and drug manufacturing services in the pharmaceutical industry
"CEO" or "Chief Executive Officer"	the chief executive officer of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
"Chairperson of the Board"	the chairperson of the board of directors of the Company
"China" or the "PRC"	the People's Republic of China, but for the purpose of this interim report and for geographical reference only, any references to "China" and the "PRC" in this interim report do not apply to Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"CMC"	chemical, manufacturing and control, an important and detailed section detailing the characteristics of a therapeutic and its manufacturing and quality testing process in a dossier used to support clinical studies and marketing applications
"Company", "our Company", "the Company", "Asymchem" or "Asymchem Laboratories (Tianjin) Co., Ltd. (凱萊英醫藥集團(天津)股份有限公司)"	Asymchem Laboratories (Tianjin) Co., Ltd. (凱萊英醫藥集團(天津)股份有限公司), a company established under the laws of the PRC as an enterprise legal person on 8 October 1998, the A Shares of which are listed on the Shenzhen Stock Exchange and the H Shares of which are listed on the Hong Kong Stock Exchange
"CSRC"	China Securities Regulatory Commission
"CRO"	Contract Research Organization
"Director(s)"	the director(s) of our Company

DEFINITIONS AND GLOSSARIES

"EHS"	integrated management of health, safety and environment
"ESG"	environmental, social and governance
"FAT"	factory acceptance testing
"Global Offering"	the Hong Kong public offering and the international offering of the Shares
"GLP-1"	glucagon-like peptide-1
"GMP" or "cGMP"	Good Manufacturing Practice or current Good Manufacturing Practice
"Group", "our Group", "we", "us", or "our"	our Company and its subsidiaries
"Haihe Asymchem Fund"	Tianjin Haihe Asymchem Biomedical Industry Innovation Investment Fund (Limited Partnership) (天津海河凱萊英生物醫藥產業創新投資基金(有限合夥)), a limited partnership established under the laws of the PRC
"Haihe Asymchem Medical and Health Fund"	Tianjin Haihe Asymchem Medical and Health Industry Investment Fund Partnership Enterprise (Limited Partnership) (天津海河凱萊英醫療健康產業投資基金合夥企業(有限合夥))
"HK$" or "HKD"	Hong Kong dollars and cents, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended or supplemented from time to time
"Hong Kong Stock Exchange" or "HKEx"	The Stock Exchange of Hong Kong Limited
"HTS"	high throughput screening
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China or clinical trial notification
"LNP"	lipid nanoparticle
"mAb"	monoclonal antibody
"MNC"	multinational corporation

"mRNA"	messenger ribonucleic acid
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
"NDA"	new drug application
"NMPA"	National Medical Products Administration
"OEB5"	Occupational Exposure Band 5
"PPQ"	process performance qualification
"Prospectus"	the prospectus of the Company dated 30 November 2021
"QA"	quality assurance
"R&D"	research and development
"Reporting Period"	the six months ended 30 June 2025
"RMB" or "Renminbi"	the lawful currency of the PRC
"RNA"	ribonucleic acid
"RSU(s)"	Restricted Share Unit(s)
"SFO"	Securities and Futures Ordinance of Hong Kong
"Shareholder(s)"	shareholder(s) of the Company
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each
"Shenzhen Stock Exchange"	The Shenzhen Stock Exchange
"Supervisor(s)"	the supervisor(s) of the Company
"Teda"	Tianjin Economic-Technological Development Area

DEFINITIONS AND GLOSSARIES

"United Kingdom" or "U.K."	the United Kingdom of Great Britain and Northern Ireland, commonly known as the United Kingdom (UK) or Britain, its territories, its possessions, and all areas subject to its jurisdiction
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "USD"	United States dollars, the lawful currency of the United States of America
"U.S. FDA" or "FDA"	the United States Food and Drug Administration
"Yugen Medtech"	Tianjin Yugen Medtech Co., Ltd. (天津有濟醫藥科技發展有限公司)

In this interim report, unless otherwise indicated, the terms "affiliate", "associate", "associated corporation", "connected person", "controlling shareholder", "subsidiary" and "substantial shareholders" shall have the meanings given to such terms in the Hong Kong Listing Rules.

Unless otherwise defined herein, capitalized terms used in this interim report shall have the same meanings as those defined in the Prospectus.