LUYE PHARMA GROUP LTD.
绿叶制药集团有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 02186)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Revenue decreased by RMB179.0 million or 5.6% to RMB3,002.1 million, as compared to the six months ended 30 June 2025.
- Gross profit decreased by RMB255.3 million or 11.8% to RMB1,902.3 million, as compared to the six months ended 30 June 2025, and gross profit margin was 63.4%.
- Net profit increased by RMB23.4 million or 6.5% to RMB380.8 million, as compared to the six months ended 30 June 2025.
- Profit attributable to shareholders increased by RMB77.6 million or 24.8% to RMB390.5 million, as compared to the six months ended 30 June 2025.
- EBITDA increased by RMB47.0 million or 3.9% to RMB1,251.2 million, as compared to the six months ended 30 June 2025.
- Basic earnings per share was RMB9.78 cents compared to RMB8.32 cents for the six months ended 30 June 2025.
- No interim dividend was proposed by the Board for the six months ended 30 June 2026.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Luye Pharma Group Ltd. (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period of 2025, as follows:

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***RMB'000***	*RMB'000*
REVENUE	*4*	**3,002,079**	3,181,110
Cost of sales		**(1,099,821)**	(1,023,501)
Gross profit		**1,902,258**	2,157,609
Other income and gains		**456,626**	197,797
Selling and distribution expenses		**(800,151)**	(1,018,816)
Administrative expenses		**(325,011)**	(315,486)
Other expenses		**(397,879)**	(212,982)
Finance costs	*6*	**(304,280)**	(338,460)
Share of profits and losses of associates		**(16,153)**	(12,022)
PROFIT BEFORE TAX	*5*	**515,410**	457,640
Income tax expense	*7*	**(134,611)**	(100,257)
PROFIT FOR THE PERIOD		**380,799**	357,383
Attributable to:			
Owners of the parent		**390,494**	312,886
Non-controlling interests		**(9,695)**	44,497
		380,799	357,383
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic (RMB)		**9.78 cents**	8.32 cents
Diluted (RMB)		**2.56 cents**	8.32 cents

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
PROFIT FOR THE PERIOD	**380,799**	357,383
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**129,491**	68,464
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(11,128)**	(65)
Income tax effect	**92**	9
	(11,036)	(56)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**118,455**	68,408
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**499,254**	425,791
Attributable to:		
Owners of the parent	**509,027**	381,319
Non-controlling interests	**(9,773)**	44,472
	499,254	425,791

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**4,878,046**	4,973,420
Right-of-use assets		**309,950**	329,429
Goodwill		**1,033,791**	1,075,187
Other intangible assets		**6,674,540**	6,783,397
Investment in a joint venture		**2,709**	13,348
Investments in associates		**1,421,817**	1,788,066
Equity investments designated at fair value through other comprehensive income		**1,830**	2,424
Prepayments, other receivables and other assets		**456,910**	761,046
Financial assets at fair value through profit or loss		**1,695,349**	1,792,548
Deferred tax assets		**101,264**	73,782
Total non-current assets		**16,576,206**	17,592,647
CURRENT ASSETS			
Inventories		**1,108,397**	956,540
Trade and notes receivables	*10*	**3,291,809**	3,258,857
Prepayments, other receivables and other assets		**564,696**	2,141,506
Financial assets at fair value through profit or loss		**2,047,943**	2,003,561
Restricted cash		**–**	5,266
Pledged deposits		**2,569,764**	1,375,422
Time deposits with original maturity of over three months		**500,000**	1,000,000
Cash and cash equivalents		**8,215,927**	4,491,540
Total current assets		**18,298,536**	15,232,692
CURRENT LIABILITIES			
Trade and notes payables	*11*	**1,036,748**	1,153,235
Other payables and accruals		**1,476,271**	1,776,032
Interest-bearing loans and borrowings	*12*	**9,161,566**	6,694,099
Convertible bonds	*13*	**537,455**	–
Government grants		**14,828**	13,778
Tax payable		**358,825**	298,666
Total current liabilities		**12,585,693**	9,935,810
NET CURRENT ASSETS		**5,712,843**	5,296,882
TOTAL ASSETS LESS CURRENT LIABILITIES		**22,289,049**	22,889,529

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	As at 30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Convertible bonds	13	**1,148,536**	1,065,326
Interest-bearing loans and borrowings	12	**1,139,116**	1,657,857
Government grants		**308,739**	280,216
Employee defined benefit obligation		**4,319**	4,558
Pillar Two tax liabilities		**29,192**	26,236
Deferred tax liabilities		**32,480**	493
Exchangeable preference shares		**557,136**	897,553
Other non-current liabilities		**1,491,956**	598,236
Total non-current liabilities		**4,711,474**	4,530,475
Net assets		**17,577,575**	18,359,054
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**518,839**	518,839
Share premium		**5,064,088**	5,064,088
Equity component of convertible bonds		**256,487**	386,362
Reserves		**9,741,548**	10,103,265
		15,580,962	16,072,554
Non-controlling interests		**1,996,613**	2,286,500
Total equity		**17,577,575**	18,359,054

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 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 2025.

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 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

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

(a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) *Annual Improvements to IFRS Accounting Standards* – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

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

For the six months ended 30 June 2026 (Unaudited)

	Oncology drugs *RMB'000*	Cardio-vascular system drugs *RMB'000*	Alimentary tract and metabolism drugs *RMB'000*	Central nervous system drugs *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue						
Sales of products	**792,202**	**734,220**	**192,172**	**984,785**	**176,332**	**2,879,711**
Sales of product know-how	**–**	**–**	**–**	**75,000**	**–**	**75,000**
Provision of research and development services	**4,735**	**–**	**–**	**–**	**3,641**	**8,376**
Out-licensing agreements	**38,992**	**–**	**–**	**–**	**–**	**38,992**
Total revenue	**835,929**	**734,220**	**192,172**	**1,059,785**	**179,973**	**3,002,079**
Segment results	**420,105**	**202,038**	**71,245**	**369,247**	**39,463**	**1,102,107**
Other income and gains						**456,626**
Administrative expenses						**(325,011)**
Other expenses						**(397,879)**
Finance costs						**(304,280)**
Share of profits and losses of associates						**(16,153)**
Profit before tax						**515,410**

For the six months ended 30 June 2025 (Unaudited)

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

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026 (Unaudited) *RMB'000*	2025 (Unaudited) *RMB'000*
Revenue from contracts with customers	**3,002,079**	3,181,110

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2026 (Unaudited)

	Oncology drugs *RMB'000*	Cardio-vascular system drugs *RMB'000*	Alimentary tract and metabolism drugs *RMB'000*	Central nervous system drugs *RMB'000*	Others *RMB'000*	Total *RMB'000*
Type of goods or services						
Sales of products	**792,202**	**734,220**	**192,172**	**984,785**	**176,332**	**2,879,711**
Sales of product know-how	**–**	**–**	**–**	**75,000**	**–**	**75,000**
Provision of research and development services	**4,735**	**–**	**–**	**–**	**3,641**	**8,376**
Out-licensing agreements	**38,992**	**–**	**–**	**–**	**–**	**38,992**
Total	**835,929**	**734,220**	**192,172**	**1,059,785**	**179,973**	**3,002,079**
Geographical markets						
Chinese mainland	**832,071**	**696,185**	**189,316**	**486,669**	**179,973**	**2,384,214**
Other countries	**3,858**	**38,035**	**2,856**	**573,116**	**–**	**617,865**
Total	**835,929**	**734,220**	**192,172**	**1,059,785**	**179,973**	**3,002,079**
Timing of revenue recognition						
Transferred at a point in time	**831,194**	**734,220**	**192,172**	**1,059,785**	**178,566**	**2,995,937**
Transferred over time	**4,735**	**–**	**–**	**–**	**1,407**	**6,142**
Total	**835,929**	**734,220**	**192,172**	**1,059,785**	**179,973**	**3,002,079**

For the six months ended 30 June 2025 (Unaudited)

	Oncology drugs *RMB'000*	Cardio-vascular system drugs *RMB'000*	Alimentary tract and metabolism drugs *RMB'000*	Central nervous system drugs *RMB'000*	Others *RMB'000*	Total *RMB'000*
Type of goods or services						
Sales of products	1,003,783	693,009	180,244	824,826	135,332	2,837,194
Sales of product know-how	280,000	–	–	–	–	280,000
Provision of research and development services	9,904	–	–	–	4,594	14,498
Out-licensing agreements	1,518	–	–	42,625	5,275	49,418
Total	1,295,205	693,009	180,244	867,451	145,201	3,181,110
Geographical markets						
Chinese mainland	1,269,529	689,104	178,818	279,042	145,201	2,561,694
Other countries	25,676	3,905	1,426	588,409	–	619,416
Total	1,295,205	693,009	180,244	867,451	145,201	3,181,110
Timing of revenue recognition						
Transferred at a point in time	1,285,301	693,009	180,244	867,451	143,467	3,169,472
Transferred over time	9,904	–	–	–	1,734	11,638
Total	1,295,205	693,009	180,244	867,451	145,201	3,181,110

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Cost of products sold	**1,094,500**	1,012,825
Write-down of inventories to net realisable value	**7,584**	10,284
Impairment of trade receivables, net	**(474)**	7,302
Impairment of financial assets included in prepayments, other receivables and other assets, net	**(9,597)**	(2,842)
Depreciation of items of property, plant and equipment	**218,213**	203,351
Amortisation of other intangible assets	**193,032**	189,893
Depreciation of right-of-use assets	**20,291**	14,894
Auditor's remuneration	**2,877**	2,877
Research and development costs	**256,888**	193,417
Foreign exchange differences, net	**66,344**	(114,025)
Share-based payment expense	**4,027**	6,637
Donation	**2,275**	1,754
Changes in fair value of exchangeable preference shares	**(314,782)**	–
Loss on redemption of convertible bonds	**57,525**	–
(Gain)/loss on disposal of non-current assets	**(135)**	1,396

6. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest on bank loans and borrowings (including convertible bonds)	**219,761**	300,804
Interest on exchangeable preference shares	**24,490**	–
Interest on discounted notes receivable	**26,561**	26,707
Interest on discounted letters of credit	**11,374**	9,275
Interest on other non-current liabilities	**20,632**	–
Interest on lease liabilities	**1,462**	1,674
Total	**304,280**	338,460

7. INCOME TAX EXPENSE

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

The major components of income tax expense during the six months ended 30 June 2026 and 2025 are:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current income taxes (excluding Pillar Two income taxes)	**127,150**	52,869
Pillar Two income taxes – Current tax	**2,956**	–
Deferred tax	**4,505**	47,388
Total tax charge for the period	**134,611**	100,257

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. The Group will account for the additional Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted and been in effect as at 30 June 2026 in certain jurisdictions in which the Group operates, such as Australia, Germany, Hong Kong, Malaysia, Singapore, Switzerland, United Arab Emirates and United Kingdom.

The Group has performed an assessment of its exposure to Pillar Two income taxes based on the information available for the six months ended 30 June 2026. As such, the information used may not be entirely representative of the actual circumstances in 2026. Based on the assessment carried out so far, the Group has identified potential exposure from the subsidiaries in respect of profits earned in Bermuda and Switzerland where the Pillar Two effective tax rate is below 15%. The Group continues to follow Pillar Two legislative developments and monitor its operation performance to evaluate the potential future impact of Pillar Two income taxes on its financial statements.

8. DIVIDEND

No interim dividend was declared by the Company for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,994,515,953 (2025: 3,761,670,643) outstanding during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the exchangeable preference shares' interests and fair value changes. 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 exercise or 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	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**390,494**	312,886
Fair value changes of exchangeable preference shares	**(314,782)**	–
Interest on exchangeable preference shares	**24,490**	–
Interest on convertible bonds	**80,853**	151,295
Profit attributable to ordinary equity holders of the parent before the impacts of exchangeable preference shares and convertible bonds	**181,055***	464,181

	Number of shares	
	2026	2025
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	**3,994,515,953**	3,761,670,643
Effect of dilution – weighted average number of ordinary shares:		
Exchangeable preference shares	**(77,376,751)**	–
Convertible bonds	**334,068,550**	288,793,032
Total	**4,251,207,752***	4,050,463,675

* Because the diluted earnings per share amount is increased when taking convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic earnings per share for the period and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share amounts are based on the profit for the period of RMB100,202,000 and the weighted average number of ordinary shares of 3,917,139,202 outstanding during the period.

10. TRADE AND NOTES RECEIVABLES

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Trade receivables	**3,018,265**	2,854,765
Notes receivable	**280,376**	411,458
	3,298,641	3,266,223
Impairment	**(6,832)**	(7,366)
Net carrying amount	**3,291,809**	3,258,857

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

The notes receivable are due within twelve months. As at 30 June 2026, notes receivable of RMB27,831,000 (31 December 2025: RMB97,974,000) were classified as financial assets at fair value through other comprehensive income under IFRS 9. The fair value changes of these notes receivable at fair value through other comprehensive income were insignificant for the six months ended 30 June 2026. The remaining notes receivable of RMB252,545,000 (31 December 2025: RMB313,484,000) were measured at amortised cost.

As at 30 June 2026, trade receivables of RMB1,029,044,000 (31 December 2025: Nil) were pledged to secure certain of the Group's other borrowings.

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

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Within 3 months	**2,234,250**	2,300,015
3 to 6 months	**116,910**	117,074
6 to 12 months	**661,987**	413,765
1 to 2 years	**4,258**	23,065
Over 2 years	**860**	846
Total	**3,018,265**	2,854,765

11. TRADE AND NOTES PAYABLES

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Trade payables	**505,644**	563,818
Notes payable	**531,104**	589,417
Total	**1,036,748**	1,153,235

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

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Within 3 months	**879,509**	828,905
3 to 6 months	**136,478**	287,787
6 to 12 months	**7,229**	11,221
1 to 2 years	**5,838**	17,207
Over 2 years	**7,694**	8,115
Total	**1,036,748**	1,153,235

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

As at 30 June 2026, the Group's notes payable were secured by certain of the Group's deposits amounting to RMB370,613,000 (31 December 2025: RMB506,347,000).

The maturity of notes payable is within twelve months.

12. INTEREST-BEARING LOANS AND BORROWINGS

30 June 2026 (Unaudited)

	Effective Interest rate (%)	**Maturity**	***RMB'000***
Current			
Bank loans – secured	1.80~5.70	2026~2027	3,637,351
Current portion of long-term bank loans – secured	2.95~4.32	2026~2027	372,267
Current portion of long-term HK$1,031,294,000 bank loan – secured	1 MTH HIBOR	2027	335,106
Other borrowings – secured	7.50~9.50	2027	495,000
Current portion of long-term other borrowings – secured	5.10~6.00	2026~2027	564,971
Discounted notes receivable	0.73~4.20	2026~2027	2,544,677
Discounted letters of credit	1.50~3.35	2026~2027	1,174,394
Lease liabilities	2.80~7.52	2026~2027	37,800
Total – current			9,161,566
Non-current			
Bank loans – secured	2.80~5.80	2027~2029	330,970
HK$1,031,294,000 bank loan – secured	1 MTH HIBOR	2028	560,625
Long-term other borrowings – secured	5.10~6.00	2027~2029	230,840
Lease liabilities	2.80~7.52	2027~2028	16,681
Total – non-current			1,139,116
Total			10,300,682

31 December 2025 (Audited)

	Effective Interest rate (%)	Maturity	*RMB'000*
Current			
Bank loans – secured	2.30~5.40	2026	3,380,718
Current portion of long-term bank loans – secured	3.10~4.60	2026	767,713
Current portion of long-term HK$1,263,545,000 bank loan – secured	1 MTH HIBOR	2026	224,517
Current portion of long-term other borrowings – secured	5.10~6.00	2026	234,434
Discounted notes receivable	0.75~4.85	2026	1,192,518
Discounted letters of credit	1.38~2.95	2026	858,880
Lease liabilities	2.80~7.52	2026	35,319
Total – current			6,694,099
Non-current			
Bank loans – secured	2.96~4.32	2027~2029	328,926
HK$1,263,545,000 bank loan – secured	1 MTH HIBOR	2027~2028	916,717
Long-term other borrowings – secured	5.10~6.00	2027~2028	377,525
Lease liabilities	2.80~7.52	2027~2028	34,689
Total – non-current			1,657,857
Total			8,351,956

Notes:

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

(i) the pledge of certain of the Group's deposits of RMB308,152,000 (31 December 2025: RMB225,792,000);

(ii) the pledge of certain of the Group's property, plant and equipment, which had a net carrying value at the end of the reporting period of approximately RMB717,869,000 (31 December 2025: RMB741,541,000);

(iii) the pledge of certain of the Group's right-of-use assets, which had a net carrying value at the end of the reporting period of approximately RMB26,403,000 (31 December 2025: RMB27,252,000); and

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

(b) Certain of the Group's other borrowings from financial institutions are secured by:

(i) the pledge of certain of the Group's property, plant and equipment, which had a net carrying value at the end of the reporting period of approximately RMB384,222,000 (31 December 2025: RMB236,710,000);

(ii) the pledge of certain of the Group's trade receivable amounting to RMB1,029,044,000 (31 December 2025: Nil);

(iii) the pledge of certain of the Group's subsidiaries' shares; and

(iv) the guarantee provided by the controlling shareholder.

13. CONVERTIBLE BONDS

2023 convertible bonds

On 6 July 2023, the Company issued 6.25 per cent convertible bonds with an aggregate principal amount of US$180,000,000. The bonds are convertible at the option of the bondholders into ordinary shares with the initial conversion price of HK$4.88 per share any time on or after 16 August 2023 and up to the close of business on the date falling ten days prior to 6 July 2028. On 6 July 2026, the holder of each bond will have the right at such holder's option, to require the Company to redeem all or only some of the bonds at their principal amount, together with interest accrued but unpaid. Any convertible bonds not converted will be redeemed on 6 July 2028 at its principal amount together with accrued but unpaid interest thereon. The bonds carry interest at a rate of 6.25 per cent per annum, which is payable semi-annually in arrears on 6 January and 6 July.

On 11 June 2026, convertible bonds with an aggregate principal amount of US$89,740,000 were redeemed at 100.00 per cent of their principal amount. After the completion of the redemption, the outstanding principal amount of the existing convertible bonds is US$90,260,000 as at 30 June 2026.

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

The convertible bonds above issued during the year have been split into the liability and equity components as follows:

	RMB'000
Nominal value of convertible bonds issued during the year	1,297,764
Equity component	(386,362)
Direct transaction costs attributable to the equity component	(7,134)
Direct transaction costs attributable to the liability component	(16,396)
Liability component at the issuance date	887,872
Interest expense	65,025
Exchange realignment	(15,022)
Liability component at 31 December 2023	937,875
Interest expense	143,200
Interest paid	(79,908)
Exchange realignment	14,376
Liability component at 31 December 2024	1,015,543
Interest expense	153,863
Interest paid	(80,675)
Exchange realignment	(23,405)
Liability component at 31 December 2025	1,065,326
Redemption	(530,217)
Interest expense	74,251
Interest paid	(39,472)
Exchange realignment	(32,433)
Liability component at 30 June 2026	537,455

2026 convertible bonds

On 10 June 2026, the Company issued 5.25 per cent convertible bonds with an aggregate principal amount of US$180,000,000. The bonds are convertible at the option of the bondholders into ordinary shares with the initial conversion price of HK$2.71 per share any time on or after 10 June 2027 and up to the close of business on the date falling ten days prior to 10 June 2031. On 10 June 2031, the holder of each bond will have the right at such holder's option, to require the Company to redeem all or only some of the bonds at their principal amount, together with interest accrued but unpaid. Any convertible bonds not converted will be redeemed on 10 June 2031 at its principal amount together with accrued but unpaid interest thereon. The bonds carry interest at a rate of 5.25 per cent per annum, which is payable semi-annually in arrears on 10 June and 10 December.

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

The convertible bonds above issued during the year have been split into the liability and equity components as follows:

	RMB'000
Nominal value of convertible bonds issued during the year	1,226,340
Equity component	(62,749)
Direct transaction costs attributable to the equity component	(990)
Direct transaction costs attributable to the liability component	(18,065)
Liability component at the issuance date	1,144,536
Interest expense	4,406
Exchange realignment	(406)
Liability component at 30 June 2026	1,148,536

14. RELATED PARTY TRANSACTIONS

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

Company	Relationship
Steward Cross Pte. Ltd. ("**Steward Cross**")	Associate
Luye Pharma Venture Capital ("**LPVC**")	Joint venture
Yantai Painuo Biotech Co., Ltd. ("**Yantai Painuo**")	Controlled by the controlling shareholder
Shandong International Biotechnology Development Co., Ltd. ("**Biotech Park Development**")	Controlled by the controlling shareholder
Qingdao Luye Shanghe Pharmaceutical Technology Co., Ltd. ("**Qingdao Luye**")	Controlled by the controlling shareholder
Sairun (Shanghai) Medical Technology Co., Ltd. ("**Shanghai Sairun**")	Controlled by the controlling shareholder
Shanghai Luye Dima Medical Investment Management Co., Ltd. ("**Shanghai Dima**")	Controlled by the controlling shareholder
Yantai Luchuang Biotechnology Co., Ltd. ("**Yantai Luchuang**")	Controlled by the controlling shareholder
Shandong Asford Biotechnology Co., Ltd. ("**Shandong Asford**")	Controlled by the controlling shareholder

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

	Notes	For the six months ended 30 June 2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
Sales of products to:			
Steward Cross	*(i)*	**2,950**	4,197
Qingdao Luye	*(i)*	**4,671**	3,185
Sales of equipment to:			
Shandong Asford	*(ii)*	**–**	1,483
Lease buildings and equipment to:			
Yantai Painuo	*(iii)*	**1,236**	1,915
Provision of manufacturing service to:			
Yantai Painuo	*(iii)*	**581**	660
Lease and property management service from:			
Biotech Park Development	*(iii)*	**3,352**	1,419
Payment on behalf by:			
Biotech Park Development	*(iv)*	**1,349**	2,881
Repayment to:			
Biotech Park Development	*(iv)*	**567**	5,621
Payment on behalf of:			
Yantai Painuo	*(iv)*	**4,034**	–
Yantai Luchuang	*(iv)*	**1,400**	–
Shanghai Sairun	*(iv)*	**419**	–
Repayment from:			
Yantai Luchuang	*(iv)*	**906**	–

Notes:

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

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

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

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

(b) Other transactions with related parties:

During the period, other borrowings of RMB495,000,000 from a financial institution was guaranteed by the controlling shareholder.

(c) Outstanding balances with related parties:

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Other receivables		
Yantai Painuo**	**49,400**	43,499
Qingdao Luye	**5,789**	511
Steward Cross	**308**	348
LPVC*#	**83,150**	423,797
Shandong Asford	**8,000**	7,753
Shanghai Sairun*	**1,312**	893
Shanghai Dima*	**–**	264
Yantai Luchuang*	**1,400**	906
Total	**149,359**	477,971
Other payables		
Biotech Park Development*	**2,821**	3,030

* The balances were non-trade in nature.

** As at the end of the reporting period, the outstanding balance of RMB18,939,000 (2025: RMB17,523,000) was trade in nature and RMB30,461,000 (2025: RMB25,976,000) was non-trade in nature.

The balance as at 31 December 2025 included refundable capital contribution from LPVC, which was refunded in 2026.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

The Group is an international pharmaceutical company dedicated to developing, manufacturing, and selling innovative medications. With R&D centers in China and Europe, the Group is an international leader in novel drug delivery systems such as microspheres, liposomes, and transdermal patches. It also has multiple innovative products in two categories: new chemical entities and antibodies.

The Group has 8 manufacturing facilities worldwide, which follow the internationally accepted, GMP-compliant quality management and control systems. To date, the Group has launched over 50 products in oncology, the central nervous system, cardiovascular and other therapeutic areas. It conducts business in over 80 countries and regions, including major pharmaceutical markets such as China, the U.S., Europe, and Japan, and also including fast-growing emerging markets.

During the six months ended 30 June 2026 (the "**Reporting Period**") and up to the date of this announcement, the Group has persisted in its "innovation-driven" and "internationalization" development strategy and has made remarkable achievements in all aspects of R&D, sales and marketing, business collaborations and manufacturing.

Market Positioning and Key Products

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

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

Revenue from CNS therapeutic area increased by 22.2% to RMB1,059.8 million. Revenue from cardiovascular system therapeutic area increased by 5.9% to RMB734.2 million. Revenue from metabolism therapeutic area increased by 6.7% to RMB192.2 million. Revenue from other area increased by 24.0% to RMB180.0 million. During the Reporting Period, the Group's revenue from oncology therapeutic area decreased by 35.5% to RMB835.9 million.

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

Key products related to oncology therapeutic area

Lipusu (力撲素)

Lipusu is the only marketed paclitaxel liposome for injection in the world. Its unique formulation allows it to target tumors and lymph nodes and have a longer half-life, making the drug more potent in killing tumor cells, and also safer and better-tolerated. Since its launch, the drug has been widely recognized by physicians and patients in clinical practice, and has also been recommended by multiple authoritative guidelines and consensuses for its efficacy and safety. Lipusu has been included in the China's National Reimbursement Drug List ("**NRDL**") for all indications.

Boyounuo (博優諾)

Boyounuo (BA1101, bevacizumab injection) is an anti-VEGF humanized monoclonal antibody injection and a biosimilar to Avastin independently developed by Boan Biotech, a subsidiary of the Company. It has been approved for marketing by the National Medical Products Administration ("**NMPA**") in China in April 2021. As of the date of this announcement, Boyounuo has been approved for 6 indications (mCRC, advanced metastatic or recurrent non-small cell lung cancer, recurrent glioblastoma, epithelial ovarian, fallopian tube or primary peritoneal cancer, cervical cancer and hepatocellular carcinoma) and all its indications have been included in the NRDL. In addition, Boyounuo has also been approved for marketing in Macau SAR in May 2025. Apart from China, it is also under Biologics License Application ("**BLA**") review in Brazil.

Baituowei (百拓維)

Baituowei (goserelin microspheres for injection) is the world's only marketed formulation of long-acting goserelin microspheres. It is indicated for treating prostate cancer in patients requiring androgen deprivation therapy (ADT) and for treating breast cancer in premenopausal and perimenopausal women who can be treated with hormones. Developed on the Group's leading microsphere platform, the drug boasts an upgraded formulation and an improved injection method that balance efficacy, safety, and patient experience, offering a more convenient option for clinical use. The Group and BeiGene Ltd. ("**BeiGene**") (NASDAQ: BGNE; HKEX: 06160; SSE: 688235) are working together to commercialize this product in China. The drug has been included in the NRDL for all indications.

Zepzelca (贊必佳)

Zepzelca is a selective inhibitor of oncogenic transcription. Whilst inhibiting oncogenic transcription and inducing tumor cell apoptosis, it also modulates the microenvironment for tumors to further exert its anti-tumor effects. In December 2024, Zepzelca has been approved by NMPA of China for marketing through the priority review program. The drug is indicated for the treatment of adult patients with metastatic small cell lung cancer ("**SCLC**") with disease progression on or after platinum-based chemotherapy. Zepzelca is now a Grade I recommendation for second-line treatment of extensive-stage SCLC in the 2025 CSCO Guidelines for the Diagnosis and Treatment of SCLC. The drug is also endorsed by international guidelines from NCCN, ESMO, and others, making it a new standard second-line treatment of SCLC. The drug has been included in the 2025 edition of the Commercial Insurance Innovative Drug List.

The drug has also been approved by the U.S. Food and Drug Administration ("**FDA**") through its Accelerated Approval Program in 2020. It has been the only new chemical entity approved by the FDA for the treatment of relapsed SCLC in nearly 29 years since 1997. The Group has been granted the rights to develop and commercialize this drug in mainland China, Hong Kong, and Macao, and has received marketing approval for the drug in these three regions.

CMNa (希美納)

CMNa is sodium glycididazole, a proprietary compound that the Group prepares in injectable form and is indicated for use in connection with radiotherapy for certain solid tumours. It is a Class I New Chemical Drug and as far as the Company is aware, the only approved sensitiser for cancer radiotherapy by the NMPA in China. According to the NMPA, CMNa was the only glycididazole product available for sale as of 30 June 2026. A study conducted by an independent third party in 2009 concluded that the use of CMNa for the treatment of certain cancers increased the probability of complete or partial remission and reduced overall treatment costs.

Mimeixin (米美欣)

Mimeixin has been approved to the market by the NMPA in China for the management of severe pain (cancer pain and non-cancer pain) that can only be effectively controlled by opioids in adults in June 2024. Mimeixin is an oral sustained-release tablet combined with oxycodone and naloxone, which exerts analgesic effect through the strong opioid receptor agonist oxycodone, and due to the low oral bioavailability of naloxone, it can directly bind to gastrointestinal opioid receptors to combat oxycodone-induced constipation without affecting the analgesic effect. In addition, Mimeixin employs proprietary drug-locking technology to prevent the grinding, extraction, and conversion of oxycodone, thereby deterring drug abuse. Additionally, naloxone, by antagonizing the activity of oxycodone, can prevent users from experiencing euphoria and induce precipitated withdrawal, a mechanism of action that allows Mimeixin to further mitigate the risk of abuse. The drug has been included in the 2025 NRDL for the first time.

Key products related to CNS therapeutic area

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

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

Ruoxinlin (若欣林)

Ruoxinlin (Toludesvenlafaxine Hydrochloride Extended-Release Tablets), as a new chemical entity, has been approved to the market by the NMPA in China for treating MDD in November 2022. As far as the Company is aware, it is the first class 1 innovative chemical drug with independent intellectual property rights for the treatment of MDD developed by a local company in China. Ruoxinlin could comprehensively and stably improve depressive symptoms, including significantly reducing anxiety and retardation/fatigue, relieving anhedonia, improving cognition, and facilitating faster social recovery of patients. Further, the drug does not cause somnolence and has no significant impacts on sexual functioning, bodyweight, and lipid metabolism, demonstrating a favorable safety profile and good tolerability. Ruoxinlin has been included in the NRDL. In January 2026, NMPA has accepted the New Drug Application ("**NDA**") for Ruoxinlin for the new indication of generalized anxiety disorder ("**GAD**").

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

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

Rykindo (瑞可妥)

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

Erzofri or Ruibailai (瑞百萊)

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

Ruibailai (paliperidone palmitate injection (II)) is approved in China for treating patients with schizophrenia in the acute and maintenance phases. It has been included in the 2025 NRDL for the first time.

Meibirui (美比瑞)

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

Key products related to cardiovascular therapeutic area

Xuezhikang (血脂康)

Xuezhikang is the Group's proprietary natural medicine derived from red yeast rice indicated for hypercholesterolaemia. According to the NMPA, the Group was the only Xuezhikang manufacturer in China as of 30 June 2026. According to IQVIA, the market for lipid regulating drugs in China was estimated to be approximately RMB9.4 billion in the six months of 2026. According to IQVIA, Xuezhikang ranked as the most popular natural medicine for the treatment of hypercholesterolaemia in China in the six months of 2026.

Maitongna (麥通納)

Maitongna is sodium aescinate in injectable form and is indicated for the treatment of cerebral edema and edema caused by trauma or surgery as well as for the treatment of venous reflux disorder. According to IQVIA, the market for vasoprotective pharmaceutical products in China was estimated to be approximately RMB1.9 billion in the six months of 2026. Maitongna was the second best-selling domestically manufactured sodium aescinate product in China and ranked as the third most-used vasoprotective pharmaceutical product domestically manufactured in China in the six months of 2026.

Oukai (歐開)

As far as the Company is aware, Oukai is the only oral aescinate tablet in China to contain sodium salt and is widely used to treat soft tissue swelling and venous edema caused by various reasons. According to IQVIA, Oukai was ranked as the best-selling vasoprotective pharmaceutical product domestically manufactured in China in the six months of 2026.

Key products related to metabolism therapeutic area

BeiXi (貝希)

BeiXi is acarbose in capsule form and is indicated for lowering blood glucose in patients with type 2 diabetes mellitus. According to the NMPA, the Group was the only manufacturer of acarbose in capsule form in the six months of 2026. According to IQVIA, the market for acarbose products in China was estimated to be approximately RMB0.7 billion in the six months of 2026 and BeiXi ranked as the second most popular acarbose product domestically manufactured in China in the six months of 2026.

Boyouping (博優平)

Boyouping (BA5101, dulaglutide injection) is a long-acting glucagon-like peptide-1 (GLP-1) receptor agonist and a biosimilar to Trulicity independently developed by Boan Biotech, a subsidiary of the Company. It has been approved for marketing in China in August 2025 for glycemic control in adults with type 2 diabetes. Boan Biotech is partnering with Shanghai Pharmaceutical Co., Ltd. ("**Shaphar**") to commercialize this drug in the Chinese mainland. It has been included in the NRDL. The commercialization rights of this product have been licensed to partners in multiple countries and regions worldwide. In May 2026, BA5101 has officially received marketing approval in Macao SAR for glycemic control in adults with type 2 diabetes. In June 2026, Boan Biotech entered into a licensing agreement for the United States rights of BA5101. Under the agreement, the partner will be responsible for the commercialization of BA5101 in the U.S. market, including the submission of the BLA and sales, and Boan Biotech will receive an upfront payment, milestone payments, and sales-based commissions.

Key products related to other therapeutic area

Boyoubei (博優倍)

Boyoubei (BA6101, 60mg denosumab injection) is a human immunoglobulin G2 monoclonal antibody of the RANK ligand and the first biosimilar to Prolia independently developed by Boan Biotech. It has been approved for marketing by the NMPA in China for the treatment of postmenopausal women with osteoporosis at high risk for fracture in November 2022. It has been included in the NRDL and Boan Biotech has granted Qingdao Conson Pharmaceutical Co., Ltd. ("**Qingdao Conson**") the exclusive right to commercialize Boyoubei in Chinese mainland. Boyoubei has also been approved for marketing in Macau SAR in May 2025. The commercialization rights of this product have been licensed to partners in multiple countries and regions worldwide. In November 2025, the Marketing Authorization Application ("**MAA**") for BA6101 has been accepted by the MHRA in the UK and the application is under review. In January 2026, BA6101 has been approved for marketing by the Agencia Estatal de Medicamentos y Tecnologías en Salud ("**AGEMED**") in Bolivia. In May 2026, the BLA for BA6101 was submitted to the FDA, and in July 2026, the FDA has accepted this BLA.

Boyoujing (博優景)

Boyoujing (BA9101, aflibercept intravitreous injection) is a recombinant human vascular endothelial growth factor receptor antibody fusion protein ophthalmic injection and a biosimilar to Eylea. Aflibercept is widely used as a first-line treatment for wet nAMD, DME, Macular Edema Following Retinal Vein Occlusion (RVO), Diabetic Retinopathy (DR), Visual Impair due to Myopic Choroidal Neovascularization (mCNV) and Retinopathy of Prematurity (ROP) worldwide, and its future market is promising driven by the demand in the clinical practice. It has been approved for marketing in China in November 2025 for wet nAMD and DME in adults. Boan Biotech has granted Ocumension Therapeutics (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with stock code: 1477) an exclusive right to promote and commercialize BA9101 in Chinese mainland. It has been included in the NRDL. The commercialization rights of this product have been licensed to partners in multiple countries and regions worldwide. In August 2026, Boan Biotech submitted a BLA for BA9101 to the Brazilian Health Regulatory Agency ("**ANVISA**"), intended for the treatment of neovascular (wet) age-related macular degeneration ("**nAMD**") and diabetic macular edema ("**DME**") in adults.

Research and Development

The Group's R&D activities are organised around four platforms in the chemical drug sector – long acting and extended-release technology, liposome and targeted drug delivery, transdermal drug delivery systems and new compounds. The Group has expanded its R&D capability to biological sector supported by Boan Biotech's four cutting-edge platforms, namely Human Antibody Transgenic Mouse Technology Platform, Bispecific/Multi-specific/Probody Technology Platform, Antibody Drug Conjugate ("**ADC**") Technology Platform and Artificial Intelligence/Big Data Application Platform. The Group balances clinical development risks by strategically allocating its resources between proprietary formulations of proven compounds and new chemical entities as well as biosimilars and novel biologics. The Group believes that its R&D capabilities will be the driving force behind the Group's long-term competitiveness, as well as the Group's future growth and development.

As of 30 June 2026, the Group's R&D team consisted of 570 employees, including 61 Ph.D. degree holders and 280 master's degree holders in medical, pharmaceutical and other related areas. As of 30 June 2026, the Group had been granted over 246 patents and had over 75 pending patent applications in the PRC, as well as over 566 patents and over 118 pending patent applications overseas.

The Group will continue to invest the products in two strategic therapeutic areas – oncology and CNS. As of 30 June 2026, the Group had 28 PRC pipeline product candidates in various stages of development. These candidates included 15 oncology products, 8 CNS products and 5 other products. Also, the Group had 15 pipeline product candidates in the U.S., Europe and Japan in various stages of development.

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

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

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

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

- In January 2026, NMPA has accepted the NDA for Ruoxinlin for the new indication of GAD.

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

Through the Group's AI-enabled drug design platform, the Group designed LY03015, a small-molecule drug with a novel structure, which addresses the safety risks posed by existing therapeutic drugs and effectively targets VMAT2 and Sigma-1R. This allows LY03015 to achieve both symptom control and pathological modification. On the one hand, by inhibiting VMAT2 transport function, LY03015 reduces presynaptic dopamine (DA) release, which reduces DA binding to postsynaptic D2 receptors and therefore alleviates symptoms. On the other hand, by activating Sigma-1R, LY03015 promotes the release of brain-derived neurotrophic factor (BDNF) and synaptic remodeling, repairing damaged cortico-striatal synaptic connections which is expected to help sustain symptom relief and reduce disease recurrence rate.

- In April 2026, the first subject has been enrolled in a U.S. pharmacokinetic (PK) bridging clinical trial of LY03015, and in August 2026, this trial has been completed. The U.S. bridging clinical study was an open-label, single-dose, parallel-group study designed to evaluate the pharmacokinetics, safety and tolerability of LY03015 following a single 20 mg oral dose in healthy Chinese and Caucasian subjects. A total of 12 healthy Chinese subjects and 12 healthy Caucasian subjects participated in the study, and the results showed the following: 1) no difference in the pharmacokinetics of LY03015 was observed between Caucasian and Chinese subjects; 2) overall safety and tolerability were favorable, with all treatment-emergent adverse events (TEAEs) being mild in severity and no serious adverse events (SAEs) being reported; and 3) safety and tolerability were notably more favorable in Caucasian subjects than in Chinese subjects, with TEAE incidence rates of 33.3% and 83.3%, respectively. The study demonstrated that the pharmacokinetics of LY03015 are comparable between Caucasian and Chinese subjects, while its safety and tolerability are more favorable for Caucasian subjects. Based on the results of the phase II clinical trial in China, the Group plans to adopt a simplified dosing regimen for patients enrolled in its planned efficacy clinical trial in the U.S. Compared with the dose-titration regimens commonly adopted in current clinical practice, LY03015 is expected to demonstrate a differentiated market value proposition in terms of efficacy, onset of action and dosing convenience.

- In June 2026, a Phase 2 clinical trial in China evaluating its LY03015 in patients with TD has been completed with positive results and has met its primary endpoint. The Phase 2 clinical study conducted in China was a multicenter, randomized, double-blind, placebo-controlled, parallel-group study designed to evaluate the efficacy and safety of LY03015 in patients with TD. A total of 121 patients with moderate or severe TD participated in the study and were divided into four groups, randomized in a 1:1:1:1 ratio to receive one of three doses of LY03015 (5 mg, 10 mg, or 20 mg) or placebo. LY03015 was administered for six consecutive weeks, followed by a two-week follow-up period after discontinuation. The results showed the following: 1) Superior efficacy against historical benchmarks: the AIMS response rates in the three treatment groups demonstrated a clear dose-response relationship, ranging from 25.9% to 76.5%. Both the 10 mg and 20 mg groups showed statistically significant differences compared with the placebo ($p<0.01$). Notably, the response rate in the 20 mg group was 76.5%, which is nearly double the historical data from double-blind, controlled, registrational clinical trials of current first-line therapeutic drugs; 2) Rapid and significant improvement in TD symptoms: for the primary endpoint, the change from baseline in the total score of AIMS items 1–7 at the end of week 6 was evaluated. All three treatment groups achieved a mean reduction of more than 4 points (least-squares (LS) mean: 4.0 to 4.7), with statistically significant differences compared with the placebo group ($p< 0.05$); 3) Following treatment cessation, patients exhibited minimal symptom rebound. Across all three treatment groups, the AIMS total score maintained an approximate 3-point improvement from baseline (range: from 2.9 to 3.9), indicating a clinically meaningful sustained benefit; 4) Favorable safety and tolerability profile: no treatment-related serious adverse events (SAEs) were reported. Common adverse events (AEs) included somnolence, akathisia, and dizziness. The vast majority of AEs were mild to moderate in severity and generally resolved or improved. Crucially, no treatment-related QT prolongation events were reported across the active treatment groups.

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

LY03017 is a next-generation dual-target investigational drug which acts as a 5-HT$_{2A}$R inverse agonist and a 5-HT$_{2C}$R antagonist to modulate dopamine-related neural pathways. It is designed to reduce abnormal neural activities associated with hallucinations and delusions, having the potential to improve key symptoms of ADP and PDP. In addition, the drug also has the potential to improve cognitive impairments associated with insufficient dopaminergic signaling in the prefrontal cortex and alleviate negative symptoms such as apathy.

Results from a Phase I clinical trial conducted in China showed that LY03017 was generally safe and well tolerated in both healthy adults and seniors. All observed adverse events were mild to moderate, and no serious treatment-emergent adverse events (TEAEs) were observed. Based on its human pharmacokinetics (PK), LY03017 was rapidly absorbed following oral administration, exhibited a linear PK profile, and reached steady state after approximately three days of repeated dosing.

- In April 2026, the first subject has been enrolled in the Phase 2 clinical trial of LY03017 in China for the treatment of ADP.

LY03020: *a next generation antipsychotic and the first dual-target agonist against both the trace amine associated receptor 1 (TAAR1) and the 5-HT_{2C}R in the world independently developed by the Group.*

Developed on the Group's New Chemical Entity/New Therapeutic Entity (NCE/NTE) platform, LY03020 is a next-generation antipsychotic targeting both TAAR1 and 5-HT_{2C}R, rather than the serotonin 1A receptor (5-HT_{1A}R), which is known to desensitize after four to six weeks of continuous activation, leading to a gradual loss of therapeutic efficacy. TAAR1 is primarily expressed on the presynaptic membrane, and its activation reduces the release of monoamine neurotransmitters such as dopamine (DA) and serotonin (5-HT) into the synaptic cleft, which helps improve the core symptoms of schizophrenia. The activation of 5-HT_{2C}R further lowers the release of neurotransmitters like 5-HT, contributing to improved control of negative symptoms, while modulating neuronal firing to enhance the management of positive symptoms. In addition, it also helps reduce metabolic syndrome such as weight gain and abnormal glucose/lipid levels.

In early-stage studies, LY03020 demonstrated a promising efficacy and safety profile. Specifically, preclinical studies showed that the drug could significantly improve the positive and negative symptoms of schizophrenia and the cognitive impairments associated with it. Compared with representative investigational and commercially available drugs, LY03020 has shown pronounced efficacy without noticeable risks for EPS, metabolic syndrome such as weight gain and abnormal glucose/lipid levels, or gastrointestinal adverse reactions. In addition, LY03020 was well-tolerated and demonstrated a favorable safety profile in the Phase I clinical trial conducted in China. All treatment-emergent adverse events were mild to moderate, with zero occurrences of EPS or serious adverse events.

- In April 2026, the first subject has been enrolled in the Phase 2 clinical trial of LY03020 in China for the treatment of schizophrenia.

R&D progress for Boan Biotech's products candidates

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

It has been approved for marketing by the NMPA in China for the treatment of postmenopausal women with osteoporosis at high risk for fracture in November 2022 and has also been approved for marketing in Macau SAR in May 2025. In November 2025, the MAA for BA6101 has been accepted by the MHRA in the UK and the application is under review.

- In January 2026, BA6101 has been approved for marketing by AGEMED in Bolivia.

- In May 2026, the BLA for BA6101 was submitted to the FDA, and in July 2026, the FDA has accepted this BLA. The BLA seeks approval for all indications currently approved for the reference drug product: BA6101 for the treatment of conditions related to osteoporosis.

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

*It has been approved for marketing by the NMPA in China for the treatment of giant cell tumor of bone ("**GCTB**") that is unresectable or where surgical resection is likely to result in severe morbidity in adults and skeletally mature adolescents (defined as having at least one mature long bone and with body weight ≥45 kg) in May 2024. In May 2026, Boluojia has been approved by the NMPA for the treatment of patients with bone metastases from solid tumors or multiple myeloma, to delay or reduce the risk of skeletal-related events (SREs), which include pathological fractures, spinal cord compression, and bone-directed radiation or surgery. Boluojia has also been approved for marketing in Macau SAR in May 2025. In November 2025, the MAA for BA1102 has been accepted by the MHRA in the UK and the application is under review.*

- In May 2026, Boluojia has been approved by the NMPA for the treatment of patients with bone metastases from solid tumors or multiple myeloma, to delay or reduce the risk of skeletal-related events (SREs), which include pathological fractures, spinal cord compression, and bone-directed radiation or surgery. These are the new indications approved for Boluojia.

- In May 2026, the BLA for BA1102 was submitted to the FDA, and in July 2026, the FDA has accepted this BLA. The BLA seeks approval for all indications currently approved for the reference drug product: BA1102 for the treatment of conditions related to bone metastases from solid tumors, multiple myeloma, giant cell tumor of bone, and hypercalcemia of malignancy.

Boyouping (BA5101, dulaglutide injection): *a long-acting glucagon-like peptide-1 (GLP-1) receptor agonist and a biosimilar to Trulicity independently developed by Boan Biotech.*

It has been approved for marketing in China for glycemic control in adults with type 2 diabetes in August 2025.

- In May 2026, BA5101 has officially received marketing approval in Macao SAR for glycemic control in adults with type 2 diabetes.

Boyoujing (BA9101, aflibercept intravitreous injection): *a recombinant human vascular endothelial growth factor receptor antibody fusion protein ophthalmic injection and a biosimilar to Eylea.*

It has been approved for marketing in China in November 2025 for wet nAMD and DME in adults.

- In August 2026, Boan Biotech submitted a BLA for BA9101 to ANVISA in Brazil, intended for the treatment of nAMD and DME in adults.

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

BA1106 is the first investigational non-IL-2-blocking anti-CD25 (IL-2R-alpha) antibody in China to initiate clinical trials for the treatment of solid tumors. With "moderate" ADCC activity and a unique binding epitope design, BA1106 selectively targets CD25-overexpressing Tregs. While depleting Tregs, it expands effector T cell (Teff) populations and preserves IL-2 signaling, thereby enhancing anti-tumor immune responses and demonstrating potential for the treatment of multiple solid tumors.

- In April 2026, the Center for Drug Evaluation ("**CDE**") accepted the phase II clinical trial application of BA1106 in combination with BA1104 as first-line or second-line regimens for non-small cell lung cancer ("**NSCLC**"), and in July 2026, the CDE has cleared the phase II clinical trial. The phase II clinical trial is a multicenter, single-arm, open-label study designed to evaluate the efficacy, safety, and pharmacokinetic (PK) profile of BA1106 in combination with BA1104 in patients with driver gene-negative NSCLC.

BA1301: *an ADC candidate that targets Claudin 18.2 independently developed by Boan Biotech.*

*BA1301 for injection is Boan Biotech's first novel ADC candidate that targets Claudin 18.2. It utilizes C-Lock site-specific conjugation to link the tubulin inhibitor payload, Duostatin-5, with a CLDN18.2-targeting monoclonal antibody. This enables the precise delivery of the cytotoxic payload to tumors, maximizing the anti-tumor activity while reducing the off-target toxicity and widening the therapeutic window. In addition, the bystander effect of the ADC further enhances its efficacy against heterogeneous tumors in gastric cancer and other GI malignancies. BA1301 has been granted the Orphan Drug Designations ("**ODD**") by the FDA for the treatment of gastric cancer (including cancer of gastroesophageal junction) and pancreatic cancer.*

- In May 2026, updated phase I clinical data for BA1301 were presented at the 2026 ASCO Annual Meeting. As of the data cutoff date of 22 December 2025, 91 patients had received at least one dose of BA1301. Key findings include: (i) BA1301 demonstrated potential in treating multiple types of solid tumors, including gastric and biliary tract tumors. In patients with medium-to-high CLDN18.2 expression treated with BA1301 at doses ≥1.6 mg/kg, the objective response rate (ORR) reached 29% for gastric cancer, 30% for biliary tract cancer, 14% for pancreatic cancer, and 33% for gynecological malignancies. Notably, one patient with biliary tract cancer achieved a partial response (PR) who had received the treatment for more than 16 months and is still receiving the treatment; (ii) BA1301 exhibited good safety and tolerability. Incidences of hematological and gastrointestinal adverse events and their severity were low. Treatment-related anemia and decreased neutrophil counts (≥Grade 3) occurred in 4.4% and 2.2% of the patients, respectively. Treatment-related vomiting and nausea (≥Grade 3) occurred in 3.3% and 2.2% of the patients, respectively. Treatment-related serious adverse events (SAE) occurred in 14.3% of the patients, and no treatment-related deaths were observed; (iii) BA1301 demonstrated excellent molecular stability enabled by C-Lock site-specific conjugation. At a dose of 2.0 mg/kg, the area under the curve (AUC) for Duostatin-5 was approximately 0.002% of the total antibody and 0.005% of the intact ADC. This indicated low payload dissociation in plasma and robust molecular stability in circulation, further confirming the superiority of the conjugation method.

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

CD228 is highly expressed in various solid tumors, including melanoma, breast cancer, non-small cell lung cancer, mesothelioma, colorectal cancer and pancreatic cancer, with low expression in normal tissues, making CD228 an ideal target. BA1302 employs a cleavable hydrophilic linker to conjugate the cytotoxic payload MMAE to an anti-CD228 monoclonal antibody via the cysteines in hinge region. This enables the antibody to specifically deliver the payload into the tumor tissues, exerting anti-tumor effects while reducing the toxicity and expanding the therapeutic window. BA1302 has been granted the ODD by the FDA for the treatment of squamous non-small-cell lung cancer (sqNSCLC) and pancreatic cancer, respectively. In June 2025, BA1302 has also been approved by the FDA to initiate clinical trials in the U.S.

- In August 2026, Boan Biotech has completed the phase 1a of the phase 1 clinical trial. As of 1 August 2026, the phase 1a portion of the trial had evaluated seven dose levels ranging from 0.2 mg/kg to 3.6 mg/kg. A total of 36 subjects with different types of advanced solid tumors were enrolled in the trial. 31 of them were treated at a dose level of 2.0 mg/kg or higher. Among all the subjects enrolled in the trial, 83.3% of them had metastases in two or more organs, 66.7% of them had received at least two lines of prior treatment, and most of them had experienced disease progression following treatments with chemotherapy, targeted therapy or immunotherapy. Data from the Phase 1a trial showed that: 1) Preliminary anti-tumor activity was observed in multiple types of solid tumors. Partial Responses (PRs) were observed in subjects with triple-negative breast cancer, esophageal carcinoma, melanoma, and cervical cancer. Specifically, one of the two subjects with triple-negative breast cancer achieved a PR, one of the three subjects with CD228-positive esophageal cancer achieved a PR, one of the twelve subjects with melanoma treated at a dose of 2.0 mg/kg or higher achieved a PR, and the only subject with cervical cancer achieved a PR. These results are indicative of the preliminary efficacy of BA1302. At present, overall progression-free survival (PFS) and overall survival (OS) data remain immature; 2) BA1302 demonstrated a favorable overall safety and tolerability profile. Common treatment-related adverse events (TRAEs) were hematologic toxicities and changes in liver enzyme levels. The vast majority of TRAEs were mild to moderate in severity (Grade 1 to 2 according to CTCAE v5.0) and improved or resolved with appropriate treatment. Following the phase 1a trial, Boan Biotech will proceed to the phase 1b dose-expansion trial to further evaluate the potential of BA1302 against key cancer types.

BA1203: *a masked anti-PD-1/IL-2 fusion protein independently developed by Boan Biotech.*

*BA1203 is a next-generation immuno-oncology ("**IO**") therapy intended to treat multiple solid tumors. To the knowledge of the Company, BA1203 is poised to become the first masked PD-1/IL-2 antibody-cytokine prodrug retaining alpha-subunit binding activity to enter clinical trials in China.*

*BA1203 leverages the dual mechanism of action of a PD-1 antibody and an IL-2 cytokine, aiming to simultaneously achieve immune checkpoint blockade and localized immune activation within the tumor microenvironment ("**TME**"). Through a masked design, the IL-2 prodrug selectively activates within the TME to amplify local anti-tumor immunity while minimizing cytokine activity in peripheral tissues to mitigate systemic toxicity risks. Concurrently, the molecule features a high-affinity, bivalent PD-1 targeting architecture, which enhances pathway blockade and enables precise delivery of IL-2 to PD-1-positive tumor-infiltrating T cells. BA1203 features a symmetric molecular structure, which improves molecular stability and the controllability of manufacturing process.*

Preclinical studies show that BA1203 exhibits a differentiated profile in terms of PD-1 binding, immune pathway blockade, and immune activation within the TME. BA1203 demonstrated superior anti-tumor activity that significantly outperformed existing PD-1/PD-L1 antibodies across multiple tumor models where such checkpoint inhibitors were ineffective or exhibited limited activity. In tumor-bearing mouse models, BA1203 demonstrated superior efficacy compared to the competitor in the same class, while exhibiting a more favorable safety profile driven by tumor-dependent activation. Crucially, while enhancing localized intratumoral immune activation, BA1203 maintains low peripheral toxicity; studies involving cynomolgus monkeys demonstrate its favorable safety and tolerability profile.

- In July 2026, the CDE accepted the IND application for BA1203.

BA2201: *a bispecific antibody targeting TL1A and IL23p19 independently developed by Boan Biotech.*

Its potential indications include inflammatory bowel disease, psoriasis, and psoriatic arthritis, etc. The antibodies in BA2201 were selected based on their high activity and low immunogenicity, thereby enhancing BA2201's prospects for successful development. The anti TL1A antibody, derived from the BA-huMab platform, binds to a unique epitope and exhibits excellent neutralizing activity. Its bispecific design, incorporating a novel 1+1 format and Fc engineering for half-life extension, exhibits favorable developability and potent efficacy both in vitro and in vivo. The data from the in vitro and in vivo immunogenicity assay demonstrated a low immunogenicity risk for BA2201. BA2201 also shows long half-life in Cynomolgus Monkeys, supporting the expectation of a dosing frequency of once every 3 months in human. In addition, the successful development of a high-concentration formulation for BA2201 allows for convenient subcutaneous administration.

- In August 2026, the CDE accepted the IND application for BA2201.

Sales, Marketing and Business Collaborations

For global market

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

During the Reporting Period and up to the date of this announcement, we have remarkable business progress in relation to our products in overseas market as below:

- In January 2026, Boyoubei (BA6101) has been approved for marketing by AGEMED in Bolivia.

- In June 2026, the share of major institutional clients for ERZOFRI hit a new record high. ERZOFRI continues its strong commercial momentum in the U.S. market.

For China market

The Group has established an extensive nationwide sales and distribution network and sold its products to 31 provinces, autonomous regions and municipalities throughout the PRC as of 30 June 2026. The Group's sales, marketing and distribution functions are conducted through around 1,000 sales and marketing personnel, a network of approximately 1,770 distributors that collectively enabled the Group to sell its products to over 22,600 hospitals, which comprised approximately 2,320 or approximately 89.5% of all Class III hospitals, approximately 6,100 or approximately 67.2% of all Class II hospitals and approximately 14,180 or approximately 65.0% of all Class I and other hospitals and medical institutions, in the PRC as of 30 June 2026. The Group believes that its sales and marketing model, together with the extensive coverage of hospitals and other medical institutions represent a significant competitive advantage and a culmination of both academic promotions by the Group's in house personnel in different regions and partnerships with high-quality distributors across China. The Group also believes that its sales and marketing model provides a solid foundation for the Group to continue to enhance market awareness of its brand and expand the market reach of its products.

- In May 2026, BA5101 (dulaglutide injection) has officially received marketing approval in Macao SAR for glycemic control in adults with type 2 diabetes.

- In May 2026, Boluojia (BA1102, 120mg denosumab injection) has been approved by the NMPA for the treatment of patients with bone metastases from solid tumors or multiple myeloma, to delay or reduce the risk of skeletal-related events (SREs), which include pathological fractures, spinal cord compression, and bone-directed radiation or surgery. These are the new indications approved for Boluojia.

For business collaborations

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

- In March 2026, the Group entered into a strategic partnership with Sinopharm Group Co., Ltd. and its subsidiary China National Medicines Corporation Ltd.. In this partnership, the three parties will collaborate with each other across product distribution, market access, and resource coordination focusing on multiple products of the Group including Mimeixin (oxycodone hydrochloride and naloxone hydrochloride sustained-release tablets). This partnership will allow them to combine the strength of the Group in pharmaceutical products and the strength of the Sinopharm family in supply chains to expand the reach of the quality products involved in the collaboration across China. The partnership is a milestone for the Group in its ongoing efforts to build an efficient commercial system.

- In March 2026, Boan Biotech and DP Technology officially entered into a strategic cooperation to jointly build an AI for Science (AI4S)-driven innovation model of "Scientific Agent + Drug Intelligent Discovery Platform + Innovative Biopharmaceutical R&D with Novel Mechanisms". The two parties will conduct in-depth collaboration around the development of antibody drugs, ADCs, and TCE drugs, empowering new drug R&D with AI technology to further enhance development efficiency and innovation quality.

- In June 2026, Boan Biotech entered into a licensing agreement for the United States rights of BA5101 (Dulaglutide Injection). Under the agreement, the partner will be responsible for the commercialization of BA5101 in the U.S. market, including the submission of the BLA and sales, and Boan Biotech will receive an upfront payment, milestone payments, and sales-based commissions.

Manufacturing

The Group is developing a global supply chain of 8 manufacturing sites around the world, with GMP quality management and control systems established in line with international standards. For the six months ended 30 June 2026, the Group has been working on establishing a global quality control and quality assurance system as well as information platform to ensure the successful integration of the Group's global manufacturing facility system. New customers were on-boarded during the Reporting Period and their product launches were supported as per customer timelines. Significant investments in additional packaging operation capacity are now paying off by increased output as planned.

Post Results Outlook

During the Reporting Period, the Group recorded an increase of 1.5% in sales of products in the six months of 2026 compared to that of the same period in 2025. Despite certain pricing pressures on legacy products, our sales of products still have an increase based on high growth of newly approved products and R&D-related collaboration and licensing. It's worth mentioning that the Group's profit attributable to shareholders of the Company was increased by approximately 24.8% in the six months of 2026 compared to that of the same period in 2025, reflecting significant improvements in the Group's operational efficiency and product mix optimization. This notable profit growth was primarily driven by the accelerated ramp-up of newly approved products with favorable gross margin profiles, continued optimization of cost and expense structures, and the increasing revenue contribution from high-margin international markets. The Group believes that these structural improvements in its business operations, together with the ongoing commercialization of innovative products, the maturation of its product portfolio, and the expanding market presence both domestically and internationally, will underpin sustained profit growth and create a solid foundation for long-term value creation.

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

- For product launch, in the U.S., the BLAs for the two denosumab injections (BA6101 and BA1102) were accepted by the FDA for review in July 2026. These two products are expected to be approved in the U.S. in the first half of 2027. In the UK, the MAAs for BA6101 and BA1102 are under review by the MHRA, and these products are also expected to be launched in the UK in the second half of 2026. In China, NMPA has accepted the NDA for Ruoxinlin for the new indication of GAD in January 2026. This new indication is expected to be approved in the first half of 2027.

- For NDA or BLA, in China, the phase 3 clinical trial of BA1104 (Nivolumab injection) is approaching completion and the BLA of BA1104 is expected to be filed by the end of 2026.

- The Group also expects that several innovative drugs may have key progress of clinical trials or have partial data readouts. For non-Boan Biotech's pipeline, LY03015 has completed its Phase 2 clinical trial in China and its PK bridging clinical trial in the U.S. The protocol of Phase 3 clinical trial for LY03015 is expected to be confirmed in the fourth quarter of 2026. LY03017 has initiated its phase 2 clinical trial in China in the first half of 2026 and the Part A of this Phase 2 clinical trial of LY03017 indicated for ADP are expected to be completed in the first half of 2027. LY03020 has initiated its phase 2 clinical trial in China in the first half of 2026 and this Phase 2 clinical trial of LY03020 indicated for schizophrenia may also be completed in the first half of 2027. For Boan Biotech's pipeline, BA1302 has completed its Phase I monotherapy dose-escalation and will enter dose expansion. Its phased results may be disclosed at academic conference in 2027. The combination therapy of BA1106 and BA1104 may obtain the phased results and its data may be also disclosed at academic conference within 2027. BA1203's IND application has been accepted by the CDE in July 2026 and it plans to complete the first patient of the clinical trial in the fourth quarter of 2026. BA2201's IND application has been accepted by the CDE in August 2026 and it will also enter into clinical trials in the near future. In addition, BA1304 and other pre-clinical candidates may submit IND applications within the next two years.

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

In addition to the potential catalysts mentioned above, the Group remains committed to maximizing the commercial potential of its differentiated product portfolio. In China, the Group will continue to drive the rapid ramp-up and market penetration of newly approved products – including Baituowei, Zepzelca, Mimeixin, Ruoxinlin, Erzofri, Boyouping, Boyoujing, and others – through enhanced commercialization capabilities, optimized sales force deployment, and expanded market access initiatives. These products, increasingly included in the National Reimbursement Drug List (NRDL) and covered by multi-tiered health insurance programs, are expected to achieve broader patient access and accelerated volume growth. Internationally, the Group will further leverage its established commercial platforms in the United States and Europe to expand the market presence of Erzofri and rivastigmine transdermal patches, while advancing regulatory submissions and market access for upcoming product launches across additional territories. The Group's integrated global commercialization infrastructure – encompassing direct sales teams, distribution partnerships, and localized market expertise – provides a sustainable competitive advantage in capturing growth opportunities in major regulated markets. As the revenue contribution from high-margin innovative products continues to increase, the resulting improvement in product mix, combined with operational scale efficiencies and disciplined cost management, is expected to drive sustained enhancement in gross margin and overall profitability, generating higher profit growth and substantial long-term performance potential.

In terms of R&D, the Group will continue to optimize its pipeline structure and embrace emerging technologies, including artificial intelligence (AI)-assisted drug design and development, to accelerate the discovery and optimization of new molecule candidates with novel mechanisms of action. The Group will strengthen its innovative R&D layout around new targets and mechanisms, exploring frontier technologies and pursuing breakthroughs in indications and treatment paradigms where current therapies remain inadequate. Drawing on the Group's proven development and commercialization track record in central nervous system (CNS) disorders, oncology, and other major therapeutic areas, the Group is well-positioned to sustain its innovation momentum and build a differentiated, globally competitive pipeline. Over the next 12 to 18 months, the Group will progressively present additional innovative drug data at major international academic conferences. Furthermore, the Group will actively expand collaborative partnerships – both in China and internationally – with leading academic institutions, biotechnology platform companies, and multinational pharmaceutical enterprises. Through open innovation and strategic collaborations, the Group aims to foster mutual learning, leverage complementary strengths, and achieve synergistic advancement across the drug development value chain, thereby continuously enhancing the global competitiveness of its R&D platform and product portfolio.

In summary, supported by a rich array of near-term catalysts – including anticipated product approvals in the U.S. and China, key clinical data readouts across multiple pipeline assets, and ongoing business development opportunities – the Group is well-positioned for sustained growth. By simultaneously driving the rapid commercial ramp-up of new products, advancing the forward-looking and innovative R&D pipeline, and maintaining disciplined cost and expense management, the Group aims to achieve continuous improvement in profitability and operational excellence. The Group remains committed to balancing R&D investment with operational efficiency, further enhancing its earning capacity, and delivering both short-term and long-term value returns to its shareholders.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, the Group's revenue amounted to approximately RMB3,002.1 million, as compared to RMB3,181.1 million for the six months ended 30 June 2025, representing a decrease of approximately RMB179.0 million, or 5.6%. The decrease was mainly attributable to the decrease in sales of product know-how during the period.

For the six months ended 30 June 2026, revenue from oncology products decreased to RMB835.9 million, as compared to RMB1,295.2 million for the six months ended 30 June 2025, representing a decrease of approximately RMB459.3 million, or 35.5%, primarily attributable to the lower sales of some key products and product know-how of the Group.

For the six months ended 30 June 2026, revenue from cardiovascular system products increased to RMB734.2 million, as compared to RMB693.0 million for the six months ended 30 June 2025, representing an increase of approximately RMB41.2 million, or 5.9%, primarily attributable to the increase in sales of a few cardiovascular system products of the Group.

For the six months ended 30 June 2026, revenue from alimentary tract and metabolism products increased to RMB192.2 million, as compared to RMB180.2 million for the six months ended 30 June 2025, representing an increase of approximately RMB12.0 million, or 6.7%, primarily attributable to the increase in the sales of our key alimentary tract and metabolism product of the Group.

For the six months ended 30 June 2026, revenue from CNS products increased to RMB1,059.8 million, as compared to RMB867.5 million for the six months ended 30 June 2025, representing an increase of approximately RMB192.3 million or 22.2%, primarily attributable to the increase in sales of CNS products.

For the six months ended 30 June 2026, revenue from other products increased to RMB180.0 million, as compared to RMB145.2 million for the six months ended 30 June 2025, representing an increase of approximately RMB34.8 million, or 24.0%, primarily attributable to the increase in sales of various other products of the Group.

Cost of Sales

The Group's cost of sales increased from RMB1,023.5 million for the six months ended 30 June 2025 to approximately RMB1,099.8 million for the six months ended 30 June 2026, which accounted for approximately 36.6% of the Group's total revenue for the same period.

Gross Profit

For the six months ended 30 June 2026, the Group's gross profit decreased to RMB1,902.3 million, as compared to RMB2,157.6 million for the six months ended 30 June 2025, representing a decrease of approximately RMB255.3 million, or 11.8%. The gross profit margin decreased to 63.4% for the six months ended 30 June 2026, from 67.8% for the six months ended 30 June 2025 mainly due to the higher cost of sales.

Other Income and Gains

The Group's other income and gains mainly comprised government grants, interest income and changes in fair value of financial instruments. For the six months ended 30 June 2026, the Group's other income and gains increased to RMB456.6 million, as compared to RMB197.8 million for the six months ended 30 June 2025, representing an increase of approximately RMB258.8 million, or 130.8%. The increase was mainly attributable to changes in fair value of exchangeable preference shares during the period.

Selling and Distribution Expenses

The Group's selling and distribution expenses consisted of expenses that were directly related to the Group's marketing, promotion and distribution activities. For the six months ended 30 June 2026, the Group's selling and distribution expenses amounted to RMB800.2 million, as compared to RMB1,018.8 million for the six months ended 30 June 2025, representing a decrease of RMB218.6 million, or 21.5%. The decrease was mainly attributable to the lower promotion expenses, staff cost and conference expenses. On the other hand, as a percentage of revenue, the Group's selling and distribution expenses decreased from 32.0% for the six months ended 30 June 2025 to 26.7% for the six months ended 30 June 2026, primarily as a result of lower selling and distribution expenses during the period.

Administrative Expenses

The Group's administrative expenses primarily consisted of staff cost, general operating expenses, conference and entertainment expenses, travel and transportation expenses, depreciation, amortisation and impairment loss, auditor's remuneration, consulting expenses, bank charges, taxation and other administrative expenses. For the six months ended 30 June 2026, the Group's administrative expenses amounted to approximately RMB325.0 million, as compared to RMB315.5 million for the six months ended 30 June 2025, representing an increase of approximately RMB9.5 million, or 3.0%. The increase was primarily attributable to higher professional fees and other admin costs during the period.

Other Expenses

The Group's other expenses primarily consisted of its R&D costs, donations and miscellaneous expenses. For the six months ended 30 June 2026, the Group's other expenses amounted to approximately RMB397.9 million, as compared to RMB213.0 million for the six months ended 30 June 2025, representing an increase of approximately RMB184.9 million, or 86.8%. The increase was mainly due to higher R&D costs, loss on redemption of convertible bonds and net foreign exchange loss during the period.

Finance Costs

For the six months ended 30 June 2026, the Group's finance costs amounted to RMB304.3 million, as compared to RMB338.5 million for the six months ended 30 June 2025, representing a decrease of approximately RMB34.2 million, or 10.1%. The decrease was mainly due to lower convertible bonds interest during the six months ended 30 June 2026 as compared to the corresponding period of 2025.

Income Tax Expense

For the six months ended 30 June 2026, the Group's income tax expense amounted to RMB134.6 million, as compared to RMB100.3 million for the six months ended 30 June 2025, representing an increase of RMB34.3 million, or 34.2%. The effective tax rates for the six months ended 30 June 2026 and 2025 were 26.1% and 21.9%, respectively.

Net Profit

The Group's net profit for the six months ended 30 June 2026 was approximately RMB380.8 million, as compared to RMB357.4 million for the six months ended 30 June 2025, representing an increase of approximately RMB23.4 million, or 6.5%.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

As at 30 June 2026, the Group had net current assets of approximately RMB5,712.8 million, as compared to approximately RMB5,296.9 million as at 31 December 2025. The current ratio of the Group decreased slightly to approximately 1.45 as at 30 June 2026 from approximately 1.53 as at 31 December 2025.

Borrowings and Pledge of Assets

As at 30 June 2026, the Group had an aggregate interest-bearing loans and borrowings of approximately RMB10,300.7 million, as compared to approximately RMB8,352.0 million as at 31 December 2025. Amongst the loans and borrowings, approximately RMB9,161.6 million are repayable within one year, and approximately RMB1,139.1 million are repayable after one year. RMB8,009.4 million of the loans and borrowings of the Group carried interest at fixed interest rate. As at 30 June 2026, the Group's borrowings were primarily denominated in RMB and Hong Kong dollars, and the cash and cash equivalents were primarily denominated in RMB, Hong Kong dollars and U.S. dollars.

Gearing Ratio

As at 30 June 2026, the gearing ratio of the Group, which is calculated by dividing total borrowings by total equity, increased to 58.6% from 45.5% as at 31 December 2025. The increase was primarily due to an increase in the Group's total borrowings during the Reporting Period.

Contingent Liabilities

As at 30 June 2026, the Group had no material contingent liabilities.

Foreign Exchange and Exchange Rate Risk

The Group primarily operates in the PRC and is exposed to foreign currency risk arising from fluctuations in exchange rate between RMB and other currencies in which the Group conducts its business. The Group is subject to foreign currency risk attributable to the bank balances, trade and other receivables and payables as well as bank loans that are denominated in currencies other than RMB. The Group seeks to limit the exposure to foreign currency risk by minimising its net foreign currency position. The Group did not enter into any hedging transactions in respect of foreign currency risk as at 30 June 2026. The Directors expect that the fluctuation of the RMB exchange rate will not have a material adverse effect on the operation of the Group.

Hedging Activities

As at 30 June 2026, the Group did not use any financial instruments for hedging purposes and did not enter into any hedging transactions in respect of foreign currency risk or interest rate risk.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not hold any significant investment with a value greater than 5% of its total assets as at 30 June 2026.

The Group does not have plans for material investments or capital assets.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

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

INTERIM DIVIDEND

No interim dividend was declared by the Company for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

CORPORATE GOVERNANCE PRACTICES

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

During the six months ended 30 June 2026, the Company has complied with all the applicable code provisions set out in the CG Code, save and except for the deviation from Code Provision C.2.1 of the CG Code, which requires the roles of chairman and chief executive officer should be separate and performed by different individuals.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms meeting the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuer (the "**Model Code**") of Appendix C3 to the Listing Rules. Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code for the six months ended 30 June 2026.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities (including treasury shares) of the Company for the Reporting Period. As at 30 June 2026, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed, with the management, the accounting principles and policies adopted by the Group, and discussed the unaudited interim condensed consolidated financial statements and interim results announcement of the Group for the six months ended 30 June 2026 and recommended its adoption by the Board.

In addition, the independent auditor of the Company, Ernst & Young, has reviewed the unaudited interim results for the six months ended 30 June 2026 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.

PUBLICATION OF THE INTERIM RESULTS AND 2026 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.luye.cn), and the 2026 interim report containing all the information required by the Listing Rules will be despatched to the shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 29 August 2026

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