康诺亚
Keymed Biosciences

Keymed Biosciences Inc.
康諾亞生物醫藥科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2162)

Interim Report 2025

Contents

Definitions

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings.

"Audit Committee"	the audit committee of the Board
"BLA"	biologics license application
"Board of Directors" or "Board"	the board of Directors
"CDE"	the Center for Drug Evaluation of the National Medical Products Administration
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"Chengdu Keymed"	Keymed Biosciences (Chengdu) Co., Ltd. (康諾亞生物醫藥科技(成都)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of our Company
"China" or "PRC"	the People's Republic of China, which, for the purpose of this interim report and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"cGMP"	cGMP refers to the Current Good Manufacturing Practice regulations enforced by the FDA. cGMPs provide for systems that assure proper design, monitoring, and control of manufacturing processes and facilities. Adherence to the cGMP regulations assures the identity, strength, quality, and purity of drug products by requiring that manufacturers of medications adequately control manufacturing operations. This includes establishing strong quality management systems, obtaining appropriate quality raw materials, establishing robust operating procedures, detecting and investigating product quality deviations, and maintaining reliable testing laboratories
"Company" or "our Company"	Keymed Biosciences Inc., an exempted company with limited liability incorporated in the Cayman Islands on April 23, 2018
"CRO(s)"	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
"CSPC"	CSPC Pharmaceutical Group Limited, a company listed on the Stock Exchange (stock code: 1093), and, if the context requires, its affiliates
"Director(s)"	the director(s) of the Company or any one of them
"Dr. Chen"	Dr. Bo CHEN, the chairman of our Board, an executive Director and the chief executive officer of our Company

Definitions

"FDA"	the Food and Drug Administration of the United States
"FVTPL"	fair value through profit and loss
"Global Offering"	the offering of Shares for subscription as described in the Prospectus
"Group", "our Group", "our", "we", or "us"	the Company and its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China or the U.S.
"Independent Third Party" or "Independent Third Parties"	a person or entity who is not a connected person of the Company under the Listing Rules
"InnoCare"	Beijing InnoCare Pharma Tech Co., Ltd. (北京諾誠健華醫藥科技有限公司), a limited liability company incorporated under the laws of PRC on December 13, 2013, a subsidiary of InnoCare Pharma Limited (HKSE: 9969), and an Independent Third Party
"JMT-Bio"	Shanghai JMT-Bio Technology Co., Ltd. (上海津曼特生物科技有限公司), a wholly-owned subsidiary of CSPC
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules
"NDA"	new drug application
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
"Prospectus"	the prospectus of the Company dated June 25, 2021

Definitions

"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2025
"RMB	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) with nominal value of US$0.0001 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"2021 RSU Scheme"	the restricted share unit scheme adopted by the Board on April 5, 2021
"2022 RSU Scheme"	the restricted share unit scheme adopted by the Board on January 21, 2022
"%"	per cent

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Bo CHEN
Dr. Changyu WANG
Dr. Gang XU

Non-executive Directors

Mr. Qi CHEN
Dr. Min Chuan WANG
Mr. Yilun LIU

Independent non-executive Directors

Prof. Xiao-Fan WANG
Prof. Yang KE
Mr. Cheuk Kin Stephen LAW

AUDIT COMMITTEE

Mr. Cheuk Kin Stephen LAW *(Chairperson)*
Mr. Qi CHEN
Prof. Yang KE

REMUNERATION COMMITTEE

Prof. Xiao-Fan WANG *(Chairperson)*
Dr. Changyu WANG
Prof. Yang KE

NOMINATION COMMITTEE

Dr. Bo CHEN *(Chairperson)*
Prof. Xiao-Fan WANG
Prof. Yang KE *(appointed on March 24, 2025)*
Mr. Cheuk Kin Stephen LAW
(ceased to be a member on March 24, 2025)

JOINT COMPANY SECRETARIES

Mr. Yanrong ZHANG
(resigned on August 26, 2025)
Ms. Vivien Pak Yu TAM

AUTHORISED REPRESENTATIVES

(for the purpose of the Listing Rules)
Dr. Bo CHEN
Dr. Changyu WANG

AUDITOR

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

REGISTERED OFFICE

Floor 4, Willow House, Cricket Square
Grand Cayman KYI-9010
Cayman Islands

CORPORATE HEADQUARTERS

Building D2, No. 18 BioTown Middle Road
Chengdu Tianfu International BioTown
Sichuan, 610219
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre,
No. 248 Queen's Road East, Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Campbells Corporate Services Limited
Floor 4, Willow House, Cricket Square
Grand Cayman KY1-9010
Cayman Islands

Corporate Information

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKERS

China Minsheng Bank
China Merchants Bank

COMPANY WEBSITE

www.keymedbio.com

STOCK CODE

2162

LISTING DATE

July 8, 2021

Management Discussion and Analysis

OVERVIEW

We are a biotechnology company focused on the in-house discovery and development of innovative biological therapies in the autoimmune and oncology therapeutic areas. We have multiple clinical-stage/ commercialization-stage drug candidates, each of them being the leading contender within its respective competitive landscape.

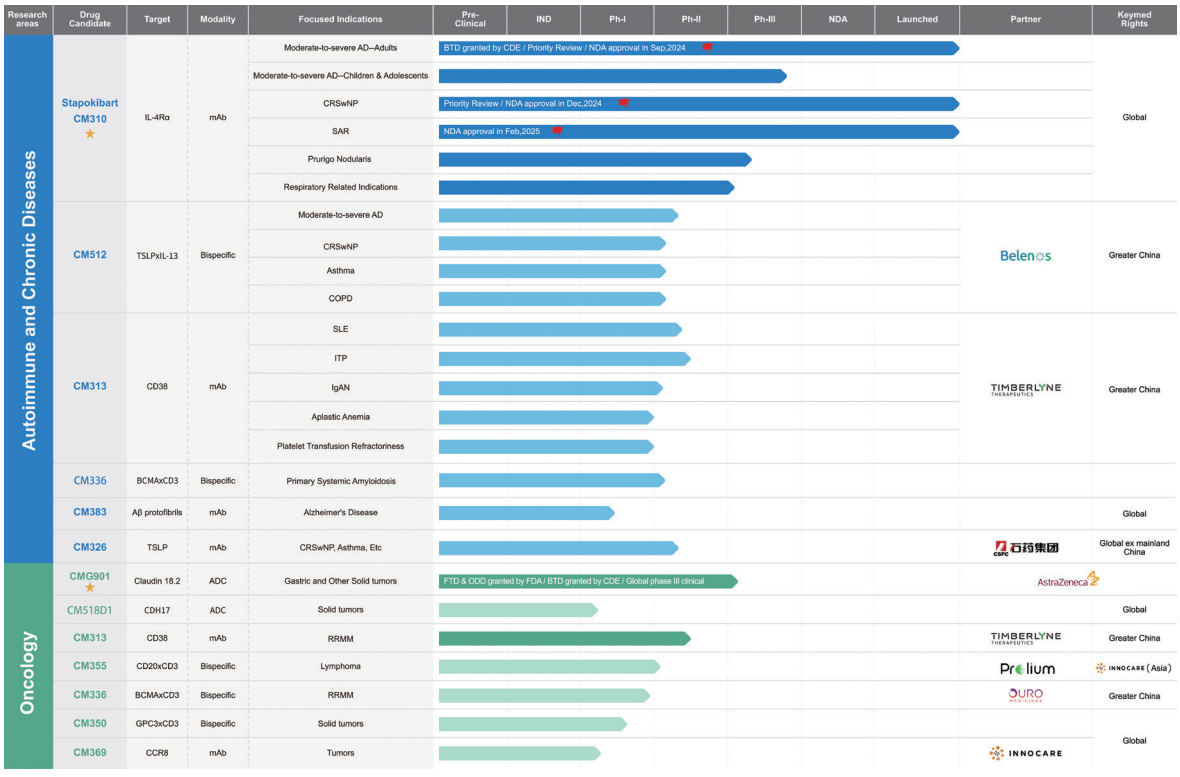
Based on a solid foundation in biomedical research, we have built in-house drug discovery and development technologies that are complemented by our collaboration with other pharmaceutical and biotechnology companies. These comprise an innovative antibody discovery platform and a proprietary novel T cell engager (nTCE) bispecific antibody platform.

To accelerate the efficiency of our research and development, we have established a fully-integrated platform encompassing all of the key functions in the biologic drug development. These include target validation, lead molecule discovery and optimization, preclinical evaluation, process development, translational research, clinical development and manufacturing. This integrated platform has enabled us to rapidly and cost-effectively identify, build, expand and advance our diversified pipeline of innovative and differentiated antibody-based therapies, including monoclonal antibodies, antibody drug conjugates (ADCs), bispecific antibodies and small nucleic acid drugs.

Product Pipeline

Our proprietary product pipeline reflects our market insight and employs the most recent scientific findings. To complement our in-house R&D efforts, we also collaborate with third parties on the development and commercialization of our drug candidates through joint ventures or out-licensing arrangements.

The following chart illustrates our pipeline and summarizes the development status of our clinical-stage drug candidates and selected IND-enabling stage drug candidates as of the end of the Reporting Period and up to the date of this report:



Management Discussion and Analysis

Abbreviations: AD = atopic dermatitis; ADC = antibody drug conjugate; AR = allergic rhinitis; CRS = chronic rhinosinusitis; CRSwNP = chronic rhinosinusitis with nasal polyps; COPD = chronic obstructive pulmonary disease; GEJ = gastroesophageal junction; IgAN = IgA nephropathy; ITP = primary immune thrombocytopenia; mAb = monoclonal antibody; MM = multiple myeloma; Ph = Phase; RRMM = relapsed or refractory multiple myeloma; SAR = seasonal allergic rhinitis

BUSINESS REVIEW

- **Stapokibart (CM310) (trade name: Kangyueda (康悦達)) (IL-4Rα antibody)**

  Stapokibart (CM310), our core product as defined under Chapter 18A of the Listing Rules, is a humanized and highly potent antibody against interleukin-4 receptor α-subunit (IL-4Rα). It is the first domestically-developed IL-4Rα antibody that received IND approval from the NMPA. By targeting IL-4Rα, Stapokibart (CM310) can lead to dual-blockade of interleukin-4 (IL-4) and interleukin-13 (IL-13) signaling. IL-4 and IL-13 are two critical cytokines for initiating type II inflammation.

  As of the date of this report, the new drug applications of Stapokibart for the treatment of moderate-to-severe atopic dermatitis (AD) in adults, chronic rhinosinusitis with nasal polyps (CRSwNP) and seasonal allergic rhinitis have been approved by the NMPA. During the Reporting Period, revenue for sales of Stapokibart amounted to approximately RMB169 million.

  On April 4, 2025, the team led by Professor Luo ZHANG (張羅) from Beijing Tongren Hospital, Capital Medical University published a breakthrough research result titled "Stapokibart for moderate-to-severe seasonal allergic rhinitis: a randomized phase 3 trial" in *Nature Medicine*, a top international journal. This is the first research result reported globally based on IL-4Rα-targeted biologics for the treatment of seasonal allergic rhinitis (SAR), and also represents a groundbreaking new achievement by Chinese scientists in the field of allergic rhinitis. This study found that for patients with moderate-to-severe SAR who remained uncontrolled after receiving conventional treatment, the novel biologic Stapokibart can significantly improve their clinical symptoms and quality of life. The study results indicated that 72% of patients cumulatively achieved nasal ventilation within 7 days; 86% and 94% of patients cumulatively achieved nasal ventilation within 2 weeks and 4 weeks, respectively. After 4 days of treatment, the daily retrospective nasal symptoms score (rTNSS) of patients in the Stapokibart group decreased by 2.7 points from baseline, of which improvement was significantly better than that of the placebo group; after 2 weeks of treatment, the daily rTNSS of patients decreased by 3.6 points from baseline, significantly lower by 1.3 points compared to the placebo group, with 62% of patients cumulatively achieving mild or no nasal symptoms (rTNSS of each symptom is ≤1 point); after 4 weeks of treatment, the daily rTNSS of patients decreased by 4.9 points from baseline, significantly lower by 1.7 points compared to the placebo group, with 84% of patients cumulatively achieving mild or no nasal symptoms. After 2 weeks and 4 weeks of treatment, the daily retrospective total ocular symptom score (rTOSS) in the Stapokibart group decreased by 2.6 points and 3.7 points from baseline, respectively, both significantly better than the placebo group, with 62% and 94% of patients cumulatively achieving mild or no ocular symptoms (rTOSS of each symptom is ≤1 point), respectively.

Management Discussion and Analysis

In addition, Stapokibart has the potential to treat various type II immunological diseases in adults, adolescents and children, including but not limited to, allergic rhinitis, prurigo nodularis, moderate-to-severe asthma, and chronic obstructive pulmonary disease (COPD). In 2025, we continuously proceeded with a randomized, double-blinded, placebo-controlled Phase III clinical study to evaluate the efficacy and safety of Stapokibart injection in adolescent subjects with moderate-to-severe AD. As of the end of the Reporting Period, we are conducting long-term safety evaluation and follow-up work for patients in this clinical study. Simultaneously, we are advancing a randomized, double-blinded, placebo-controlled Phase III clinical study to evaluate the efficacy and safety of Stapokibart in child subjects with moderate-to-severe AD, and patient enrollment is currently in progress.

Additionally, in 2025, we continuously proceeded with a randomized, double-blinded, placebo-controlled Phase III clinical study to evaluate the efficacy and safety of Stapokibart injection in subjects with prurigo nodularis. The patient enrollment has been completed in April 2025. As of the date of this report, this clinical study is currently in the patient follow-up phase.

- **CMG901/AZD0901 (Claudin 18.2 antibody drug conjugate)**

  CMG901 (AZD0901) is a Claudin 18.2-targeting ADC comprising of a Claudin 18.2-specific antibody, a cleavable linker and a toxic payload, monomethyl auristatin E (MMAE). It is the first Claudin 18.2 ADC to have received IND approval in China and the U.S. Previously, CMG901 (AZD0901) was granted the Fast Track Designation and the Orphan Drug Designation by the FDA for the treatment of relapsed/refractory gastric cancer and GEJ adenocarcinoma, and was granted breakthrough therapy designation by the CDE for the treatment of Claudin 18.2-positive advanced gastric cancer that has failed or cannot be tolerated by first-line treatment or above.

  In February 2023, AstraZeneca AB ("**AZ**") was granted an exclusive global license for research, development, registration, manufacturing, and commercialization of CMG901 (AZD0901). As of the date of this report, AZ has conducted multiple clinical studies regarding CMG901 (AZD0901) for treatments of advanced solid tumors, of which the indications include gastric cancer, pancreatic cancer and biliary tract cancer.

  In particular, AZ continuously proceeded with a Phase II, open-label, multi-center study in the first half of 2025 to evaluate the safety, tolerability, efficacy, pharmacokinetics and immunogenicity of CMG901 (AZD0901) monotherapy and in combination with other anti-tumor drugs for the treatment of patients with Claudin 18.2-positive advanced solid tumors. This study includes 3 sub-studies: Sub-study 1 evaluates the safety, tolerability and anti-tumor activity of CMG901 (AZD0901) monotherapy in patients with Claudin 18.2 expression-positive advanced or metastatic GEJ adenocarcinoma; Sub-study 2 evaluates the safety and efficacy of CMG901 (AZD0901) in combination with different chemotherapy drugs in subjects with pancreatic cancer; Sub-study 3 evaluates the safety, tolerability and anti-tumor activity of CMG901 (AZD0901) monotherapy in patients with advanced or metastatic biliary tract cancer.

  In addition, AZ continuously proceeded with another Phase III, multi-center, open-label, sponsor-blinded randomized study in the first half of 2025 to compare the safety and efficacy of CMG901 (AZD0901) monotherapy versus investigator's choice as second-line or later-line treatment of Claudin 18.2-positive adult advanced/metastatic gastric adenocarcinoma or GEJ adenocarcinoma. As of the date of this report, both of the above clinical studies are currently in the patient enrollment phase.

Management Discussion and Analysis

- **CM512 (TSLP x IL-13 bispecific antibody)**

  CM512 is a recombinant anti-thymic stromal lymphopoietin (TSLP) and anti-interleukin-13 (IL-13) bispecific antibody, targeting TSLP and IL-13 at the same time. Mechanism of action and *in vitro* drug efficacy studies have shown that CM512 has high affinity for TSLP and IL-13, blocking the binding of TSLP to thymic stromal lymphopoietin receptor (TSLPR), and blocking the binding of IL-13 to IL-13Rα1/IL-4Rα complex, and synergistically inhibits the downstream signaling pathways and effector cell activation induced by TSLP and IL-13. *In vivo* efficacy tests have shown that CM512 can effectively inhibit allergic inflammatory responses. In addition, CM512 is characterized by low immunogenicity and long half-life, which is expected to achieve better therapeutic efficacy in the clinical setting and further improve patient compliance.

  In the first half of 2025, we continuously proceeded with a randomized, double-blinded, single/multiple dose-escalation, placebo-controlled Phase I clinical study to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics and immunogenicity of CM512 in healthy subjects and patients with moderate-to-severe atopic dermatitis. As of May 2025, we have completed the healthy subject study, enrolling a total of 64 healthy subjects. Safety evaluation showed that CM512 single dose and multiple dose administrations had good safety and tolerability in healthy subjects, with no TEAEs (treatment-emergent adverse events) meeting the dose escalation termination criteria during dose escalation. Most TEAEs reported during the study were Grade 1 or Grade 2, with no SAEs (serious adverse events), TEAEs leading to delayed dosing, early termination of treatment, or early withdrawal from the study reported. Additionally, the study results showed that the half-life of CM512 in human body is significantly longer than that of the competing products, suggesting the possibility of exploring longer dosing intervals and reducing dosing frequency, which may significantly improve patient compliance.

  We initiated and proceeded with a randomized, double-blinded, placebo-controlled Phase II clinical study to evaluate the efficacy and safety of CM512 injection in subjects with moderate-to-severe atopic dermatitis, as well as a randomized, double-blinded, placebo-parallel Phase II clinical study to evaluate the safety and efficacy of CM512 injection in subjects with chronic rhinosinusitis with nasal polyps in the first half of 2025. As of the date of this report, we are conducting patient enrollment for the above two clinical trials. Furthermore, as of the date of this report, we are conducting a randomized, double-blinded, placebo-controlled Phase II clinical study to evaluate the efficacy and safety of CM512 injection in subjects with moderate-to-severe asthma and moderate-to-severe chronic obstructive pulmonary disease.

  In July 2024, Chengdu Keymed entered into a license agreement with Belenos Biosciences, Inc. ("**Belenos**"). The license agreement granted Belenos the exclusive rights to develop, manufacture, and commercialize the Group's drug candidates CM512 and CM536 globally (excluding the Greater China region). Subject to achievement of certain development, regulatory and commercial milestones, Chengdu Keymed might also receive additional payments up to US$170 million. Chengdu Keymed was also entitled to receive tiered royalties from Belenos on net sales during a specified time period beginning after the first commercial sales of CM512 and CM536. As of the date of this report, Belenos is advancing a Phase I clinical trial in the U.S. to evaluate CM512 for the treatment of asthma.

Management Discussion and Analysis

- **CM518D1 (CDH17 ADC)**

  CM518D1 is an innovative antibody drug conjugate (ADC) drug independently developed based on an ADC discovery platform that is formed by a novel sequence of recombinant humanized anti-cadherin 17 (CDH17) monoclonal antibody coupled with a novel linker-drug, to be administered by intravenous infusion for subjects with advanced solid tumors without standard treatment or with standard treatment failure. CDH17 is highly expressed in various solid tumors such as colorectal cancer, gastric cancer and pancreatic cancer. CM518D1 achieves tumor cell killing by targeting CDH17, which has the potential advantages of good anti-tumor efficacy and large safety window.

  We received approval in March 2025 to conduct a multi-center, open-label Phase I/II clinical trial to evaluate CM518D1 for the treatment of patients with advanced solid tumors. As of the date of this report, this study is in the dose-escalation phase of Phase I clinical trial.

- **CM336 (BCMA x CD3 bispecific antibody)**

  CM336 is a BCMA x CD3 bispecific antibody that can simultaneously target and identify and specifically bind both BCMA on the surface of target cells and the CD3 receptors on the surface of T cells to recruit immune T cells to the vicinity of the target cells, thereby inducing T-cell dependent cellular cytotoxicity (TDCC) to eliminate the target cells. In 2025, we continuously proceeded with a multi-center, open-label Phase I/II clinical study to assess CM336 injection for the treatment of patients with relapsed or refractory multiple myeloma. As of the date of this report, this study has completed subject enrollment. Meanwhile, we conducted an open-label, multi-center Phase II clinical study to evaluate the efficacy and safety of CM336 injection for the treatment of relapsed or refractory primary light-chain amyloidosis in 2025, and this study is currently in the patient enrollment phase.

  Furthermore, based on the clinical effects observed in multiple myeloma indications, we believe that CM336 could represent a promising new therapeutic option for autoimmune diseases by eliminating plasma cells that secrete pathogenic antibodies. On June 11, 2025, the team led by Professor Jun SHI (施均) from the Institute of Hematology and Blood Diseases Hospital, Chinese Academy of Medical Sciences (Institute of Hematology, Chinese Academy of Medical Sciences) published research results titled "BCMA-Targeted T-Cell Engager for Autoimmune Hemolytic Anemia after CD19 CAR T-Cell Therapy" online in the *New England Journal of Medicine* (IF=96.3). This study first reported the successful salvage treatment with CM336 of 2 patients with autoimmune hemolytic anemia (AIHA) who relapsed after autologous CD19 CAR-T cell therapy and failed multiple lines of treatment. In this study, the 2 AIHA patients had received multiple therapies including glucocorticoids, splenectomy, anti-CD20 antibodies, BTK inhibitors, and CD19 CAR-T cell therapies before receiving CM336 treatment, but their disease still eventually recurred or progressed to refractory status.

  The study results showed that hemolysis improved significantly in 2 patients after receiving CM336 treatment: Patient 1 achieved partial response on day 13 and hemoglobin levels returned to normal on day 17; Patient 2 achieved partial response on day 19 and complete response on day 21, without receiving any other drug treatment during the treatment period. Hemolysis indicators (reticulocyte percentage, lactate dehydrogenase, indirect bilirubin) in both patients significantly decreased and were maintained in continuous treatment-free remission during 6-month follow-up. Adverse reactions were only observed as Grade 1 skin induration and hypogammaglobulinemia, and no other serious adverse reactions were observed. No cytokine release syndrome (CRS), immune effector cell-associated neurotoxicity syndrome (ICANS) or infection events occurred, with overall good safety.

Management Discussion and Analysis

In November 2024, Chengdu Keymed and Ouro Medicines Ltd (formerly known as Platina Medicines Ltd) entered into an exclusive license agreement. The license agreement granted Ouro Medicines Ltd the exclusive right to develop, manufacture and commercialize CM336 globally excluding Mainland China, Hong Kong, Macau and Taiwan. The Group might also receive additional payments up to US$610 million subject to the achievement of certain clinical, regulatory and commercial milestones and was also entitled to receive tiered royalties on net sales of CM336 and related products from Ouro Medicines Ltd.

- **CM313 (CD38 antibody)**

CM313 is a humanized monoclonal antibody that targets CD38. It can induce target cell apoptosis through antibody-dependent cell-mediated cytotoxicity (ADCC), complement-dependent cytotoxicity (CDC), and antibody-dependent cell-mediated phagocytosis (ADCP), as well as under Fc cross-linking conditions. Given the observed outstanding clearance effect of CM313 on plasma cells in multiple myeloma (MM), we believe that CM313 may bring new breakthroughs in the field of autoimmune disease treatment.

In 2025, we continuously proceeded with a randomized, double-blinded, placebo-controlled Phase II clinical study to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics, immunogenicity, and preliminary efficacy of CM313 (subcutaneous formulation (SC)) injection in subjects with primary immune thrombocytopenia. As of the date of this report, patient enrollment for this study has been completed. Additionally, we initiated a randomized, double-blinded, placebo-controlled Phase II clinical study to evaluate the safety and efficacy of CM313 (SC) injection in subjects with IgA nephropathy in 2025. As of the date of this report, preparations for patient enrollment are underway for this study. In 2025, we initiated and advanced a Phase Ib/II clinical study to assess the safety, tolerability, and preliminary efficacy of CM313 (SC) injection for the treatment of subjects with relapsed/refractory aplastic anemia, and a Phase Ib/II clinical study to assess the safety and preliminary efficacy of CM313 (SC) injection for the treatment of subjects with platelet transfusion refractoriness. As of the date of this report, preparations for patient enrollment are underway for both studies.

In January 2025, Chengdu Keymed entered into an exclusive out-license agreement with Timberlyne Therapeutics, Inc. ("**Timberlyne**"). The license agreement granted Timberlyne the exclusive right to develop, manufacture and commercialize CM313 globally (excluding Mainland China, Hong Kong, Macau and Taiwan). Subject to terms and conditions of the license agreement, Timberlyne was granted an exclusive license for the development, manufacturing and commercialization of CM313 in the licensed region. In return, the Group should receive an upfront and near-term payment of US$30 million and equity interest of Timberlyne, being its largest shareholder. The Group might also receive additional payments up to US$337.5 million subject to achievement of certain sales and development milestones. The Group was also entitled to receive tiered royalties on net sales from Timberlyne. Concurrent with the license agreement, Timberlyne has entered into a financing agreement of US$180 million under which an equity financing would be completed in accordance with the terms and conditions. After completion of the foregoing transactions, Timberlyne was owned as to 25.79% by the Group which became its largest shareholder. Timberlyne's other substantial shareholders are Bain Capital and Venrock Healthcare Capital, each of whom is an institutional investor and a third party independent of the Company and its connected persons.

Management Discussion and Analysis

- **CM383 (Aβ protofibrils antibody)**

  CM383 is a humanized monoclonal antibody for the treatment of early Alzheimer's Disease. The amyloid cascade hypothesis postulates that excessive β-amyloid protein (Aβ) in the brain is a trigger of Alzheimer's Disease. In addition, Aβ protofibrils are considered to be more toxic which are associated with the Alzheimer's Disease progression in patients. CM383 selectively binds to soluble Aβ protofibrils and plaque. On one hand, CM383 reduces the deposition of Aβ. On the other hand, CM383 promotes the clearance of Aβ plaque.

  Preclinical studies indicated that CM383 demonstrated a favorable safety profile. In the first half of 2025, we continuously proceeded with a randomized, double-blinded, placebo-controlled Phase Ib clinical study to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics and immunogenicity of multiple dose-escalation administration of CM383 in patients with mild cognitive impairment due to Alzheimer's Disease and mild Alzheimer's Disease. As of the date of this report, patient enrollment is underway for this clinical trial.

- **CM350 (GPC3 x CD3 bispecific antibody)**

  CM350 is a GPC3 x CD3 bispecific antibody for the treatment of solid tumors, especially for hepatocellular carcinoma (HCC). CM350 can simultaneously bind GPC3-positive tumor cells and T cells, thereby activating T cells to eliminate tumor cells.

  In the first half of 2025, we continuously proceeded with a Phase I/II clinical study to assess the safety, tolerability, pharmacokinetics, and preliminary efficacy of CM350 in patients with advanced solid tumors. As of the date of this report, the product is currently in the dose-escalation phase of Phase I/II clinical study.

- **CM326 (TSLP antibody)**

  CM326 is a recombinant humanized monoclonal antibody targeting anti-thymic stromal lymphopoietin (TSLP). TSLP plays a critical role as an upstream cytokine mediating multiple inflammatory pathways. CM326 can effectively inhibit TSLP-induced proliferation of immune cells and inflammatory factor release, and is expected to be a new option for the treatment of chronic obstructive pulmonary disease (COPD), moderate-to-severe asthma and chronic rhinosinusitis with nasal polyps.

  JMT-Bio, a wholly-owned subsidiary of CSPC, was granted the exclusive rights to develop, commercialize and manufacture CM326 in China (excluding Hong Kong, Macau, and Taiwan) for all diseases.

  As of the date of this report, a Phase II clinical study for the treatment of moderate-to-severe asthma, led by CSPC, has completed enrollment of all subjects and is currently in the patient follow-up phase. Another randomized, double-blinded, placebo-parallel Phase II clinical study to evaluate the efficacy and safety of the CM326 recombinant humanized monoclonal antibody injection in patients with CRSwNP has completed patient enrollment and is currently in the subject follow-up phase.

Management Discussion and Analysis

- **CM355/ICP-B02 (CD20 x CD3 bispecific antibody)**

  CM355 is a CD20 x CD3 bispecific antibody co-developed by us and InnoCare. CM355 is designed to bind both CD20 on tumor cells and CD3 on T-cells, redirecting and activating T-cells to eliminate tumor cells through T-cell-dependent cellular cytotoxicity (TDCC). This bispecific antibody has demonstrated strong potential in both oncology and non-oncology fields. In the first half of 2025, we continuously proceeded with the clinical development of relapsed/refractory non-Hodgkin's lymphoma (r/r NHL) in this project.

  In January 2025, Chengdu Keymed, InnoCare and Beijing Tiannuojiancheng Pharma Tech Co., Ltd. (北京天諾健成醫藥科技有限公司) ("**Tiannuo Pharma**") have entered into an exclusive out-license agreement with Prolium Biosciences, Inc. ("**Prolium**") for the development and commercialization of CM355. Under the terms of the license agreement, Prolium would have the exclusive right to develop, register, manufacture, and commercialize CM355 globally in non-oncology indications and in oncology indications outside of Asia. Prolium, a company incorporated in Delaware, the United States, on August 21, 2024, is founded and backed by RTW Investments. Payment under the license agreement would be shared equally between Chengdu Keymed and InnoCare. Chengdu Keymed and InnoCare would collectively be entitled to receive an upfront and near-term payment of US$17.5 million, additional payments up to US$502.5 million and tiered royalties on net sales from Prolium based on their respective 50% interest in Tiannuo Pharma. The payments were subject to the achievement of certain commercial, clinical development and regulatory milestones. The Group and InnoCare Pharma Limited (諾誠健華醫藥有限公司)'s group were also receiving a minority equity stake in Prolium.

- **CM369/ICP-B05 (CCR8 antibody)**

  CM369 is an anti-C-C motif chemokine receptor 8 (CCR8) monoclonal antibody, a potential first-in-class drug co-developed by the Company and InnoCare as a monotherapy or in combination with other therapies for the treatment of various cancers. Research has found that CM369, as a chemokine receptor highly expressed specifically on tumor-infiltrating regulatory T cells (Treg), binds to CCR8 positive Tregs and eradicates immunosuppressive Tregs through antibody-dependent cell-mediated cytotoxicity (ADCC) to augment the anti-tumor immunity in tumor microenvironment (TME) while preserving peripheral homeostasis. CM369 has the potential to deliver optimal tumor-targeted Treg depletion and be more specific in anti-tumor activity than other immunotherapies and enhance our strength in the field of solid tumors by synergizing with our existing pipelines.

  As of the date of this report, the Phase I dose-escalation trial of CM369 in patients with advanced solid tumors and r/r NHL is ongoing. Early data showed that some patients achieved partial response (PR) with high progression-free survival (PFS) rate, supporting continued clinical evaluation and future exploration of combination therapy regimens in various cancer indications.

  Cautionary Statement required by Rule 18A.08(3) of the Listing Rules: The Company may not be able to ultimately develop and market CM310, CMG901, CM512, CM518D1, CM336, CM313, CM383, CM350, CM326, CM355, CM369 or any other product candidates successfully. As of the date of this report, no material adverse changes had occurred with respect to the regulatory approvals we had received in relation to our drug candidates.

Management Discussion and Analysis

OUR R&D AND MANUFACTURING

Leveraging the expertise of our clinical development team, we are able to efficiently design and execute our clinical trials and demonstrate the advantages of our innovative drugs through outstanding clinical results. Our clinical development team achieves this goal through well-designed trial protocols and excellent trial execution. The team coordinates clinical development strategies and trial protocols for our drug candidates, and manages the trial implementation with the assistance of reputable CROs in a cost-effective manner. Our medical and translational research staff identify and validate biomarkers, direct patient selection, and analyze clinical data to guide clinical studies and preclinical evaluations. As our clinical-stage drug candidates are each among the first three domestically-developed for its target or in its class to have obtained IND approval in China and/or the U.S., we have attracted first-tier hospitals and leading principal investigators (PIs) to join our clinical trials.

To ensure production and supply of high-quality and affordable antibody drugs, we have always been committed to enhancing our in-house manufacturing capabilities. We have internally developed high-expressing cell lines to ensure high yield and low costs for our antibody manufacturing. As of the end of the Reporting Period, the production capacity of the production base in Chengdu has reached 20,500 litres in total, and all the designs thereof are in compliance with the requirements of cGMP of the NMPA and FDA.

R&D PLATFORMS

We have built fully-integrated platforms to enable our in-depth R&D in the areas of immunology and oncology. Our platforms are integrated seamlessly to support key drug development functionalities, including antibody screening, functional evaluation, *in vivo* preclinical studies and biomarker identification. We have the expertise and capability to independently complete the entire drug development process from drug discovery to preclinical research to clinical development and to NDA/BLA application. Our core platforms are as follows:

- **Novel T Cell Engager (nTCE) Platform**

  Our nTCE platform enables us to develop bispecific T cell engagers that are potent and highly tumor specific. In recent years, T cell engaging bispecific antibodies have attracted particular interest as a promising class of immunotherapies for the treatment of non-immunogenic tumors. Our technology is designed to overcome these limitations by maximizing T cell-mediated cell killing effects with minimal cytokine release syndrome, and high stability and productivity.

  Leveraging the nTCE platform, we are developing multiple T-cell engaging bispecific antibodies, including CM355, CM336 and CM350, which have entered the clinical stage as of the date of this report. In preclinical studies, the above drug candidates have demonstrated encouraging T cell-mediated cell killing effects with low possibility of cytokine release syndrome.

- **Innovative Antibody Discovery Platform**

  Our innovative antibody discovery platform is a versatile platform for the discovery and evaluation of antibody drugs. This platform includes the following main functionalities: antibody screening, engineering and optimization. With these functions and technologies, we are able to develop antibody-based therapies with new modalities and new mechanisms of action, which potentially increase the efficacy and specificity of the therapies. Based on this platform, we have developed multiple drug candidates with different modalities in our pipeline, including bispecific antibodies, ADCs and fragment crystallizable region (Fc) engineered antibodies. This platform is also empowered by enhanced automatic antibody screening and discovery techniques, leading to cost-efficient discovery of drug candidates with high affinity, cross-species activity and improved developability.

Management Discussion and Analysis

- **Bio-evaluation Platform**

  Our bio-evaluation platform is responsible for effective assessment of antibody drug candidates. We have developed multiple cell-based assays using primary and engineered reporter cells, which enable us to quickly screen and select highly potent antibodies with desired biological activities. Building on our experience and expertise, we are also able to establish a variety of immunoassays to facilitate our immunology and oncology pipeline development. To further evaluate the efficacies of antibody drugs *in vivo*, we have developed a number of animal models in different species in collaboration with our CROs to support our target validation and lead molecule selection.

- **High-throughput Screening Platform for High Yield Antibody-expressing Cells**

  Leveraging the experience and know-how of our chemistry, manufacturing and controls (CMC) and manufacturing team, we have developed our high-throughput screening platform to identify high-yielding cell lines that have desirable characteristics for further cost-efficient development. With this platform, we have successfully identified the cell lines to produce drug candidates in three months. This allows us to rapidly advance our assets to the preclinical and clinical evaluation stage and accelerate the drug development process.

- **Novel Antibody Drug Conjugate (ADC) Platform**

  Our ADC platform has the comprehensive capabilities to develop novel ADCs with diverse combinations of novel payloads with different mechanisms of action, new types of hydrophilic linkers, and various novel antibodies by multi-conjugation techniques, which generates ADCs with full independent intellectual property rights, strong *in vivo* stability, excellent efficacy, and good safety. Based on this platform, in addition to the MMAE payload and linker used in CMG901 (also known as AZD0901), we have successfully developed several new types of payloads of new topoisomerase inhibitors and novel linkers. A series of new ADCs with the above payloads and linkers showed good *in vivo* stability, strong efficacy and good safety, and are currently in the research or the pre-clinical development stage. In addition, we have also developed novel synthetic methods, which could effectively reduce the manufacturing cost of ADCs and potentially benefit more patients.

- **Oligonucleotide Drug Research and Development Platform**

  We have a comprehensive oligonucleotide drug research and development platform that provides integrated support from target discovery, early-stage research and development, manufacturing to clinical research. The platform has established multiple proprietary key technologies, including modification system that can enhance on-target activity and stability and reduce off-target effects, as well as GalNAc hepatic targeting delivery system. Currently, certain projects have entered the preclinical R&D stage. Based on Keymed's R&D experience in antibody and small molecule fields, we have also developed various extrahepatic targeting XOC delivery systems (where X represents antibody, polypeptide, liposome or small molecule ligand), which cover delivery to various tissues including muscle, adipose, central nervous system (CNS), kidney and lung, with related projects at the preclinical stage. We integrated artificial intelligence with structural biology approaches to systematically optimize the linker, targeting ligands, nucleic acid sequences and spatial structures in XOC molecules to develop best-in-class candidate molecules. These molecules possess higher dosing compliance (such as lower dosing frequency and more convenient routes of administration), superior safety profiles (including lower sequence off-target toxicity and delivery system-related toxicity), and lower manufacturing costs (by virtue of simplified process development and more cost-effective production methods). We are committed to providing patients with affordable, safe and highly effective novel oligonucleotide drugs.

Management Discussion and Analysis

FUTURE DEVELOPMENT

We will continue to rapidly advance both ongoing and planned clinical programs for our pipeline products both in China and globally, including in the U.S., and prepare for the commercialization of our late-stage pipeline products. In the meantime, to expedite the commercialization of our drug candidates and maximize the commercial value, we will actively explore value-accretive strategic partnerships such as co-development, collaboration, and licensing both in China and globally.

In anticipation of increased production demands for our drug candidates, we plan to further expand our cGMP-compliant manufacturing capacity to improve the cost-effectiveness of our production. We are very pleased to see the rapid progress we achieved so far and the detailed development plan ahead of us. In line with our Company's vision, we are committed to developing, manufacturing and commercializing innovative biological therapies for patients worldwide.

FINANCIAL REVIEW

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**498,752**	54,682
Cost of sales	**(33,476)**	(3,736)
GROSS PROFIT	**465,276**	50,946
Other income and gains	**75,543**	73,481
Research and development expenses	**(360,018)**	(331,026)
Administrative expenses	**(89,259)**	(89,948)
Selling and distribution expenses	**(137,577)**	(23,248)
Other expenses	**(21,600)**	(168)
Finance costs	**(7,463)**	(8,863)
Share of losses of a joint venture	**(566)**	(1,698)
LOSS BEFORE TAX	**(75,664)**	(330,524)
Income tax expense	**(3,135)**	(6,079)
LOSS FOR THE PERIOD	**(78,799)**	(336,603)

Management Discussion and Analysis

1. Revenue and Cost of Sales

During the Reporting Period, the Group's revenue consisted of collaboration revenue and sales of Stapokibart (Kangyueda). The collaboration revenue amounted to RMB329 million. The sales of Stapokibart amounted to RMB169 million. Cost of sales consisted of manufacture costs of Stapokibart and costs incurred under the out-licensing collaboration arrangements.

2. Other Income and Gains

During the Reporting Period, the Group's other income and gains primarily consisted of interest income of RMB40 million and government grants income of RMB32 million.

3. R&D Expenses

During the Reporting Period, the Group's R&D expenses primarily consisted of (i) expenses incurred in connection with pre-clinical and clinical studies, including third-party contracting costs with respect to the engagement of CROs, clinical trial sites and other service providers in connection with our R&D activities; (ii) staff costs for our R&D employees; (iii) expenses for procuring raw materials and consumables used in the R&D of our drug candidates; and (iv) depreciation and amortization of property, plant and equipment and other intangible assets related to R&D activities. For the six months ended June 30, 2025, the R&D expenses of the Group increased by RMB29 million to RMB360 million, from RMB331 million, for the six months ended June 30, 2024. The increase was primarily attributable to increased staff costs, number of clinical trials and raw materials used in the R&D activities.

4. Administrative Expenses

During the Reporting Period, the Group's administrative expenses primarily consisted of (i) staff costs for our administrative employees; (ii) depreciation and amortization of property, plant and equipment and other intangible assets related to administrative activities; (iii) professional services fees paid to legal counsel, agents, auditor, and other professional service providers; and (iv) travelling expenses.

5. Selling and distribution expenses

During the Reporting Period, the Group's selling and distribution expenses primarily consisted of (i) staff costs for our commercialization function; (ii) expenditure for marketing and promotion activities; and (iii) travelling expenses. For the six months ended June 30, 2025, the selling and distribution expenses of the Group increased by RMB115 million to RMB138 million, from RMB23 million, for the six months ended June 30, 2024. The increase was consistent with the increased sales of Stapokibart during the Reporting Period.

6. Finance Costs

During the Reporting Period, the Group's finance costs primarily consisted of interest expenses on bank borrowings of RMB8 million, netted off capitalized interests of RMB1 million.

Management Discussion and Analysis

7. Selected Data from Interim Condensed Consolidated Statement of Financial Position

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Total current assets	**3,178,362**	2,466,026
Total non-current assets	**1,452,530**	1,300,540
Total assets	**4,630,892**	3,766,566
Total current liabilities	**805,337**	747,726
Total non-current liabilities	**630,217**	543,628
Total liabilities	**1,435,554**	1,291,354
Net current assets	**2,373,025**	1,718,300

8. Liquidity and Capital Resources

As at June 30, 2025, our time deposits, cash and cash equivalents and bank wealth management products increased by RMB640 million to RMB2,796 million from RMB2,156 million as at December 31, 2024. The increase was primarily attributable to proceeds received from issuance of 19,000,000 new Shares in June 2025.

As at June 30, 2025, the current assets of the Group were RMB3,178 million, including cash and bank balances of RMB942 million, time deposits of RMB1,834 million, bank wealth management products of RMB20 million, trade receivables of RMB103 million, inventories of RMB164 million and other current assets of RMB115 million. As at June 30, 2025, the current liabilities of the Group were RMB805 million, including trade payables of RMB49 million, other payables and accruals of RMB194 million, interest-bearing bank borrowings of RMB548 million and other current liabilities of RMB14 million.

For the six months ended June 30, 2025, our net cash flows used in operating activities decreased by RMB185 million to RMB181 million from RMB366 million for the six months ended June 30, 2024. The decrease was primarily attributable to increased collaboration income received during the Reporting Period.

For the six months ended June 30, 2025, our net cash flows used in investing activities increased by RMB160 million to RMB200 million from RMB40 million for the six months ended June 30, 2024. The increase was primarily attributable to increased amounts of time deposits placed during the Reporting period.

For the six months ended June 30, 2025, our net cash flows from financing activities increased by RMB622 million to RMB886 million from RMB264 million for the six months ended June 30, 2024. The increase was primarily attributable to proceeds received from issuance of new Shares in June 2025.

Management Discussion and Analysis

As part of our treasury management, we invest in certain wealth management products to better utilize excess cash when our cash sufficiently covers our ordinary course of business. We have implemented a series of internal control policies and rules setting forth overall principles as well as detailed approval process of our investment activities. Under our investment policy, we generally limit our purchases to low-risk, short-term products from reputable commercial banks which must not interfere with our daily operation and business prospects.

We recorded these investments as financial assets at FVTPL of RMB20 million as of June 30, 2025. We manage and evaluate the performance of these investments on a fair value basis in accordance with our risk management and investment strategy. Therefore, these investments in wealth management products were designated as financial assets at FVTPL as of June 30, 2025.

9. Indebtedness

As at June 30, 2025, our interest-bearing bank borrowings amounted to RMB847 million, of which RMB402 million are borrowed at fixed interest rate. The unutilized credit facilities amounted to RMB445 million. The repayment terms of bank borrowings range from one to five years.

The gearing ratio (calculated by total liabilities divided by total assets) of the Group as of June 30, 2025 was 31%, representing a decrease of 3 percentage points from the gearing ratio of 34% as at December 31, 2024.

10. Significant Investments, Material Acquisitions and Disposals

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

The Group also did not hold any significant investments for the six months ended June 30, 2025.

The Group did not have plans for significant investments or capital assets as at the date of the report.

11. Contingent Liabilities

As of June 30, 2025, the Group did not have any contingent liabilities.

12. Capital Commitments

As of June 30, 2025, the Group had capital commitments contracted, but not yet provided, of RMB54 million, which were related to the purchase or construction of property, plant and equipment for the manufacture plant.

13. Pledge of Assets

As of June 30, 2025, the Group pledged machinery equipment with costs of RMB441 million, construction in progress, buildings and land use right with a total net carrying amount of RMB128 million to secure its bank borrowings.

Management Discussion and Analysis

14. Foreign Exchange Exposure

During the Reporting Period, the Group mainly operated in China and a majority of our transactions were settled in Renminbi, the functional currency of the Company's primary subsidiaries. The Group's borrowing is made in Renminbi, while cash and cash equivalents are primarily held in Renminbi, Hong Kong dollars and U.S. dollars. The Group is exposed to foreign currency risk as a result of certain cash and bank balances, time deposits and financial assets at FVTPL denominated in non-functional currency. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

HUMAN RESOURCES

As of June 30, 2025, we had 1,469 full-time employees in total, including 7 employees who were employed overseas and the remaining in Mainland China. In strict compliance with the relevant labor laws, we enter into individual employment contracts with our employees covering matters such as terms, wages, bonuses, employee benefits, workplace safety, confidentiality obligations and grounds for termination.

To remain competitive in the labor market, we provide various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries and opportunity to participate in share incentive schemes to our employees. We believe our benefits, working environment and development opportunities for our employees have contributed to good employment relations and employee retention.

Our Company has adopted the 2021 RSU Scheme on April 5, 2021 (for further details, please refer to our Prospectus) and the 2022 RSU Scheme on January 21, 2022 (for further details, please refer to the Company's announcements dated January 21, 2022 and January 28, 2022). During the Reporting Period, restricted share units underlying 375,250 Shares and 0 Share had been awarded under the 2021 RSU Scheme and 2022 RSU Scheme, respectively.

Supplementary Information

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the CG Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance.

Under code provision C.2.1 of part 2 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. Chen is the chairman of the Board and the chief executive officer of the Company. With extensive experience in the pharmaceutical industry and having served in the Company since its establishment, Dr. Chen is in charge of overall strategic planning, business direction and operational management of the Group. The Board considers that vesting the roles of the chairman of the Board and the chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the Board and our senior management, which comprises experienced and diverse individuals. The Board currently comprises three executive Directors (including Dr. Chen), three non-executive Directors and three independent non-executive Directors, and therefore has a strong independence element in its composition.

Save as disclosed above, in the opinion of the Directors, the Company has complied with the relevant code provisions contained in the CG Code during the Reporting Period.

Code provision F.2.2 (currently F.1.3) of part 2 of the CG Code provides that the chairman of the Board should attend the annual general meeting and that the chairmen of the audit, remuneration, nomination and any other committees should be invited to attend the annual general meeting and, in their absence, the chairman of the Board should invite other members of the committee or other duly appointed delegate to attend. Dr. Chen (being the chairman of the Board and chairman of the nomination committee), Dr. Changyu WANG (being a member of the remuneration committee) and Dr. Gang XU (for the purpose of code provision F.2.2 (currently F.1.3) of the CG Code, as the duly appointed delegate of Mr. Qi CHEN, a member of the Audit Committee) attended the annual general meeting of the Company held on June 26, 2025.

The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company's securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

Supplementary Information

INTERIM DIVIDEND

The Board did not propose any interim dividend for the six months ended June 30, 2025.

REVIEW OF INTERIM RESULTS

The Board has established the Audit Committee which comprises one non-executive Director and two independent non-executive Directors, namely Mr. Qi CHEN, Mr. Cheuk Kin Stephen LAW (chairman) and Prof. Yang KE. The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process and internal controls.

The Audit Committee has reviewed the unaudited interim condensed financial information of the Group for the six months ended June 30, 2025 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. The Audit Committee has also discussed the matters of audit and financial reporting.

In addition, the Company's external auditor, Ernst & Young, has performed an independent review of the Group's interim financial information for the Reporting Period in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. Based on their review, Ernst & Young confirmed that nothing has come to their attention that causes them to believe that the interim financial information is not prepared, in all material respects, in accordance with the International Accounting Standard 34 "Interim Financial Reporting".

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CHANGES TO DIRECTORS' INFORMATION

The Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the Reporting Period and up to the date of this interim report. As of June 30, 2025, the Company did not hold any treasury Shares as defined under the Listing Rules.

Supplementary Information

USE OF PROCEEDS FROM GLOBAL OFFERING

In connection with the Global Offering, 67,004,000 Shares were issued at a price of HK$53.3 per Share for a total cash consideration, after deduction of the underwriting fees and expenses, of approximately RMB2,841 million. Dealings in the shares of the Company on the Stock Exchange commenced on July 8, 2021. The Group will apply such proceeds in a manner consistent with the intended use of proceeds as set out in the Prospectus.

The table below sets forth the utilisation of the net proceeds from the Global Offering and the unused amount as at June 30, 2025:

Business objective as stated in the Prospectus	**Planned applications** *RMB million*	**Balance as at December 31, 2024** *RMB million*	**Actual utilisation during the Reporting Period** *RMB million*	**Balance as at June 30, 2025** *RMB million*	**Expected timeline for unutilized amount**
R&D and commercialization of the Company's core product and key drug candidates	1,705	448	231	217	By the end of 2025
Preclinical evaluation and clinical development of the Company's other pipeline products	426	–	–	–	–
Payment of lease for the Company's new manufacturing and R&D facilities and procurement of machinery and equipment	426	–	–	–	–
General corporate and working capital purposes	284	–	–	–	–
Total	2,841	448	231	217	

Supplementary Information

USE OF PROCEEDS FROM THE PLACING

On June 19, 2025, the Company placed an aggregate of 19,000,000 new Shares at the placing price of HK$45.48 per Share to Moonshot Holdings Limited, a substantial shareholder of the Company and the top-up vendor under a top-up subscription arrangement, for a total cash consideration, after deduction of the commissions and estimated costs, fees and expenses, of approximately HK$854 million (approximately RMB782 million) and the net subscription price of approximately HK$44.94 per Share. The closing price was HK$48.65 per Share as quoted on the Stock Exchange on June 10, 2025, being the date on which the aforesaid placing price was fixed.

Proceeds from the placing will enhance the Group's financial strength, market competitiveness and comprehensive strength, and promote the long-term healthy and sustainable development of the Group. The placing will also further diversify the Company's Shareholder base by attracting a number of high-quality institutional investors, and further enhance the liquidity in the Shares. The aggregate nominal value of the new Shares placed is US$1,900.

Business objective	**Net proceeds and planned applications** *RMB million*	**Actual utilization during the Reporting Period** *RMB million*	**Balance as at June 30, 2025** *RMB million*	**Expected timeline for unutilized amount**
R&D expenses of the CM512, CM518D1 and other pipelines	274	–	274	By the end of 2027
Commercialization of Stapokibart	235	–	235	By the end of 2026
Capital expenditure of manufacturing and R&D facilities	196	–	196	By the end of 2027
General corporate and working capital purposes	77	–	77	By the end of 2026
Total	**782**	–	**782**	

Supplementary Information

SUBSEQUENT EVENTS AFTER THE END OF THE REPORTING PERIOD

There is no significant subsequent event undertaken by the Company or by the Group after the Reporting Period and up to the date of this report.

DIRECTORS' AND CHIEF EXECUTIVE INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

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

Name of Director/Chief Executive	Capacity/Nature of Interest	Number of Shares[1]	Approximate Percentage of Shareholding in the Company (%)
Dr. Bo CHEN	Interest in controlled corporation[2]	75,151,482 (L)	25.16

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) Dr. Bo CHEN is interested in approximately 65.36% of the shareholdings of Moonshot Holdings Limited ("**Moonshot**"). Dr. Changyu WANG, Dr. Gang XU and Dr. Qian JIA, through their respective family trust, are interested in 13.31%, 13.31% and 8.02% of the equity interest in Moonshot, respectively.

Supplementary Information

Save as disclosed above, As of June 30, 2025, to the best knowledge of the Directors or chief executive of the Company, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As of June 30, 2025, so far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares[1]	Approximate Percentage of Shareholding in the Company (%)
Moonshot[2]	Beneficial interest	75,151,482 (L)	25.16

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) Dr. Bo CHEN is interested in approximately 65.36% of the shareholdings of Moonshot. Dr. Changyu WANG, Dr. Gang XU and Dr. Qian JIA, through their respective family trust, are interested in 13.31%, 13.31% and 8.02% of the equity interest in Moonshot, respectively.

Save as disclosed above, as at June 30, 2025, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Supplementary Information

RESTRICTED SHARE UNIT SCHEMES

2021 RSU Scheme

Our Company has adopted the 2021 RSU Scheme by a board resolution on April 5, 2021. The following is a summary of the principal terms of the 2021 RSU Scheme.

(a) Purpose of the 2021 RSU Scheme

The purposes of this 2021 RSU Scheme is to incentivize eligible participants in the 2021 RSU Scheme (the RSU Participants as defined below) for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

(b) Participants

Subject to the requirements under Chapter 17 of the Listing Rules, persons eligible to receive RSUs under the 2021 RSU Scheme are employees or officers of the Group, including executive, non-executive and independent non-executive directors, any person or entity that provides research, development, consultancy and other technical or operational or administrative support to the Group; and any other persons who, in the sole opinion of the Board, have contributed or will contribute to the Company and/or any of its Subsidiaries (the "**RSU Participant(s)**", for the purpose of this sub-section only).

(c) Awards

An award pursuant to the 2021 RSU Scheme (an "**Award(s)**", for the purpose of this sub-section only) gives a RSU Participant a conditional right when the relevant restricted share unit (an "**RSU(s)**", for the purpose of this sub-section only) vests to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of exercise of the RSU, less any tax, stamp duty and other charges applicable, as determined by our Board in its absolute discretion. Each RSU represents one underlying Share.

(d) Term

Subject to the termination provision of the 2021 RSU Scheme, it shall remain valid and effective until July 7, 2031. Upon the expiry of the 2021 RSU Scheme, no further Awards will be granted, but the provisions of the 2021 RSU Scheme shall in all other respects remain in full force and effect and Awards that are granted during the term of the 2021 RSU Scheme may continue to be exercisable in accordance with their terms of issue.

The Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the 2021 RSU Scheme and in such event no further Awards will be granted but in all other respects the provisions of the RSU Scheme shall remain in full force and effect in respect of RSU which are granted during the life of the 2021 RSU Scheme and which remain unvested immediately prior to the termination of the operation of the scheme.

Supplementary Information

(e) Grant and Acceptance of Awards

On and subject to the terms of the 2021 RSU Scheme and the terms and conditions that the Board imposes pursuant thereto, the Board shall be entitled at any time during the life of the 2021 RSU Scheme to make a grant to any RSU Participant, as the Board may in its absolute discretion determine.

Awards may be granted on such terms and conditions (e.g. by linking the vesting of their RSU to the attainment or performance of milestones by any member of the Group, the grantee or any group of RSU Participants) as the Board may determine, provided such terms and conditions shall not be inconsistent with any other terms and conditions of the 2021 RSU Scheme.

A grant shall be made to a RSU Participant in such form as the Board may from time to time determine (the "**Notice of Grant**", for the purpose of this sub-section only) and such grant shall be subject to the terms as specified in the 2021 RSU Scheme. The RSU Participant shall undertake to hold the Award on the terms on which it is granted and be bound by the provisions of the 2021 RSU Scheme. Such Award shall remain open for acceptance by the RSU Participant to whom a grant is made for a period to be determined by the Board, provided that no such grant shall be open for acceptance after July 7, 2031 or after the RSU Scheme has been terminated in accordance with the provisions hereof. To the extent that the Award is not accepted within the period determined by the Board, it will be deemed to have been irrevocably declined and shall immediately lapse.

If the RSU Participant accepts the offer of grant of RSU(s) by signing the Notice of Grant, he is required to sign an acceptance notice and return it to the Company within the period specified and in a manner prescribed in the Notice of Grant. Upon the receipt from the RSU Participant of a duly executed acceptance notice, the RSU(s) is deemed granted to such RSU Participant from the date of the Notice of Grant, and the RSU Participant becomes a grantee (the "**Grantee**", for the purpose of this sub-section only) in the 2021 RSU Scheme. The Notice of Grant sets out that the RSU Participants should undertake that they will not, inter alia, offer, sell or otherwise transfer or dispose of any vested Shares for a period ending on a date which is 365 days after the vesting of any Shares under the 2021 RSU Scheme.

(f) Vesting

The Board has the sole discretion to determine the vesting criteria, conditions and the time for any grant of Award(s) to any Grantee (including, if applicable, a purpose price of shares awarded), which may also be adjusted and re-determined by the Board from time to time. If the vesting conditions are not satisfied or waived by the Board, the RSU shall be cancelled automatically on the date on which such conditions are not satisfied, as determined by the Board in its absolute discretion.

Supplementary Information

(g) Restriction on Grant of Awards

The Board may not grant any Awards where (a) the requisite approvals for that grant from any applicable regulatory authorities have not been obtained; (b) the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the grant of the Awards or in respect the 2021 RSU Scheme, unless the Board determines otherwise; (c) where granting the Award would result in a breach by the Company, its subsidiaries or any of the directors of any applicable securities laws, rules or regulations; or (d) where such grant of Award would result in a breach of the limits of the 2021 RSU Scheme. Any Awards granted under the 2021 RSU Scheme and any other share scheme (as defined under the Listing Rules) to a specific participant (excluding any options and awards lapsed in accordance with the terms of such scheme) in a 12-month period up to and including the date of an Award shall not exceed 1% of the total issued Shares of the Company unless such Award is approved by the shareholders of the Company (with the Participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting).

Further, no grant shall be made to, nor shall any grant be capable of acceptance by, any RSU Participant at a time when the RSU Participant would or might be prohibited from dealing in the Shares by any applicable rules, regulations or laws. In particular, where any Award is proposed to be granted to a director of any members of the Group, it shall not be granted on any day on which the financial results of the Company are published and during the period of:

(a) sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(b) thirty (30) days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

Any grant of an Award to any connected person (as defined in the Listing Rules), or any of their respective associates (as defined in the Listing Rules), shall be subject to the prior approval of the independent non-executive directors (excluding the independent non-executive director who is the proposed Grantee of the Awards in question) and shall otherwise be subject to compliance with the requirements of the Listing Rules. Notwithstanding the foregoing, any grant of an Award to a director pursuant to Rule 14A.73(6) of the Listing Rules will be exempted from reporting, announcement and independent Shareholders' approval requirements if the Award forms part of the relevant director's remuneration under his/her service contract.

(h) General and Maximum Limit

The maximum number of Shares which may be granted under the RSU Scheme is 17,976,153, representing approximately 6.02% of the number of issued Shares of the Company as of June 30, 2025. As of January 1, 2025 and June 30, 2025, the total number of Shares available to be awarded under the 2021 RSU Scheme is 9,794,745 Shares and 9,531,744 Shares (representing approximately 3.2% of the issued Shares as at the date of this interim report), respectively. All of the Shares were held by Keymed Talent Success Trust, a trust established for the administration of the 2021 RSU Scheme, through Eagle Hero Management Limited. No new Shares may be allotted pursuant to the 2021 RSU Scheme.

Supplementary Information

The below sets out particulars of the Awards granted pursuant to the 2021 RSU Scheme:

			Number of Awards					
Participant	Grant time	Year of grant	Unvested as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Unvested as of June 30, 2025
Employees (excluding Directors)[1]	Apr 5, 2021 – Dec 24, 2021[2]	2021	951,155	–	856,808	–	–	94,347
	Jan 4, 2022 – Dec 23, 2022[2]	2022	465,847	–	174,442	–	–	291,405
	Apr 3, 2023 – Oct 10, 2023[2]	2023	885,909	–	97,633	32,249	–	756,027
	Jan 4, 2024 – Oct 10, 2024[2]	2024	1,050,880	–	178,637	80,000	–	792,243
	Jan 4, 2025 – Apr 3, 2025[2][3]	2025	–	375,250	–	–	–	375,250
		Total	3,353,791	375,250	1,307,520	112,249	–	2,309,272
Including: top five highest paid employees	Apr 5, 2021[2]	2021	212,731	–	212,731	–	–	0
	Apr 3, 2023[2]	2023	261,736	–	87,112	–	–	174,624
	Jan 4, 2024[2]	2024	608,213	–	152,053	–	–	456,160
		Total	1,082,680	–	451,896	–	–	630,784

Notes:

(1) None of the grantees were Directors, chief executive or substantial shareholders of the Company, or their respective associates.

(2) The RSUs have vesting terms of 4 years from the grant date. The RSUs shall be vested according to the vesting schedule: 25% of the total number of RSUs shall be vested on the first anniversary of the grant date and the remaining 75% of the total number of RSUs shall be vested in three substantially equal annual instalments, with the first instalment vested on the second anniversary of the grant date, and then on up to the fourth anniversary of the grant date. The RSUs are granted with the purchase price of zero. The weighted average closing price of the awards exercised during the Reporting Period was HK$44.45.

(3) During the Reporting Period, the details of the closing price of Shares and fair value of awards at the date of grant per Share are as follows:

Date of grant	Closing price of Shares immediately before date of grant *(HKD)*	Fair value of awards at the date of grant per Share *(HKD)*
Jan 4, 2025	29.05	28.7
Apr 3, 2025	48.10	48.00

The accounting standard and policy adopted to estimate the fair value of the awards at the date of grant per Share is the same as that of the financial year ended December 31, 2024. Please refer to the 2024 annual report of the Company for details.

Supplementary Information

2022 RSU Scheme

Our Company has adopted the 2022 RSU Scheme by a board resolution on January 21, 2022. The following is a summary of the principal terms of the 2022 RSU Scheme.

(a) Purpose of the 2022 RSU Scheme

The purposes of the 2022 RSU Scheme are to recognize and motivate the contributions by Participants (as defined below) of the 2022 RSU Scheme and give incentives thereto in order to retain them, as well as to attract suitable personnel for further development of the Group.

(b) Participants

Participants of the 2022 RSU Scheme includes employees or officers (including directors) of the Group, including any prospective employees (who receives the Grant as an inducement to join the Group) (collectively, the "**Participant(s)**", for the purpose of this sub-section only).

(c) Awards

The 2022 RSU Scheme is subject to the administration of the 2022 ESOP scheme management committee (the "**Committee**", for the purpose of this sub-section only) as appointed by the Board. The Committee may at any time during the term of the 2022 RSU Scheme make an award (the "**Award(s)**", for the purpose of this sub-section only) of conditional rights to either Shares or equivalent value of cash (the "**RSU(s)**", for the purpose of this sub-section only) to any selected Participant at its absolute discretion. An Award shall be made to a Participant by a notice of grant setting out, among other things, the terms and conditions of such Award. Any Award to the Directors or senior management of the Group must first be approved by the Remuneration Committee of the Board. If a Participant accepts the Award, he/she is required to sign the acceptance notice and return it to the Company within the period specified and in a manner prescribed in the notice of grant. Each Participant shall pay RMB1.00 as the award price to accept the Awards granted to such Participant.

(d) Term

The 2022 RSU Scheme shall remain valid and effective until the termination date, which shall be on the earlier of (i) January 20, 2032; or (ii) such date of early termination as determined by the Board or the Committee provided that no further RSUs will be offered after such termination but in all other respects the provisions of the 2022 RSU Scheme shall remain in full force and effect in respect of RSUs which are granted during the life of the 2022 RSU Scheme and which remain unvested immediately prior to the termination of the operation of the 2022 RSU Scheme.

(e) Vesting

The Committee may, from time to time while the RSUs are in force and subject to all applicable laws, determine in its sole discretion such vesting criteria and conditions or periods for the Award to be vested. All of such vesting conditions (including payment of any exercise price) and periods (including the vesting date) shall be set out in the relevant notice of grant issued to each Grantee. The Committee may determine at its sole discretion, the exercise price as may be applicable to each RSU.

Supplementary Information

For the purposes of vesting of the RSU(s), the Committee may direct and procure the trustee (the "**Trustee**", for the purpose of this sub-section only) of the 2022 RSU Scheme to release from the underlying trust (the "**Trust**", for the purpose of this sub-section only) of the 2022 RSU Scheme the RSU(s) to the Grantee by transferring the number of the RSUs to the Grantee in such manner as determined by it from time to time. The Committee will send a vesting notice to the relevant Grantee and upon receiving such notice, the Grantee must execute certain documents set out in such notice for the purposes of vesting of the RSU(s). The Committee shall thereafter inform the Trustee of the number of the RSU(s) or the amount of cash equivalent being transferred, paid and/or released to the Grantee in the manner as determined by the Committee.

An unvested RSU shall lapse and be cancelled automatically upon certain events, including the termination of the Grantee's employment or service with the Company. The Committee may in its absolute discretion decide that any RSU shall not be cancelled or determined subject to such conditions or limitations as the Committee may decide. In certain circumstances such as when the Grantee's employment or services with the Group is terminated for cause, the Company shall have a right to instruct the Trustee to repurchase the Shares from the Grantee at the higher of (1) the par value of the Shares on the date the RSUs were granted; and (2) the exercise price (if any) paid by the Grantee for vesting of the relevant RSUs.

(f) Restriction on Grant of Awards

A Grant must not be made after inside information has come to the Company's knowledge until such inside information has been announced in accordance with the requirements of the Listing Rules, this include the period of:

(a) sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(b) thirty (30) days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

In the course of administering the 2022 RSU Scheme, the Company and the Committee will also comply with the applicable provisions of the Model Code and applicable rules on insider dealing. No instructions will therefore be given to the Trustee to acquire Shares under the 2022 RSU Scheme at a time when any Director is in possession of unpublished inside information or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time ("**Relevant Time**", for the purpose of this sub-section only). As the Trustee will be acquiring the Shares on the instruction of the Committee, the Trustee will also not acquire any Shares during the Relevant Time. The Company and the Committee will administer the scheme such that the (i) Grant of Awards under the 2022 RSU Scheme, (ii) purchase of Shares by the Trustee; and (iii) the Committee giving instruction to the Trustee to purchase Shares for the administration of the 2022 RSU Scheme will be conducted in accordance with the applicable provisions of the Model Code.

Supplementary Information

(g) General and Maximum Limit

The Shares in the share pool under the Scheme will be purchased from the secondary market. The aggregated amount of existing Shares to be purchased by the Trustee under the Scheme shall be no more than 5,594,711 Shares, representing approximately 1.87% of the number of total issued Shares of the Company as of June 30, 2025. The Shares acquired for the share pool will be funded out of the Company's internal resources, excluding the proceeds from Global Offering. The maximum number of Shares which may be subject to an Award or Awards to a selected Participant shall not in aggregate exceed 1% of the total issued Shares of the Company as of the adoption date for the Scheme (being 279,735,566 Shares), and shall also be subject to any shareholders approval requirement as required under the Listing Rules. As of June 30, 2025, the total number of Shares available to be awarded under the 2022 RSU Scheme is 5,594,711 Shares (representing approximately 1.87% of the issued Shares as at the date of this interim report). 4,136,000 Shares had been purchased from the market and held by the Trustee as of June 30, 2025. No new Shares may be allotted pursuant to the 2022 RSU Scheme.

At no time shall the Trustee be holding more than 10% of the total number of Shares in issue. The Shares held by the Trustee will be regarded as public float unless the Trustee becomes a core connected person of the Company or would otherwise cease to be regarded as member of the public under the Listing Rules. The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust.

As of June 30, 2025, no award was granted pursuant to the 2022 RSU Scheme.

SHARE OPTION SCHEME

During the Reporting Period and up to the date of this interim report, the Company did not have any share option scheme which was required to be disclosed.

Independent Review Report

To the board of directors of KEYMED BIOSCIENCES INC.

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim condensed financial information set out on pages 36 to 68 which comprises the condensed consolidated statement of financial position of KEYMED BIOSCIENCES INC. (the "Company") and its subsidiaries (the "Group") as at 30 June 2025 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). The directors of the Company are responsible for the preparation and presentation of this interim condensed financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim condensed financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Ernst & Young
Certified Public Accountants
Hong Kong
26 August 2025

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2025

	Notes	**2025** ***RMB'000*** **(Unaudited)**	2024 *RMB'000* (Unaudited)
Revenue	*4*	**498,752**	54,682
Cost of sales		**(33,476)**	(3,736)
GROSS PROFIT		**465,276**	50,946
Other income and gains	*5*	**75,543**	73,481
Research and development expenses		**(360,018)**	(331,026)
Administrative expenses		**(89,259)**	(89,948)
Selling and distribution expenses		**(137,577)**	(23,248)
Other expenses	*6*	**(21,600)**	(168)
Finance costs	*7*	**(7,463)**	(8,863)
Share of losses of a joint venture		**(566)**	(1,698)
LOSS BEFORE TAX	*8*	**(75,664)**	(330,524)
Income tax expense	*9*	**(3,135)**	(6,079)
LOSS FOR THE PERIOD		**(78,799)**	(336,603)
Attributable to:			
Owners of the parent		**(78,843)**	(336,745)
Non-controlling interests		**44**	142
		(78,799)	(336,603)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted		**(RMB0.30)**	(RMB1.29)

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2025

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
LOSS FOR THE PERIOD	**(78,799)**	(336,603)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**80**	(192)
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	**481**	1,930
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**561**	1,738
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(78,238)**	(334,865)
Attributable to:		
Owners of the parent	**(78,278)**	(334,807)
Non-controlling interests	**40**	(58)
	(78,238)	(334,865)

Interim Condensed Consolidated Statement of Financial Position

As at June 30, 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*12*	**1,033,913**	974,365
Right-of-use assets	*12*	**73,123**	73,740
Other intangible assets	*12*	**8,609**	9,748
Prepayments, other receivables and other assets	*13*	**56,486**	32,662
Equity investments designated at fair value through other comprehensive income ("FVTOCI")	*14*	**18,115**	17,634
Investment in a joint venture		**–**	566
Financial assets at fair value through profit or loss ("FVTPL")	*16*	**262,284**	191,825
Total non-current assets		**1,452,530**	1,300,540
CURRENT ASSETS			
Trade receivables	*15*	**102,729**	62,851
Inventories		**164,129**	111,422
Prepayments, other receivables and other assets	*13*	**115,291**	136,141
Financial assets at FVTPL	*16*	**20,202**	235
Time deposits		**1,834,297**	1,736,964
Cash and cash equivalents		**941,714**	418,413
Total current assets		**3,178,362**	2,466,026
CURRENT LIABILITIES			
Trade payables	*17*	**49,268**	26,007
Other payables and accruals	*18*	**194,348**	235,406
Interest-bearing bank borrowings	*19*	**547,772**	472,371
Lease liabilities		**11,494**	12,364
Contract liabilities	*20*	**445**	1,578
Tax payable		**2,010**	–
Total current liabilities		**805,337**	747,726
NET CURRENT ASSETS		**2,373,025**	1,718,300
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,825,555**	3,018,840

Interim Condensed Consolidated Statement of Financial Position (continued)

As at June 30, 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Deferred income	*21*	**316,934**	274,778
Lease liabilities		**13,541**	11,315
Deferred tax liabilities		**247**	347
Interest-bearing bank borrowings	*19*	**299,495**	257,188
Total non-current liabilities		**630,217**	543,628
NET ASSETS		**3,195,338**	2,475,212
EQUITY			
Equity attributable to owners of the parent			
Share capital	*22*	**189**	174
Treasury shares	*22*	**(3)**	(3)
Reserves	*24*	**3,194,471**	2,474,400
		3,194,657	2,474,571
Non-controlling interests		**681**	641
TOTAL EQUITY		**3,195,338**	2,475,212

Bo Chen
Director

Gang Xu
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2025

For the six months ended 30 June 2025

	Attributable to owners of the parent								
	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium* *RMB'000*	Share-based payment reserve* *RMB'000*	Other reserves* *RMB'000*	Accumulated losses* *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
At 1 January 2025	174	(3)	8,495,932	143,289	(216)	(6,164,605)	2,474,571	641	2,475,212
Loss for the period	–	–	–	–	–	(78,843)	(78,843)	44	(78,799)
Other comprehensive income for the period:									
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax *(note 14)*	–	–	–	–	481	–	481	–	481
Exchange differences on translation of foreign operations	–	–	–	–	84	–	84	(4)	80
Total comprehensive loss for the period	–	–	–	–	565	(78,843)	(78,278)	40	(78,238)
Issue of shares *(note 22)*	14	–	782,185	–	–	–	782,199	–	782,199
Share-based payments *(note 23)*	–	–	–	16,165	–	–	16,165	–	16,165
Exercise of restricted share units	1	–	26,933	(26,934)	–	–	–	–	–
At 30 June 2025 (Unaudited)	189	(3)	9,305,050	132,520	349	(6,243,448)	3,194,657	681	3,195,338

* These reserve accounts compromise the consolidated reserves of RMB3,194,471,000 (30 June 2024: RMB2,636,541,000) in consolidated statement of financial position.

Interim Condensed Consolidated Statement of Changes in Equity (continued)

For the six months ended June 30, 2025

For the six months ended 30 June 2024

	Attributable to owners of the parent								
	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium* *RMB'000*	Share-based payment reserve* *RMB'000*	Other reserves* *RMB'000*	Accumulated losses* *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
At 1 January 2024	169	2	8,483,743	153,558	(1,797)	(5,649,364)	2,986,311	502	2,986,813
Loss for the period	–	–	–	–	–	(336,745)	(336,745)	142	(336,603)
Other comprehensive income for the period:									
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax *(note 14)*	–	–	–	–	1,930	–	1,930	–	1,930
Exchange differences on translation of foreign operations	–	–	–	–	8	–	8	(200)	(192)
Total comprehensive loss for the period	–	–	–	–	1,938	(336,745)	(334,807)	(58)	(334,865)
Share-based payment *(note 23)*	–	–	–	17,634	–	–	17,634	–	17,634
Shares repurchased *(note 22)*	2	(5)	(32,423)	–	–	–	(32,426)	–	(32,426)
Exercise of restricted share units	3	–	28,926	(28,929)	–	–	–	–	–
At 30 June 2024 (Unaudited)	174	(3)	8,480,246	142,263	141	(5,986,109)	2,636,712	444	2,637,156

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025

	Notes	**For the six months ended 30 June 2025 (Unaudited) *RMB'000***	For the six months ended 30 June 2024 (Unaudited) *RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(75,664)**	(330,524)
Adjustments for:			
Finance costs	*7*	**7,463**	8,863
Interest income	*5*	**(39,808)**	(41,199)
Foreign exchange losses/(gains), net	*8*	**8,847**	(5,977)
Interest income on financial assets at FVTPL	*5*	**(60)**	(423)
Fair value gains on financial assets at FVTPL	*5*	**(230)**	(2,573)
Depreciation of property, plant and equipment	*12*	**40,377**	37,647
Amortisation of other intangible assets	*12*	**1,193**	248
Depreciation of right-of-use assets	*12*	**7,315**	8,441
Equity-settled share-based payments	*23*	**16,165**	17,634
Share of losses of a joint venture		**566**	1,698
Gain on disposal of property, plant and equipment		**(12)**	–
Loss on disposal of right-of-use assets		**12**	–
Reversal of impairment losses on other receivables	*5*	**(880)**	–
Impairment losses on trade receivables	*6*	**615**	–
Revenue from non-cash consideration		**(76,099)**	–
		(110,200)	(306,165)
Decrease in prepayments, other receivables and other assets		**21,950**	19,444
Increase in inventories		**(52,707)**	(27,576)
(Increase)/decrease in trade receivables		**(40,493)**	3,293
Decrease in contract assets		**–**	11,000
Increase in trade payables		**23,261**	577
Decrease in other payables and accruals		**(4,565)**	(64,572)
Decrease in contract liabilities		**(1,133)**	–
Decrease in deferred income		**(15,844)**	(1,015)
Income tax paid		**(1,225)**	(907)
Net cash flows used in operating activities		**(180,956)**	(365,921)

Interim Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended June 30, 2025

	Notes	For the six months ended 30 June 2025 (Unaudited) RMB'000	For the six months ended 30 June 2024 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**38,104**	34,770
Interest received on financial assets at FVTPL		**62**	532
Purchases of property, plant and equipment		**(149,569)**	(107,426)
Receipts of government grants related to property, plant and equipment		**58,000**	16,000
Purchases of intangible assets		**(11)**	(1,537)
Investments in financial asset at FVTPL		**(4,000)**	–
Purchases of wealth management products		**(41,500)**	–
Proceeds from disposal of wealth management products		**21,500**	40,000
Placement of time deposits with maturity over three months		**(1,538,443)**	(1,008,640)
Withdrawal of time deposits with maturity over three months		**1,415,601**	983,899
Decrease in advances to employees		**230**	767
Disposal of property, plant and equipment		**333**	–
Decrease in restricted cash		**–**	1,775
Net cash flows used in investing activities		**(199,693)**	(39,860)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments		**(5,924)**	(10,089)
Repurchase of shares		**–**	(32,426)
Proceeds from issue of shares	*22*	**791,681**	–
Share issue expenses	*22*	**(9,482)**	–
Rental deposits paid		**(400)**	(279)
Interests paid		**(8,079)**	(8,080)
New bank loans		**386,288**	421,178
Repayment of bank loans		**(268,580)**	(106,380)
Net cash flows from financing activities		**885,504**	263,924
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**504,855**	(141,857)
Cash and cash equivalents at beginning of the period		**418,413**	851,029
Effect of foreign exchange rate changes, net		**18,446**	740
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**941,714**	709,912
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the interim condensed consolidated statements of financial position		**941,714**	709,912

Notes to Interim Condensed Consolidated Financial Information

For the six months ended June 30, 2025

1. CORPORATE INFORMATION

Keymed Biosciences Inc. (the "Company") was incorporated in the Cayman Islands ("Cayman") on 23 April 2018 as a limited liability company. The registered office of the Company is located at the offices of Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands.

The Company is an investment holding company. During the reporting period, the Group was involved in the research & development ("R&D") and commercialisation of pharmaceutical products.

The interim condensed financial information comprise the interim condensed consolidated statements of financial position as at 30 June 2025, the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The interim condensed financial information is presented in Renminbi ("RMB"), and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2.1 BASIS OF PREPARATION

The interim condensed financial information has been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. The interim condensed financial information does not include all of the information required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

2.2 CHANGES IN ACCOUNTING POLICIES

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

Amendments to IAS 21	Lack of Exchangeability

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

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

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

3. OPERATING SEGMENT INFORMATION

Operating segment information

The Group is engaged in R&D and commercialisation of pharmaceutical products, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Overseas	**328,813**	54,261
Mainland China	**169,939**	421
Total segment revenue	**498,752**	54,682

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

(b) Non-current assets

Majority of the Group's non-current assets were located in Mainland China as at 30 June 2025, geographical segment information in accordance with IFRS 8 Operation Segments is presented.

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Hong Kong	**277,365**	200,682
United States of America	**–**	1,611
Mainland China	**1,175,165**	1,098,247
Total	**1,452,530**	1,300,540

Information about major customers

Revenue of RMB230,580,000 (six months ended 30 June 2024: RMB54,261,000) was derived from collaboration with a pharmaceutical company. Further details are set out in note 4.

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

4. REVENUE

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of goods or services		
Collaboration revenue	**329,493**	54,682
Sale of pharmaceutical products	**169,259**	–
	498,752	54,682
Timing of revenue recognition		
Services transferred at a point in time	**498,388**	50,320
Services transferred overtime	**364**	4,362

(b) Performance obligations

Licensing out of CM313

In January 2025, the Group entered into an out-licence agreement (the "Timberlyne Agreement") with Timberlyne Therapeutics, Inc. ("Timberlyne") for the development, manufacture and commercialisation of a drug candidate CM313 globally excluding Mainland China, Hong Kong, Macau and Taiwan. Pursuant to the Timberlyne Agreement and subject to its terms and conditions, the Group was entitled to receive a one-time and non-refundable upfront payment of USD25,000,000 and a near-term payment of USD5,000,000 and was entitled to receive approximately 25.79% equity interests in Timberlyne. The Group was also entitled to receive milestone and royalty payments for the licensing.

In February 2025, the Group received the upfront payment of USD25,000,000. The Group recognised revenue of RMB230,580,000 (unaudited), which consisted of the upfront payment of USD25,000,000 (equivalent to RMB179,233,000) and the equity interest in Timberlyne valued at USD7,125,000 (equivalent to RMB51,347,000).

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

4. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(b) Performance obligations (Continued)

Licensing out of CM355

In January 2025, the Group, Beijing InnoCare Pharma Tech Co., Ltd. ("Beijing InnoCare") and Beijing Tiannuo Pharma Tech Co., Ltd. ("Tiannuo Pharma") entered into an out-licence agreement (the "Prolium Agreement") with Prolium Biosciences, Inc. ("Prolium") for the development, manufacture and commercialisation of a drug candidate CM355 globally in non-oncology indications and outside of Asia in oncology indications. Pursuant to the Prolium Agreement and subject to its terms and conditions, the Group was entitled to receive a one-time and non-refundable upfront payment of USD6,250,000 and a near-term payment of USD2,500,000 based on its respective 50% interest in CM355 and was entitled to receive a minority equity interest in Prolium. The Group and InnoCare were also entitled to receive compensation for the R&D support services provided to Prolium and milestone and royalty payments for the licensing.

In February 2025, the Group received the upfront payment of USD6,250,000. In June 2025, the Group received the near-term payment of USD2,500,000. The Group recognised revenue of RMB87,527,000 (unaudited), which consisted of the upfront payment and near-term payment totalling USD8,750,000 (equivalent to RMB62,775,000) and the equity interest in Prolium valued at USD3,452,000 (equivalent to RMB24,752,000).

Licensing out of CM336

In November 2024, the Group entered into an out-licence agreement (the "PML Agreement") with Platina Medicines Ltd ("PML") for the development, manufacture and commercialisation of a drug candidate CM336 globally excluding Mainland China, Hong Kong, Macau and Taiwan. Pursuant to the PML Agreement and subject to its terms and conditions, the Group was entitled to receive a one-time and non-refundable upfront payment and a near-term payment and a minority equity interest in Ouro Medicines, LLC ("Ouro Medicines"). Ouro Medicines is the parent company of PML and owns 100% equity interest in PML. The Group was also entitled to receive compensation for the R&D support services provided to PML and milestone and royalty payments for the licensing.

The Group recognised the collaboration revenue relating to R&D support service on CM336 of RMB7,187,000 (unaudited) during the six months ended 30 June 2025.

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

4. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(b) Performance obligations *(Continued)*

Licensing out of CM512 and CM536

In July 2024, the Group entered into an out-licence agreement (the "Belenos Agreement") with Belenos Biosciences, Inc. ("Belenos") for the development, manufacture and commercialisation of drug candidates CM512 and CM536 globally excluding Greater China region. Pursuant to the Belenos Agreement and subject to its terms and conditions, the Group was entitled to receive a one-time and non-refundable upfront payment of USD10,000,000 and a near-term payment of USD5,000,000 and was entitled to receive approximately 30.01% equity interest in Belenos. The Group was also entitled to receive compensation for the R&D support services provided to Belenos and milestone and royalty payments for the licensing.

The Group recognised the collaboration revenue relating to the R&D support service on CM512 of RMB3,155,000 (unaudited) during the six months ended 30 June 2025.

Licensing out of CMG901

In February 2023, KYM Biosciences Inc. ("KYM"), a 70% non-wholly-owned subsidiary of the Group (the remaining 30% ownership is held by affiliates of Lepu Biopharma Co., Ltd. ("Lepu")), entered into a global exclusive out-license agreement (the "AZ Agreement") with AstraZeneca AB ("AZ"), for the research, development, registration, manufacture, and commercialisation of Claudin 18.2-targeting anti-body drug conjugate ("CMG901"). Pursuant to the AZ Agreement and subject to its terms and conditions, KYM was entitled to receive a one-time and non-refundable upfront payment of USD63,000,000 from AZ, USD44,100,000 of which was attributable to the Group and USD18,900,000 to Lepu. KYM will be also entitled to receive R&D support services, milestone and royalty payments for the licensing and payments for clinical support when the relevant performance obligation is satisfied.

The Group recognised the collaboration revenue relating to the R&D support service on CMG901 of RMB364,000 (unaudited) during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB54,261,000 (unaudited)).

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Interest income	**39,808**	41,199
Government grants	**32,192**	23,060
Interest income on financial assets at FVTPL	**60**	423
Contract development and manufacturing ("CDM") services income	**1,877**	–
Others	**484**	228
Other gains		
Reversal of impairment losses on other receivables	**880**	–
Foreign exchange gains, net	**–**	5,977
Fair value gains on financial assets at FVTPL	**230**	2,573
Others	**12**	21
Total	**75,543**	73,481

6. OTHER EXPENSES

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Foreign exchange losses, net	**8,847**	–
Donation expenses	**8,679**	–
CDM costs	**1,415**	–
Impairment of trade receivables	**615**	–
Others	**2,044**	168
Total	**21,600**	168

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

7. FINANCE COSTS

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest expense on bank borrowings	**8,079**	8,030
Interest on lease liabilities	**570**	833
	8,649	8,863
Less: Interest capitalised	**(1,186)**	–
Total	**7,463**	8,863

* The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the Loan Prime Rate ("LPR") -0.8%.

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

8. LOSS BEFORE TAX

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

	Notes	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of inventories sold*		**33,182**	–
Depreciation of property, plant and equipment		**40,377**	37,647
Depreciation of right-of-use assets		**7,315**	8,441
Amortisation of other intangible assets		**1,193**	248
Lease payments not included in the measurement of lease liabilities		**734**	581
Government grants	*5*	**(32,192)**	(23,060)
Auditor's remuneration		**700**	700
Reversal of impairment loss on other receivables	*5*	**(880)**	–
Impairment of trade receivables	*6*	**615**	–
Interest income	*5*	**(39,808)**	(41,199)
Finance costs	*7*	**7,463**	8,863
Foreign exchange losses/(gains), net	*6/5*	**8,847**	(5,977)
Interest income on financial assets at FVTPL	*5*	**(60)**	(423)
Fair value gain on financial assets at FVTPL	*5*	**(230)**	(2,573)
Employee benefit expenses:			
-Wages and salaries		**208,050**	144,268
-Pension scheme contributions		**42,604**	29,975
-Staff welfare expenses		**–**	5,387
-Share-based payment expenses		**16,165**	17,634
Total		**266,819**	197,264

* Cost of inventories sold includes RMB22,458,000 relating to employee benefit expenses and depreciation and amortisation expenses, which are also included in the respective total amounts disclosed above for each of these types of expenses.

9. INCOME TAX

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

Cayman Islands

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax.

British Virgin Islands

Pursuant to the rules and regulations of the British Virgin Islands ("BVI"), the subsidiaries incorporated in the BVI are not subject to any income tax.

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

9. INCOME TAX (Continued)

United States of America (the "USA")

The subsidiaries incorporated in Delaware, the USA, were subject to the statutory federal corporate income tax at a rate of 21%, during the reporting period.

Pursuant to United States Income Tax laws and regulations and the agreement between the government of the People's Republic of China and the USA for avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, a 10% United States federal withholding tax was charged on milestone revenue pursuant to license and collaboration agreements entered between the Group and a United States company.

Mainland China

Four subsidiaries incorporated in Mainland China, including Keymed Biosciences (Chengdu) Co., Ltd. ("Keymed Chengdu"), Chengdu Kangnuoxing Biopharma Inc. ("Chengdu KNX"), Beijing Lingyue Biomedical Technology Co., Ltd. ("Beijing Lingyue") and Shanghai KNY Biomedical Technology Co., Ltd. ("Shanghai KNY"), obtained the Certificate of High-tech Enterprise and are entitled to corporate income tax at a preferential rate of 15% on taxable profit determined in accordance with the PRC Corporate Income Tax Law which became effective on 1 January 2008.

The rest of the subsidiaries that are incorporated in Mainland China are subject to corporate income tax at the statutory rate of 25% on taxable profit determined in accordance with the PRC Corporate Income Tax Law.

Hong Kong

The subsidiaries incorporated in Hong Kong were subject to Hong Kong profits tax at the statutory rate of 16.5% on any estimated assessable profits arising in Hong Kong during the reporting period. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the reporting period.

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current – Mainland China		
Charge for the year	**2,008**	–
Underprovision in prior years	**1,007**	–
Current – USA		
Corporate income tax	**220**	907
Withholding Tax	**–**	4,987
Deferred	**(100)**	185
Total	**3,135**	6,079

10. DIVIDENDS

No dividends have been declared and paid by the Company during the reporting period.

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

11. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue (excluding treasury shares reserved under the restricted share unit scheme) during the reporting period.

The calculation of the basic and diluted loss per share attributable to ordinary equity holders of the parent is based on the following data:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to ordinary equity holders of the parent	**(78,843)**	(336,745)
Shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**264,318,001**	261,553,290
Effect of dilution		
– Restricted share units*	**–**	–
Number of shares		
Weighted average number of ordinary shares outstanding for the computation of diluted earnings per share	**264,318,001**	261,553,290

* The computation of diluted loss per share for the six months ended 30 June 2025 and 2024 was made without the assumption of the exercise of restricted share units since their assumed exercise or conversion of such shares would result in a decrease in loss per share.

12. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND OTHER INTANGIBLE ASSETS

	Property, plant and equipment	**Right-of-use assets**	**Other intangible assets**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amounts at beginning of the period	974,365	73,740	9,748
Additions	100,246	10,617	54
Disposal/termination	(321)	(3,919)	–
Depreciation/amortisation charged for the period	(40,377)	(7,315)	(1,193)
Carrying amounts at end of the period (unaudited)	1,033,913	73,123	8,609

(a) As of 30 June 2025, certain of the Group's property, plant and equipment and land use right were pledged to secure the bank loans granted to the Group (note 18(a)).

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

13. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current:		
Prepayments for property, plant and equipment	**41,262**	27,246
Rental deposits	**4,685**	4,285
Prepayments for other intangible assets	**638**	681
Advances to employees	**–**	450
Other assets	**9,901**	–
Subtotal	**56,486**	32,662
Current:		
Prepayments for		
– Research and development expenses	**45,200**	52,026
– Value-added tax recoverable	**40,735**	49,622
– Raw materials	**5,000**	12,549
– Market promotion	**2,116**	–
– Others	**10,926**	11,863
Other receivables		
– Individual income tax for share-based payments	**4,625**	3,424
– Advances to employees	**1,151**	931
– Rental deposits	**576**	2,825
– Receivable for research and development service income	**–**	880
– Advance payment for clinical research fee	**–**	628
– Other receivables	**4,962**	2,473
Subtotal	**115,291**	137,221
Impairment allowance	**–**	(1,080)
Total	**115,291**	136,141

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its prepayments and other receivable balances.

The balances are interest-free, unsecured and repayable on demand.

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

14. EQUITY INVESTMENTS DESIGNATED AT FVTOCI

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Unlisted equity investments	**18,115**	17,634

These insignificant unlisted equity investments are measured at FVTOCI. The increase in fair value of these investments of RMB481,000 was recognised in the other comprehensive income for the six months ended 30 June 2025.

15. TRADE RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	**103,344**	62,851
Impairment	**(615)**	–
Net carrying amount	**102,729**	62,851

The Group's trading terms with its customers are mainly on credit. The credit period is normally 60 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 month	**81,755**	62,851
1 to 2 months	**20,974**	–
Total	**102,729**	62,851

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

15. TRADE RECEIVABLES (Continued)

The movement in the loss allowance for impairment of trade receivables is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At beginning of year	–	–
Impairment losses	615	–
At end of period/year	615	–

For the trade receivables to which the customers have similar loss patterns, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due, and the calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 30 June 2025 (Unaudited)

		Past due			
	Current	Less than 1 month	1 to 2 months	Over 2 months	Total
Expected credit loss rate	0.60%	–	–	–	0.60%
Gross carrying amount (RMB'000)	103,344	–	–	–	103,344
Expected credit losses (RMB'000)	615	–	–	–	615

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

16. FINANCIAL ASSETS AT FVTPL

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current asset		
Wealth management products *	**20,202**	235
Non-current assets		
Unlisted equity investments **	**262,284**	191,825
	282,486	192,060

* The current part of the investments measured at FVTPL are wealth management products denominated in RMB. The above wealth management products were issued by banks in Mainland China. The principals and yields on all of these wealth management products are not guaranteed, and hence their contractual cash flows do not qualify for solely payments of principal and interest.

** The Group acquired certain equity interests in newly formed biotech companies as part of consideration of collaboration arrangements. The Group had elected to measure these investments at FVTPL in accordance with IFRS 9.

17. TRADE PAYABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	**26,562**	22,861
3 to 6 months	**22,551**	558
6 months to 1 year	**90**	2,588
Over 1 year	**65**	–
Total	**49,268**	26,007

Trade payables are not interest-bearing and are normally settled on terms of 30 to 60 days.

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

18. OTHER PAYABLES AND ACCRUALS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Accrued research and development expenses	**65,083**	43,283
Payroll payable	**54,986**	62,391
Payables for property, plant and equipment	**42,368**	78,861
Accrued selling and distribution expenses	**7,556**	11,171
Amounts due to partners of collaboration revenue	**5,594**	25,954
Other tax payables	**1,898**	4,968
Accrued other expenses	**700**	1,548
Other payables	**16,163**	7,230
Total	**194,348**	235,406

Other payables and accruals are not interest-bearing and repayable on demand. The carrying amounts of financial liabilities included in other payables at the end of each reporting period approximate to their fair values due to their short-term maturities.

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

19. INTEREST-BEARING BANK BORROWINGS

	30 June 2025		
	Effective interest rate (%)	**Maturity**	***RMB'000* (Unaudited)**
Current			
Bank loans – unsecured	**1.70-2.60**	**2025-2026**	**401,844**
Bank loans – secured	*****	**2025-2026**	**145,928**
Subtotal			**547,772**
Non-current			
Bank loans – unsecured	**LPR-0.5**	**2026-2030**	**11,114**
Bank loans – secured	*****	**2026-2029**	**288,381**
Subtotal			**299,495**
Total			**847,267**

	31 December 2024		
	Effective interest rate (%)	Maturity	*RMB'000* (Audited)
Current			
Bank loans – unsecured	1.35-3.00	2025	337,184
Bank loans – secured	*	2025	135,187
Subtotal			472,371
Non-current			
Bank loans – secured	*	2026-2029	257,188
Total			729,559

* The interest rates of the bank loans range from LPR-1.2% to LPR-0.8%.

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

19. INTEREST-BEARING BANK BORROWINGS (Continued)

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Analysed into:		
Bank loans:		
Within one year or on demand	**547,772**	472,371
In the second year	**157,027**	142,287
In the third to fifth years, inclusive	**142,468**	114,901
Total	**847,267**	729,559

Notes:

(a) As of 30 June 2025, the Group secured its bank borrowings amounting to RMB434,309,000 (2024: RMB392,375,000) by:

(i) RMB323,326,000 (2024: RMB331,521,000) were secured by mortgages over the Group's machinery equipment of RMB440,584,000; and

(ii) RMB110,983,000 (2024: RMB60,854,000) were secured by mortgages over the Group's construction in progress and land use right with a total net carrying amount of RMB127,868,000 at the end of the reporting period.

(b) All borrowings are denominated in RMB.

20. CONTRACT LIABILITIES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Collaboration revenue	**445**	1,578

During the six months ended 30 June 2025, the Group entered into clinical supply agreements with a biotech company mentioned in note 5 to supply clinical drugs for use in its clinical trials. As at 30 June 2025, an advance payment of RMB445,000 had been received and recorded as contract liabilities.

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

21 DEFERRED INCOME

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Government grants	**316,934**	274,778

The movements in deferred income during the period ended 30 June 2025 are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At beginning of the period/year	**274,778**	228,194
Grants received during the period/year	**58,000**	48,613
Amounts released to profit or loss during the period/year	**(15,844)**	(2,029)
At end of the period/year	**316,934**	274,778

The grants were mostly government subsidies received from local government authorities related to property, plant and equipment for the support the Group's research and development activities and will be released to profit or loss over the expected useful lives of the relevant property, plant and equipment.

22. SHARE CAPITAL

	Number of shares in issue	Number of shares fully paid	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Ordinary shares of USD0.0001 each	298,735,566	286,894,549	**189**	174

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

22. SHARE CAPITAL (Continued)

A summary of movements in the share capital is as follows:

	Number of shares in issue	Share capital *RMB'000*
At 31 December 2024 and 1 January 2025	279,735,566	174
Issue of shares	19,000,000	14
Exercise of restricted share units	–	1
At 30 June 2025	298,735,566	189

Among these 298,735,566 issued ordinary shares, 11,841,017 shares remained unpaid as of 30 June 2025.

On 19 June 2025, a total of 19,000,000 new shares were issued at the subscription price of HK$45.48 per share for an aggregate cash consideration, before expenses, of HK$864,120,000 (equivalent to RMB791,681,000). The related transaction costs amounting to HK$10,350,000 (equivalent to RMB9,482,000) were netted off against the cash proceeds. The net proceeds are intended to be used for the Group's business development. Further details are set out in the Company's announcements dated 11 June 2025 and 19 June 2025, respectively.

23. SHARE-BASED PAYMENTS

Restricted Share Unit ("RSU") Schemes

Pursuant to a written shareholders' resolution of the Company passed on 5 April 2021, a RSU Scheme (the "2021 RSU Scheme") has been approved for the purpose of providing incentives to eligible participants who contribute to the success of the Group's operation. Up to 17,976,153 shares of the Company were authorised and approved under the 2021 RSU Scheme. The number of RSUs granted, the grant date, and the vesting period under the 2021 RSU Scheme will be determined at the discretion of the Company's board of directors. The 2021 RSU Scheme shall be valid and effective for the period of ten years commencing on the listing date of 8 July 2021.

Pursuant to a written board resolution passed by the Company on 21 January 2022, a RSU Scheme (the "2022 RSU Scheme") has been approved to recognize and incentivize the grantees' contributions and to retain and further develop to attract outstanding employees. Under the 2022 RSU Scheme, the authorized and approved shares of the Company shall not exceed 2% of the total issued share capital of the Company as at the grant date (i.e., not more than 5,594,711 shares). As at 30 June 2025, up to 4,136,000 shares of the Company had been repurchased from the open market and held under the 2022 RSU Scheme. The number of RSUs granted, the grant date, and the vesting period under the 2022 RSU Scheme shall be determined by the Company's board of directors. The 2022 RSU scheme was effective on 21 January 2022 and is valid for ten years. No RSU is granted under the 2022 RSU scheme during the period ended 30 June 2025.

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

23. SHARE-BASED PAYMENTS (Continued)

Restricted Share Unit ("RSU") Schemes (Continued)

The RSUs under the 2021 RSU Scheme have respective vesting terms over 4 years years from the grant date. The RSUs shall be vested according to the vesting schedule: 25% of the total number of RSUs shall be vested on the first anniversary of the grant date and the remaining 75% of the total number of RSUs shall be vested in three substantially equal annual instalments, with the first instalment vested on the second anniversary of the grant date, and then on up to the fourth anniversary of the grant date. The RSUs were granted with the subscription price of nil during the reporting period.

Movement of the outstanding RSUs during the period ended 30 June 2025 are as follows:

	Number of RSUs
At 1 January 2025	3,353,791
Granted during the period	375,250
Vested during the period	(1,307,520)
Forfeited during the period	(112,249)
At 30 June 2025 (Unaudited)	2,309,272

The fair values of RSUs for granted during the reporting period were determined with reference to the closing price of ordinary shares of the Company traded publicly on the Hong Kong Stock Exchange at the grant date or the previous trading day.

The Group recognised share-based payment expenses of RMB16,165,000 under the 2021 RSU Scheme for the period ended 30 June 2025 (six month ended 30 June 2024: RMB17,634,000), including the reversal of RMB803,000 (six month ended 30 June 2024: RMB10,999,000) for forfeited RSUs.

24. RESERVES

The Group

The amounts of the Group's deficits and the movements therein for the six months ended 30 June 2025 are presented in the consolidated statement of changes in equity of the consolidated financial statements.

Share premium

The share premium of the Group represents: 1) conversion of redeemable convertible preferred shares into ordinary shares upon IPO; 2) the issue of ordinary shares upon IPO and exercise of over-allotment option; 3) the transfer of share-based payments to share premium resulting from the exercise of RSUs; and 4) issue of 19,000,000 new shares in June 2025.

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

24. RESERVES (Continued)

Share-based payment reserve

The share-based payment reserve of the Group represents the share-based payment reserve in respect of equity-settled share awards.

Other reserve

The other reserve of the Group represents the changes in fair value of equity investments measured at fair value through other comprehensive income and the exchange differences on translation of foreign operations.

25. COMMITMENTS

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

	30 June 2025 ***RMB'000*** **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Contracted, but not provided for:		
Purchase of property, plant and equipment	**54,316**	129,207

26. RELATED PARTY TRANSACTIONS

The directors are of the opinion that the following parties are related parties that had material transactions or balances with the Group during the reporting period.

Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2025 ***RMB'000*** **(Unaudited)**	2024 *RMB'000* (Unaudited)
Salaries, bonuses, allowances and benefits in kind	**6,894**	8,372
Pension scheme contributions	**708**	217
Equity-settled share-based payments	**2,297**	5,430
Performance related bonuses	**697**	697
Total	**10,596**	14,716

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

27. FINANCIAL INSTRUMENTS BY CATEGORY

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

Financial assets

As at 30 June 2025 (Unaudited)

	Financial assets at amortised cost *RMB'000*	Financial assets at FVTPL *RMB'000*	Financial assets at FVTOCI *RMB'000*	Total *RMB'000*
Trade receivables	**102,729**	**–**	**–**	**102,729**
Financial assets included in prepayments, other receivables and other assets	**15,999**	**–**	**–**	**15,999**
Other investments classified as financial assets at FVTPL				
– Wealth management products	**–**	**20,202**	**–**	**20,202**
– Unlisted equity investments	**–**	**262,284**	**–**	**262,284**
Equity investments designated at FVTOCI	**–**		**18,115**	**18,115**
Time deposits	**1,834,297**	**–**	**–**	**1,834,297**
Cash and cash equivalents	**941,714**	**–**	**–**	**941,714**
Total	**2,894,739**	**282,486**	**18,115**	**3,195,340**

As at 31 December 2024 (Audited)

	Financial assets at amortised cost *RMB'000*	Financial assets at FVTPL *RMB'000*	Financial assets at FVTOCI *RMB'000*	Total *RMB'000*
Trade receivables	62,851	–	–	62,851
Financial assets included in prepayments, other receivables and other assets	14,816	–	–	14,816
Other investments classified as financial assets at FVTPL				
– Wealth management products	–	235	–	235
– Unlisted equity investments	–	191,825	–	191,825
Equity investments designated at FVTOCI	–	–	17,634	17,634
Time deposits	1,736,964	–	–	1,736,964
Cash and cash equivalents	418,413	–	–	418,413
Total	2,233,044	192,060	17,634	2,442,738

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

27. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Financial liabilities

As at 30 June 2025 (Unaudited)

	Financial liabilities at amortised cost ***RMB'000***
Trade payables	**49,268**
Interest-bearing bank borrowings	**847,267**
Financial liabilities included in other payables and accruals	**64,125**
Total	**960,660**

As at 31 December 2024 (Audited)

	Financial liabilities at amortised cost *RMB'000*
Trade payables	26,007
Interest-bearing bank borrowings	729,559
Financial liabilities included in other payables and accruals	112,045
Total	867,611

28. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

The Group's finance department headed by the Chief Finance Officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reported directly to the Chief Finance Officer for the six months ended 2024 and 2025. The finance department analyses the movements in the value of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager The valuation process and results are discussed with the directors of the Company once a year for annual financial reporting.

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2025 were assessed to be insignificant.

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

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

The fair values of the wealth management products which were all issued by reputable commercial banks have been estimated by using discounted cash flow valuation models with reference to observable inputs including gold price, yields of publicly traded bonds and credit spreads of debt issuers etc.

For the fair value of the unlisted equity investments at fair value, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 30 June 2025 and 31 December 2024:

	Valuation technique	Significant unobservable inputs
Equity investments designated at FVTOCI	Valuation multiples	Average P/S multiple of peers
	Recent transaction price	Discount for lack of marketability
		N/A
Equity investments at FVTPL	Back-solve from recent transaction price	Redemption/liquidation/ IPO probability/ Risk free rate/ Expected volatility/ Discount for lack of marketability/ Discount for lack of control

Fair value hierarchy

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

Assets measured at fair value:

As at 30 June 2025 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Financial assets				
Other investments classified as financial assets at FVTPL				
– Wealth management products investment	–	20,202	–	20,202
– Unlisted equity investments	–	–	272,185	272,185
Equity investments designated at FVTOCI	–	–	18,115	18,115
Total	–	20,202	290,300	310,502

Notes to Interim Condensed Consolidated Financial Information (continued)

For the six months ended June 30, 2025

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

As at 31 December 2024 (Audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Financial assets				
Other investments classified as financial assets at FVTPL				
– Wealth management products investment	–	235	–	235
– Unlisted equity investments	–	–	191,825	191,825
Equity investments designated at FVTOCI	–	–	17,634	17,634
Total	–	235	209,459	209,694

29. EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after the Reporting Period and up to the date of this interim report.

30. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the Company's Board of directors on 26 August 2025.