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Asymchem Laboratories (Tianjin) Co., Ltd.

凱萊英醫藥集團(天津)股份有限公司

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

(Stock Code: 6821)

PROFIT WARNING

This announcement is made by Asymchem Laboratories (Tianjin) Co., Ltd. (凱萊英醫藥集團(天津)股份有限公司) (the “**Company**”, collectively with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The following financial figures were prepared according to the China Accounting Standards for Business Enterprises.

I. ESTIMATED INTERIM RESULTS OF 2024

1. Period for the estimated results: from 1 January 2024 to 30 June 2024 (the “**Reporting Period**”)
2. Estimated results:

The board of directors of the Company (the “**Board**”) wishes to inform shareholders and potential investors of the Company the following estimated results based on preliminary estimation of the unaudited management accounts of the Group for the Reporting Period by the finance department of the Company, and the information currently available to the Board:

	For the Reporting Period	For the corresponding period in 2023
Net profit attributable to shareholders of the Company	Approximately RMB480.00 million – RMB550.00 million, representing a decrease by approximately 67.39%-71.54%	Approximately RMB1,686.37 million
Net profit after deducting the non-recurring profit or loss	Approximately RMB430.00 million – RMB480.00 million, representing a decrease by approximately 69.38%-72.57%	Approximately RMB1,567.73 million

	For the Reporting Period	For the corresponding period in 2023
Basic earnings per share of the Company	Approximately RMB1.36 per share – RMB1.56 per share	Approximately RMB4.65 per share

II. MAIN REASONS FOR THE ESTIMATED CHANGE IN INTERIM RESULTS FOR THE REPORTING PERIOD

In the first half of 2024, the Company recorded operating revenue of approximately RMB2.660 billion to RMB2.740 billion, representing a year-on-year decrease of 40.72% to 42.45%, which was mainly due to no delivery of similar large orders during the Reporting Period as compared with the corresponding period last year. During the Reporting Period, under condition of continuous downturn in biopharmaceutical financing environment both domestically and internationally, excluding the impact of large orders delivered during the corresponding period last year, the operating revenue of the Company achieved a slight growth, and the small molecule CDMO business still maintained year-on-year growth. As the recovery of domestic biopharmaceutical financing was slower than expected, the income from emerging businesses recorded a year-on-year decrease in operating revenue.

In the first half of 2024, the net profit attributable to the shareholders of the Company amounted to approximately RMB480 million to RMB550 million, representing a year-on-year decrease of 67.39% to 71.54%. The higher decrease as compared with operating revenue was primarily due to (1) the higher gross profit margin of large orders delivered in the corresponding period in the last year; (2) the decrease in revenue from emerging businesses and the relatively low capacity utilization rate of some businesses in developing period, coupled with lower gross profit margin for emerging businesses resulting from fierce competition in the domestic market; (3) the fact that despite the Company's efforts to strictly control costs and expenses, it is difficult to keep pace with the decline in revenue in a short period; (4) the relatively stable research and development expenses as compared to the corresponding period last year due to the Company's focuses on future development, and continues investment in research and development of new technologies and exploration of new businesses.

Overall, despite facing numerous challenges, the trend of specialization in the international pharmaceutical industry has not changed fundamentally, and the continued prosper of polypeptide, ADC, small nucleic acid and other drug categories has brought new opportunities and expanded market space. In 2024, the Company accelerated its overseas expansion and construction of polypeptide production capacity, continuously increased its business development efforts, and achieved a year-on-year growth of over 20% in new orders. Additionally, there was a significant quarter-on-quarter growth in the second quarter compared to the first quarter, with order growth from customers in the European and American markets outpacing the overall order growth rate of the Company.

III. OTHER RELEVANT INFORMATION

The estimated interim results disclosed in this announcement are only a preliminary estimation made by the finance department of the Company and have not been reviewed by the auditor or the audit committee of the Board. Please refer to the interim results announcement for the Reporting Period of the Company to be published for the finalized financial information. The Company is still in the process of finalizing the interim results for the Reporting Period. Investors are advised to pay attention to any associated investment risks.

The shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Tianjin, the PRC, 10 July 2024

As of the date of this announcement, the Board comprises Dr. Hao Hong as the Chairperson of the Board and executive Director, Ms. Yang Rui, Mr. Zhang Da and Mr. Hong Liang as executive Directors, Dr. Ye Song and Ms. Zhang Ting as non-executive Directors, and Dr. Sun Xuejiao, Mr. Hou Xinyi and Mr. Lee, Kar Chung Felix as independent non-executive Directors.