

FINANCIAL INFORMATION

You should read the following discussion and analysis with our consolidated financial statements included in the Accountants’ Report in Appendix I to this document. Our consolidated financial statements has been prepared in accordance with IFRS Accounting Standards, which may differ in material aspects from generally accepted accounting principles in other jurisdictions.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this document, including the sections headed “Risk Factors” and “Business.” Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a clinical CRO based in Hangzhou, China, dedicated to advancing clinical research innovation through digital transformation. Our principal business is the provision of clinical trial technical services designed to accelerate the development and commercialization of chemical drugs and biologics for pharmaceutical and biotechnology companies both in China and internationally.

By incorporating digital system into our clinical trial process, we enable pharmaceutical and biotechnology companies to bring innovative drugs and therapies to patients with enhanced speed and efficiency. This digital transformation entails the strategic application of data-driven insights and automated workflows to optimize key stages of the clinical trial lifecycle. Additionally, our efficiency-driven operating model and refined management practices accelerate research timelines, reduce overall R&D expenditure, and enhance project operational efficiency for our clients.

In 2025, we achieved a gross profit margin of 38.9%, which, according to the F&S, exceeded the industry average of approximately 30%. In the same year, our net profit margin reached 15.4%, surpassing the industry average of approximately 10%. Additionally, our revenue per employee in 2025 was RMB0.71 million, representing an increase of approximately 30% over the industry average of approximately RMB0.55 million.

Our clinical CRO services primarily focus on clinical trial technical services covering the entire clinical development process, including Investigational New Drug (“IND”) applications, Phase I-IV clinical studies, and New Drug Application (“NDA”) registration filings, as well as FSP services and other services.

In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our revenue was RMB370.5 million, RMB340.3 million, RMB335.9 million, RMB179.4 million, and RMB203.9 million, respectively. During the same periods, our profit for the year/period was RMB47.2 million, RMB57.5 million, RMB51.8 million, RMB28.1 million, and RMB22.3 million, respectively. Our gross profit margins for 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026 were 33.5%, 38.3%, 38.9%, 35.9% and 35.0%, respectively. As of June 30, 2026, our contracted future revenue reached RMB578.3 million, spanning multiple therapeutic areas and various stages of clinical development, demonstrating our strong business momentum.

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BASIS OF PRESENTATION

Our historical financial information during the Track Record Period has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board. The historical financial information has been prepared under the historical cost convention, except for certain financial instruments that are measured at fair value, as explained in the respective accounting policies in the Accountants’ Report in Appendix I to this document. Our historical financial information is presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated. The preparation of the historical financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires our management to exercise its judgment in the process of applying our accounting policies.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations and financial condition have been, and are expected to continue to be, affected by a variety of factors, including those set forth below.

Growth of Global CRO and Outsourcing Trends

During the Track Record Period, our revenue was generated from clinical CRO services. The expansion of both the pharmaceutical industry and the clinical CRO services market in Chinese mainland and internationally will further promote our clinical CRO services.

The global clinical CRO services market was valued at US\$62.2 billion in 2025 and is expected to increase to US\$128.3 billion in 2034, representing a CAGR of 8.4%. The Chinese clinical CRO services market was valued at US\$6.7 billion in 2025 and is expected to increase to US\$19.5 billion in 2034, representing a CAGR of 12.7%. In addition, Chinese biopharmaceutical industry has experienced a gradual recovery in financing activities, supported by increasing capital inflows and the acceleration of outbound licensing and international collaboration. In 2025, total financing raised by Chinese biotechnology companies reached approximately US\$4.6 billion, representing a 39.0% year-on-year increase. The revitalisation of financing activities, along with increased outbound licensing and international collaboration, has become a key factor supporting the sustainable growth of China’s pharmaceutical sector and the ongoing progress of its biopharmaceutical industry. This trend is expected to further boost the expansion of clinical CRO services.

Our Ability to Retain and Grow Our Customer Base

Our financial performance is significantly influenced by our ability to attract new customers and retain existing customers. Our customer base includes Chinese and multinational pharmaceutical companies, as well as small-to medium-sized biotechnology companies. In 2023, 2024 and 2025 and the six months ended June 30, 2026, we obtain new orders from 66, 58, 62 and 43 customers. Our ability to attract and retain customers is affected by our service satisfaction, service offerings, geographic footprint capacity, and brand image. Our service offerings and scientific and technical expertise have enabled us to enter into new service contracts with existing customers and attract new customers. If we fail to maintain or grow our customer base, our results of operations and financial conditions would be materially and adversely affected.

Project Operational Efficiency

Our profitability has been and will continue to be affected by our ability to execute CRO projects. Project operational efficiency is measured by our ability to complete projects on time and within budget, to deliver high-quality results, and to maximize our per-capita productivity.

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Clinical development is becoming increasingly complex and resource-intensive, prompting pharmaceutical companies to raise outsourcing penetration across clinical operations, monitoring, data management and safety functions in order to control fixed costs and mitigate project risk. As compared with several clinical trial CRO market players in China, we demonstrate certain advantages in terms of gross profit margin, net profit margin and revenue per employee. In 2025, our operation was efficient, reporting revenue per employee of RMB0.71 million, a gross profit margin of 38.9% and a net profit margin of 15.4%. These achievements are the result of several key factors. We have adopted an efficiency-driven operating model centred on value creation, evaluation, and distribution. Our matrix-based organizational structure facilitates faster decision-making and ensures resources are effectively aligned with business requirements. Furthermore, we have made investments in digital systems to enhance team coordination, standardize processes, and minimize manual inefficiencies. Going forward, we will continue to advance digital transformation and AI adoption while optimizing our operational workflows. These ongoing initiatives are expected to sustain and enhance our operational efficiency, thereby positively impacting our financial performance.

Our operational efficiency also depends on the management of staff costs. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, staff costs included in our cost of sales were RMB102.9 million, RMB87.6 million, RMB91.0 million, RMB43.5 million and RMB56.4 million, respectively, representing 41.8%, 41.7%, 44.3%, 37.9% and 42.6% of our total cost of sales. Future increases in salary levels, changes in compensation practices, or difficulties in attracting and retaining qualified personnel could affect our profitability.

Our Service Mix and Project Pricing

Our financial results are affected by the mix of services we provide. Historically, our primary efforts have been directed toward conducting clinical trials for drug candidates targeting oncology, autoimmune diseases, ophthalmology, infectious diseases, and others. In the future, we intend to broaden our expertise to frontier therapeutic areas.

Our financial performance depends materially on our ability to price services appropriately by accounting for project complexity, cost structures, and shifting market conditions. As our business expands and our technical capabilities advance, we are able to command stronger pricing power in our specialized service areas. Pricing is an important factor affecting our results of operations. We believe our service quality and efficient delivery enable us to command premium pricing compared with some competitors. However, we compete in a highly competitive market where aggressive pricing strategies by competitors. See “Risk Related — Risks Relating to our Business and Industry — We face intense competition in the PRC and international markets. Our inability to compete effectively may result in downward pricing pressure, reduced demand for our services, and adverse impacts on our operating results and profitability.”

MATERIAL ACCOUNTING POLICIES

Note 2 to “Appendix I — Accountants’ Report” sets forth certain material accounting policy information, which are important for understanding our financial conditions and results of operations. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on past experiences and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management’s estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. See note 3 to “Appendix I — Accountants’ Report.”

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DISCUSSION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth our result of operations derived from our consolidated statements of profit or loss and other comprehensive income for the years or periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(Unaudited)										
Revenue	370,519	100.0	340,281	100.0	335,931	100.0	179,410	100.0	203,917	100.0
Cost of sales	(246,217)	(66.5)	(209,961)	(61.7)	(205,290)	(61.1)	(114,993)	(64.1)	(132,515)	(65.0)
Gross profit	124,302	33.5	130,320	38.3	130,641	38.9	64,417	35.9	71,402	35.0
Other net income	4,108	1.1	4,484	1.3	4,078	1.2	2,306	1.3	611	0.3
Selling and marketing expenses	(14,549)	(3.9)	(12,935)	(3.8)	(15,990)	(4.8)	(7,713)	(4.3)	(9,670)	(4.7)
General and administrative expenses	(27,393)	(7.4)	(22,400)	(6.6)	(26,930)	(8.0)	(11,377)	(6.3)	(24,307)	(11.9)
Research and development expenses	(27,757)	(7.5)	(20,474)	(6.0)	(18,674)	(5.6)	(8,873)	(4.9)	(9,445)	(4.6)
Impairment loss recognized on trade and other receivables and contract assets	(274)	(0.1)	(538)	(0.2)	(3,193)	(1.0)	(1,022)	(0.6)	(3,272)	(1.6)
Profit from operations . .	58,437	15.8	78,457	23.1	69,932	20.8	37,738	21.0	25,319	12.4
Finance costs	(2,571)	(0.7)	(1,989)	(0.6)	(1,289)	(0.4)	(881)	(0.5)	(182)	(0.1)
Changes in the carrying amount of redemption liabilities	(607)	(0.2)	(7,829)	(2.3)	(8,294)	(2.5)	(3,967)	(2.2)	-	-
Profit before taxation . .	55,259	14.9	68,639	20.2	60,349	18.0	32,890	18.3	25,137	12.3
Income tax	(8,088)	(2.2)	(11,100)	(3.3)	(8,599)	(2.6)	(4,770)	(2.7)	(2,877)	(1.4)
Profit for the year/period .	47,171	12.7	57,539	16.9	51,750	15.4	28,120	15.7	22,260	10.9

Non-IFRS Measure

To supplement our historical financial statements which are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measures) as additional financial measures. These non-IFRS measures are not required by or presented in accordance with IFRS Accounting Standards. We believe that these non-IFRS measures facilitate comparisons of our operating performance by eliminating potential impacts of certain items listed below. We also believe that such non-IFRS measures present useful information in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures have limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net profit (non-IFRS measure) as profit for the year/period adding back equity-settled share-based payment expenses, changes in the carrying amount of redemption liabilities and [REDACTED]. Adjusted net profit margin (non-IFRS measure) is calculated based on adjusted net profit (non-IFRS measure) divided by revenue and multiplied by 100%. Equity-settled share-based payment expenses are non-cash expenses arising from granting restricted share units and do not result in cash outflows. The redemption liabilities

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arise from the redemption rights granted to our Pre-[REDACTED] Investors. Such redemption obligations have been terminated in December 2025 and the carrying amount of the redemption liabilities has been reclassified from liabilities to equity. [REDACTED] represent the expenses related to the [REDACTED]. The following table reconciles adjusted net profit (non-IFRS measures) and adjusted net profit margin (non-IFRS measures) to our profit for the year/period, presented in accordance with IFRS Accounting Standards, for the years/periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
(RMB in thousands, except for percentages)					
Profit for the year/period	47,171	57,539	51,750	28,120	22,260
Add:					
– Equity-settled share-based payment expenses	2,095	1,894	3,025	1,353	2,360
– Changes in the carrying amount of redemption liabilities	607	7,829	8,294	3,967	–
– [REDACTED]	–	–	4,839	–	11,026
Adjusted net profit (non-IFRS measure)	49,873	67,262	67,908	33,440	35,646
Adjusted net profit margin (non-IFRS measure)	13.5%	19.8%	20.2%	18.6%	17.5%

Our adjusted net profit (non-IFRS measure) increased from RMB49.9 million in 2023 to RMB67.3 million in 2024, and remained stable at RMB67.9 million in 2025. Our adjusted net profit (non-IFRS measure) further increased from RMB33.4 million in the six months ended June 30, 2025 to RMB35.6 million in the six months ended June 30, 2026.

Revenue

In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our revenue was RMB370.5 million, RMB340.3 million, RMB335.9 million, RMB179.4 million and RMB203.9 million, respectively. The following table sets forth a breakdown of our revenue by service during the Track Record Period:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(Unaudited)										
Clinical trial technical services	317,617	85.7	290,320	85.3	269,947	80.4	149,607	83.4	161,479	79.2
FSP services	50,616	13.7	49,510	14.5	63,324	18.8	28,833	16.1	41,244	20.2
Others	2,286	0.6	451	0.2	2,660	0.8	970	0.5	1,194	0.6
Total	370,519	100.0	340,281	100.0	335,931	100.0	179,410	100.0	203,917	100.0

We operate our business primarily through: (i) clinical trial technical services; (ii) FSP services; and (iii) others, which primarily include subject recruitment, and standalone site management services.

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The following table sets forth the breakdown of revenue for our clinical trial technical services by therapeutic areas during the Track Record Period:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
Oncology	86,441	27.2	132,460	45.6	122,675	45.4	61,848	41.3	75,838	47.0
Autoimmune diseases	75,943	23.9	68,278	23.5	102,605	38.0	64,374	43.0	57,860	35.8
Ophthalmology	47,283	14.9	29,318	10.1	4,166	1.5	2,553	1.7	7,225	4.5
Infectious diseases	39,538	12.4	10,682	3.7	9,874	3.7	8,795	5.9	2,561	1.6
Other therapeutic areas	68,412	21.6	49,582	17.1	30,627	11.4	12,037	8.1	17,995	11.1
Total	317,617	100.0	290,320	100.0	269,947	100.0	149,607	100.0	161,479	100.0

Oncology and autoimmune diseases, our specialized therapeutic areas, accounted for 51.1%, 69.1%, 83.4%, 84.3% and 82.8% of our revenue from clinical trial technical services in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

Revenue Breakdown by Geographic Location

In terms of geographic coverage, we generated revenue primarily from our services provided in Chinese mainland. The following table sets forth a breakdown of our revenue by geographical location, in an absolute amount and as a percentage of our total revenue, for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
Chinese mainland	342,120	92.3	331,256	97.3	324,142	96.5	174,476	97.2	195,297	95.8
Overseas	28,399	7.7	9,025	2.7	11,789	3.5	4,934	2.8	8,620	4.2
– United States	–	–	7,208	2.1	10,617	3.2	4,306	2.4	7,460	3.7
– Australia	–	–	449	0.1	1,172	0.3	628	0.4	1,160	0.5
– Southeast Asia	28,399	7.7	1,369	0.4	–	–	–	–	–	–
Total	370,519	100.0	340,281	100.0	335,931	100.0	179,410	100.0	203,917	100.0

Our revenue from overseas decreased by 68.2% from RMB28.4 million in 2023 to RMB9.0 million in 2024, primarily due to the non-recurring nature of our overseas project related to COVID-19 prevention and control that had contributed to revenue in prior periods and was completed in 2024. Specifically, we recognized revenue of RMB28.4 million from a major project in Southeast Asia in 2023. In addition, our revenue from the United States and Australia increased from 2023 to 2024 primarily driven by the business expansion of our FSP services in United States and Australia. Our revenue from overseas increased by 30.6% from RMB9.0 million in 2024 to RMB11.8 million in 2025, driven by the business expansion of our overseas FSP services in United States and Australia. Specifically, our revenue generated from overseas FSP services grew from RMB7.6 million in 2024 to RMB11.8 million in 2025. Our revenue from overseas further increased by 74.7% from RMB4.9 million in the six months ended June 30, 2025 to RMB8.6 million in the six months ended June 30, 2026, primarily due to the business expansion of our FSP services in United States and Australia.

Revenue by fee model

During the Track Record Period, we primarily generate revenue from fee income for the services provided to our customers under the fee-for-service model and the full-time-equivalent model.

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The table below sets forth a breakdown of our revenue by fee model for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
Fee-for-service model ⁽¹⁾ . . .	319,891	86.3	290,743	85.5	271,941	81.0	149,944	83.5	162,661	79.8
Full-time-equivalent model ⁽²⁾	50,616	13.7	49,510	14.5	63,324	18.9	28,833	16.1	41,244	20.2
Others ⁽³⁾	12	–	28	–	666	0.1	633	0.4	12	–
Total	370,519	100.0	340,281	100.0	335,931	100.0	179,410	100.0	203,917	100.0

- (1) Under the fee-for-service model, we generate revenue by delivering predefined, specific services or meeting predetermined project milestones, with fees tied to the completion of these agreed-upon deliverables.
- (2) Under the full-time-equivalent model, we assign specialized personnel to our clients’ projects for an agreed fixed term, and generate revenue from the fees charged for the dedicated resources provided.
- (3) Others refer to the revenue generated from system sales business of Weilin.

Cost of Sales

Our cost of sales amounted to RMB246.2 million, RMB210.0 million, RMB205.3 million, RMB115.0 million and RMB132.5 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. During the Track Record Period, our cost of sales primarily consisted of (i) third-party service provider fees; (ii) staff costs; (iii) tax and surcharges; (iv) project operational costs during the execution of clinical trials; and (v) depreciation and amortization of our right-of-use assets, equipment and software systems.

Cost of Sales by Nature

The following table sets forth a breakdown of our cost of sales by nature in absolute amounts and as a percentage of our total cost of sales for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
Third-party service provider fees	123,710	50.2	104,501	49.8	97,095	47.3	63,568	55.3	64,963	49.0
– Site fees	57,698	46.6	50,064	47.9	50,679	52.2	35,907	31.2	33,743	25.5
– Clinical research coordinators fees ⁽¹⁾ . . .	21,295	17.2	23,154	22.2	21,616	22.3	14,701	12.8	13,611	10.3
– Outsourced CRO service fees	19,158	15.5	211	0.2	28	–	–	–	–	–
– Subject recruitment fees	8,085	6.5	13,695	13.1	12,029	12.4	7,460	6.5	12,018	9.1
– Sample testing fees	6,486	5.2	4,278	4.1	5,227	5.4	1,456	1.3	1,857	1.4
– Others ⁽²⁾	10,988	9.0	13,099	12.5	7,516	7.7	4,044	3.5	3,734	2.8
Staff costs	102,939	41.8	87,605	41.7	90,976	44.3	43,547	37.9	56,408	42.6
Tax and surcharges	2,312	0.9	1,831	0.9	1,494	0.7	793	0.7	974	0.7
Project operational costs	12,695	5.2	13,201	6.3	13,486	6.6	5,631	4.9	8,521	6.4
Depreciation and amortization	4,561	1.9	2,823	1.3	2,239	1.1	1,454	1.2	1,649	1.3
Total	246,217	100.0	209,961	100.0	205,290	100.0	114,993	100.0	132,515	100.0

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- (1) Clinical research coordinators fees mainly refer to expenses incurred for coordination and management services in relation to clinical trials.
- (2) Others mainly include the materials and equipment expenses, intermediary service fees, insurance expenses, and statistical and consulting service fees.

During the Track Record Period, third-party service provider fees account for 50.2%, 49.8%, 47.3%, 55.3% and 49.0% of our cost of sales, respectively. According to Frost & Sullivan, the proportion of our cost of sales attributable to third-party service provider fees is in line with industry norm.

Cost of Sales by Service

The following table sets forth a breakdown of our cost of sales by service type in absolute amounts and as a percentage of our total cost of sales for the periods indicated:

Year ended December 31,						Six months ended June 30,			
2023		2024		2025		2025		2026	
Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)									

Clinical trial technical services	210,150	85.4	176,250	83.9	160,851	78.4	94,820	82.5	103,475	78.0
FSP services	34,665	14.1	33,427	15.9	43,228	21.1	19,932	17.3	28,167	21.3
Others	1,402	0.5	284	0.2	1,211	0.5	241	0.2	873	0.7
Total	246,217	100.0	209,961	100.0	205,290	100.0	114,993	100.0	132,515	100.0

Cost of Sales by Geographic Location

The following table sets forth a breakdown of our cost of sales by geographic location in absolute amounts and as a percentage of our total cost of sales for the periods indicated:

Year ended December 31,						Six months ended June 30,			
2023		2024		2025		2025		2026	
Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)									

Chinese Mainland	228,261	92.7	205,767	98.0	198,315	96.6	112,002	97.4	126,776	95.7
Overseas	17,956	7.3	4,194	2.0	6,975	3.4	2,991	2.6	5,739	4.3
Total	246,217	100.0	209,961	100.0	205,290	100.0	114,993	100.0	132,515	100.0

Gross Profit and Gross Profit Margin

Our gross profit amounted to RMB124.3 million, RMB130.3 million, RMB130.6 million, RMB64.4 million and RMB71.4 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our gross profit margin was 33.5%, 38.3%, 38.9%, 35.9% and 35.0% in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

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Gross Profit and Gross Profit Margin by Service Type

The following table sets forth a breakdown of our gross profit and gross profit margin by service type for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
<i>(RMB in thousands, except for percentages)</i>										
Clinical trial										
technical services	107,467	33.8	114,070	39.3	109,096	40.4	54,787	36.6	58,004	35.9
FSP services	15,951	31.5	16,083	32.5	20,096	31.7	8,901	30.9	13,077	31.7
Others	884	38.7	167	37.0	1,449	54.5	729	75.2	321	26.9
Total	124,302	33.5	130,320	38.3	130,641	38.9	64,417	35.9	71,402	35.0

Gross Profit and Gross Profit Margin by Geographic Location

The following table sets forth a breakdown of our gross profit and gross profit margin by geographic location for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
<i>(RMB in thousands, except for percentages)</i>										
Chinese Mainland . .	113,858	33.3	125,489	37.9	125,827	38.8	62,474	35.8	68,521	35.1
Overseas	10,443	36.8	4,831	53.5	4,814	40.8	1,943	39.4	2,881	33.4
Total	124,301	33.5	130,320	38.3	130,641	38.9	64,417	35.9	71,402	35.0

Our overseas operations have consistently maintained higher gross margins compared to our Chinese business from 2023 to 2025, with gross margins of 36.8% in 2023, 53.5% in 2024 and 40.8% in 2025. This premium was primarily attributable to the higher pricing we are able to command for our overseas projects. The decrease of the gross margins of our overseas operations from 39.4% in the six months ended June 30, 2025 to 33.4% in the six months ended June 30, 2026 was primarily due to the lower pricing of certain overseas FSP projects in the six months ended June 30, 2026, as we adopted more competitive pricing to expand our customer base in overseas markets, which had a dilutive effect on our overall overseas operations’ gross margin.

Other Net Income

During the Track Record Period, our other net income was primarily comprised of (i) interest income on amounts due from related parties; (ii) net foreign exchange gains/(losses); (iii) government grants representing cash payments granted by government authorities for our research and development and contribution to local economy and enterprises; (iv) changes in fair value of financial assets measured at FVPL; (v) net (loss)/gain on disposal of property, plant and equipment and right-of-use assets; and (vi) interest income on bank deposits. Our other net income amounted to RMB4.1 million, RMB4.5 million, RMB4.1 million, RMB2.3 million and RMB0.6 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

Our government grants are typically non-recurring in nature. While such government grants are generally subject to certain conditions before being awarded, our government grants received during the Track Record Period were primarily in the form of compensation for our

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past performance or expenses incurred, for which there were no unfulfilled conditions or contingencies. For government grants that are subject to clawback provisions or contingent upon the fulfillment of future conditions, see “— Discussion of Key Items of Consolidated Statements of Financial Position — Accruals and Other Payables” for further details.

The following table sets forth a breakdown of our other net income for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(Unaudited)										
Interest income on:										
– Amounts due from related parties	2,182	53.1	2,536	56.6	2,682	65.8	1,453	63.0	315	51.6
– Bank deposits	250	6.1	202	4.5	132	3.2	52	2.3	37	6.1
Net foreign exchange gains/(losses)	8	0.2	(78)	(1.7)	(21)	(0.5)	(21)	(0.9)	13	2.1
Government grants	1,125	27.4	1,450	32.3	527	12.9	288	12.5	–	–
Change in fair value of financial assets measured at FVPL	136	3.3	142	3.2	330	8.1	192	8.3	31	5.1
Net (loss)/gain on disposal of property, plant and equipment and right-of-use assets	(10)	(0.2)	241	5.4	(8)	(0.2)	(8)	(0.3)	–	–
Others ⁽¹⁾	417	10.1	(9)	(0.3)	436	10.7	350	15.2	215	35.2
Total	4,108	100.0	4,484	100.0	4,078	100.0	2,306	100.0	611	100.0

(1) Others mainly include the VAT additional deduction and refunds of individual income tax handling fees.

Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses primarily consisted of (i) staff costs regarding salaries, bonuses, social security contributions and other employee benefits paid to our selling and marketing staff; (ii) business development expenses regarding costs incurred for client relationship maintenance; (iii) travel expenses regarding transportation fares, accommodation fees and subsistence allowances for selling and marketing purpose; and (iv) equity-settled share-based payment expenses related to the restricted share units granted to eligible selling and marketing employees as incentives. Our selling and marketing expenses amounted to RMB14.5 million, RMB12.9 million, RMB16.0 million, RMB7.7 million and RMB9.7 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

The following table sets forth a breakdown of our selling and marketing expenses in absolute amounts and as a percentage of our total selling and marketing expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
Staff costs	9,444	64.9	9,310	72.0	12,034	75.3	5,829	75.6	7,747	80.1
Business development expenses	1,900	13.1	1,061	8.2	1,206	7.5	490	6.4	525	5.4
Travel expenses	1,747	12.0	1,541	11.9	1,213	7.6	619	8.0	456	4.7
Equity-settled share-based payment expenses	775	5.3	383	3.0	998	6.2	455	5.9	739	7.6

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	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Others ⁽¹⁾	683	4.7	640	4.9	539	3.4	320	4.1	203	2.1
Total	14,549	100.0	12,935	100.0	15,990	100.0	7,713	100.0	9,670	100.0

(RMB in thousands, except for percentages)

(1) Others mainly include depreciation, cost incurred for promotional activities and participation in industry seminars and exhibitions.

General and Administrative Expenses

During the Track Record Period, our general and administrative expenses primarily included (i) staff costs regarding salaries, bonuses, social security contributions and other employee benefits paid to our administrative staff; (ii) professional service fees regarding our fundraising activities and the registration of overseas subsidiaries; (iii) equity-settled share-based payment expenses relating to the restricted share units granted to eligible administrative employees and directors as incentives; (iv) depreciation and amortization of right-of-use assets and software; (v) office and meeting expenses; and (vi) travel expenses regarding transportation fares, accommodation fees and subsistence allowances for administrative purpose. Our general and administrative expenses amounted to RMB27.4 million, RMB22.4 million, RMB26.9 million, RMB11.4 million and RMB24.3 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

The following table sets forth a breakdown of our general and administrative expenses in absolute amounts and as a percentage of our total general and administrative expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Staff costs	18,934	69.1	15,029	67.1	15,554	57.8	7,825	68.8	8,198	33.7
Equity-settled share-based payment expenses	1,177	4.3	1,486	6.6	1,851	6.9	872	7.7	1,414	5.8
Depreciation and amortization	1,023	3.7	1,134	5.1	625	2.3	146	1.3	150	0.6
Office and meeting expenses	534	1.9	561	2.5	300	1.1	228	2.0	433	1.8
Travel expenses	811	3.0	633	2.8	861	3.2	453	4.0	596	2.5
Professional service fees	3,560	13.0	2,415	10.8	6,424	23.9	1,074	9.4	12,479	51.3
Others ⁽¹⁾	1,354	5.0	1,142	5.1	1,315	4.8	779	6.8	1,037	4.3
Total	27,393	100.0	22,400	100.0	26,930	100.0	11,377	100.0	24,307	100.0

(RMB in thousands, except for percentages)

(1) Others mainly include items such as business development expenses, electricity, water and other utilities.

Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (i) staff costs regarding salaries, bonuses, social security contributions and other employee benefits paid to our research and development staff; (ii) equity-settled share-based payment expenses relating to the restricted share units granted to eligible research and

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development employees and directors as incentives; and (iii) depreciation of right-of-use assets and research and development related equipment and amortization of software tools utilized by research and development personnel. Our research and development expenses amounted to RMB27.8 million, RMB20.5 million, RMB18.7 million, RMB8.9 million and RMB9.4 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

The following table sets forth a breakdown of our research and development expenses in absolute amounts and as a percentage of our total research and development expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>										
Staff costs	26,810	96.6	19,965	97.5	18,111	97.0	8,605	97.0	9,112	96.5
Equity-settled share based payment expenses	36	0.1	57	0.3	73	0.4	34	0.4	54	0.6
Depreciation and amortization	283	1.0	244	1.2	271	1.5	166	1.9	113	1.2
Others ⁽¹⁾	628	2.3	208	1.0	219	1.1	68	0.8	166	1.8
Total	27,757	100.0	20,474	100.0	18,674	100.0	8,873	100.0	9,445	100.0

(1) Others mainly include items such as office related expenses and transportation and accommodation expenses.

Impairment Losses Recognized on Trade and other Receivables and Contract Assets

During the Track Record Period, our impairment losses recognized on trade and other receivables and contract assets consisted of changes in the allowance for expected credit losses in our trade receivables, other receivables and contract assets. Our impairment losses recognized on trade and other receivables and contract assets amounted to RMB0.3 million, RMB0.5 million, RMB3.2 million, RMB1.0 million and RMB3.3 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

The following table sets forth a breakdown of our impairment losses recognized on trade and other receivables and contract assets for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>										
<i>(Unaudited)</i>										
Trade receivables	38	13.9	346	64.3	1,479	46.3	221	21.6	1,588	48.5
Contract assets	123	44.9	123	22.9	1,605	50.3	740	72.4	1,676	51.2
Other receivables	113	41.2	69	12.8	109	3.4	61	6.0	8	0.3
Total	274	100.0	538	100.0	3,193	100.0	1,022	100.0	3,272	100.0

Finance Costs

During the Track Record Period, our total finance costs represent interest on bank loans and interest on lease liabilities, which amounted to RMB2.6 million, RMB2.0 million, and RMB1.3 million, RMB0.9 million and RMB0.2 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

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The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
(Unaudited)										
Interest on bank loans . . .	2,435	94.7	1,911	96.1	1,268	98.4	867	98.4	122	67.0
Interest on lease liabilities .	136	5.3	78	3.9	21	1.6	14	1.6	60	33.0
Total	2,571	100.0	1,989	100.0	1,289	100.0	881	100.0	182	100.0

Changes in the Carrying Amount of Redemption Liabilities

Redemption liabilities arise from a series of agreements under which our Company is obliged to redeem the registered capital held by certain investors upon the occurrence of certain contingent events. Our Company recognized financial liabilities arising from its obligation to redeem these investors’ investments as not all redemption events are within our Company or our Group’s control. See note 23 to the Accountants’ Report in Appendix I. The changes in the carrying amount of redemption liabilities amounted to RMB0.6 million, RMB7.8 million, RMB8.3 million, RMB4.0 million and nil in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

Income Tax

Our income tax expenses amounted to RMB8.1 million, RMB11.1 million, and RMB8.6 million, RMB4.8 million and RMB2.9 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. We are subject to income tax on an entity basis on profits arising in or derived from tax jurisdictions in which members of our Group are domiciled and operated. See note 7 to the Accountants’ Report in Appendix I.

The following table sets forth a breakdown of our income tax expenses for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
(RMB in thousands)					
(Unaudited)					
Current tax					
Provision for the year	8,532	12,935	9,913	5,092	3,964
Deferred tax					
Origination and reversal of temporary differences	(444)	(1,835)	(1,314)	(322)	(1,087)
Income tax	8,088	11,100	8,599	4,770	2,877

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Income Tax Rate

We and our PRC subsidiaries were subject to a PRC corporate income tax rate of 25% during the Track Record Period.

Under the PRC Income Tax Laws, enterprises that qualify as High and New Technology Enterprises (HNTes) are entitled to a preferential tax rate of 15%, subject to continued annual compliance with HNTe qualification standards. Our Company qualified as an HNTe and benefited from the 15% preferential tax rate during the Track Record Period.

Our Company were also entitled to an additional tax-deductible allowance equal to 100% of qualified research and development expenses incurred during the Track Record Period.

As of the Latest Practicable Date, we did not have any dispute with any tax authority. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any tax investigation, enquiries, penalties or surcharges.

Profit for the Year/Period and Profit Margin

Our profit for the year/period amounted to RMB47.2 million, RMB57.5 million, RMB51.8 million, RMB28.1 million and RMB22.3 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our profit margin was 12.7%, 16.9%, 15.4%, 15.7% and 10.9% in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

DISCUSSION OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2025 Compared with Six Months Ended June 30, 2026

Revenue

Our revenue increased by 13.7% from RMB179.4 million in the six months ended June 30, 2025 to RMB203.9 million in the six months ended June 30, 2026, primarily attributable to the following changes:

- *Clinical trial technical services:* Our revenue from clinical trial technical services increased by 7.9% from RMB149.6 million for the six months ended June 30, 2025 to RMB161.5 million for the six months ended June 30, 2026, primarily due to an increase in the aggregate value of new contract awards in the first half of 2026 as a result of the gradual recovery in financing activities of Chinese biopharmaceutical industry resulting in increased demand for clinical trial technical services, which provided a larger contracted future revenue base for recognition from clinical trial projects during the six months ended June 30, 2026. For details of our contracted future revenue during the Track Record Period, see “Business — Our Fee Models — Contracted Future Revenue” for further details.
- *FSP services:* Our revenue from FSP services increased by 43.0% from RMB28.8 million for the six months ended June 30, 2025 to RMB41.2 million for the six months ended June 30, 2026, primarily due to (i) greater customer preference for this flexible service model which allows customers to scale their clinical operations up or down based on study milestones without the long-term overhead of permanent headcount; and (ii) the expansion of our overseas customer base of FSP services with the acquisition of four local customers in the six months ended June 30, 2026.
- *Others:* Our revenue from other services remained relatively stable at RMB1.0 million for the six months ended June 30, 2025 and at RMB1.2 million for the six months ended June 30, 2026.

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Cost of Sales

Our cost of sales increased by 15.2% from RMB115.0 million in the six months ended June 30, 2025 to RMB132.5 million in the six months ended June 30, 2026. This increase was primarily attributable to an increase in staff costs resulting from the addition in headcount to support our business expansion and operations and an increase in project operational costs resulting from the newly awarded projects.

Gross Profit and Gross Profit Margin

Our gross profit increased by 10.8% from RMB64.4 million in the six months ended June 30, 2025 to RMB71.4 million in the six months ended June 30, 2026, with our gross profit margin remained relatively stable at 35.9% in the six months ended June 30, 2025 and at 35.0% in the six months ended June 30, 2026.

- *Clinical trial technical services:* Our gross profit from clinical trial technical services remained relatively stable at RMB54.8 million for the six months ended June 30, 2025 and at RMB58.0 million for the same period in 2026, with our gross profit margin of clinical trial technical services decreased slightly from 36.6% for the six months ended June 30, 2025 to 35.9% for the same period in 2026. The gross profit margin of our clinical trial technical services slightly decreased from the six months ended June 30, 2025 to the six months ended June 30, 2026, primarily due to the lower pricing of certain projects initiated in 2026 caused by intensified market competition, resulting in a relatively lower gross profit margin for the corresponding revenue recognized in 2026.
- *FSP services:* Our gross profit from FSP services increased by 46.9% from RMB8.9 million for the six months ended June 30, 2025 to RMB13.1 million for the same period in 2026, with our gross profit margin of FSP services remained relatively stable at 30.9% for the six months ended June 30, 2025 and at 31.7% for the same period in 2026, primarily due to (i) the increase in revenue from our FSP services, driven by greater customer preference for this flexible service model which allows customers to scale their clinical operations up or down based on study milestones without the long-term overhead of permanent headcount; and (ii) expansion of our overseas FSP services.

Other Net Income

Our other net income decreased by 73.5% from RMB2.3 million in the six months ended June 30, 2025 to RMB0.6 million in the six months ended June 30, 2026, primarily attributable to (i) a decrease in interest income on amounts due from related parties as a result of the repayment of such amounts by the related parties; and (ii) a decrease in government grants.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 25.4% from RMB7.7 million in the six months ended June 30, 2025 to RMB9.7 million in the six months ended June 30, 2026. This increase was primarily attributable to the increase in staff costs due to the expansion of our sales and marketing team to support our business expansion and operations.

General and Administrative Expenses

Our general and administrative expenses increased significantly from RMB11.4 million in the six months ended June 30, 2025 to RMB24.3 million in the six months ended June 30, 2026, primarily attributable to the recognition of [REDACTED].

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Research and Development Expenses

Our research and development expenses remained relatively stable at RMB8.9 million in the six months ended June 30, 2025 and at RMB9.4 million in the six months ended June 30, 2026.

Impairment Losses Recognised on Trade and Other Receivables and Contract Assets

Our impairment losses recognised on trade and other receivables and contract assets increased significantly from a loss of RMB1.0 million in June 30, 2025 to a loss of RMB3.3 million June 30, 2026 million, primarily due to an increase in the impairment of trade receivables and contract assets, driven by changes in the credit risk profiles of certain customers.

Finance Costs

Our finance costs decreased by 79.3% from RMB0.9 million in the six months ended June 30, 2025 to RMB0.2 million in the six months ended June 30, 2026, primarily attributable to the decrease in bank loans.

Income Tax Expenses

Our income tax expenses decreased from RMB4.8 million in the six months ended June 30, 2025 to RMB2.9 million in the six months ended June 30, 2026, primarily due to a decrease of our profit before taxation as a result of the foregoing.

Profit for the Period and Profit Margin

As a result of the foregoing, our profit for the period amounted to RMB28.1 million in the six months ended June 30, 2025 and RMB22.3 million in the six months ended June 30, 2026, representing a decrease of 20.8%. Our profit margin amounted to 15.7% and 10.9% in the six months ended June 30, 2025 and 2026.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2025

Revenue

Our revenue decreased by 1.3% from RMB340.3 million in 2024 to RMB335.9 million in 2025, primarily attributable to the following changes:

- *Clinical trial technical services:* Our revenue from clinical trial technical services decreased by 7.0% from RMB290.3 million in 2024 to RMB269.9 million in 2025, primarily due to a decrease in the aggregate value of new contract awards in 2024, leading to a lower opening contract backlog for 2025 and a corresponding reduction in the available base for revenue conversion during the year. The lower aggregate value of new contract awards in 2024 was primarily driven by the cash flow pressures among small and mid-sized pharmaceutical and biotechnology companies. In light of the relatively cautious investment environment in the pharmaceutical and biotechnology industry, certain pharmaceutical and biotechnology companies adopted a more prudent approach to research and development investment and project commencement, resulting in reduced demand for clinical trial technical services. For details of our contracted future revenue during the Track Record Period, see “Business — Our Fee Models — Contracted Future Revenue” for further details.
- *FSP services:* Our revenue from FSP services increased from RMB49.5 million in 2024 to RMB63.3 million in 2025, primarily due to our customers’ preference for this flexible service model which allows customers to scale their clinical operations up or down based on study milestones. Such flexibility in service scope and pricing enables customers to better control costs and optimize resource allocation. In addition, the expansion of our overseas FSP services contributed to the revenue growth of FSP services. Our revenue generated from overseas FSP services grew from RMB7.6 million in 2024 to RMB11.8 million in 2025.

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- *Others*: Our revenue from others increased from RMB0.5 million in 2024 to RMB2.7 million in 2025, primarily due to revenue contribution from a site management project in 2025 and the revenue contribution from system sales.

Cost of Sales

Our cost of sales decreased slightly from RMB210.0 million in 2024 to RMB205.3 million in 2025. This decrease was primarily attributable to (i) a decrease in third-party service provider fees from RMB104.5 million in 2024 to RMB97.1 million in 2025 as third-party service costs are closely linked to the project execution stages, and the fluctuation in such costs was generally influenced by progress and nature of specific projects; and (ii) a decrease in depreciation and amortization from RMB2.8 million in 2024 to RMB2.2 million in 2025 primarily resulting from a reduction in right-of-use assets, partially offset by the increase in staff costs from RMB87.6 million in 2024 to RMB91.0 million in 2025 as a result of an increase in our headcount to support business growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 0.2% from RMB130.3 million in 2024 to RMB130.6 million in 2025. Our gross profit margin remained stable at 38.9% in 2025, compared with 38.3% in 2024.

- *Clinical trial technical services*: Our gross profit from clinical trial technical services decreased by 4.4% from RMB114.1 million in 2024 to RMB109.1 million in 2025, with its gross margin remained stable at 39.3% in 2024 and 40.4% in 2025, primarily attributable to the decrease in the revenue contribution from clinical trial technical services as a result of the lower aggregate value of new contract awards in 2024 mainly driven by the cash flow pressures among small and mid-sized pharmaceutical and biotechnology companies, which led to reduced demand of clinical trial technical services.
- *FSP services*: Our gross profit from FSP services increased by 25.0% from RMB16.1 million in 2024 to RMB20.1 million in 2025, with its gross margin remained stable at 32.5% in 2024 and 31.7% in 2025 due to (i) the increase in revenue from our FSP services, driven by greater customer preference for this flexible service model which allows customers to scale their clinical operations up or down based on study milestones without the long-term overhead of permanent headcount; and (ii) expansion of our overseas FSP services.

Other Net Income

Our other net income remained stable at RMB4.5 million in 2024 and at RMB4.1 million in 2025.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 23.6% from RMB12.9 million in 2024 to RMB16.0 million in 2025. This increase was primarily attributable to an increase of our staff costs by 29.3% from RMB9.3 million to RMB12.0 million, primarily due to the increase of our sales employees and a increase in performance-based bonuses of our senior-level sales employees.

General and Administrative Expenses

Our general and administrative expenses increased by 20.2% from RMB22.4 million in 2024 to RMB26.9 million in 2025, primarily attributable to an increase of professional service fees from RMB2.4 million in 2024 to RMB6.4 million in 2025 due to the recognition of [REDACTED] of RMB4.8 million in 2025.

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Research and Development Expenses

Our research and development expenses decreased by 8.8% from RMB20.5 million in 2024 to RMB18.7 million in 2025, primarily attributable to the decrease of staff costs as Weilin incurred relatively higher research and development staff costs in 2024, with headcount subsequently reduced in 2025.

Impairment Losses Recognized on Trade and Other Receivables and Contract Assets

Our impairment losses recognized on trade and other receivables and contract assets changed significantly from RMB0.5 million in 2024 to RMB3.2 million in 2025, primarily due to (i) an increase in the impairment of trade receivables driven by a higher proportion of long-aged trade receivables; and (ii) an increase in the impairment of contract assets in line with the growth in the balance of our contract assets over the same period.

Finance Costs

Our finance costs decreased by 35.2% from RMB2.0 million in 2024 to RMB1.3 million in 2025, primarily attributable to the decrease in bank loans and the decline in interest rates.

Income Tax Expenses

Our income tax expenses decreased by 22.5% from RMB11.1 million in 2024 to RMB8.6 million in 2025, primarily due to a decrease of our profit before taxation as a result of the foregoing.

Profit for the Year and Profit Margin

As a result of the foregoing, our profit for the year amounted to RMB57.5 million in 2024 to RMB51.8 million in 2025, representing an decrease of 10.1%. Our profit margin remained stable at 16.9% and 15.4% in 2024 and 2025, respectively.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue decreased by 8.2% from RMB370.5 million in 2023 to RMB340.3 million in 2024, primarily due to:

- *Clinical trial technical services:* Our revenue from clinical trial technical services decreased by 8.6% from RMB317.6 million in 2023 to RMB290.3 million in 2024 due to a lower aggregate value of new contract awards in 2024, reducing the revenue recognized in 2024. The lower aggregate value of new contract awards in 2024 was primarily driven by the cash flow pressures among small and mid-sized pharmaceutical and biotechnology companies. In light of the relatively cautious investment environment in the pharmaceutical and biotechnology industry, certain pharmaceutical and biotechnology companies adopted a more prudent approach to research and development investment and project commencement, resulting in reduced demand for clinical trial technical services. For details of our contracted future revenue during the Track Record Period, see “Business — Our Fee Models — Contracted Future Revenue” for further details.
- *FSP services:* Our revenue from FSP services remained stable at RMB50.6 million in 2023 and RMB49.5 million in 2024.
- *Others:* Our revenue from others decreased by 80.3% from RMB2.3 million in 2023 to RMB0.5 million in 2024, primarily due to the decrease of our subject recruitment services.

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Cost of Sales

Our cost of sales decreased by 14.7% from RMB246.2 million in 2023 to RMB210.0 million in 2024. This decrease was primarily attributable to (i) a decrease of our staff costs from RMB102.9 million to RMB87.6 million, primarily due to our headcount optimization and more efficient team structures; (ii) a decrease of our third-party service provider fees from RMB123.7 million to RMB104.5 million, primarily driven by the completion of an overseas project, for which the related outsourced CRO costs were predominantly incurred in 2023 as the project was completed by the end of 2023; and (iii) a decrease of our depreciation and amortization from RMB4.6 million to RMB2.8 million, primarily due to reduction in our office lease footprint in Beijing between 2023 and 2024, which led to lower rental expenses and associated depreciation charges.

Gross Profit and Gross Profit Margin

Our gross profit increased by 4.8% from RMB124.3 million in 2023 to RMB130.3 million in 2024. Our gross profit margin increased from 33.5% in 2023 to 38.3% in 2024.

- *Clinical trial technical services:* Our gross profit from clinical trial technical services increased by 6.1% from RMB107.5 million in 2023 to RMB114.1 million in 2024, with its gross margin rising from 33.8% to 39.3%, primarily attributable to (i) the increase in the revenue contribution from higher-margin CRO projects; and (ii) optimized team structure and increased operating efficiency resulting in lower staff costs.
- *FSP services:* Our gross profit from FSP services remained stable at RMB16.0 million in 2023 and RMB16.1 million in 2024.

Other Net Income

Our other net income increased by 9.2% from RMB4.1 million in 2023 to RMB4.5 million in 2024, primarily attributable to an increase in government grants, primarily due to additional regional incentives granted by Hefei government for our operational expansion and an increase in interest income on amounts due from related parties.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 11.1% from RMB14.5 million in 2023 to RMB12.9 million in 2024. This decrease was primarily attributable to our company-wide cost control and optimization initiatives, including (i) a decrease of our business development expenses from RMB1.9 million to RMB1.1 million, driven by more targeted and efficient resource allocation; (ii) a decrease of our travel expenses from RMB1.7 million to RMB1.5 million, due to optimized travel arrangements; and (iii) a decrease of our equity-settled share-based payment from RMB0.8 million to RMB0.4 million, due to the forfeiture of share-based payments upon the resignation of sales personnel.

General and Administrative Expenses

Our general and administrative expenses decreased by 18.2% from RMB27.4 million in 2023 to RMB22.4 million in 2024. This decrease was primarily attributable to (i) a decrease in staff costs from RMB18.9 million to RMB15.0 million, driven by headcount optimization; and (ii) a decrease in professional service fees from RMB3.6 million to RMB2.4 million, due to lower financing-related expenses in 2024.

Research and Development Expenses

Our research and development expenses decreased by 26.2% from RMB27.8 million in 2023 to RMB20.5 million in 2024, primarily attributable to a decrease of staff costs as Weilin incurred relatively higher research and development staff costs in 2023, with headcount subsequently reduced in 2024.

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Impairment Losses Recognized on Trade and Other Receivables and Contract Assets

Our impairment losses recognized on trade and other receivables and contract assets changed from RMB0.3 million for the year ended December 31, 2023 to RMB0.5 million for the year ended December 31, 2024. This change was primarily attributable to an increase in our trade receivables during the same period.

Finance Costs

Our finance costs decreased from RMB2.6 million in the year ended December 31, 2023 to RMB2.0 million in the year ended December 31, 2024, primarily attributable to decline in interest rates.

Income Tax Expenses

Our income tax expenses increased by 37.2% from RMB8.1 million in the year ended December 31, 2023 to RMB11.1 million in the year ended December 31, 2024, primarily due to increase in our profit before taxation as a result of the foregoing.

Profit for the Year and Profit Margin

As a result of the foregoing, our profit for the year increased by 22.0% from RMB47.2 million in 2023 to RMB57.5 million in 2024. Our profit margin improved from 12.7% in 2023 to 16.9% in 2024.

DISCUSSION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from our consolidated financial statements included in Appendix I to this document.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Non-current assets				
Property, plant and equipment	1,405	694	321	1,436
Right-of-use assets	2,470	1,339	447	5,132
Intangible assets	3,105	1,543	3,187	3,667
Deferred tax assets	6,225	8,060	9,374	10,461
Total non-current assets	13,205	11,636	13,329	20,696
Current assets				
Contract assets	73,123	116,269	144,973	146,506
Trade and bills receivables	50,028	85,700	87,742	70,863
Prepayments, deposits and other receivables	111,606	111,529	78,834	64,153
Financial assets measured at FVOCI	15,974	16,449	3,791	3,870
Restricted deposits	—	—	—	3,895
Cash and cash equivalents	101,095	111,576	72,215	129,963
Total current assets	351,826	441,523	387,555	419,250
Current liabilities				
Trade payables	64,225	70,020	65,672	95,842
Accruals and other payables	82,749	86,193	52,535	43,535
Contract liabilities	97,042	93,046	61,964	62,926
Bank loans	49,817	49,918	10,008	—
Lease liabilities	2,498	836	292	776
Current taxation	1,242	11,109	5,740	3,457
Redemption liabilities	80,607	108,436	—	—

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	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Total current liabilities	378,180	419,558	196,211	206,536
Net current (liabilities)/assets . . .	(26,354)	21,965	191,344	212,714
Total assets less current liabilities	(13,149)	33,601	204,673	233,410
Non-current liability				
Lease liabilities	138	292	–	4,230
Total non-current liability	138	292	–	4,230
Net (liabilities)/assets	(13,287)	33,309	204,673	229,180

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we recorded net liabilities of RMB13.3 million, net assets of RMB33.3 million, net assets of RMB204.7 million and net assets of RMB229.2 million, respectively. Our net liabilities of RMB13.3 million as of December 31, 2023 changed into net assets of RMB33.3 million as of December 31, 2024, primarily due to (i) our profit and total comprehensive income for the year ended December 31, 2024 of RMB57.5 million; and (ii) our capital contribution of RMB7.2 million, partially offset by the decrease of RMB20.0 million in other reserve due to the recognition of redemption liabilities. Our net assets increased from RMB33.3 million as of December 31, 2024 to RMB204.7 million as of December 31, 2025, primarily due to (i) increase of RMB154.1 million in other reserve due to the derecognition of redemption liabilities upon termination of redemption rights; and (ii) our profit for the year ended December 31, 2025 of RMB51.8 million. Our net assets increased from RMB204.7 million as of December 31, 2025 to RMB229.2 million as of June 30, 2026, primarily due to our profit for the six months ended June 30, 2026 of RMB22.3 million.

Current Assets and Current Liabilities

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Current assets				
Contract assets	73,123	116,269	144,973	146,506
Trade and bills receivables	50,028	85,700	87,742	70,863
Prepayments, deposits and other receivables	111,606	111,529	78,834	64,153
Financial assets measured at FVOCI . .	15,974	16,449	3,791	3,870
Restricted deposits	–	–	–	3,895
Cash and cash equivalents	101,095	111,576	72,215	129,963
Total current assets	351,826	441,523	387,555	419,250
Current liabilities				
Trade payables	64,225	70,020	65,672	95,842
Accruals and other payables	82,749	86,193	52,535	43,535
Contract liabilities	97,042	93,046	61,964	62,926
Bank loans	49,817	49,918	10,008	–
Lease liabilities	2,498	836	292	776
Current taxation	1,242	11,109	5,740	3,457
Redemption liabilities	80,607	108,436	–	–
Total current liabilities	378,180	419,558	196,211	206,536
Net current (liabilities)/assets	(26,354)	21,965	191,344	212,714

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Our net current liabilities of RMB26.4 million as of December 31, 2023 changed into net current assets of RMB22.0 million as of December 31, 2024, primarily due to an increase in current assets from RMB351.8 million to RMB441.5 million, driven by increases in trade and bills receivables and contract assets as a result of the prolonged payment cycles of certain customers, partially offset by the increase in redemption liabilities as a result of the grants of special rights to Pre-[REDACTED] Investors; in addition to a slight decrease in contract liabilities. The net current liabilities position in 2023 was primarily attributable to the increase in redemption liabilities as a result of the grants of special rights to Pre-[REDACTED] Investors and Weilin’s amounts due to Mr. Zhao Min.

Our net current assets further improved from RMB22.0 million as of December 31, 2024 to RMB191.3 million as of December 31, 2025, primarily due to a decrease in current liabilities from RMB419.6 million to RMB196.2 million, driven by our redemption liabilities decrease as a result of the termination of our redemption obligations in December 2025 and the settlement of Weilin’s amounts due to Mr. Zhao Min in 2025, partially offset by a decrease in current assets from RMB441.5 million to RMB387.6 million driven by decreases in prepayments, deposits and other receivables and cash and cash equivalents.

Our net current assets increased from RMB191.3 million as of December 31, 2025 to RMB212.7 million as of June 30, 2026, primarily due to an increase in current assets from RMB387.6 million to RMB419.3 million, mainly driven by an increase in cash and cash equivalents from RMB72.2 million to RMB130.0 million, partially offset by decreases in trade and bills receivables from RMB87.7 million to RMB70.9 million due to collection of certain trade receivables and decreases in prepayments, deposits and other receivables from RMB78.8 million to RMB64.2 million as a result of the repayment of amounts due from related parties. The increase in current assets was partially offset by an increase in current liabilities from RMB196.2 million to RMB206.5 million, primarily attributable to an increase in trade payables from RMB65.7 million to RMB95.8 million, partially offset by a decrease in bank loans from RMB10.0 million to nil due to repayment of loans and a decrease in accruals and other payables from RMB52.5 million to RMB43.5 million.

SELECTED STATEMENT OF FINANCIAL POSITION ITEMS

Trade and Bills Receivables

Our trade and bills receivables include (i) trade receivables from third parties primarily comprise of the outstanding amounts receivable by us for the services we provided to customers; and (ii) bills receivables. The following table shows a breakdown of our trade and bills receivables by category as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Trade receivables from third parties	47,380	74,635	86,671	66,577
Less: loss allowance	(374)	(720)	(2,199)	(3,787)
	47,006	73,915	84,472	62,790
Bills receivables	3,022	11,785	3,270	8,073
Total	50,028	85,700	87,742	70,863

We generally give our customers a credit term of up to 90 days. The balances of our trade receivables are non-interest-bearing. We seek to maintain strict control over our outstanding receivables to minimize credit risk.

Our trade and bills receivables increased from RMB50.0 million as of December 31, 2023 to RMB85.7 million as of December 31, 2024, remained relatively stable at RMB87.7 million as of December 31, 2025, and further decreased to RMB70.9 million as of June 30, 2026. The increase of our trade receivables from 2023 to 2025 was primarily due to a slowdown in collection of payments from certain clients driven by: (i) prolonged internal payment approval processes of certain clients which exceeded the credit terms under our service contracts; and

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(ii) economic conditions and cash flow pressures faced by some clients. The decrease of our trade receivables from RMB84.5 million as of December 31, 2025 to RMB62.8 million as of June 30, 2026 was primarily due to collection of payments from certain clients as a result of our enhanced collection efforts. Our bills receivables increased from RMB3.0 million in 2023 to RMB11.8 million in 2024 due to the increased volume of bank acceptance notes received from some clients, which was a result of the economic conditions and cash flow pressures of certain clients and they may prefer settlement via bills of exchange rather than cash payments, and decreased to RMB3.3 million in 2025, mainly due to the maturity and settlement of the 2024 bank acceptance notes during the year. Our bills receivables further increased from RMB3.3 million as of December 31, 2025 to RMB8.1 million as of June 30, 2026, primarily due to the increased volume of bank acceptance notes received from certain clients.

The Directors are of the view that the outstanding trade and bills receivables as of June 30, 2026 are recoverable and that the provision for loss allowance is adequate. As of July 31, 2026, RMB18.2 million, or 24.4% of our trade and bills receivables as of June 30, 2026, had been settled. For the remaining balances, we maintain regular communication with clients. Nothing has come to the Directors’ attention that these clients are experiencing financial or operational difficulties that could affect their ability to settle receivables.

To mitigate the increasing trade receivables, we have implemented a series of proactive measures, including:

- incorporating the collection of trade receivables into the key performance indicators of our business managers and department heads, with a view to enhancing their accountability for receivables collection and improving the efficiency of our overall collection process;
- implementing discounted settlement arrangements for certain clients under very limited circumstances (with only a 20% settlement discount, corresponding to a discount amount of RMB20,000, granted to one client during the Track Record Period) to accelerate the collection of outstanding balances, on terms that are considered commercially reasonable and in the best interests of our Group; and
- intensifying legal recourse efforts in respect of the overdue amounts, including engaging legal counsel to pursue formal collection procedures where necessary.

The following is an aging analysis of trade and bills receivables presented based on the invoice dates:

	As of December 31,			As of
	2023	2024	2025	June 30,
				2026
	<i>(RMB in thousands)</i>			
Within 1 year	47,329	78,379	69,749	53,427
– Within 90 days	36,722	57,388	38,835	34,803
– 90 days to 1 year	10,607	20,991	30,914	18,624
1 to 2 years	1,667	6,799	12,518	14,180
2 to 3 years	1,030	505	5,461	3,250
3 to 4 years	2	17	14	6
Total	50,028	85,700	87,742	70,863

Our trade and bills receivables aged within 90 days increased from RMB36.7 million as of December 31, 2023 to RMB57.4 million as of December 31, 2024, decreased to RMB38.8 million as of December 31, 2025. The fluctuation was primarily due to the recognition of trade receivables in 2024 from certain projects, which were partially subsequently recovered in 2025. Our trade and bills receivables aged within 90 days remained relatively stable at RMB34.8 million as of June 30, 2026.

Our trade and bills receivables aged between 90 days to 1 year increased from RMB10.6 million as of December 31, 2023 to RMB21.0 million as of December 31, 2024 and further to RMB30.9 million as of December 31, 2025, which was primarily due to a slowdown in the

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collection of payments from certain clients driven by: (i) prolonged internal payment approval processes of certain clients which exceeded the credit terms under our service contracts; and (ii) economic conditions and cash flow pressures faced by some clients. Our trade and bills receivables aged between 90 days to 1 year decreased from RMB30.9 million as of December 31, 2025 to RMB18.6 million as of June 30, 2026 primarily due to collection of payments from certain clients. Our trade and bills receivables aged over 1 year increased from RMB2.7 million as of December 31, 2023 to RMB7.3 million as of December 31, 2024 and further to RMB18.0 million as of December 31, 2025, primarily due to a slowdown in the collection of payments from certain clients driven by economic conditions and cash flow pressures faced by some clients. Our trade and bills receivables aged over 1 year remained relatively stable at RMB17.4 million as of June 30, 2026.

The following table sets forth our trade receivables turnover days for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	(days)			
Trade receivables turnover days ⁽¹⁾	44	65	88	68

- (1) We calculate the trade receivables turnover days using the average of the opening and closing balance of the trade receivables for the relevant period, divided by the corresponding revenue for the period, and then multiplied by the number of days during such period, which is 365 days for each year or 181 days for each period.

Our trade receivables turnover days increased from 44 days in the year ended December 31, 2023 to 65 days in the year ended December 31, 2024. It then increased to 88 days in the year ended December 31, 2025, primarily due to a slowdown in collection of payments from certain clients. In particular, certain clients experienced liquidity constraints implemented more stringent internal payment approval procedures and managed their payment schedules more conservatively, which contributed to longer payment cycles. Our trade receivable turnover days decreased to 68 days in the six months ended June 30, 2026, primarily due to collection of payments from certain clients.

As of July 31, 2026, RMB18.2 million, or 24.4% of our trade and bills receivables as of June 30, 2026, had been settled.

Prepayments, Deposits and Other Receivables

The primary component of prepayments, deposits and other receivables consists of (i) prepayments for purchase of our services; (ii) amounts due from related parties; (iii) deposits representing our lease deposit and bid bond; (iv) advances to staff for petty cash and procurement of supplies; and (v) prepayments in connection with the proposed [REDACTED] of the Company’s H shares.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Prepayments for purchase of services	34,933	30,829	23,102	31,754
Amounts due from related parties				
– amounts due from Mr. Zhao Min and Ms. Zhou Zhongying	71,607	77,143	50,325	20,659
Deposits	2,330	1,202	1,630	3,553

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	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Advances to staff	1,138	1,123	1,219	2,073
Prepayments in connection with the proposed [REDACTED] of the Company’s H shares	–	–	1,613	5,255
Others	1,953	1,656	1,478	1,400
	111,961	111,953	79,367	64,694
Less: loss allowance	(355)	(424)	(533)	(541)
	<u>111,606</u>	<u>111,529</u>	<u>78,834</u>	<u>64,153</u>

Our prepayments, deposits and other receivables decreased slightly from RMB111.6 million as of December 31, 2023 to RMB111.5 million as of December 31, 2024, primarily due to RMB4.1 million decrease in prepayments for purchase of services as such prepayments were utilized and recognized as costs in line with the progress of contract performance, and RMB1.1 million decrease in deposits, offset by an increase in amounts due from Mr. Zhao Min and Ms. Zhou Zhongying, due to the increase of loans. It further decreased to RMB78.8 million as of December 31, 2025, primarily due to (i) a RMB26.8 million decrease in amounts due from Mr. Zhao Min and Ms. Zhou Zhongying, as a result of the repayment of loans, and (ii) a RMB7.7 million decrease in prepayments for purchase of services as a result of the completion of certain service contracts, partially offset by a RMB1.6 million increase in prepayments in connection with the proposed [REDACTED] of the Company’s H shares. Our prepayments, deposits and other receivables further decreased to RMB64.2 million as of June 30, 2026, primarily due to a RMB29.6 million decrease in amounts due from Mr. Zhao Min and Ms. Zhou Zhongying, as a result of the repayment of loans, partially offset by a RMB3.6 million increase in prepayments in connection with the proposed [REDACTED] of the Company’s H shares and a RMB8.7 million increase in prepayments for purchase of services as a result of commencement of certain service contracts.

During the Track Record Period, amounts due from Mr. Zhao Min and Ms. Zhou Zhongying were unsecured and interest-bearing at 2.50% to 4.75% per annum with no fixed terms of repayment. All outstanding amounts due from Mr. Zhao Min and Ms. Zhou Zhongying are non-trade in nature.

All outstanding amounts due from Mr. Zhao Min and Ms. Zhou Zhongying were fully repaid as of the Latest Practicable Date.

Contract Assets

Contract assets primarily relate to our rights to consideration for work completed but not yet billed in our services. These amounts will be transferred to trade receivables when the rights become unconditional.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Contract assets	73,339	116,608	146,917	150,126
Less: loss allowance	(216)	(339)	(1,944)	(3,620)
Total	<u>73,123</u>	<u>116,269</u>	<u>144,973</u>	<u>146,506</u>

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Our contract assets increased significantly by 59.0% from RMB73.1 million as of December 31, 2023 to RMB116.3 million as of December 31, 2024, further increased by 24.7% to RMB145.0 million as of December 31, 2025, and remained relatively stable at RMB146.5 million as of June 30, 2026. This substantial increase from 2023 to 2025 was primarily due to (i) extended settlement cycles resulting from tightened liquidity and cash flow pressures of certain clients, who adopted a more cautious approach to verify projects milestones and approve payments, leading to delays of the verification of our contract assets into trade receivables; and (ii) prolonged administrative and reconciliation processes of certain clients in verifying completed service milestones, which collectively extended the duration for which such amounts remained as contract assets prior to their reclassification to trade receivables. Our contract assets remained relatively stable at RMB146.5 million as of June 30, 2026.

During the Track Record Period, the average time required for customers to verify the completion of our work was 60 days, 74 days, 72 days and 57 days, respectively. The table below sets forth the range of customer verification periods and the corresponding verification amounts and percentage by customers as at the end of the respective periods indicated:

	For the year ended December 31,						Six months ended June 30,	
	2023		2024		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>								
Within 90 days	297,568	75.2	235,473	75.3	239,087	84.5	170,908	81.7
90 to 180 days	66,469	16.8	52,493	16.8	25,366	9.0	23,765	11.3
180 days to 1 year	19,416	4.9	20,458	6.5	12,195	4.3	9,244	4.4
Over 1 year	12,267	3.1	4,420	1.4	6,407	2.2	5,488	2.6
Total	395,720	100.0	312,844	100.0	283,055	100.0	209,405	100.0

As of July 31, 2026, RMB21.9 million, or 14.6% of our contract assets as of June 30, 2026, had been subsequently certified, and as of July 31, 2026, RMB26.6 million had been recognized as contract assets with revenue recognition after June 30, 2026.

The following table sets forth the number of turnover days based on the aggregate amount of our contract assets and trade receivables for the years/periods indicated:

	For the year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Contract assets and trade receivables turnover days ⁽¹⁾	118	167	231	200

Note:

- (1) We calculate the contract assets and trade receivables turnover days using the average of the opening and closing balance of contract assets and trade receivables for the relevant period, divided by the corresponding revenue for the period, and then multiplied by the number of days during such period, which is 365 days for each year or 181 days for each period.

Financial Assets measured at FVOCI

Our financial assets measured at FVOCI represent our bill receivables. Our financial assets measured at FVOCI increased by 3.0% from RMB16.0 million as of December 31, 2023 to RMB16.4 million as of December 31, 2024 mainly due to the increase of bill settlements adopted by our customers, which was a result of the economic conditions and cash flow pressures of certain clients and they may prefer settlement via bills of exchange rather than cash payments. Our financial assets measured at FVOCI decreased by 77.0% to RMB3.8

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million as of December 31, 2025, mainly due to the maturity and settlement of the 2024 bank acceptance notes during the year. Our financial assets measured at FVOCI remained relatively stable at RMB3.9 million as of June 30, 2026.

The movements during the Track Record Period of financial assets measured at FVOCI are set out below:

	For the year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Balance as of January 1,	–	15,974	16,449	3,791
Additions	19,564	29,890	71,743	48,952
Disposals	(3,590)	(29,415)	(84,401)	(48,873)
Balance as of December 31/June 30 .	15,974	16,449	3,791	3,870

Our financial assets measured at FVOCI are set out in note 16 to the Accountants’ Report in Appendix I.

Restricted Deposits

Our restricted deposits represent our guarantee deposits. Our restricted deposits remained nil from December 31, 2023 to 2025 and increased to RMB3.9 million as of June 30, 2026, primarily attributable to the guarantee deposit placed in connection with a performance guarantee required by a customer pursuant to a services contract.

Trade Payables

Our trade payables primarily consist of payables to our suppliers, such as site management organizations, hospitals and other clinical sites. Our suppliers generally allow us a credit period of up to 45 business days from the date of billing.

We recognize payables upon receipt of third-party services, but our payments to suppliers are made in accordance with the payment milestones stipulated in our agreements with them. As a result, our trade payables comprise a portion of payables which are accrued costs for which payment milestones have not yet risen. Our trade payables increased by 9.0% from RMB64.2 million as of December 31, 2023 to RMB70.0 million as of December 31, 2024, and decreased by 6.2% to RMB65.7 million as of December 31, 2025. The fluctuations in our trade payables from 2023 to 2025 are primarily attributable to the timing of project progress and settlement cycles of certain CRO projects, particularly relating to oncology clinical trials, which typically involve long trial cycles. Our trade payables further increased by 45.9% to RMB95.8 million as of June 30, 2026, mainly due to increase in amounts payable pending the achievement of contractual payment milestones as we undertook more projects in the six months ended June 30, 2026.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Within 1 year	50,152	44,961	41,769	53,906
1 to 2 years	12,406	21,040	18,110	25,843
2 to 3 years	1,464	2,762	4,067	13,266
Over 3 years	203	1,257	1,726	2,827
Total	64,225	70,020	65,672	95,842

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The table below sets forth our trade payables turnover days for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	(days)			
Trade payables turnover days ⁽¹⁾	80	117	121	110

- (1) We calculate the trade payables turnover days using the average of the opening and closing balance of the trade payables for the relevant year or period, divided by the corresponding cost of sales for the period, and then multiplied by the number of days during such period, which is 365 days for each year or 181 days for each period.

Our trade payables turnover days increased from 80 days in 2023 to 117 days in 2024 primarily driven by the increase in our trade payables due to an increase in the amount of payables for which payment milestones have not risen. Our trade payables turnover days remained stable at 117 days in 2024, 121 days in 2025, and 110 days in the six months ended June 30, 2026.

As of July 31, 2026, RMB11.8 million, or 12.3% of our trade payables as of June 30, 2026, had been settled.

Accruals and Other Payables

The primary component of accruals and other payables primarily consists of (i) payables for staff related costs; (ii) conditional government grant arising from various government grants for which the relevant conditions had not been met, see “Risk Factors — Risks Related to Our Financial Performance — Any discontinuation, reduction or delay of any preferential tax treatments or government grants that may be available to us in the future could materially and adversely affect our business, results of operations, financial condition, and prospects.”; (iii) other tax payables; (iv) provisions for onerous contracts; (v) amounts due to related parties; and (vi) payables for [REDACTED] costs incurred in connection with the [REDACTED]. The table below sets forth the breakdown of our accruals and other payables during the Track Record Period:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Payables for staff related costs	27,928	21,912	24,635	18,761
Conditional government grants	14,383	14,383	14,383	14,383
Other tax payables	7,739	7,513	2,826	2,463
Provisions for onerous contracts	1,463	1,708	914	889
Amounts due to related parties				
– Beijing Zhongda Xinglin Pharmaceutical Research Institute Co., Ltd (“Zhongda Xinglin”) (北京中大杏林醫藥研究院有限公司)	–	1,850	1,720	1,550

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	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
– Mr. Zhao Min	29,600	37,100	–	–
Payables for [REDACTED] costs	–	–	6,102	4,130
Others	1,636	1,727	1,955	1,359
Total	82,749	86,193	52,535	43,535

Our accruals and other payables increased from RMB82.7 million as of December 31, 2023 to RMB86.2 million as of December 31, 2024, and decreased to RMB52.5 million as of December 31, 2025, and decreased to RMB43.5 million as of June 30, 2026. Our payables for staff related costs decreased from RMB27.9 million as of December 31, 2023 to RMB21.9 million as of December 31, 2024 mainly due to a reduction in employee headcount in 2024, and increased from RMB21.9 million as of December 31, 2024 to RMB24.6 million as of December 31, 2025 mainly due to the expansion of our workforce and the corresponding increase in accrued salaries and annual performance bonuses for December 2025. Our other tax payables remained relatively stable from RMB7.7 million as of December 31, 2023 to RMB7.5 million as of December 31, 2024, before decreasing to RMB2.8 million as of December 31, 2025, primarily due to a decrease in output value-added tax associated with our contract liabilities as the related balances declined. Our amounts due to Mr. Zhao Min increased from RMB29.6 million as of December 31, 2023 to RMB37.1 million as of December 31, 2024, and decreased to nil as of December 31, 2025, mainly due to the Weilin’s amounts due to Mr. Zhao Min, which was settled in 2025. For details of provisions for onerous contracts, see “Business — Our Services — Loss-making projects” for further details. Our accruals and other payables decreased from RMB52.5 million as of December 31, 2025 to RMB43.5 million as of June 30, 2026, primarily due to the decrease in payables for staff related costs due to the decrease in bonuses payables.

Contract Liabilities

Contract liabilities represent our performance obligations for advances received or receivable from customers for our services. These amounts are recognized as revenue as we perform our services and satisfy the underlying performance obligations. Our contract liabilities decreased from RMB97.0 million as of December 31, 2023 to RMB93.0 million as of December 31, 2024, and further decreased to RMB62.0 million as of December 31, 2025. This decrease was primarily attributable to reduced advances from certain clients. Our contract liabilities remained relatively stable to RMB62.9 million as of June 30, 2026.

As of July 31, 2026, RMB14.4 million, representing 22.8% of the contract liabilities as of June 30, 2026, had subsequently been recognized as revenue.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from proceeds from our business operations and capital contribution from shareholders. After the [REDACTED], we intend to finance our future capital requirements through cash generated from our business operations and the [REDACTED] from the [REDACTED]. We do not anticipate any changes to the availability of financing to fund our operations in the future.

During the Track Record Period, we financed our capital expenditure and working capital requirements primarily through cash generated from operating activities. As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had cash and cash equivalents of RMB101.1 million, RMB111.6 million, RMB72.2 million and RMB130.0 million, respectively.

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Going forward, we anticipate that our operating cash flows, bank loans and the [REDACTED] from the [REDACTED] will collectively fulfil our working capital, capital expenditures and liquidity needs. Our capacity to meet financial commitments will hinge on our operational performance and cash flow generation, which are influenced by economic conditions and various external factors. Should our current funds prove inadequate, we will consider securing additional credit or engaging in equity financing.

Our Directors are of the view that, taking into account our available resources including cash and bank balances on hand, available banking facilities and [REDACTED] from [REDACTED], we have sufficient working capital for our present requirements and for the next 12 months from the date of this document.

Cash Flow

The following table sets forth a summary of our cash flows for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)			(Unaudited)	
Net cash generated from/(used in) operating activities	55,363	1,768	11,571	(7,822)	46,583
Net cash (used in)/generated from investing activities . .	(25,797)	(4,240)	28,529	(30,632)	26,478
Net cash generated from/(used in) financing activities	9,952	12,915	(79,353)	1,479	(15,244)
Net increase/(decrease) in cash and cash equivalents	39,518	10,443	(39,253)	(36,975)	57,817
Cash and cash equivalents at January 1	61,568	101,095	111,576	111,576	72,215
Effect of foreign exchange rate changes	9	38	(108)	(39)	(69)
Cash and cash equivalents at December 31/June 30 .	101,095	111,576	72,215	74,562	129,963

Net Cash Generated from/(Used in) Operating Activities

In the six months ended June 30, 2026, we had net cash generated from operating activities of RMB46.6 million. This comprised profit before taxation of RMB25.1 million, adjusted for non-cash and non-operating items including impairment loss recognised on trade and other receivables and contract assets of RMB3.3 million, equity-settled share-based payment expenses of RMB2.4 million, depreciation and amortisation of RMB2.0 million and finance costs of RMB0.2 million. These adjustments were partially offset by interest income from amounts due from related parties of RMB0.3 million. The cash inflow was further supported by working capital changes, primarily: (i) a decrease in trade and bills receivables of RMB15.3 million primarily due to the collection of payments from certain clients; and (ii) an increase in trade payables of RMB30.8 million primarily due to we undertook more projects in the six months ended June 30, 2026 pending the achievement of contractual payment milestones. Additionally, income tax paid of RMB6.2 million reduced operating cash flows.

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In 2025, we had net cash generated from operating activities of RMB11.6 million. This comprised profit before taxation of RMB60.3 million, adjusted for non-cash items including depreciation and amortisation of RMB3.3 million, changes in the carrying amount of redemption liabilities of RMB8.3 million, and impairment loss on trade and other receivables and contract asset of RMB3.2 million. However, these were partially offset by working capital changes, primarily: (i) an increase in contract assets of RMB30.3 million due to the delay of clients’ reconciliation and certification processes as a result of liquidity pressures and extended administrative timelines; and (ii) a decrease in contract liabilities of RMB31.1 million due to reduced advances from certain clients. Additionally, income tax paid of RMB15.3 million reduced operating cash flows.

In 2024, we had net cash generated from operating activities of RMB1.8 million. This comprised profit before taxation of RMB68.6 million, adjusted for non-cash items including changes in the carrying amount of redemption liabilities of RMB7.8 million, depreciation and amortisation of RMB4.5 million, and equity-settled share-based payments of RMB1.9 million. However, these were more than offset by working capital changes, primarily: (i) an increase in trade and bills receivables of RMB36.0 million due to the prolonged customer settlement cycles as a result of liquidity pressures and their internal administrative process; and (ii) an increase in contract assets of RMB43.3 million due to the delay of clients’ reconciliation and certification processes as a result of liquidity pressures and extended administrative timelines. Additionally, income tax paid of RMB3.1 million reduced operating cash flows.

In 2023, we had net cash generated from operating activities of RMB55.4 million. This comprised profit before taxation of RMB55.3 million, adjusted for non-cash items including depreciation and amortisation of RMB6.2 million, finance costs of RMB2.6 million, and equity-settled share-based payments of RMB2.1 million. These were partially offset by working capital changes, primarily: (i) an increase in financial assets measured at FVOCI of RMB16.0 million due to an increase in payments settled by bills from customers; (ii) an increase in contract assets of RMB50.0 million due to the delay of clients’ reconciliation and certification processes as a result of liquidity pressures and extended administrative timelines; and (iii) a decrease in contract liabilities of RMB25.8 million due to reduced advances from certain clients. Additionally, income tax paid of RMB15.8 million reduced operating cash flows.

Net Cash Used in/Generated from Investing Activities

In the six months ended June 30, 2026, we had net cash flows generated from investing activities of RMB26.5 million. This primarily consisted of: (i) proceeds from redemption of financial assets measured at FVPL of RMB25.0 million, representing redemptions of wealth management products; and (ii) proceeds from repayment of advances to related parties of RMB30.0 million; partially offset by cash outflows for: (i) payments for acquisition of financial assets measured at FVPL of RMB25.0 million, representing investments in wealth management products; and (ii) payments for the purchase of intangible assets of RMB2.3 million.

In 2025, our net cash flows generated from investing activities was RMB28.5 million. This primarily consisted of: (i) proceeds from redemption of financial assets measured at FVPL of RMB109.3 million, representing redemptions of wealth management products; and (ii) proceeds from repayment of advances to related parties of RMB40.0 million; partially offset by cash outflows for: (i) payments for purchases of financial assets measured at FVPL of RMB109.0 million, representing wealth management products; and (ii) payments for advance to related parties of RMB10.5 million.

In 2024, our net cash flows used in investing activities was RMB4.2 million. This primarily consisted of: (i) payments for purchases of financial assets measured at FVPL of RMB59.0 million; (ii) payments for advances to related parties of RMB3.0 million; and (iii) payments for purchase of intangible assets of RMB1.3 million, partially offset by cash inflows for proceeds from redemption of financial assets measured at FVPL of RMB59.1 million.

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In 2023, our net cash flows used in investing activities was RMB25.8 million. This primarily consisted of: (i) payments for purchases of financial assets measured at FVPL of RMB60.0 million; (ii) payments for advances to related parties of RMB69.0 million; and (iii) payments for purchase of intangible assets of RMB2.0 million, partially offset by cash inflows for (i) proceeds from repayment of advances to related parties of RMB40.0 million; and (ii) proceeds from redemption of financial assets measured at FVPL of RMB65.3 million.

Net Cash Generated from/(Used in) Financing Activities

In the six months ended June 30, 2026, we had net cash flows used in financing activities of RMB15.2 million. This primarily consisted of: (i) repayment of bank loans of RMB10.0 million; and (ii) payments in connection with the proposed [REDACTED] of the Company’s H shares of RMB4.2 million.

In 2025, our net cash flows used in financing activities were RMB79.4 million. This primarily consisted of: (i) repayment of advances from related parties of RMB41.2 million; (ii) repayment of bank loans of RMB50.0 million; partially offset by cash inflows for (i) proceeds from bank loans of RMB10.0 million; and (ii) proceeds from advances from related parties of RMB4.0 million.

In 2024, our net cash flows generated from financing activities were RMB12.9 million. This primarily consisted of: (i) proceeds from capital contributions of RMB7.2 million; (ii) proceeds from bank loans of RMB50.0 million; and (iii) proceeds from advances from related parties of RMB9.4 million; partially offset by cash outflows for: (i) repayment of bank loans of RMB50.0 million; and (ii) interest paid for bank loans of RMB1.8 million; and (iii) capital element of lease rentals paid of RMB1.7 million.

In 2023, our net cash flows generated from financing activities were RMB10.0 million. This primarily consisted of: (i) proceeds from bank loans of RMB50.0 million; and (ii) proceeds from advances from related parties of RMB11.9 million; partially offset by cash outflows for (i) repayment of bank loans of RMB48.1 million; and (ii) interest paid for bank loans of RMB2.3 million.

INDEBTEDNESS

The table below sets forth the breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Current				
Bank loans	49,817	49,918	10,008	–
Lease liabilities	2,498	836	292	776
Redemption liabilities	80,607	108,436	–	–
Non-current				
Lease liabilities	138	292	–	4,230
Total	133,060	159,482	10,300	5,006

Bank Loans

Our bank loans remained relatively stable at RMB49.8 million as of December 31, 2023 and RMB49.9 million as of December 31, 2024. It decreased by 80.0% to RMB10.0 million as of December 31, 2025, primarily due to repayment of maturing loans. Our bank loans decreased to nil as of June 30, 2026 primarily due to repayment of loans.

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As of Latest Practicable Date, we have credit facilities of RMB10.0 million, which are all unutilized.

All our bank loans are loans within one year. Below sets forth the breakdown of our bank loans by category:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Guaranteed by certain directors and their close family members	10,002	19,950	—	—
Guaranteed by third parties . .	39,815	29,968	10,008	—
Total bank loans	49,817	49,918	10,008	—

During the Track Record Period, the interest rate of our bank loan ranged from 2.50% to 4.75% per annum. We consider these interest rates to be within the range of market interest rates. Our bank loans during the Track Record Period were guaranteed by third-party guarantees, with Mr. Zhao and his spouse, Mr. Zhao Liang and his spouse, Mr. Gu Zhifu and Mr. Zhang Bokang providing counter-guarantees in respect thereof. In June 2026, we repaid the corresponding loans and therefore such third-party guarantees and corresponding counter-guarantees provided were released. See details in “Relationship with Our Controlling Shareholders — Independence from Our Controlling Shareholder — Financial Independence.”

Lease Liabilities

Our total lease liabilities decreased by 57.2% from RMB2.6 million as of December 31, 2023 to RMB1.1 million as of December 31, 2024, primarily attributable to the reduction in office lease areas in Beijing in 2024 compared to 2023, and further decreased to RMB0.3 million as of December 31, 2025, primarily due to reduced office lease areas in Beijing and shortened lease terms of our office in Hefei, Anhui Province. Our total lease liabilities increase from RMB0.3 million as of December 31, 2025 to RMB5.0 million as of June 30, 2026, primarily due to the expansion of our office premises in Hangzhou, with new leases commencing in January 2026.

Redemption Liabilities

Our redemption liabilities increased by 34.5% from RMB80.6 million as of December 31, 2023 to RMB108.4 million as of December 31, 2024, primarily due to the recognition of additional redemption liabilities of RMB20.0 million during 2024, which arose from the grants of special rights to Pre-[REDACTED] Investors; it decreased to nil as of December 31, 2025 as a result of the termination of our redemption obligations in December 2025. Our redemption liabilities remained as nil as of June 30, 2026.

Except as discussed above, as of June 30, 2026, the most recent practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing. As of June 30, 2026, we did not have plans for other material external debt financing.

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Our Directors confirm that (i) there has not been any material change in our indebtedness since June 30, 2026 and up to the Latest Practicable Date, (ii) during the Track Record Period and up to the date of this document, we did not have any material default on our indebtedness or breach of covenant, and (iii) during the Track Record Period and up to the date of this document, we did not experience any difficulty in obtaining bank loans and other borrowings.

CONTINGENT LIABILITIES

At the end of each of the Track Record Period, we did not have any contingent liabilities.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

	As of or for the year ended December 31,			As of/ For the six months ended June 30,
	2023	2024	2025	2026
Gross profit margin	33.5%	38.3%	38.9%	35.0%
Net profit margin	12.7%	16.9%	15.4%	10.9%
Gearing ratio ⁽¹⁾	-394.8%	153.2%	5.0%	2.2%
Current ratio ⁽²⁾	93.0%	105.2%	197.5%	203.0%

(1) Gearing ratio equals total debts (including bank loans and lease liabilities) divided by total equity as of the end of the year or period, multiplied by 100%.

(2) Current ratio equals current assets divided by current liabilities as of the end of the year or period, multiplied by 100%.

CAPITAL EXPENDITURES

The following table sets forth our capital expenditures during the Track Record Period indicated:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
<i>(RMB in thousands)</i>				
Payments for the purchase of intangible assets	1,989	1,281	1,178	2,264
Payments for the purchase of property, plant and equipment .	115	139	130	1,270

During the Track Record Period, most of our capital expenditures were allocated to the purchase of property, plant and equipment, software systems and other intangible assets.

We plan to continue capital expenditures to support our business growth and expansion strategy. See details in “Future Plans and [REDACTED].” We intend to fund these expenditures with available financial resources, including cash generated from operations and [REDACTED] from the [REDACTED].

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CAPITAL COMMITMENTS

At the end of each of the Track Record Period, we did not have any significant capital commitments.

RELATED PARTY TRANSACTIONS

Related party transactions are set out in note 27 to the Accountants’ Report in Appendix I. Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and at arm’s length basis. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners’ equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

FINANCIAL RISKS DISCLOSURE

We are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate and currency risk. See note 26 to the Accountants’ Report in Appendix I.

DIVIDENDS

We did not pay any dividend in 2023, 2024 and 2025 and the six months ended June 30, 2026. We do not have a formal dividend policy or a fixed dividend payout ratio. We may distribute dividends in the future by way of cash or by other means that we consider appropriate. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders. PRC laws require that dividends should be paid only out of the profit for the year calculated according to PRC accounting principles.

DISTRIBUTABLE RESERVES

As of June 30, 2026, retained profits of our Company amounted to RMB11.9 million.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and fees incurred in connection with the [REDACTED]. Our [REDACTED] are estimated to be approximately HK\$[REDACTED] million, of which approximately HK\$[REDACTED] million has been or will be recognized in the consolidated statements of profit or loss and other comprehensive income as administrative expenses and approximately HK\$[REDACTED] million is expected to be recognized as a deduction in equity directly upon the [REDACTED], representing [REDACTED]% of the gross [REDACTED] of the [REDACTED], based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] or H Share (being the mid-point of the [REDACTED] range stated in this document and assuming that the [REDACTED] is not exercised). As of June 30, 2026, a total of approximately HK\$[REDACTED] million of the

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[REDACTED] has already been charged in profit or loss. The remaining amount of HK\$[REDACTED] million will be charged in profit or loss in the future. By nature, our [REDACTED] are composed of approximately HK\$[REDACTED] million [REDACTED] related expenses and fees (including [REDACTED] and incentive fee, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), and approximately HK\$[REDACTED] million [REDACTED] expenses and fees, comprising fees for the Joint Sponsors, legal advisors and reporting accountants and other professionals.

[REDACTED] ADJUSTED NET TANGIBLE ASSETS

See “Appendix II — [REDACTED] Financial Information.”

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, as of the date of this document, there has been no material adverse change in our financial position since June 30, 2026, and there has been no event since June 30, 2026 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.