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Application Proof of

PANACRO (Hangzhou) Pharmaceutical Consulting Co., Ltd. 博納西亞(杭州)醫藥科技股份有限公司

(the “Company”)

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

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PANACRO (Hangzhou) Pharmaceutical Consulting Co., Ltd. 博納西亞(杭州)醫藥科技股份有限公司

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

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares (subject to the
the [REDACTED] [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED] and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share plus
brokerage of 1%, SFC transaction levy
of 0.0027%, AFRC transaction levy of
0.00015% and the Stock Exchange
trading fee of 0.00565% (payable in
full on [REDACTED] in Hong Kong
dollars, subject to refund)
Nominal value : RMB0.10 per H Share
[REDACTED] : [REDACTED]

Joint Sponsors, [REDACTED], [REDACTED],
[REDACTED] and [REDACTED]



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The [REDACTED] is expected to be fixed by agreement between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and us on the [REDACTED]. The [REDACTED] is expected to be on or before [REDACTED] and, in any event, not later than 12:00 noon on [REDACTED]. The [REDACTED] will not be more than HK\$[REDACTED] and is currently expected to be not less than HK\$[REDACTED], unless otherwise announced. [REDACTED] applying for the [REDACTED] may be required to pay, on application (subject to application channels), the maximum [REDACTED] of HK\$[REDACTED] for each Share together with a brokerage of 1%, the SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, subject to refund if the [REDACTED] is less than HK\$[REDACTED] per [REDACTED].

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[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

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SUMMARY

This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to [REDACTED] in the [REDACTED].

There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed “Risk Factors” in this Document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

Various expressions used in this section are defined in the sections “Definitions” and “Glossary of Technical Terms” in this Document.

OVERVIEW

We are a clinical Contract Research Organization (“CRO”) based in Hangzhou, China, dedicated to advancing clinical research through digital transformation. Clinical CROs are organizations commissioned to conduct medical studies on behalf of pharmaceutical companies or research institutions. Clinical CRO services generally cover all stages of pharmaceutical clinical research, including clinical trial technical services, site management, data management and biostatistical analysis, and can be delivered through project-based or FSP models. See “Industry overview — Overview of CRO Services”. 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. In 2025, we ranked 14th in terms of revenue from clinical CRO services among the China-headquartered companies, with a market share of 0.7%.

By incorporating digital systems into our clinical trial process, we enable pharmaceutical and biotechnology companies to bring innovative drugs and therapies to patients with enhanced speed and efficiency. Our proprietary digital infrastructure integrates our CTMS (clinical trial management system), eTMF (electronic trial master file), and CTFS (clinical trial financial system) across the full project lifecycle. Our digital systems have reduced bid preparation time by approximately 30% and quotation turnaround by approximately 66%. During project execution, real-time project dashboards enhance visibility of key project metrics, timelines, and resource allocation, and intelligent enrollment prediction algorithms enable us to identify and address potential delays proactively. Our digital systems have improved monitoring visit compliance by approximately 50% and increased report preparation efficiency by approximately 25%. Our eTMF system automates document generation and archiving, achieving a high level of document accuracy and reducing document preparation and audit time by 30%. Our CTFS system integrates in real time with CTMS to ensure that project milestone progress and deliverables are promptly reflected in CTFS, thereby improving financial reconciliation efficiency by reducing the process from a 7-day feedback cycle to automated online integration. 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.

SUMMARY

Our operating efficiency and profitability exceeded the industry average. 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, surpassing 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. Our clinical trial technical services mainly comprise the following services:

- (i). **Clinical Development Planning and Protocol Design:** We assist with clinical development planning, protocol design, and risk management. Our services include comprehensive regulatory consultation for submissions to the NMPA and FDA, ensuring trial designs are scientifically rigorous and compliant.
- (ii). **Site Initiation and Management:** We leverage our integrated hospital network to provide site selection, principal investigator (PI) qualification, and management of all start-up activities, including ethics committee approvals and contract negotiations, to ensure rapid trial initiation.
- (iii). **Project Management and Quality Control:** Our experienced team provides comprehensive oversight of trial operations, managing project quality, timelines, and costs for complex, multi-center, and international clinical programs.
- (iv). **Clinical Monitoring:** Our Clinical Research Associates ensure strict adherence to protocols, ICH-GCP standards, and applicable regulations at trial sites, performing rigorous source data verification, clinical drug and biological sample management, and adverse event reporting to subject safety.
- (v). **Medical Monitoring:** Our medical team conducts detailed reviews of clinical data to ensure subject safety and data integrity, and supports Independent Data Monitoring Committees (IDMCs) with data analysis and reporting.
- (vi). **Pharmacovigilance:** We offer pharmacovigilance services to help our customers monitor, detect, assess, understand and prevent adverse reactions or any other possible drug-related problems, aiming to reduce a drug’s risks to subject.
- (vii). **Data Management and Statistical Analysis:** We provide end-to-end data management and validation, database design, and statistical analysis. Our proprietary clinical trial database enhance data quality and operational efficiency.
- (viii). **Regulatory Affairs:** We provide comprehensive support for the Investigational New Drug (IND) and New Drug Application (NDA) process, assisting clients with regulatory communication and submission to facilitate marketing approval.

In addition, we provide FSP services through flexible personnel resourcing by deploying full-time or project-based staffs to support a specific functional module of the entire clinical trial process. Our talent pool enables efficient recruitment and dispatch of suitable FSP staffs to meet clients’ targeted needs with enhanced flexibility and control.

SUMMARY

Since our inception in 2004, we have advanced a series of strategic initiatives, including a pivot to innovative drug clinical research, the prioritization of oncology and autoimmune disease therapeutic areas, the development of proprietary digital systems for clinical trials, and the expansion of our business internationally.

Our Service Network

We are headquartered in Hangzhou, China, with more than 20 operational teams located in major cities such as Beijing, Shanghai, Guangzhou, Hangzhou, and Wuhan, enabling us to serve major clinical research institutions and diverse patient populations across the nation. Additionally, we maintain subsidiaries and local teams in the United States and Australia. Our international teams possess expertise in both China-US IND filings and early-stage clinical development, and we conduct global multi-center clinical trials through strategic collaborations with established partners in Europe and the United States.

Our Client Base

We have established cooperative relationships with pharmaceutical companies in China and overseas. Our client base consists of over 200 innovative pharmaceutical and biotechnology firms, including many ranked among the top 50 by sales revenue in China, such as Buchang Pharmaceutical, and Guangzhou Baiyunshan Pharmaceutical. As of June 30, 2026, our top five customers in terms of revenue in each year or period during the Track Record Period have maintained partnerships with us for over six years on average, with some exceeding a decade. Our relationship with customers demonstrates customer recognition to our services.

Our Team

Our founder, Mr. Zhao Min, is an industry veteran with more than two decades of experience in the pharmaceutical sector. He has an in-depth understanding of industry development trends and corporate governance. Since establishing our Company in 2004, Mr. Zhao has dedicated 20 years to shaping our brand, guiding our Company through market cycles, and delivering growth for us.

Our team features professionals from varied backgrounds and areas of expertise, with an average of over 8.5 years of experience in the pharmaceutical and/or CRO industries. Over 81% of our workforce hold professional qualifications in medicine, biostatistics, or pharmaceuticals. Additionally, over 89% of our workforce holds bachelor’s degree or above, including approximately 19% who holds master’s or doctoral degrees.

Our Financial Performance

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. During the same years or periods, our profit for the year or 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 and 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 and we have 134 ongoing clinical trial projects, spanning multiple therapeutic areas and various stages of clinical development, demonstrating our business momentum.

SUMMARY

OUR STRENGTHS

We believe that our key advantages are:

- Focused Business Strategy and Therapeutic Areas;
- Efficiency-Oriented Operation Driven by a Refined Management System;
- Enhanced Operational Efficiency and Project Quality Through Digitalization;
- Recurring and Established Client Base; and
- Nationwide Clinical Site Network.

OUR STRATEGIES

We aim to build an AI-driven, international clinical R&D platform with strong execution capability in high-value therapeutic areas, supported by an efficiency-focused operating model and scalable digital infrastructure. To achieve this goal, we intend to execute the following strategies:

- Multi-Therapeutic Areas Expansion;
- Implementation of Step-by-Step Globalization Strategy; and
- Strengthen our AI-Driven Clinical CRO Model.

OUR R&D AND DIGITALIZATION

We focus on providing services for innovative drug and therapies clinical research and other supporting services to Chinese and global pharmaceutical and biotechnology companies. As of June 30, 2026, we had a research and development team of 52 personnel. Our R&D personnel include one Ph.D holder and 44 holders of bachelor or above degrees, most of whom have extensive working experience in clinical CRO and related fields. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026 our research and development expenses were RMB27.8 million, RMB20.5 million, RMB18.7 million, RMB8.9 million and RMB9.4 million, respectively.

Our ongoing R&D efforts focus on (i) improving clinical trial technical services and (ii) enhancing our digital systems. Our clinical trial technical services R&D improves our clinical trial process by refining our SOPs in project risk mitigation system, medical decision support system, and innovative drug development strategy to improve our workflow and efficiency. We develop and integrate digital systems of CTMS (clinical trial management system), eTMF (electronic trial master file), and CTFS (clinical trial financial system) throughout our workflows to improve clinical trial speed and efficiency. We automate workflows across project execution, documentation compliance, and financial control and support decision-making process with data-driven insights. Our digital transformation improves operational efficiency and enhances our project quality and competitiveness.

SUMMARY

OUR CUSTOMERS

We have developed established relationships with many of our customers and a significant portion of our revenue is generated from repeat customers. During the Track Record Period, our overall customer retention rate was 78.4%, 74.4%, 68.5%, 70.1% and 77.2% in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our overall net dollar retention rate was 110.8%, 90.6% and 105.7% in 2023, 2024 and 2025, respectively, reflecting the continued engagement of our existing customer base across the Track Record Period. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, approximately 95.0%, 96.5%, 97.1%, 98.8% and 90.9% of our revenue, respectively, was generated from customers who had engaged us in the prior year. Our customers are mainly pharmaceutical and biotechnology companies. The total revenue generated from our top five customers in each year or period during the Track Record Period amounted to RMB221.9 million, RMB190.6 million, RMB198.7 million and RMB110.8 million in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. In 2023, 2024 and 2025 and the six months ended June 30, 2026, our top five customers together accounted for 59.9%, 56.0%, 59.2% and 54.3%, respectively, of our total revenue, and our largest customer accounted for 21.6%, 16.2%, 19.1% and 17.6%, respectively, of our total revenue. See “Risk Factors — Risks Related to Our Business and Industry — We have experienced and may continue to experience customer and supplier concentration risks.”

Below sets forth of average revenue per project, customer retention rate, and net dollar retention rate in each year or period during the Track Record Period.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
Average revenue per project – clinical trial technical services (RMB in million)	1.6	1.4	1.4	1.0	0.9
Average revenue per customer – FSP services (RMB in million)	3.2	2.8	2.9	2.2	1.8
Customer retention rate ⁽¹⁾ % . . .	78.4	74.4	68.5	70.1	77.2
Net dollar retention rate ⁽²⁾ % . . .	110.8	90.6	105.7	N/A ⁽³⁾	N/A ⁽³⁾

Notes:

- (1) Customer retention rate is calculated as the number of customers who contributed revenue to us in both the prior year and the current year or period divided by the total number of customers in the prior year.
- (2) Net dollar retention rate is calculated as the aggregate revenue in the current year from customers who contributed revenue to us in both the prior year and the current year, divided by the total revenue from such customers in the prior year.
- (3) Net dollar retention rate for the six months ended June 30, 2025 and 2026 is not presented as this metric is evaluated on an annual basis. Calculating this metric for a sub-annual period would produce a structurally lower figure because the current-period revenue numerator covers only six months while the prior-year revenue denominator covers a full year, rendering the figures not meaningful or comparable to the annual figures.

SUMMARY

Our average revenue per project for clinical trial technical services was RMB1.6 million, RMB1.4 million, RMB1.4 million, RMB1.0 million and RMB0.9 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. The average revenue per project remained relatively stable across the Track Record Period, with year to year or period to period variations reflecting differences in the stage of progress of individual projects and the contract value of individual projects during each year. Our average revenue per customer for FSP services was RMB3.2 million, RMB2.8 million, RMB2.9 million, RMB2.2 million and RMB1.8 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. The average revenue per customer remained relatively stable across the Track Record Period, with year to year or period to period variations reflecting fluctuations in customer demand for service personnel during each year or period.

Our overall customer retention rate was 78.4%, 74.4%, 68.5%, 70.1% and 77.2% in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. The gradual decline from 2023 to 2025 was driven primarily by changes in our clinical trial technical services business line, including (i) the non-renewal of engagements by certain customers in the vaccine segment following the completion of their projects; and (ii) the non-recurring nature of certain small-value project engagements. Notwithstanding the above, the customers we retained continued to represent a substantial and growing proportion of our revenue and our customer retention rate for the six months ended June 30, 2026 increased to 77.2%. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026 approximately 95.0%, 96.5%, 97.1%, 98.8% and 90.9% of our revenue, respectively, was generated from customers who had engaged us in the prior year.

Our overall net dollar retention rate was 110.8%, 90.6% and 105.7% in 2023, 2024 and 2025, respectively. The decline in 2024 was primarily attributable to (i) certain projects with higher contract values in our clinical trial technical services business line entering their final stages in 2024, resulting in lower revenue recognized from those projects compared to 2023; and (ii) reduced demand from customers that had contributed revenue to us in the prior year due to broader industry conditions, including a contraction in biopharmaceutical financing and intensified competition among clinical CRO service providers. According to F&S, total primary-market financing raised by China’s biopharmaceutical companies decreased by approximately 19% in 2024 as compared with 2023, which led certain existing customers to reduce, delay or terminate their research and development programs and scale back engagements with us. In addition, intensified competition placed downward pressure on contract pricing, resulting in lower revenue contribution from certain existing customers even where they continued to engage our services. This resulted in lower revenue recognized from customers that contributed revenue to us in both the prior and the current year. The recovery in 2025 was driven by an increase in new projects or orders placed by existing customers across both our clinical trial technical services and FSP services business lines, resulting in higher revenue recognized from customers that contributed revenue to us in both the prior and the current year.

OUR SUPPLIERS

Given our CRO services, our suppliers include clinical trial sites and other third-party service providers, such as SMO.

SUMMARY

We maintain established relationships with hospitals and clinical research institutions to support clinical trial execution and site access. We worked with 296, 324, 539 and 563 partner hospitals in 2023, 2024 and 2025 and the six months ended June 30, 2026 respectively. As of June 30, 2026, these partner hospitals covered 30 provinces, regions or municipalities in China, and 347 of the 563 partner hospitals were Class III Grade A hospitals. To enhance our service capabilities and secure access to high-quality clinical resources, we enter into strategic cooperation agreements with selected domestic hospitals, which typically define the cooperation model and our respective obligations and are generally for terms of two to ten years.

The total amount purchased from our top five suppliers in each year or period during the Track Record Period amounted to RMB38.3 million, RMB29.1 million, RMB20.2 million and RMB15.1 million in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively, representing 28.6%, 25.4%, 18.3% and 20.5% of our total purchase for the respective year or period. Our largest supplier accounted for 11.2%, 9.2%, 10.4% and 7.6% respectively, of our total purchase for 2023, 2024 and 2025 and the six months ended June 30, 2026, with the amounts incurred being RMB15.1 million, RMB10.5 million, RMB11.4 million and RMB5.6 million, respectively. See “Risk Factors — Risks Related to Our Business and Industry — We have experienced and may continue to experience customer and supplier concentration risks.”

COMPETITION

The biopharmaceutical R&D services markets in China are highly fragmented. In China, the five largest clinical CROs by revenue accounted for 29.9% of the total clinical CRO market in 2025, according to the F&S Report. We face significant competition from leading China-headquartered CROs, such as Tigermed, R&G, and Pharmaron. In addition, we face competition from a substantial number of small- to medium-sized CROs and the in-house R&D departments of biopharmaceutical companies. For more details regarding our competitive landscape, see “Industry Overview — Competitive Landscape in the Clinical CRO Market” and “Risk Factors — Risks Related to our Business and Industry — We face intense competition in the PRC and international markets.”

OUR FEE MODELS

Our service fee model can be primarily divided into two models: (i) fee-for-service model, and (ii) full-time-equivalent model. Under the fee-for-service model, we charge a project-based fee for agreed deliverables and services. We typically enter into a service agreement with our clients and receive payments in accordance with a payment schedule specified in the relevant service agreements. During the Track Record Period, we primarily charge clinical trial technical services clients under fee-for-service model. Our FSP services are charged under the full-time-equivalent model. Fees are typically calculated on a person-month basis, with person-day rates applied where appropriate, and are generally settled on a monthly or quarterly basis.

SUMMARY

The following table sets forth a summary of the movement in number and contract value of projects for our clinical trial technical services and other services during the Track Record Period, all of which are presented on a tax-exclusive basis.

	Year ended December 31,			The six months ended June 30, 2026
	2023	2024	2025	2026
Number of ongoing projects at the beginning of the year or period . .	151	177	173	162
Clinical trial technical services . . .	143	168	163	148
Other services	8	9	10	14
Number of newly awarded projects during the year or period	49	46	57	33
Clinical trial technical services . . .	47	42	47	26
Other services	2	4	10	7
Number of completed projects during the year or period	23	50	68	61
Clinical trial technical services . . .	22	47	62	49
Other services	1	3	6	12
Number of ongoing projects at the end of the year or period	177	173	162	134
Clinical trial technical services . . .	168	163	148	125
Other services	9	10	14	9
Outstanding balance of contract value* at the beginning of the year or period (RMB million) . . .	715.8	726.4	563.9	528.9
Clinical trial technical services . . .	709.9	720.2	558.2	525.6
Other services	5.9	6.2	5.7	3.3
Contract value* of newly awarded projects during the year or period (RMB million)	354.6	143.3	303.4	249.4
Clinical trial technical services . . .	353.2	142.8	300.0	249.4
Other services	1.4	0.4	3.4	0.0
Contract value* adjustments and terminations during the year or period (RMB million)⁽¹⁾	(24.1)	(15.0)	(66.5)	(37.3)
Clinical trial technical services . . .	(25.3)	(14.5)	(62.7)	(36.7)
Other services	1.2	(0.5)	(3.8)	(0.6)
Revenue recognized during the year or period (RMB million)	319.9	290.7	271.9	162.7
Clinical trial technical services . . .	317.6	290.3	269.9	161.5
Other services	2.3	0.4	2.0	1.2
Outstanding balance of contract value* at the end of the year or period (RMB million)	726.4	563.9	528.9	578.3
Clinical trial technical services . . .	720.2	558.2	525.6	576.8
Other services	6.2	5.7	3.3	1.5

* Contract value is presented exclusive of applicable value-added tax.

(1) Contract value adjustments and terminations during the year or period includes adjustments to contract value arising from supplemental agreements entered into during project execution, as well as changes resulting from project termination or completion settlement.

SUMMARY

Our FSP service primarily operates under a full-time equivalent (FTE) model. Under this model, contract revenue is not based on fixed-price deliverables, but is instead billed based on the actual number of service personnel assigned to clients and their actual working hours. Our FSP contracts do not contain any legally binding work scope or legally binding contract value from which we could reasonably expect future revenue. As such, our FSP business does not generate backlog in the sense of unrecognized contract value. Future revenue may vary depending on the number of service personnel assigned to clients and real-time changes in client demand.

SUMMARY FINANCIAL INFORMATION

The following tables summarize our consolidated financial results during the Track Record Period and should be read in conjunction with the section headed “Financial Information” of this document and the Accountants’ Report set out in Appendix I to this document, together with the respective accompanying notes. Our consolidated financial information was prepared in accordance with IFRS Accounting Standards.

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

	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>										
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)
Profits 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

SUMMARY

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 measures) 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 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%

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 total revenue by service during the Track Record Period.

SUMMARY

	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

During the Track Record Period, clinical trial technical services represent most of our revenue. 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.

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, 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	2.2	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

Gross Profit and Gross Profit Margin

	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 (%)
(RMB in thousands, except for percentages)										
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

SUMMARY

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.

Summary of Consolidated Statements of Financial Position

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Total non-current assets	13,205	11,636	13,329	20,696
Total current assets	351,826	441,523	387,555	419,250
Total assets	365,031	453,159	400,884	439,946
Total current liabilities	378,180	419,558	196,211	206,536
Total non-current liability	138	292	–	4,230
Total liabilities	378,318	419,850	196,211	210,766
Net current (liabilities)/assets	(26,354)	21,965	191,344	212,714
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. 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.

Summary of Consolidated Cash Flow Statements

	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)

SUMMARY

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
(RMB in thousands)					
(unaudited)					
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

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 or 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%.

RISK FACTORS

Our business and the [REDACTED] involve certain risks, which are set out in the section headed “Risk Factors.” You should read that section in its entirety carefully before you decide to [REDACTED] in our Shares. Some of the major risks that we face include, among others: (i) A decline in customer demand for, or spending on, biopharmaceutical R&D services could materially and adversely impact our business, financial condition, operating results, and future prospects; (ii) If the market for our services or products fails to grow as we expect, or if our customers or potential customers fail to adopt our services, our business, financial condition, business operations, and operating results could be significantly and adversely affected; (iii) Our R&D investments may reduce our short-term profitability and may not produce the anticipated results; (iv) We recorded fluctuating net operating cash flow during Track Record Period and we may continue to experience fluctuations to net operating cash flow; (v) We recorded a net operating cash outflow during the Track Record Period, and we may continue to experience net operating cash outflows in the future; (vi) We may be unable to perform our contracts with customers and fulfill our obligations in respect of contract liabilities, which could have a material adverse effect on our business and reputation; (vii) Managing medical and other data of the patients and healthy volunteers enrolled in our clinical trials exposes us

SUMMARY

to the risk of noncompliance with data protection and data transfer laws and regulations; and (viii) The practice of our services is subject to regulatory oversight. If we fail to provide compliant and eligible services that meet regulatory requirements, our business and operating results could be significantly and adversely affected.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Zhao (our chairman of the Board, executive Director and general manager) controlled approximately 74.21% of the total issued share capital of our Company, comprising direct interest of approximately 57.28% and indirect interest of approximately 12.70% held by Boda Innovation and 4.23% held by Bohua Innovation, where Mr. Zhao serves as the executive and general partner.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Zhao will, directly and through Boda Innovation and Bohua Innovation, control an aggregate of approximately [REDACTED]% of the total issued share capital of the Company. As such, Mr. Zhao, Boda Innovation and Bohua Innovation will constitute a group of Controlling Shareholders of our Company upon [REDACTED].

RECENT DEVELOPMENTS

In July 2026, Hangshi Zhitou, High-level Talent, Heda Big Health, Mr. Zhao and other then Shareholders entered into a share transfer and capital increase agreement involving the transfer of existing shares by Mr. Zhao and subscription of new shares by the investors. For more details, see “History — Pre-[REDACTED] Investments” and “History — Establishment and Material Changes in Shareholdings of Our Company.”

After performing due diligence work which our Directors consider appropriate and sufficient and after due and careful consideration, our Directors confirm that there has been no material adverse change in our business, financial condition and results of operations since June 30, 2026, being the latest period end date of our consolidated financial statements in the Accountants’ Report set out in Appendix I to this document, and up to the date of this document.

[REDACTED]

We estimate that the [REDACTED] from the [REDACTED] will be approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the [REDACTED] range of HK\$[REDACTED] per H Share to HK\$[REDACTED] per H Share, after deducting [REDACTED] and estimated [REDACTED] expenses paid and payable by us in the [REDACTED], taking into account any additional discretionary incentive fee. We intend to use the net [REDACTED] from the [REDACTED] for the following purposes:

- Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] from the [REDACTED]) is expected to be used to advance our multi-therapeutic area expansion and to build service capabilities in frontier therapeutic areas;

SUMMARY

- Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] will be used to advance our global expansion and global operating capability development. We intend to accelerate deploying our globalization strategy, supporting our transition from “accompanying customers going global” to “localized participation in international competition”;
- Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] from the [REDACTED]) will be used to implement our AI-driven strategy, including LLM applications of AI Agent and the development of Guangdong Weilin’s digital solutions and integration with our existing digital systems;
- Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] from the [REDACTED]) will be used for working capital and other general corporate purposes.

See “Future Plans and [REDACTED]” for further details.

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.

[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 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 [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.

SUMMARY

[REDACTED] STATISTICS

All statistics in the following table are based on the assumption that the [REDACTED] is not exercised:

	Based on the [REDACTED] of HK\$[REDACTED] per H Share	Based on the [REDACTED] of HK\$[REDACTED] per H Share
Market capitalization of the H Shares following the completion of the [REDACTED] ⁽¹⁾	[HK\$[REDACTED]] million	[HK\$[REDACTED]] million
Unaudited [REDACTED] adjusted net tangible assets per Share ⁽²⁾	[HK\$[REDACTED]]	[HK\$[REDACTED]]

- (1) The calculation of market capitalization is based on the [REDACTED] Shares expected to be in [REDACTED] immediately upon completion of the [REDACTED].
- (2) The unaudited [REDACTED] net tangible assets per Share is arrived at after the adjustments as set out in Appendix II and on the basis that [REDACTED] Shares (being 115,461,540 Shares in issue and outstanding as at June 30, 2026 taking into account the Share Subdivision and [REDACTED] H Shares to be issued pursuant to the [REDACTED]) were in issue assuming that the [REDACTED] has been completed on June 30, 2026, but takes no account of the [REDACTED] issued subsequent to June 30, 2026 as adjusted by the Share Subdivision nor any H shares which may be [REDACTED] upon the exercise of the [REDACTED].

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.

“Accountants’ Report”	the accountants’ report prepared by KPMG, details of which are set out in Appendix I to this document
“AFRC”	Accounting and Financial Reporting Council
“Articles of Association” or “Articles”	the articles of associations of our Company, as amended, which shall become effective on the [REDACTED], a summary of which is set out in Appendix V to this document
“Audit Committee”	the audit committee of the Board
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Aismore”	Beijing Aismore Pharmaceutical Technology Co., Ltd. (北京艾斯默醫藥科技有限公司), a limited liability company incorporated under the laws of the PRC on September 18, 2007, and a wholly-owned subsidiary of our Company
“Beijing Linzhi”	Linzhi (Beijing) Technology Co., Ltd. (臨智(北京)科技有限責任公司), a limited liability company incorporated under the laws of the PRC on December 11, 2019, and a wholly-owned subsidiary of our Company
“Beijing Starphy”	Beijing Starphy Pharmaceutical Technology Co., Ltd. (北京斯達菲醫藥科技有限公司), a limited liability company incorporated under the laws of the PRC on February 7, 2017, and a wholly-owned subsidiary of our Company
“Board” or “Board of Directors”	the Board of Directors of our Company
“Board Diversity Policy”	the board diversity policy of our Company
“Boda Innovation”	Hefei Boda Innovation Equity Investment Partnership Enterprise (Limited Partnership) (合肥市博達創新股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on May 2, 2017 and one of our employee incentive platforms and our Controlling Shareholders
“Bohua Innovation”	Hefei Bohua Innovation Equity Investment Partnership Enterprise (Limited Partnership) (合肥市博華創新股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on May 2, 2017 and one of our employee incentive platforms and our Controlling Shareholders

DEFINITIONS

“business day” a day on which banks in Hong Kong are generally open to the public for normal banking business and which is not a Saturday, Sunday or public holiday in Hong Kong

[REDACTED]

“Chengdu Panacro” Chengdu Panacro Pharmaceutical Technology Co., Ltd. (成都博納西亞醫藥科技有限公司), a limited liability company incorporated under the laws of the PRC on June 28, 2024, and a wholly-owned subsidiary of our Company

“China”, “Chinese Mainland” or “PRC” the People’s Republic of China, excluding, for the purpose of this document (unless otherwise indicated), Hong Kong, Macau and Taiwan

“Companies Ordinance” the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

“Company” or “our Company” PANACRO (Hangzhou) Pharmaceutical Consulting Co., Ltd. (博納西亞(杭州)醫藥科技股份有限公司), formerly known as PANACRO (Hangzhou) Pharmaceutical Technology Co., Ltd. (博納西亞(杭州)醫藥科技有限公司), PANACRO (Hefei) Pharmaceutical Technology Co., Ltd. (博納西亞(合肥)醫藥科技有限公司), Beijing PANACRO Pharmaceutical Technology Co., Ltd. (北京博納西亞醫藥科技有限公司), and Beijing PANACRO Technology Co., Ltd. (北京博納西亞科技有限公司). It was converted into a joint stock company with limited liability on January 22, 2026

“Company Law” or “PRC Company Law” Company Law of the People’s Republic of China (中華人民共和國公司法), as amended and adopted by the Standing Committee of the Tenth National People’s Congress on October 27, 2005 and effective on January 1, 2006, as amended, supplemented or otherwise modified from time to time, of which the latest amendment was on December 29, 2023 that has been effective since July 1, 2024

“Controlling Shareholders” has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Zhao Min (趙敏), Bohua Innovation and Boda Innovation

DEFINITIONS

“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“CRO(s)”	contract research organization, a company provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research and development services outsourced on a contract basis
“Connected person(s)”	has the meaning ascribed to it under the Listing Rules [REDACTED]
“Directors”	the directors of our Company, including all executive, non-executive and independent non-executive Directors
“EIT”	enterprise income tax
“EIT Law”	Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Employee Incentive Platform(s)”	the employee incentive schemes of our Company, a summary of the principal terms of which is set forth in the paragraph headed “Appendix VI — Statutory and General Information — Share Incentive Schemes.” in this document
“Exchange Participant(s)”	a person (a) who, in accordance with the Rules of the Hong Kong Stock Exchange, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
“FDA”	the Food and Drug Administration of the United States
“Frost & Sullivan” or “F&S”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, an independent market research and consulting company
“FVOCI”	fair value through other comprehensive income
“FVPL”	fair value through profit or loss

DEFINITIONS

“Frost & Sullivan Report” or “F&S Report” the industry report commissioned by our Company and independently prepared by Frost & Sullivan, summary of which is set forth in the section headed “Industry Overview” in this document

“GDP” gross domestic product

[REDACTED]

“Group”, “our Group,” “we” or “us” our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)

“Guangdong Weilin” or “Weilin” Guangdong Weilin Medical Technology Co., Ltd. (廣東微臨醫療科技有限公司), a limited liability company incorporated under the laws of the PRC on January 15, 2021, and a wholly-owned subsidiary of our Company

“Guide” Guide for New Listing Applicants issued by the Stock Exchange in December 2023 (as amended, supplemented or otherwise modified from time to time)

“H Share(s)” overseas listed foreign shares in the share capital of our Company with nominal value of RMB0.1 each, which are to be [REDACTED] for and [REDACTED] in HK dollars and to be [REDACTED] on the Hong Kong Stock Exchange

“H Shareholder(s)” holder(s) of H Share(s)

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars,” “HK dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

[REDACTED]

DEFINITIONS

[REDACTED]

“IFRS Accounting Standards”	IFRS Accounting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board
“Independent Third Party(ies)”	any entity(ies) or person(s) who, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules

[REDACTED]

DEFINITIONS

“Joint Sponsors” the joint sponsors as named in “Directors and Parties Involved in the [REDACTED]

“Latest Practicable Date” August 10, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

“Macau” the Macau Special Administrative Region of the PRC

“Main Board” the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange, which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange

“Marketing Authorization Application” or “MAA” an application made to the regulatory authorities in a given jurisdiction for approval to market medicine or medicinal device within such jurisdiction

“MIIT” the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)

“MOFCOM” the Ministry of Commerce of the PRC (中華人民共和國商務部)

“Mr. Zhao” Mr. Zhao Min (趙敏), our founder, the chairman of our Board, an executive Director, the general manager of our Company, and one of our Controlling Shareholders

“NDRC” the National Development and Reform Commission of the PRC (中華人民共和國發展和改革委員會)

“NHC” the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會)

“NMPA” the National Medical Products Administration of the PRC (中華人民共和國國家藥品監督管理局) (formerly known as the China National Drug Administration, or CNDA, and the China Food and Drug Administration, or CFDA)

DEFINITIONS

[REDACTED]

“Pana US”	Pana Holding Inc., a limited liability company incorporated under the laws of the United States on February 12, 2024, and a wholly-owned subsidiary of our Company
“Panacro Australia”	Panacro (Australia) Pharmaceutical Technology Pty Ltd., a limited liability company incorporated under the laws of the Australia on October 25, 2023, and a wholly-owned subsidiary of our Company
“Panacro Hong Kong”	Panacro (Hong Kong) Pharmaceutical Technology Company Limited (博納西亞(香港)醫藥科技有限公司), a limited liability company incorporated under the laws of the Hong Kong on October 22, 2025, and a wholly-owned subsidiary of our Company
“Panacro Singapore”	Panacro (Asia Pacific) Pharmaceutical Technology Pte. Ltd., a limited liability company incorporated under the laws of Singapore on June 26, 2023, and a wholly-owned subsidiary of our Company
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC

DEFINITIONS

“People’s Congress”	the PRC’s legislative apparatus, including the National People’s Congress and all the local people’s congresses (including provincial, municipal and other regional or local people’s congresses) as the context may require, or any of them
“PRC government” or “Central Government” or “State”	the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and their instrumentalities or, where the context requires, any of them
“PRC Legal Advisors”	Zhong Lun Law Firm, our legal advisors as to PRC laws
“Personal Information Protection Law”	Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》), which entered into effect on November 1, 2021
“PRC Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“Pre-[REDACTED] Investment(s)”	the pre-[REDACTED] investments in our Company undertaken by our Pre-[REDACTED] Investors, details of which are set out in “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Pre-[REDACTED] Investor(s)”	the investor(s) from whom our Company obtained several rounds of investments, details of which are set out in “History, Development and Corporate Structure”

[REDACTED]

“province”	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Ruijie Siyuan”	Beijing Ruijie Siyuan Pharmaceutical Technology Co., Ltd. (北京瑞傑思源醫藥科技有限公司), a limited liability company incorporated under the laws of the PRC on October 23, 2013, and a wholly-owned subsidiary of our Company.
“SAFE”	the State Administration of Foreign Exchange of the PRC (國家外匯管理局)
“STA”	the State Taxation Administration (國家稅務總局)
“SAMR”	formerly known as the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), which was merged into the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB0.1 each upon completion of the Share Subdivision
“Share Subdivision”	the share subdivision immediately prior to the [REDACTED], pursuant to which each of our Share with par value of RMB1.00 will be subdivided into ten Shares with par value of RMB0.10 each
“Shareholders(s)”	holder(s) of the Share(s)
“SOE(s)”	state-owned enterprise(s)
“Suzhou Panacro”	Suzhou Panacro Pharmaceutical Technology Co., Ltd. (蘇州博納西亞醫藥科技有限公司), a limited liability company incorporated under the laws of the PRC on February 20, 2020, and a wholly-owned subsidiary of our Company.
“sq.m.”	square meters
	[REDACTED]
“State Council”	State Council of the People’s Republic of China (中華人民共和國國務院)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-back issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the years ended December 31, 2023, 2024 and 2025, and the six months ended June 30, 2026

[REDACTED]

“Unlisted Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB0.1 each, which is/are not listed on any stock exchange
“US\$”, “USD” or “U.S. dollars”	United States dollars, the lawful currency for the time being of the United States
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	United States Securities Act of 1933, as amended
“VAT”	value-added tax

[REDACTED]

“%”	per cent
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For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, nature persons or other entities (including certain of our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“AI”	artificial intelligence, the simulation of human intelligence processes by machines, including learning, reasoning and data analysis, applied to support clinical research and trial management
“AI Agent”	an AI-enabled software agent designed to perform specific tasks in clinical research workflows, such as information retrieval, drafting, analysis or quality checks, subject to human review
“autoimmune disease”	a disease caused by the immune system mistakenly attacking the body’s own healthy cells or tissues, resulting in inflammation and tissue damage
“biologics”	drugs derived from living organisms or their components, including vaccines, blood products, proteins, antibodies, cell therapies and gene therapies
“biostatistics”	the application of statistical methods to biological and medical research, including clinical trial design, data analysis and interpretation
“CAPA”	Corrective and Preventive Actions, measures taken to eliminate the causes of existing nonconformities and prevent recurrence
“CDE”	Center for Drug Evaluation, the division under the NMPA responsible for technical review of drug registration applications in the PRC
“cell therapy”	a therapeutic modalities that uses living cells to support in clinical development, including immune cell-based therapies
“central laboratory”	a laboratory facility used for standardized testing and analysis of samples collected from multiple clinical trial sites
“clinical trial”	an experiment conducted in human subjects to evaluate the safety, efficacy or pharmacology of a drug, biologic or medical device

GLOSSARY OF TECHNICAL TERMS

“CMC”	Chemistry, Manufacturing and Controls, the section of a regulatory dossier describing the composition, manufacture, quality control and stability of a drug product
“CNS”	central nervous system, comprising the brain and spinal cord
“contracted future revenue”	the future revenue from services not yet completed or performed under signed contracts in effect at a particular point in time
“CRA”	Clinical Research Associate, a professional responsible for monitoring clinical trials to ensure compliance with protocols, GCP and regulatory requirements
“CRC”	Clinical Research Coordinator, personnel responsible for coordinating and conducting clinical trials at trial sites under the supervision of a principal investigator
“CRO”	Contract Research Organization, a company that provides outsourced research and development services to pharmaceutical and biotechnology companies
“CTD”	Common Technical Document, a harmonized format for regulatory submissions
“CTFS”	Clinical Trial Financial System, This system enables sponsors, contract research organizations (CROs), and research sites to efficiently handle budgeting, payments, invoicing, and financial reporting throughout the lifecycle of a clinical trial
“CTMS”	Clinical Trial Management System, software used to plan, track and manage clinical trial operations
“Customer retention rate”	the customer retention rate is calculated as the number of customers who contributed revenue to us in both the prior year and the current year or period divided by the total number of customers in the prior year
“data governance”	the framework of policies and controls for managing data integrity, security, access and compliance
“DSMB”	Data Safety Monitoring Board, an independent committee focused on subject safety and trial integrity
“EDC”	Electronic Data Capture, systems used to electronically collect and manage clinical trial data

GLOSSARY OF TECHNICAL TERMS

“eTMF”	electronic Trial Master File, an electronic system for storing and managing essential trial documents to enable evaluation of trial conduct and data quality and to support audits and regulatory inspections
“encryption”	a method of encoding information to prevent unauthorized access
“FSP”	refers to Functional Service Provider or Functional Service Provision in the CRO industry. FSP is a strategic outsourcing model where a pharmaceutical or biotech sponsor delegates specific functional areas of a clinical trial to an external partner while retaining overall strategic and operational control
“GCP”	Good Clinical Practice, an international ethical and scientific quality standard for designing, conducting, recording and reporting clinical trials
“ICH”	International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use, an organization that develops harmonised guidelines for global pharmaceutical development and registration
“IND”	Investigational New Drug application, a regulatory submission to seek authorization to begin clinical trials of an unapproved drug or biologic
“LLM”	a type of artificial intelligence model using machine learning technology to understand and generate human language
“metabolism”	the biochemical transformation of a drug within the body, primarily through enzymatic processes
“NDA”	New Drug Application, a submission to a regulatory authority seeking approval to market a new pharmaceutical product
“Net dollar retention rate”	the net dollar retention rate is calculated as the aggregate revenue in the current year or period from customers who contributed revenue to us in both the prior year and the current year or period, divided by the total revenue from such customers in the prior year
“NLP”	Natural Language Processing, a field of artificial intelligence that enables computers to understand, interpret and generate human language

GLOSSARY OF TECHNICAL TERMS

“oncology”	the study and treatment of cancer
“ophthalmology”	the branch of medicine concerned with diseases of the eye
“PD”	pharmacodynamics, the study of the effects of a drug on the body and its mechanisms of action
“PK”	pharmacokinetics, the study of the absorption, distribution, metabolism and excretion of drugs in the body
“pharmacovigilance”	the science of monitoring drug safety after authorization, including detection and evaluation of adverse drug reactions
“Phase I Clinical Trial”	first-in-human studies assessing safety and tolerability of a new drug in humans and obtain preliminary PK information, thereby providing a basis for subsequent dose-ranging and regimen design
“Phase II Clinical Trial”	Human studies exploring preliminary efficacy and safety in patients and provide evidence to support the recommended dose and/or dosing regimen for Phase III
“Phase III Clinical Trial”	Human studies confirming efficacy and safety in a broader population and generate pivotal evidence to support marketing application
“Phase IV Clinical Trial”	Human studies continuing monitoring the long-term efficacy and safety of the drug in real-world use after commercialization and to identify potential risks and adverse effects
“PI”	principal investigator, the individual responsible for the conduct of a clinical trial at a trial site and for ensuring compliance with the protocol and applicable requirements
“protocol”	the document describing the objectives and design of a clinical trial, including methodology, endpoints and statistical considerations
“QA”	quality assurance, systematic activities implemented to provide confidence that processes and outputs meet quality requirements
“R&D”	research and development

GLOSSARY OF TECHNICAL TERMS

“SAE”	serious adverse event, an adverse event that results in death, is life-threatening, requires hospitalization or otherwise meets seriousness criteria under applicable regulations
“SMO”	Site Management Organization, an organization that provides site-level clinical trial support services to sponsors, CROs or clinical sites
“SOP”	Standard Operating Procedure, a written procedure describing how to perform specific activities to ensure consistency and compliance
“trial sponsor”	the entity responsible for initiating and financing a clinical trial and for overall trial oversight

FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. All statements other than statements of historical facts contained in this document, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words “believe,” “expect,” “estimate,” “predict,” “aim,” “intend,” “will,” “may,” “plan,” “consider,” “anticipate,” “seek,” “should,” “could,” “would,” “continue,” or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- general political and economic conditions, including those related to China;
- the efficacy and safety of our products and product candidates, their pricing, market reception, market share;
- our business prospects and our ability to successfully implement our business plans and strategies;
- our strategies, plans, objectives and goals and our ability to successfully implement the same;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our dividend policy;
- our ability to attract and retain senior management and key employees;
- our future capital needs and capital expenditure plans;
- future developments, trends and conditions in the pharmaceutical industry in the PRC and other countries;
- market opportunities and competitive landscape for our products, and the actions and developments of our competitors;
- the regulatory environment and industry outlook in general for the industries discussed herein;
- capital market developments, changes in the global economic conditions and material volatility in the global financial markets.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors” and elsewhere in this document. We caution you not to place undue reliance on these forward-looking statements, which reflect our management’s view only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section.

RISK FACTORS

An [REDACTED] in our Shares involves significant risks. You should carefully consider the information set out in this Document, including the risks and uncertainties described below, before making an [REDACTED] in our Shares.

The following is a description of what we consider to be our material risks. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks and uncertainties. The [REDACTED] of our Shares could decline due to any of these risks, and you may lose all or part of your [REDACTED]. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements.” You should seek professional advice from your relevant advisors regarding your prospective [REDACTED] in the context of your particular circumstances.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

A decline in customer demand for, or spending on, biopharmaceutical R&D services could materially and adversely impact our business, financial condition, operating results, and future prospects.

The success of our business depends primarily on the number and size of service contracts with our customers, the majority of whom are pharmaceutical and biotechnology companies. In recent years, we have benefited from increasing demand for our services driven by the continued growth of the global pharmaceutical market, rising research and development budgets, and an increased propensity for outsourcing among our customers. There can be no assurance, however, that these industries will continue to expand at our expected rates. Any stagnation or reversal of these trends could have a significant adverse effect on the demand for our services. Furthermore, a decrease in investment within the pharmaceutical industries could lead to a corresponding decline in the demand for outsourced biopharmaceutical R&D services.

In addition to general industry trends, the demand for our services is subject to risks specific to our clients. See “— We depend on the retention and stability of our customers. Losing a significant portion of these customers could materially and adversely impact our business, market position, and financial condition” for more details. Their demand is further influenced by spending priorities, budgetary policies, compliance with applicable laws, and the necessity of developing new pharmaceutical products. This necessity is, in turn, dependent upon factors such as competitors’ initiatives and anticipated market, clinical, and reimbursement scenarios for specific products and therapeutic areas. Additionally, consolidation within our customers’ industries may impact their spending as they integrate acquired operations and consolidate R&D departments and budgets. Should our customers reduce their expenditures on our services due to any of these or other factors, our business, financial condition, results of operations, and prospects would be materially and adversely affected.

RISK FACTORS

If the market for our services or products fails to grow as we expect, or if our customers or potential customers fail to adopt our services, or if demand for clinical trial services in our key therapeutic areas declines, our business, financial condition, business operations, and operating results could be significantly and adversely affected.

Our business depends on continued demand for CRO clinical trial research and related services from pharmaceutical and biotechnology companies. In recent years, the CRO industry has benefited from increased research and development funding, greater outsourcing by biopharmaceutical companies and the growing complexity of clinical development and regulatory requirements. There can be no assurance that these industry trends will continue or that the market for CRO services will grow at the anticipated rate. Any market contraction or decline would materially and adversely affect our business, financial condition and results of operations.

Our customers’ decisions to engage our services are affected by factors beyond our control, including their financial condition, access to funding, research and development priorities, internal capabilities, clinical trial outcomes, regulatory developments and broader market conditions. If our customers reduce their research and development budgets, delay or terminate development programs, or choose to conduct research activities in-house or engage competing service providers, demand for our services may decline. There is no assurance that our current client retention rate will be sustained.

Our ability to attract and retain customers depends on our ability to deliver services that meet their quality, cost, compliance and timing requirements. We cannot guarantee that our services will continue to meet customers’ evolving needs or that customers will maintain or increase their level of engagement with us. If customers reduce the scope of their projects, delay new engagements or terminate existing contracts, our business, financial conditions, and operating results may be adversely affected.

Our clinical trial technical services are concentrated in oncology and autoimmune diseases, which 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. Our business therefore depends in part on the continued development of, and demand for, drugs in these therapeutic areas. The level of activity in oncology and autoimmune drug development is influenced by factors outside our control, including the availability of research funding, the outcomes of clinical trials, regulatory decisions affecting drug approvals in these areas, and shifts in the research and development priorities of pharmaceutical and biotechnology companies. A slowdown in the development of new drugs in oncology or autoimmune diseases, whether due to unfavorable clinical trial results, changes in regulatory requirements, reduced investment in these therapeutic areas, or other factors, could reduce the volume of clinical trial projects available to us and adversely affect our revenue and results of operations. Furthermore, our concentration in these therapeutic areas means that adverse developments specific to oncology or autoimmune drug development could have a disproportionate impact on our business compared to CRO service providers with a more diversified therapeutic area focus.

RISK FACTORS

Our R&D investments may reduce our short-term profitability and may not produce the anticipated results.

We make ongoing investments in R&D to enhance our service capabilities, operational efficiency and technological infrastructure, including the development and improvement of internal systems, digital platforms, data management tools, automation solutions and other technologies intended to support our CRO services. These investments require significant upfront expenditures in personnel, software development, infrastructure and related resources and may adversely affect our short-term profitability. During the Track Record Period, our research and development expenses amount 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.

There can be no assurance that our R&D initiatives will achieve their intended technical, operational or commercial objectives, or that the technologies or systems developed will be successfully deployed, adopted internally or accepted by clients. Certain R&D projects may be delayed, encounter technical challenges, require additional resources or be abandoned altogether due to changes in market conditions, regulatory requirements, technological developments or client demand.

If our R&D investments fail to deliver the anticipated benefits, or if we are unable to effectively control costs associated with such investments, our operating margins, financial condition and results of operations could be materially and adversely affected.

The application of AI in clinical trials for chemical drugs and biologics is subject to uncertainties, and we may not be able to successfully develop and deploy our AI capabilities as planned, which could adversely affect our business, financial condition, and competitiveness.

We are integrating AI technologies into our clinical trial technical services and FSP services. Our current AI applications include intelligent literature retrieval to support target research. This application is currently in the pilot stage and have not been deployed on a large scale across all projects. We also intend to use a portion of the [REDACTED] from the [REDACTED] to develop therapeutic area-specific LLMs and AI agent applications.

There is no assurance that our AI tools will achieve the expected stability, accuracy, or operational efficiency when scaled up beyond the current pilot scope, or that we will be able to complete the development and deployment of the therapeutic area-specific LLMs and AI agent applications. AI algorithms and models may produce inaccurate outputs, including flawed document generation, erroneous regulatory matching, or unreliable data analysis. In the context of clinical trials for chemical drugs and biologics, where regulatory requirements are stringent and data integrity is critical, any such inaccuracies could lead to trial delays, regulatory non-compliance, or compromised trial quality, and could expose us to reputational harm or potential liabilities.

Our AI capabilities rely in part on general-purpose computing infrastructure and foundational LLMs provided by third-party cloud service providers. Any disruption to such services, adverse changes in service terms, or technical failures on the part of these providers could impair our ability to operate our AI tools, and we may not be able to identify suitable alternative providers in a timely manner.

RISK FACTORS

The clinical CRO services market in China is undergoing rapid technological transformation. Competitors that adopt more advanced AI technologies or achieve broader deployment at a faster pace may gain competitive advantages over us. At the same time, if widespread AI adoption across the industry leads to significant efficiency improvements and cost reductions, we may face downward pressure on our service pricing, which could adversely affect our revenue and margins. In addition, the regulatory framework governing the use of AI in pharmaceutical research and clinical trials is continuously evolving in China and internationally. Future regulations may impose additional requirements on data security, algorithm transparency, or the validation of AI-generated clinical evidence. Compliance with such requirements may necessitate substantial additional investment and could delay the development and deployment of our planned AI capabilities.

We may face challenges in recruiting patients for our clinical trials.

Our clinical trials depend upon the continuous recruitment, treatment, and follow-up of patients. Identifying, screening, and enrolling participants is critical to our success; however, we may be unable to recruit a sufficient number of individuals with the required characteristics to complete our trials in a timely manner. Enrollment challenges may arise if competitors are conducting concurrent trials for similar products, leading eligible participants to enroll in competing studies instead. The timing of our clinical trials is contingent upon our ability to recruit participants, administer treatments, and complete necessary follow-up periods. Furthermore, we may encounter enrollment delays due to unforeseen regulatory, legal, and logistical requirements at specific trial sites, as well as prolonged regulatory reviews and contractual negotiations.

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.

We operate in a highly competitive CRO market. We compete across several dimensions, including price, service quality, the breadth and flexibility of our offerings, operational capacity, timeliness of delivery, adherence to regulatory standards, and the strength of customer relationships.

Our competitors includes:

- (i). large, established China headquartered CROs with substantial resources capable of managing numerous complex projects across the full drug development lifecycle;
- (ii). numerous small and medium-sized domestic CROs; and
- (iii). the in-house R&D departments of pharmaceutical and biotechnology companies.

We anticipate that the competitive landscape will intensify as new entrants join the market. For further detail, see “Industry Overview — Competitive Landscape in the Clinical CRO Market.”

RISK FACTORS

Many of our competitors may possess greater financial, technical, and other resources, more aggressive pricing strategies, larger sales and marketing organizations, longer operating histories, and stronger brand recognition. These competitors may enhance their service offerings, introduce more cost-effective solutions, or adapt more swiftly to new technologies, market trends, and evolving customer requirements than we can.

Increased competition may result in significant downward pricing pressure and reduced gross margin for our services. Our revenue and operating results depend materially on our ability to price our services appropriately in light of market conditions, service mix, regulatory requirements, cost structure, and customer demand. We employ various pricing models across service lines, geographies, and contract types. Shifts in market conditions, project complexity, or the regulatory environment may lead to necessary pricing adjustments, which may adversely affect our profit margins and competitive position.

There can be no assurance that we will be able to compete effectively against existing or future competitors, or that heightened competitive and pricing pressures will not have a material adverse effect on our business, financial condition, and results of operations.

The fees we earn from our service contracts may not be adequate to cover the relevant expenses.

Our revenue resulting from our services may not be sufficient to cover the relevant expenses. When determining the contract price, we consider numerous factors, including our market positioning, competitive pricing, project complexity, market trends, project timelines, estimated costs, and success likelihood. However, our assessments may be inaccurate, leading to underpriced contracts or material cost overruns. This would adversely affect our business, financial condition, and results of operations. During the Track Record Period, we recorded seven, nine, eight and seven loss-making projects in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively, and the aggregate contract value (excluding value-added tax) of such projects was RMB23.4 million, RMB28.1 million, RMB13.3 million and RMB13.2 million, respectively.

In addition, for many of our project-based contracts, we collect fees based on the completion of milestones, such as pre-determined steps, delivery and acceptance of the service results, or critical drug development points. See “Business — Our Fee Models.” If we fail to provide the services as stipulated in the contract, or we set inaccurate pricing, we will suffer substantial financial losses and therefore harm our business and reputation.

Furthermore, even when services are delivered as required, we are also subject to the risks of wrongful termination of contract, premature termination of contract, or delay of payment. Such contingencies arise from unfavorable research outcomes or broader material adverse shifts in market conditions, including public health crises, or other factors beyond our control. Any such occurrences could negatively impact the Company’s business, financial condition, results of operations, cash flows, and future prospects. Furthermore, the continuation of our services is often directly tied to the progress of our clients’ drug candidates. If a client’s development program is discontinued, fails to achieve a critical regulatory milestone, or otherwise does not proceed as planned, the related service contract may be terminated early. In such cases, we may be unable to recognize the full contract value, which could have a material adverse effect on our revenue and profitability.

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We depend on the retention and stability of our customers. Losing a significant portion of these customers could materially and adversely impact our business, market position, and financial condition.

Our clients are primarily innovative drug-focused pharmaceutical and biotechnology companies. Due to the increasing growth of the biopharmaceutical industry and higher budgets allocated to biopharmaceutical R&D, our client base and contract sizes have expanded over recent years. However, no assurance can be given that favorable industry trends will continue. A market slowdown or decline could cause us to lose a significant number of clients, which would materially and adversely affect our business, financial condition, and results of operations. See “— A decline in customer demand for, or spending on, biopharmaceutical R&D services could materially and adversely impact our business, financial condition, operating results, and future prospects” for more details.

In 2023, 2024 and 2025 and the six months ended June 30, 2026, revenues derived from our five largest customers in each year or period during the Track Record Period accounted for 59.9%, 56.0%, 59.2% and 54.3% of our total revenues, respectively. There can be no assurance that we will maintain our long-term relationships with our five largest customers in each year or period during the Track Record Period. Our service agreements generally have initial terms of one to five years, but customers typically retain the right to terminate an agreement or any related work order without cause upon 30 to 60 days’ written notice.

In addition to general market trends, client-specific circumstances could substantially impact our business and financial performance. Client demand for our services depends on many factors, including their financial condition, internal resource allocation, spending priorities, budget policies, manufacturing and compliance obligations, and new product development strategies. The development of new pharmaceutical products depends on numerous external factors, including competitor initiatives, clinical testing outcomes, anticipated market conditions, and evolving clinical landscapes. Any adverse development of these factors will influence the retention and stability of our customers.

Our customers may delay, terminate, or reduce the scope of their engagements for reasons beyond our control, including:

- (i). Decisions to discontinue or terminate a development program;
- (ii). Lack of available financing, budget limits, or uncertain priorities;
- (iii). Adverse regulatory actions or changes in regulatory requirements affecting us or our customers;
- (iv). Failure to meet applicable safety or efficacy criteria;
- (v). Adverse clinical data or failure to pass required customer audits;
- (vi). Decisions to shift work to competitors or to internal resources;
- (vii). The launch of a competing drug sufficiently similar to a customer’s product;
- (viii). Customer mergers or acquisitions that diminish the need for our services; and
- (ix). Force majeure events, such as natural disasters and pandemics.

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The above-mentioned terminations, delays, or alterations may occur in the normal course of business. The loss or delay of several significant contracts, or a substantial reduction in spending by one or more of our five largest customers in each year during the Track Record Period, could have a material adverse effect on our business, financial condition, and results of operations. For further details, see “Business — Our Customers.”

If we fail to innovate or adapt our services that meet customer expectations, our business, financial condition, business operations, and operating results could be significantly and adversely affected.

The CRO industry is characterized by rapid changes as well as new and disruptive technologies. Competitors might introduce innovative solutions or adopt disruptive technologies that could reshape customer behaviors and preferences. Such evolution may render our existing technology solutions obsolete, potentially diminishing our competitive edge. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our research and development expenses amounted to RMB27.8 million, RMB20.5 million, RMB18.7 million, RMB8.9 million and RMB9.4 million, respectively. We cannot assure you that such an investment is enough to adapt to the potential evolution. If we fail to adapt to these changes or invest in the necessary research and development to keep up with industry advancements, we may lose market share and face challenges in meeting customer expectations, which could materially and adversely affect our financial performance.

Our success also depends on our ability to anticipate and respond effectively to industry developments by innovating our technologies, enhancing our service offerings and delivering solutions that meet the evolving needs and expectations of our clients. This requires sustained investment in technology development, infrastructure, talent acquisition and training, as well as the effective integration of new processes and systems across our operations.

If we fail to adapt our services, technologies or operating model in a timely and cost-effective manner, our existing offerings may become less competitive, less efficient or less aligned with client demand. Clients may shift their business to competitors that are able to offer more advanced, integrated or cost-effective solutions, or may choose to develop certain capabilities in-house, which could reduce demand for our services and exert downward pressure on pricing and margins.

If we are unable to continuously innovate and adapt our technologies, services and products to meet changing industry conditions and customer expectations, our competitive position, client base and growth prospects may be materially and adversely affected, which could have a material adverse effect on our business, financial condition and results of operations.

If our expansion into new areas is not successful, our business, finance and operation may be significantly and adversely affected.

We intend to continue expanding our service offerings. In recent years, we have entered new service areas such as ophthalmology, central nervous system (CNS) and cell and gene therapy (CGT), and we continually evaluate potential sectors for future business opportunities. We are also actively expanding our overseas business and have established an overseas business team, and we have successfully initiated cooperation. To successfully develop and market new services, we must accurately assess and meet customer needs, commit significant capital expenditures, and optimize our service processes to predict and control costs.

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Furthermore, our success depends on our ability to hire, train, and retain qualified personnel, obtain necessary regulatory clearances or approvals, increase customer awareness and acceptance of our services, and ensure high-quality, timely service delivery. We must also price our services competitively, compete effectively with other CROs, and integrate customer feedback into our business planning and improvement processes. Our new service lines may have a limited operating history and may require us to build up specialized capabilities and resources, and there can be no assurance that these new service lines will achieve the level of market acceptance, scale or profitability that we expect, or at all.

Any failure to effectively develop new services or generate demand for them could have a material adverse effect on our business, results of operations, financial condition, cash flows, and prospects. Revenue contributions from new service lines may be limited and may fluctuate materially from period to period, due to, among others, the project-based nature of our business and the timing of project commencement and milestone-based revenue recognition. There can be no assurance that our new service lines will generate meaningful revenue or improve our overall profitability, and any failure to do so could adversely affect our business and prospects.

Errors in the collection, analysis, or storage of our research data could affect our procedures, resulting in longer clinical timelines and increased costs.

Our CRO services involve the collection, management, analysis and storage of large volumes of clinical research data generated from multiple sources, including clinical trial sites, investigators, laboratories, suppliers and internal systems. The accuracy, completeness and integrity of such data are critical to the successful execution of clinical trials, regulatory submissions and the delivery of services to our clients.

Due to the complexity of clinical trial protocols, the involvement of numerous stakeholders and the reliance on information technology systems and human judgment, errors may occur at various stages of the data lifecycle. If material data errors are identified, we may be required to conduct additional data review, verification or remediation activities, including repeat analyses, data reconciliation, system corrections or supplementary monitoring. These corrective actions may delay clinical trial timelines, increase operational costs and divert management and personnel resources. In certain circumstances, data integrity issues may also trigger regulatory inquiries, inspections or requests for clarification from competent authorities.

In addition, errors in data handling may affect our ability to meet contractual obligations or regulatory standards, potentially leading to disputes with clients, reduced confidence in our services or reputational harm, which could materially and adversely affect our service quality, project timelines, operating costs, business reputation, financial condition and results of operations.

We may be unable to fulfill our contractual obligations to our customers in the course of providing our services.

We face potential legal claims from our clients if we fail to meet our contractual obligations. Given the complex and time-sensitive nature of our services, any material errors in project management or the handling, preserving, processing and analysis of customer data could undermine the validity of research results and lead to inaccurate reporting.

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In such events, we may be required to reperform projects at our own expense and could be held liable for failing to meet the contractual service standards. Such failures would not only result in significant remediation costs and financial liability but could also cause reputational damage.

We may not be able to transfer increased cost to our customers, which could significantly and adversely impact our operating results.

Our revenue and operating results depend materially on our ability to price our services appropriately in light of market conditions, service mix, regulatory requirements, cost structure and customer demand.

The CRO industry is intensely competitive. Our business is subject to significant pressure from rapidly evolving customer procurement practices, budgetary constraints, and trial sponsor preferences, which may create downward pricing pressure and reduce demand for our services.

Changes in regulatory requirements may increase our compliance costs and operational complexity. If we are unable to pass on such increased costs to customers in a timely manner through pricing adjustments, our profitability may be adversely affected. Conversely, any attempt to increase prices to reflect higher compliance, technology or labor costs may not be accepted by customers and could result in loss of business or reduced market share.

Furthermore, our cost base is subject to fluctuations, including increases in personnel costs, third-party supplier fees, technology infrastructure expenses, insurance premiums and facility-related costs. Any mismatch between pricing adjustments and cost increases, or any delays in implementing revised pricing models, could materially and adversely affect our operating results, cash flows and financial condition.

Accordingly, any significant shift in market conditions, customer behavior, regulatory environment or our service and product offerings that necessitates changes to our pricing models could have a material adverse effect on our business, financial condition and results of operations.

We have experienced and may continue to experience customer and supplier concentration risks.

We have derived a significant portion of our revenue from a limited number of major customers. In 2023, 2024 and 2025 and the six months ended June 30, 2026, our five largest customers in each year or period during the Track Record Period accounted for approximately 59.9%, 56.0%, 59.2% and 54.3% of our total revenue, respectively. During the same years or periods, our largest customer accounted for approximately 21.6%, 16.2%, 19.1% and 17.6% of our total revenue, respectively. Our reliance on a limited number of major customers means that the loss of, or a significant reduction in business from, any of these customers could have a material adverse effect on our business, financial condition, and results of operations. There is no assurance that we will be able to maintain our relationships with these major customers or that the revenue generated from them will be sustained at current levels. Any failure to retain these customers or to secure new customers could result in a significant decline in our revenue and profitability.

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We have relied on a limited number of suppliers for certain services and materials. In 2023, 2024 and 2025 and the six months ended June 30, 2026, our largest supplier in each year or period during the Track Record Period accounted for approximately 11.2%, 9.2%, 10.4% and 7.6% of our total purchases, respectively. In 2023, 2024 and 2025 and the six months ended June 30, 2026, the aggregate purchase amount from our top five suppliers in each year or period during the Track Record Period was RMB38.3 million, RMB29.1 million, RMB20.2 million and RMB15.1 million, respectively, representing 28.6%, 25.4%, 18.3% and 20.5% of our total purchases, respectively. Our dependence on a small number of key suppliers exposes us to risks of supply disruption and pricing volatility. If our relationship with any of our major suppliers is terminated, or if they are unable to provide the required services or materials in a timely manner or on commercially reasonable terms, our operations could be disrupted. We may not be able to find alternative suppliers on a timely basis or on terms as favorable as our current arrangements. Any such disruption could adversely affect our ability to fulfill our contractual obligations to our customers, which could in turn damage our reputation and have a material adverse effect on our business, financial condition, and prospects.

Our services are complex and may contain unknown defects or errors, which may give rise to legal claims against us, harming our brand or reputation.

Our services involve complex and highly regulated activities across the clinical research lifecycle, including clinical development planning, initiation, management, monitoring, data management and analysis, reporting and filing assistance and related technology-enabled services. These services require the exercise of professional judgment, strict adherence to protocols, and applicable laws and regulations, and coordination among multiple stakeholders, including sponsors, investigators, clinical sites, suppliers and regulatory authorities. Due to their inherent complexity, our services may contain errors, omissions, defects or failures that are not immediately identifiable.

Errors or deficiencies may arise from a variety of factors, including human errors, system or technology failures, deficiencies in internal controls, reliance on third-party suppliers or clinical sites, changes in regulatory requirements, or deviations from trial protocols or applicable standards.

If our services fail to meet contractual requirements, regulatory standards or sponsor expectations, we may be subject to legal claims, contractual disputes, regulatory inquiries, administrative penalties, suspension or termination of projects, or demands for remediation, refunds or damages. For more details, see “— We may be involved in legal proceedings, arbitrations, mediations, and commercial disputes, which could materially and adversely affect our business, financial condition and outcome of operations.”.

Accordingly, the complexity of our services and the possibility of unknown defects or errors may expose us to legal claims and reputational damage, which could have a material adverse effect on our business, financial condition and results of operations.

Our business relies largely on the continuous contributions of our senior management, staff, and other key personnel. If we are unable to retain, attract, recruit and train such workforce, our business may be significantly and adversely affected.

Our Directors and senior management have been instrumental in achieving our growth during the Track Record Period. In particular, the industry experience, management expertise, and contributions of our Directors and senior management. Detailed information regarding

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these individuals is set forth in the section headed “Directors and Senior Management.” If we lose the services of any of our Directors or senior management, we may be unable to replace them with suitable and qualified candidates and may incur additional expenses to recruit and train new personnel, which could disrupt our business and growth.

Furthermore, as we expect to continue to expand our operations and develop new services and products, we must continue to attract and retain experienced management personnel. Competition for skilled and experienced management personnel is intense, and the availability of suitable and qualified candidates is limited. We may be unable to attract or retain the management personnel required to achieve our business objectives, and any failure or delay in doing so could materially and adversely impact our competitiveness, business, financial condition, and results of operations.

Our possible future acquisitions may not achieve the desired results, and we may be unable to effectively integrate them into our existing business.

The success of our acquisition strategy is subject to significant uncertainty and depends upon, among other factors, our ability to identify suitable targets, accurately assess their valuation, strengths, weaknesses, and potential liabilities, secure sufficient financial and operational resources, and negotiate favorable terms. In December 2025, we completed the acquisition of Guangdong Weilin.

In connection with international acquisitions, we may face challenges in overcoming differences in local regulations, business practices, languages, or customs. If we fail to successfully integrate or restructure recent or future acquisitions, our business, financial condition, and results of operations could be adversely affected. In addition, acquisitions involve inherent valuation risks, and our assessment of the fair value of acquisition targets is based on assumptions and estimates that may prove to be inaccurate. Even where an acquisition is completed, there is no assurance that we will be able to realize the anticipated benefits, synergies, cost savings, or operational efficiencies expected at the time of acquisition, whether due to integration difficulties, market changes, loss of key personnel, or other factors beyond our control. We may not realize the anticipated returns on these investments and could incur significant acquisition-related charges or experience dilution to our shareholders.

We plan to make selective acquisitions in the future. Specifically, we intend to allocate a portion of [REDACTED]% of the [REDACTED] from the [REDACTED], or approximately HK\$[REDACTED] million, to establish strategic cooperation or alliances with two to three mid-sized overseas therapeutic-focused CROs or biometrics CRO in North America, Europe, with a view to sharing customer resources and local networks. If our cooperation is satisfactory to us, we will consider acquiring minority or majority shareholding of them. Our criteria for selecting cooperation partners will include, among others, their regulatory compliance track record, therapeutic area expertise, operational execution capabilities, financial stability, client base quality and geographical coverage. Through such strategic partnerships investment or acquisition, we expect to expand our overseas customers base in the North American, European, South Korean and Southeast Asian markets. As of the Latest Practicable Date, we have not commenced the identification of any specific acquisition targets, nor have we entered into any definitive agreements. We may acquire minority or majority shareholding of our partners in future. As of the Latest Practicable Date, we had not identified any specific acquisition targets or entered into any definitive agreements or commitments, except as

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disclosed in “Waivers from Strict Compliance with the Listing Rules — Waiver in Respect of Acquisition after the Track Record Period”. For further information regarding our acquisition criteria and [REDACTED], see “Future Plans and [REDACTED].”

We rely on the stable supply services from our suppliers. Any major price increase or disruption in their services could adversely affect our operations.

We primarily procure CRO related services from our suppliers. In the event of significant price increases for these supplies, we may be required to pass such costs on to our customers. However, we cannot assure you that we will be able to increase our service pricing sufficiently to offset these higher costs. Consequently, any significant increase in supply cost, services, could have an adverse effect on our profitability. As we scale, our existing partners may be unable to meet our increased requirements, necessitating the engagement of additional suppliers. There can be no assurance that we will be able to secure suppliers who meet our specifications for quality and quantity, or that we will be able to negotiate acceptable pricing and service terms.

Generally, the master supply and service agreements related to CRO related services which we enter into with these parties have terms of one to three years. Certain of our supply arrangements are entered into on a project-by-project basis. Our ability to continue to receive such services may depend on, among other things, the suppliers’ availability, performance and willingness to continue to work with us on commercially acceptable terms. Our suppliers may reduce or terminate their services to us at any time pursuant to the terms of the relevant agreements or upon expiry or non-renewal of such agreements. Furthermore, we cannot assure you that our suppliers have obtained, or will be able to renew, all licenses, permits, and approvals necessary for their operations, or that they will remain in compliance with all applicable laws and regulations. Any failure by these parties to maintain such compliance could lead to interruptions in their business operations, resulting in a shortage of products or services supplied to us. Any such interruption could delay our production processes and adversely affect our operations and financial position. There can be no assurance that these measures will be sufficient to ensure that our suppliers will consistently meet our standards or comply with applicable requirements.

Illegal conduct, misconduct, or any failure by our suppliers to provide satisfactory products or services could materially and adversely impact our business, reputation, financial condition, and results of operations, for which we may not be able to claim adequate compensation.

Our reputation and operations may be harmed by illegal actions or unsatisfactory performance by suppliers that are outside of our control. We cannot assure that our customers and suppliers will continue to comply with applicable laws and regulations, and we may be subject to claims arising from their non-compliance.

The failure of our hospital partners to conduct clinical trials in accordance with their contractual commitments could delay our scheduled trials. Furthermore, the failure of our suppliers to ensure the high quality of their goods and services could interrupt our operations; either occurrence could result in claims against us. In the event that we become subject to claims caused by actions taken by our hospital partners, suppliers, we may attempt to seek compensation from the relevant parties. However, such compensation may be limited. If no

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claim can be asserted against a supplier, or if the amounts we claim cannot be fully recovered, we may be required to bear such losses and compensation at our own cost. This could have a material adverse effect on our business, financial condition, and results of operations.

We may be unable to consistently uphold the same quality control across our services.

The quality of our service might not always align with our customers’ standards and evolving needs. We cannot guarantee that we will always pass all customer audits and inspections. If customers determine that our services do not meet their expected results, they may reallocate their budgets to our competitors and reduce or terminate their business with us. Accordingly, historical engagement and spending patterns are not indicative of future commitments; there can be no assurance that existing customers will maintain their current expenditure levels or continue to utilize the Company’s services in future periods. Furthermore, the failure of being unable to recover lost revenue from departing customers with revenue from new clients will adversely harm our business and financial conditions.

If we fail to effectively implement our strategies, including global market expansion, our business, revenue, and operating results could be materially and adversely impacted.

As we continue to diversify our service offerings and enhance our global presence, we will need to continuously enhance and upgrade our services and technology, optimize our branding, sales and marketing efforts, and expand, train, and manage our employees. All of these efforts will require significant managerial, financial, and human resources. We cannot assure you that we will be able to effectively manage our growth, that our current technology, infrastructure, and operational capabilities will be adequate to support our expanding operations, or that our strategies and new business initiatives will be executed successfully. If we are unable to manage our growth or execute our strategies effectively, our expansion may be unsuccessful, and our business, financial condition, and results of operations may be materially and adversely affected.

Upgrading our information systems and enhancing the technology platforms for our services involves risks that could affect our business.

Continued efficient operation of our business requires that we implement standardized global business processes and evolve our information systems to enable this implementation. In particular, certain of our key systems, such as CTMS, are primarily self-developed, while certain supporting services used by such systems, including, among others, cloud services, office productivity and collaboration tools, are procured from third-party suppliers. We continue to undertake significant programs to optimize business processes with respect to our services. Such initiatives may involve, among other things, system upgrades, integration, data migration and user adoption, and may require significant management attention and financial resources. Our inability to effectively manage such implementation and adapt to new processes designed into these new or upgraded systems in a timely and cost-effective manner may result in disruption to our business and negatively affect our business, financial condition, and results of operations.

We have entered into agreements with certain suppliers to provide cloud services and other third-party services that support the operation of our IT platforms for programs to optimize our business processes. If such suppliers fail to perform as required, if such third-party services are interrupted or otherwise become unavailable, or if there are substantial

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delays in developing, implementing, or updating such IT platforms, the delivery of our services to our customers may be negatively impaired, and we may have to make substantial further investments, internally or with third parties, to achieve our objectives.

We have experienced certain incidents and failures affecting our internally-used information systems, which were generally resolved within a few hours. Similar incidents may occur in the future, depending on their frequency, duration and severity, and could adversely affect our business, financial condition and results of operations.

Our operations are dependent on a number of factors that may not materialize as we anticipate, including obtaining adequate technology-enabled services, creating IT-enabled services that our customers will find desirable, and implementing our business model with respect to these services. In addition, our IT platforms and the data processed or stored in our systems are subject to risks of cybersecurity incidents, unauthorized access, malware, dDoS attacks, data loss or corruption, and other security breaches or integrity issues, including those relating to database operations and third-party network and cloud services. Any IT-related failure or increased IT expenditures may negatively impact our business, financial condition, and results of operations.

We have adopted certain policies and procedures designed to manage our information technology operations and data security risks, including measures relating to access management, system monitoring and backups, incident response and change management. However, there can be no assurance that these policies and procedures will be effective in preventing or mitigating all IT-related failures, security incidents or human errors, or that they will enable us to fully recover from any material outages or data loss in a timely manner.

Our insurance coverage may not fully protect the company against all risks or losses related to our business and operations.

We maintain a range of insurance policies consistent with industry practice, including professional liability insurance against claims of negligence arising from our business operations, and medical insurance for our employees. We do not, however, maintain key-man life insurance for any members of our senior management, nor do we carry business interruption insurance.

There can be no assurance that our insurance will be adequate to cover all potential claims, including those related to product liability, damage to our assets, and equipment, or employee injuries. Any liability or damage exceeding our insurance limits could result in substantial costs and a significant diversion of resources, which may adversely affect our financial condition.

We rely on information technology and other infrastructure that are potentially vulnerable to security risks, including cybersecurity dangers, which could lead to the disruption of business stability, client access, and platform availability.

We rely on a variety of information technology and automated operating systems to manage and support our operations, including the protection of our customers' intellectual property. The proper functioning of these systems is critical to our daily business management. These systems may require periodic modifications or upgrades to accommodate technological advancements or the growth of our business; such transitions may be costly, disruptive to our operations, and impose substantial demands on management's time. Furthermore, our systems,

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and those of our third-party providers, are vulnerable to damage or disruption from circumstances beyond our control, including catastrophic events, power outages, natural disasters, network failures, computer viruses, malware, physical or electronic break-ins, unauthorized access, cyber-attacks, and theft. We cannot assure you that the measures we have implemented to secure our systems and electronic information will be adequate. Any significant system disruption could result in the unauthorized disclosure of confidential information and materially and adversely affect our business and operating results.

Events like force majeure, natural disasters, acts of war or terrorism, contagious disease outbreaks, epidemics, or similar occurrences, could materially and adversely impact our business, financial condition, and operating outcomes.

Our business, financial condition, and results of operations may be materially and adversely affected by future force majeure events, natural disasters, acts of war, or outbreaks of epidemics and contagious diseases, including avian influenza, severe acute respiratory syndrome (SARS), H1N1 influenza, or the Ebola virus. An outbreak of an epidemic or contagious disease could result in a widespread health crisis and restrict business activities in affected areas, which may, in turn, materially and adversely affect our business.

Certain countries and regions in which we operate have historically experienced natural disasters, such as earthquakes, floods, and droughts. The future occurrence of severe natural disasters in any of these jurisdictions may materially and adversely affect the local economy and our business. We cannot assure you that future natural disasters, outbreaks of contagious diseases, or the responsive measures implemented by governmental authorities in China, the U.S., and the U.K., or other countries, will not seriously disrupt our operations or those of our customers.

In addition, geopolitical tensions, armed conflicts, trade restrictions or sanctions may also disrupt cross-border operations, supply chains and collaborations with international clients, suppliers or partners, and may increase costs or limit our ability to perform certain services. In addition, government-imposed measures in response to emergencies, such as lockdowns, travel restrictions, quarantine requirements or workplace safety mandates, may constrain workforce availability, reduce operational efficiency or increase compliance and operating costs. Any such disruptions may materially and adversely affect our business, financial condition, and results of operations.

RISKS RELATED TO OUR FINANCIAL PERFORMANCE

We recorded a net operating cash outflow during the Track Record Period, and we may continue to experience net operating cash outflows in the future.

We recorded net cash outflow for the six months ended June 30, 2025 of RMB7.8 million used in operating activities. The net cash outflow for the six months ended June 30, 2025 was primarily attributable to the seasonality of the settlement patterns of the clients. As many clients complete internal payment approval and settlement processes toward year-end, trade receivable collections are back-loaded, resulting in lower cash inflows in the first half of the year. According to the Frost & Sullivan, this settlement patterns is consistent with industry norms where budget cycles and procurement settlements are concentrated in the year-end period.

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During the Track Record Period, we recorded net cash generated from operating activities of RMB55.4 million, RMB1.8 million, RMB11.6 million and RMB46.6 million in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. The fluctuations in our net cash generated from/(used in) operating activities during the Track Record Period, including the decrease in net cash generated from operating activities from RMB55.4 million in 2023 to RMB1.8 million in 2024, net cash used in operating activities of RMB7.8 million for the six months ended June 30, 2025, net cash generated from operating activities of RMB11.6 million in 2025 and RMB46.6 million for the six months ended June 30, 2026, demonstrate the volatility of our operating cash flows. For further details, see “Financial Information — Liquidity and Capital Resources — Cash Flows”.

Our ability to generate positive net operating cash flow is subject to a number of factors, including the pace of growth of our business, the timing of payments from our customers, our ability to manage our operating expenses, and movements in working capital items. There is no assurance that we will be able to maintain positive net operating cash flow in the future. If we are unable to generate sufficient cash from our operating activities, we may be required to seek additional financing to fund our operations. There can be no assurance that such financing will be available on terms acceptable to us, or at all. Any failure to obtain adequate financing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our trade and bills receivables exhibited a general upward trend during the Track Record Period, and any delay or default in payment by our customers could adversely affect our liquidity, cash flows, results of operations and financial condition.

Our trade and bills receivables exhibited a general upward trend during the Track Record Period. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our trade and bills receivables amounted to RMB50.0 million, RMB85.7 million, RMB87.7 million and RMB70.9 million, respectively. In 2023, 2024 and 2025 and the six months ended June 30, 2026, we recognized impairment losses in respect of trade receivables of RMB38 thousand, RMB0.3 million, RMB1.5 million and RMB1.6 million, respectively. The increase in trade and bills receivable from 2023 to 2025 was primarily due to the prolonged payment cycles of certain clients. The decrease of trade and bills receivables in the six months ended June 30, 2026 was due to collection from certain of our customers. As our business continues to grow, our trade receivables may continue to increase. There can be no assurance that we will be able to collect all of our trade receivables in a timely manner, or at all. A significant portion of our trade receivables are due from a limited number of customers, and the loss of, or a significant reduction in, payments from any of these customers could have a material adverse effect on our financial condition. In addition, our customers may experience financial difficulties that could affect their ability to pay our invoices. If we are unable to collect our trade and bills receivables in a timely manner, our business, financial condition, and results of operations could be materially and adversely affected.

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.

We have historically benefited from various preferential government policies and support measures, including government grants, preferential tax treatments, and other incentives, provided by governmental authorities in support of our business operations and development.

Certain such preferential government policies and support measures are subject to applicable eligibility criteria, conditions and the discretion of the relevant governmental authorities, and may be non-recurring in nature. Such conditions include maintaining enterprise

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registration and operation in certain areas for a certain period. As of the Latest Practicable Date, we may fail to fully satisfy certain conditions attached to government grants previously received by us. As a result, we may be required to repay all or part of such conditional government grants to governmental authorities and may be subject to the revocation of any preferential policies or incentives. As of June 30, 2026, we recognized an amount of RMB14.4 million under accruals and other payables in respect of our repayment obligations relating to such conditional government grants. See “Financial Information — Accruals and Other Payables” for further details.

Any discontinuation, reduction, delay, revocation or adverse change in the preferential tax treatments, government grants or other benefits that may be available to us could materially and adversely affect our financial performance and results of operations. There can be no assurance that changes in our business strategies, operational arrangements or other circumstances will not result in our inability to comply with the applicable conditions in the future, or that the relevant governmental authorities will not exercise their rights to reclaim such grants, revoke preferential policies or incentives, or impose other liabilities on us. If we are required to repay a material amount of government grants, incur additional tax liabilities or other liabilities, or cease to benefit from preferential policies or incentives in the future, our cash flow, liquidity, financial condition, results of operations and prospects could be materially and adversely affected.

We may be unable to perform our contracts with customers and fulfill our obligations in respect of contract liabilities, which could have a material adverse effect on our business and reputation.

Our contracts with customers typically require us to provide a range of services over a specified period of time. Our ability to perform our obligations under these contracts is subject to a number of factors, including our ability to attract and retain qualified personnel, our ability to maintain our technology infrastructure, and our ability to comply with applicable laws and regulations. If we are unable to perform our obligations under our contracts with customers, we may be subject to claims for damages, termination of our contracts, and reputational harm.

In addition, we have recorded contract liabilities on our statement of financial position, which represent our obligation to provide services to our customers for which we have received consideration (or an amount of consideration is due) from our customers. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our contract liabilities amounted to RMB97.0 million, RMB93.0 million, RMB62.0 million and RMB62.9 million, respectively. If we are unable to fulfill our obligations in respect of our contract liabilities, we may be required to refund the payments we have received from our customers, which could have a material adverse effect on our financial condition.

Our past performance may not predict future growth, and we may be unable to maintain similar growth going forward.

As of June 30, 2026, our contracted future revenue was RMB578.3 million, representing the estimated value of services yet to be completed or performed under signed contracts. This figure is based on the assumption that such contracts will be fulfilled according to their terms without early termination. However, because these contracts may be terminated by a customer at any time, any modification, termination, or suspension, particularly regarding one or more sizeable contracts, could have a substantial and immediate effect on our contracted future revenue.

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The timing of our revenue recognition is contingent upon the delivery of services pursuant to the terms of our customer contracts and work orders. Consequently, the amount and timing of this revenue may be adversely affected by project delays resulting from: schedule disruptions, government policies beyond our control, and natural disasters or other unanticipated catastrophic events, including the COVID-19 outbreak.

Our contracted future revenue represents only an estimate of the remaining consideration we are entitled to receive, and we cannot guarantee the accuracy of this estimate. The actual revenue generated will depend on multiple factors, including contract modifications and terminations. Accordingly, investors should not rely on contracted future revenue as a definitive indicator of our future performance.

Furthermore, because there is no standardized accounting practice for calculating contracted future revenue, estimation methodologies may vary significantly across the industry. We therefore advise caution when comparing our contracted future revenue with that of our competitors, as such figures may not be directly comparable.

Our financial performance may be undermined from our limited forecast ability of future revenues and results of operations due to the evolving nature of our industries, changing market dynamics, and regulatory uncertainties.

A substantial portion of our revenue is derived from project-based service contracts, many of which are subject to changes in scope, timing, pricing, regulatory requirements or early termination at the discretion of our clients. As a result, the timing and amount of revenue recognized may vary significantly from period to period. Decisions by pharmaceutical and biotechnology companies regarding the initiation, continuation or termination of clinical trials are influenced by factors largely beyond our control, such as clinical trial results, regulatory feedback, capital market conditions and strategic priorities. These factors may lead to delays, suspensions or cancellations of projects, which could adversely affect our revenue visibility and utilization rates.

In addition, our operations are subject to regulatory uncertainties, including changes in laws, regulations, guidance and enforcement practices relating to clinical research, data protection, foreign investment, pricing, labor and other areas. Regulatory developments or differing interpretations by competent authorities may affect client demand, project timelines, cost structures or the scope of services we are permitted or required to provide, further complicating our ability to forecast operating results.

Macroeconomic conditions, geopolitical developments and public health events may also affect our clients' research and development spending and investment decisions, thereby increasing volatility in demand for our services. As a result of these factors, our actual revenues and results of operations may differ materially from management expectations or market estimates.

Our insurance coverage is limited, and any claims exceeding such coverage could impose a significant financial burden on us.

We maintain professional liability insurance against claims of negligence arising from our business operations, as well as medical insurance for our personnel. However, we do not maintain business interruption insurance or key-man life insurance for any members of our senior management.

RISK FACTORS

There can be no assurance that our insurance coverage will be sufficient to satisfy all potential claims for product liability, employee injuries, or damage to our assets, plant, and equipment. Any liability or damage involving our assets or personnel that exceeds our insurance limits may result in substantial costs and a significant diversion of resources.

RISKS RELATED TO LEGAL AND COMPLIANCE

Managing medical and other data of the patients and healthy volunteers enrolled in our clinical trials, exposes us to the risk of noncompliance with data protection and regulations.

As a CRO, we process data, including personal information of clinical trial participants, subject health information, research data, and proprietary information of our clients, in accordance with trial sponsors’ instructions. In addition, we also process the personal information of researchers, clinical research coordinators, collaborator contacts and candidates of our FSP business. In many cases, such data are first collected by research institutions after they have informed trial participants and obtained their consent, and are then de-identified before being provided to us and made available to sponsors in accordance with the trial protocol and the sponsors’ instructions. Because our relationship with trial sponsors in clinical trials may be viewed as an entrusted processing arrangement, any use of clinical trial data for our own purposes could be deemed to exceed the sponsors’ instructions and could require us to obtain sponsor authorization and to satisfy additional obligations applicable to a personal information handler, including, where required, obtaining separate consents for the processing of sensitive personal information. We also rely on third-party service providers and collaborators in connection with clinical trials, including statistical service providers, site management organizations, laboratories and information systems providers, and we may be exposed to regulatory and contractual risks if such parties are engaged without the necessary authorizations or fail to comply with applicable requirements. We cannot assure you that our measures are effective in ensuring our compliance with the relevant laws and regulations or that we are able to prevent the enrolled subjects’ private or medical records being divulged without their consent. Our information technology systems could be hacked, and personal information could leak due to theft or misuse of personal information arising from misconduct or negligence. In addition, our clinical trials frequently also involve professionals from third party institutions working on-site with our staff and enrolled subjects. We cannot ensure that such persons will always comply with our data privacy measures. Furthermore, any change in such laws and regulations could affect our ability to use medical data and subject us to liability for the use of such data for previously permitted purposes. Any failure to protect the confidentiality of subjects’ medical records and personal data, or any restriction on or liability as a result of our use of medical data, could have a material adverse effect on our business, financial condition and results of operations.

The practice of our services is subject to regulatory oversight. If we fail to provide compliant and eligible services that meet regulatory requirements, our business and operating results could be significantly and adversely affected.

The provision of our services is subject to extensive and evolving regulatory oversight across the jurisdictions in which we operate. Our operations span multiple stages of biopharmaceutical research and development and involve activities that are regulated by various governmental and regulatory authorities, including those overseeing clinical trials, data integrity, subject safety, pharmacovigilance, data protection, import and export of clinical materials and professional qualifications. Compliance with these regulatory requirements requires us to maintain effective internal controls, quality management systems, ethical regulations, trained personnel and robust information systems. Regulatory requirements may differ across jurisdictions and may change over time, sometimes with limited advance notice. As we continue to expand our international operations and provide services across multiple countries and regions, the complexity, cost and risk of compliance increase significantly.

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Failure, or allegations of failure, to comply with applicable laws, regulations, or regulatory requirements could subject us to significant penalties. These may include investigations, warning letters, fines, operational restrictions, the suspension or termination of studies, the loss of required licenses or certifications, or disqualification from future clinical trials. In some cases, authorities may mandate costly remedial programs, impose broad operational restrictions, or prohibit us from conducting certain regulated activities altogether.

In addition, our clients rely on us to provide compliant and eligible services that meet regulatory standards. Any material non-compliance by us or by third parties engaged by us, such as clinical sites or suppliers, may result in delays, rejection or invalidation of clinical trial data or regulatory submissions, which could expose us to contractual disputes, claims for damages or termination of service agreements.

Therefore, any failure to provide compliant and eligible services that meet applicable regulatory requirements could materially and adversely affect our business, financial condition, results of operations and future prospects.

Our past Third Party Payment Arrangements may expose us to regulatory risk under PRC foreign exchange administration regulations.

During the Track Record Period, we received certain payments through third parties primarily where the payor and the customer are affiliates, arising from cross-border remittance difficulties encountered by the relevant customer due to banking and foreign exchange constraints between the relevant jurisdictions (the “Third Party Payment Arrangements”). Our PRC Legal Advisors are of the view that such arrangements constitute a violation of the foreign exchange administration regulations of the PRC, specifically Article 40 of the Foreign Exchange Administration Regulations, which prohibits illegal arbitrage. The foreign exchange control authorities may order the repatriation of the illegally arbitrated funds and impose a fine of up to 30% of the transaction value for non-serious violations, or a fine ranging from 30% to the full equivalent amount where the case is serious. There is no assurance as to the level of any penalties that the relevant authorities may impose. We cannot guarantee that the relevant authorities will not initiate investigations or impose penalties in the future in respect of the historical arrangements, which could adversely affect our reputation, financial condition, and results of operations. See “Business – Environmental, Social And Governance Matters — Third Party Payment.”

We may be involved in legal proceedings, arbitrations, mediations, and commercial disputes, which could materially and adversely affect our business, financial condition and outcome of operations.

We are and may in the future be subject to contractual disputes, legal proceedings, and regulatory enforcement actions arising in the ordinary course of business. Any such action could result in substantial costs, lengthy settlements, judgments, or fines, and could divert significant management attention and resources.

Legal proceedings that initially appear immaterial may escalate, becoming material due to adverse factual developments, increased monetary exposure, changes in applicable law, or the involvement of governmental authorities. Furthermore, adverse outcomes could trigger additional regulatory enforcement actions.

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We maintain insurance against certain claims; however, this coverage may not apply to all claims brought against us, may be insufficient to cover all associated costs, or may not remain available on commercially reasonable terms. Our risk is heightened if a claim falls outside the scope of customer indemnification, if a customer fails to honor its indemnity obligations, or if potential liability exceeds applicable indemnification or insurance limits. Any significant uninsured or underinsured claim could have a material adverse effect on our business, financial condition, and results of operations.

Not all of our employees are bound by non-compete agreements; the confidentiality agreements with employees and third parties may not fully prevent the disclosure of trade secrets or other proprietary information.

We may not be able to prevent our employees, consultants, or other third parties from unauthorized disclosure of our confidential information. While we typically require these parties to sign confidentiality and non-compete agreements, we cannot assure you that all such parties have signed these agreements, or that these agreements will not be breached.

We require our employees, consultants, and certain third parties to enter into confidentiality or non-disclosure agreements. However, these contractual protections may not fully prevent the unauthorized use or disclosure of confidential information or trade secrets, whether as a result of intentional misconduct, inadvertent disclosure, cyber incidents, or disputes regarding ownership or the scope of protected information. In addition, monitoring and enforcing compliance with confidentiality obligations can be difficult, time-consuming, and costly, particularly in cross-border contexts or after an employee or contractor has departed our organization.

Given the nature, we also regularly access sensitive client data, clinical trial information, and intellectual property owned by our customers. Any unauthorized disclosure, misuse, or loss of such information could expose us to contractual claims, regulatory investigations, fines or penalties, and reputational harm. Such incidents could also lead to the loss of existing or prospective clients and negatively affect our ability to compete for new projects.

If we are unable to effectively protect our trade secrets and confidential information through contractual, technical, and operational safeguards, or if former employees or third parties exploit such information in competition with us or disclose it to competitors, our competitive advantages may be diminished. Any of the foregoing could materially and adversely affect our business, financial condition, and results of operations.

Our failure to make sufficient contributions to employee benefit plans as mandated by PRC regulations may lead to penalties, which could adversely affect our business, financial condition and reputation.

Our operations in China are subject to extensive labor and social security laws and regulations, including requirements under the PRC Labor Contract Law, the Social Insurance Law, and the regulations governing housing provident fund contributions.

During the Track Record Period, we failed to make full social insurance and housing provident fund contributions for certain of our employees in the PRC. The non-compliance was primarily because certain employees were unwilling to pay the social insurance and housing provident funds in full as it requires additional contributions from our employees. As a result, we may be required by competent authorities to pay the outstanding contributions and may be

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subject to late payment fees and penalties. In 2023, 2024 and 2025 and the six months ended June 30, 2026, the aggregate shortfall amount of social insurance contributions to our employees was RMB4.4 million, RMB5.7 million, RMB7.8 million and RMB4.3 million, respectively, and the aggregate shortfall amount of housing provident fund contributions was RMB1.6 million, RMB2.1 million, RMB2.8 million and RMB1.9 million, respectively. The maximum aggregate potential late fees for which we may be liable in connection with the inadequate contributions to social insurance were approximately RMB0.3 million, RMB0.4 million, RMB0.5 million and RMB0.1 million in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. In addition, during the Track Record Period, we engaged third-party human resources agencies to make social insurance and housing provident fund contributions for a portion of our employees, primarily because they prefer their social insurance and housing provident funds to be paid at their respective places of residence for the convenience of utilizing such benefits locally. This practice does not constitute compliance with applicable PRC laws and regulations, as such contributions are required to be made directly by the employing entity. If this arrangement is challenged by the relevant authorities, we may be deemed to have failed to discharge our statutory obligations and may be required to make supplementary contributions in respect of the relevant employees. For further details on our non-compliance, the potential financial impact, and the rectification measures we have implemented, please see the section headed “Business-Employees-Social Insurance and Housing Provident Funds Contribution” in this document. We cannot assure you that the relevant government authorities will not require us to pay the outstanding contributions or impose late payment fees or other penalties on us, which could materially and adversely affect our business, financial condition, and results of operations.

We may be subject to risks relating to our failure to complete lease registration for our leased properties.

As of the Latest Practicable Date, we leased four properties as business registration addresses. Pursuant to the applicable PRC laws and regulations, property lease agreements should be registered and filed with the relevant local housing or urban-rural development authorities in the PRC. As of the Latest Practicable Date, lease registration was not completed with the relevant authorities for two of our lease agreements of properties which were in use as offices and research. Failure to register such lease agreements with the relevant PRC government authorities does not affect the validity and enforceability of the relevant lease agreements, but the relevant government authorities may order us to complete the lease registration for such lease agreements within a prescribed period, failing which we may be subject to a fine from RMB1,000 to RMB10,000 for each non-registered lease. We cannot assure you that we will be able to complete the lease registration on a timely basis or at all in such cases, and we may be subject to penalties arising from the failure to complete the lease registration filing of lease agreements and any disputes arising from our leased properties in the future. During the Track Record Period and as of the Latest Practicable Date, we had not received any such request or suffered any such fine from the relevant PRC government authorities. See “Business — Our Offices and Properties — Leased Properties” for further details.

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Failure to obtain or renew the necessary regulatory approvals, licenses, permits, or certificates for our business could materially and adversely impact our business, financial condition, operating results, and future prospects.

We are required to obtain and maintain numerous approvals, licenses, assurances, accreditations, permits, registrations, and certificates from various regulatory authorities to operate our business. Any failure by us or our business partners to obtain the necessary authorizations, or to comply with their terms and conditions, may result in enforcement actions. Such actions could include the suspension or termination of our licenses and permits, regulatory orders to cease operations, fines, or other penalties, as well as requirements for corrective capital expenditures or remedial actions. The imposition of any such enforcement action could materially and adversely disrupt our business operations.

Furthermore, many of these approvals and licenses are subject to periodic renewal, and the standards for such renewals may change over time. There can be no assurance that we will successfully procure these renewals. Any failure to obtain necessary renewals or to maintain our standing could severely disrupt our operations and prevent us from continuing our business, which could have a material adverse effect on our business, financial condition, and results of operations.

In addition, if the interpretation or implementation of existing laws changes, or if new regulations mandate additional approvals, permits, or licenses that were not previously required for our current or planned facilities and operations, we cannot assure you that we will be able to obtain them. Our failure to secure these additional authorizations may restrict our ability to conduct our business, which, in turn, could have a material adverse effect on our business, financial condition, and results of operations.

Collection of medical and other data of patients and volunteers in our clinical trials exposes us to potential non-compliance with data protection laws and regulations.

During clinical trials, we are entrusted by the trial sponsors to routinely collect and maintain medical data, treatment records, and other personal information from enrolled patients and healthy volunteers. We are subject to the privacy laws and regulations of the various jurisdictions where we conduct these trials. We cannot assure you that these measures will effectively ensure compliance or prevent the unauthorized disclosure of private medical records.

For instance, our information technology systems could be compromised by hacking, and personal information could be leaked due to theft, misconduct, or negligence. Furthermore, our clinical trials often involve professionals from third-party institutions working on-site; we cannot ensure that these individuals will consistently comply with our data privacy protocols. Additionally, any changes in applicable laws and regulations could restrict our ability to utilize medical data or subject us to liability for data use that was previously permitted. Any failure to protect the confidentiality of subject data, or any resulting legal restrictions or liabilities, could have a material adverse effect on our business, financial condition, and results of operations.

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Failure to comply with PRC laws and regulations regarding employee share schemes may expose us to legal liabilities.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Share Scheme of Overseas Publicly Listed Company (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), or the Stock Option Rules, which replaced the earlier rules issued in March 2007. Under these rules, PRC residents participating in stock incentive plans of overseas publicly listed companies are required to register with SAFE and complete specific procedures through a PRC agent or subsidiary. Participants must also engage an overseas entrusted institution to manage matters related to the exercise of stock options, the purchase and sale of corresponding interests, and fund transfers. Furthermore, the PRC agent must amend the SAFE registration if there are material changes to the incentive plan, the agent, or the entrusted institution.

Upon completion of this [REDACTED], we and our PRC resident employees who have been granted restricted shares will become subject to these Stock Option Rules. Any failure by such PRC resident holders to complete their SAFE registrations may subject them to fines and legal sanctions. Such failure could also restrict our ability to contribute additional capital to our PRC subsidiaries, limit the ability of those subsidiaries to distribute dividends to us, or otherwise materially and adversely affect our business.

If we fail to fully comply with applicable PRC and overseas clinical trial regulations, it could result in administrative penalties or delays in project execution.

Our CRO services are subject to extensive and evolving regulatory requirements in the PRC and other jurisdictions in which we operate or provide services. Regulatory frameworks applicable to clinical trials may differ across jurisdictions and are subject to change, reinterpretation or heightened enforcement. As a result, ensuring consistent compliance across multiple projects, service lines, trial sites and geographic regions requires significant management attention and robust internal controls. Any failure by us, our employees, investigators, clinical trial sites or third-party suppliers to comply with applicable laws, regulations, guidelines or regulatory expectations may expose us to administrative penalties, warnings, fines, suspension of business activities, restrictions on service offerings or other regulatory actions.

Non-compliance may also result in delays or suspension of ongoing clinical trials, rejection or requests for supplementation of trial data by regulatory authorities, or requirements to repeat certain trial activities. Such outcomes could increase project costs, extend timelines, disrupt client relationships and adversely affect our reputation and credibility with regulators and customers.

If we fail to fully comply with applicable PRC or overseas clinical trial regulations, our business operations, project execution, financial condition and results of operations could be materially and adversely affected.

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You may encounter difficulties in serving legal process on us or in enforcing foreign court judgments against us and our directors and senior management.

We are incorporated under the laws of the PRC, and the majority of our assets, subsidiaries, and key personnel, including Directors and senior management, are located within the PRC. Consequently, it may be difficult or impossible to effect service of process upon these individuals outside of the PRC. Furthermore, the PRC lacks treaties for the reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan, and most other nations. Similarly, Hong Kong has no such arrangement with the United States, making the enforcement of foreign judgments in these jurisdictions challenging.

While the Supreme People’s Court of Chinese Mainland and the Hong Kong government signed an Arrangement in 2006 for the Reciprocal Enforcement of Judgments in Civil and Commercial Matters (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》), its application is limited to cases involving a choice of court agreement and an enforceable final judgment for the payment of money. Despite this arrangement taking effect in 2008, the outcomes of actions brought under it remain uncertain. Additionally, while we will be subject to the Hong Kong Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases upon [REDACTED], these rules do not have the force of law. Therefore, H-Share holders cannot bring private legal actions based on violations of these rules and must instead rely on the Stock Exchange for enforcement.

On January 18, 2019, the Supreme People’s Court and the Hong Kong SAR Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), or the New Arrangement, which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong SAR and Chinese Mainland. On January 29, 2024, the New Arrangement was declared effective jointly by the Supreme People’s Court of the PRC and the government of Hong Kong SAR, which has replaced the Arrangement. However, the New Arrangement does not apply to certain judgments of civil and commercial matters. Furthermore, there remain uncertainties as to the outcome of any applications to recognize and enforce such judgments and arbitral awards in the PRC.

As a clinically related business, we may be subject to additional and continually evolving regulatory requirements in various jurisdictions, which could adversely affect our performance.

Government agencies and industry regulatory bodies globally enforce stringent rules, regulations, and industry standards governing the development, testing, research, and manufacture of drugs, medical devices, and biologics, as well as the performance of regulated services by CROs and other third parties on behalf of customers. Due to the broad spectrum of services we provide and our extensive geographic reach, we are required to comply with various applicable legal and regulatory frameworks across different jurisdictions.

Regulatory authorities, may perform scheduled or unscheduled periodic inspections of our facilities and services to monitor adherence to applicable rules, regulations, and industry standards. Any adverse findings by these authorities, or other instances of regulatory or legal noncompliance, could result in immediate and severe actions against us. These actions may include, among others, issuance of inspectional findings of noncompliance, warning or untitled

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letters, product recalls, the discontinuation or suspension of studies, mandatory material modifications to studies, requirement for the implementation of corrective actions, the revocation or limitation of approvals, registrations, licenses, permits, assurances, or certificates, operational restrictions, adverse public statements or alerts, fines, injunctions, and civil or criminal penalties. Such adverse findings, critical observations, or other regulatory noncompliance could also lead to significant consequences for our customers, potentially resulting in customer claims or other commercial repercussions for us. Furthermore, regulatory authorities may periodically amend their legal and regulatory requirements; consequently, our current compliance procedures may prove inadequate for new standards, necessitating additional compliance expenditures and exposing us to negative findings by governmental authorities. If we are unable to timely or adequately adapt to new regulatory requirements, we may be subject to regulatory attention or requests for improvement by the relevant competent authorities. The occurrence of any of these events may cause serious reputational damage and have a material adverse effect on our business, financial condition, and results of operations. Additionally, any legal or regulatory action against us, even if successfully defended or settled, could result in significant expenses, divert management’s attention from business operations, and may adversely affect our reputation, business, financial condition, and results of operations.

We may be restricted from transferring our scientific data abroad, which could limit our operations and expansion of business.

On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》) (the “Scientific Data Measures”), which provides a broad definition of scientific data along with relevant rules for its management. Pursuant to the Scientific Data Measures, enterprises in China are required to obtain governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Furthermore, any researcher conducting research funded, at least in part, by the Chinese government must submit relevant scientific data to their affiliated entity for management prior to publishing such data in any foreign academic journal.

If and to the extent that any data collected or generated in connection with our services becomes subject to the Scientific Data Measures or any subsequent laws as required by the relevant government authorities, there can be no assurance that we will consistently obtain the necessary approvals for transmitting scientific data (such as results from pre-clinical studies or clinical trials conducted within China) abroad or to our foreign partners in China. If we fail to secure the required approvals in a timely manner, or at all, our business, results of operations, financial condition, and prospects may be materially and adversely affected. Should the relevant government authorities determine that our transmission of scientific data violates the requirements of the Scientific Data Measures, we may be subject to fines and other administrative penalties imposed by such authorities.

RISKS RELATED TO THE [REDACTED]

There has been no prior public market for our H Shares, and there can be no assurance that an active market will take place after the [REDACTED].

Prior to the [REDACTED], no public market existed for our H Shares. We cannot provide assurance that an active public market with sufficient liquidity for our H Shares will develop or be maintained after the [REDACTED] is completed. The initial [REDACTED] for our H

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Shares will be determined through negotiations between the Company and the Joint Representatives (acting for themselves and on behalf of [REDACTED]), and this [REDACTED] may vary significantly from the market price of the H Shares subsequent to the [REDACTED].

While we have applied to the Hong Kong Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the H Shares (including any H Shares potentially issued upon the exercise of the [REDACTED]), such a [REDACTED] does not guarantee the development of an active and liquid [REDACTED] market. Furthermore, if such a market does develop, there is no assurance it will be sustained after the [REDACTED] or that the market price of the H Shares will not decrease. In the event that an active public market for our H Shares fails to develop following the completion of the [REDACTED], the market price and liquidity of our H Shares could be materially and adversely affected.

Raising additional capital may dilute our shareholders’ equity or introduce covenants that may restrict our operations or our ability to pay dividends.

The [REDACTED] of the [REDACTED] exceeds the net tangible asset value per Share immediately preceding the [REDACTED]. Consequently, purchasers of the [REDACTED] will experience an immediate dilution. There can be no assurance that, in the event of an immediate liquidation following the [REDACTED], any assets would be available for distribution to Shareholders after the satisfaction of creditors’ claims. Furthermore, to facilitate the expansion of our business, we may consider the [REDACTED] and [REDACTED] of additional H Shares in the future. [REDACTED] of the [REDACTED] may experience further dilution in the net tangible asset value per Share if we [REDACTED] additional H Shares at a [REDACTED] below the net tangible asset value per Share at the time of such issuance.

The [REDACTED] and [REDACTED] volume of our H Shares may be subject to volatility, which could result in substantial losses for [REDACTED].

The [REDACTED] and [REDACTED] volume of our H Shares may experience significant fluctuations due to various factors beyond our control, including political uncertainties in Hong Kong and general market conditions for securities in Hong Kong and other global markets. Specifically, the business performance and share price movements of other companies engaged in similar industries may influence the [REDACTED] and [REDACTED] volume of our H Shares. Beyond market and industry-wide factors, the [REDACTED] and [REDACTED] volume of our H Shares may be highly volatile due to specific business-related factors, such as variations in our revenue, earnings, cash flows, investments, and expenditures, as well as regulatory developments, supplier relationships, movements or activities involving key personnel, or actions by our competitors. Furthermore, shares of other companies [REDACTED] on the Hong Kong Stock Exchange with substantial operations and assets in China have historically experienced [REDACTED] volatility; it is possible that our H Shares may undergo [REDACTED] changes that are not directly related to our performance but are instead linked to the broader political and economic climate in Hong Kong, the PRC, or other regions worldwide.

Future [REDACTED] or the perceived [REDACTED] of a large number of our H Shares in the [REDACTED] could materially and adversely affect their trading [REDACTED].

The [REDACTED] of our H Shares may experience a decline due to future [REDACTED] of a significant volume of our H Shares or other related securities in the [REDACTED], or through the [REDACTED] of additional shares or other securities, or even

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the perception that such [REDACTED] or [REDACTED] could happen. The actual or anticipated [REDACTED] of substantial amounts of our securities, including any future [REDACTED], could also materially and adversely impact our capacity to [REDACTED] at specific times and on terms favorable to the Company. Furthermore, our Shareholders may face dilution of their ownership interests if we [REDACTED] further securities in the future. Any [REDACTED] shares or share-linked securities [REDACTED] by us may also carry rights and privileges that rank in priority to those associated with the H Shares.

The [REDACTED] and [REDACTED] volume of our H Shares may be volatile, which could result in significant losses for [REDACTED].

The [REDACTED] of our H Shares may decrease following the future [REDACTED] of a significant quantity of our H Shares or other related securities in the [REDACTED], the [REDACTED] of [REDACTED] shares or other securities, or the mere perception that such [REDACTED] or [REDACTED] could take place. The actual or anticipated [REDACTED] of substantial volumes of our securities, including any future [REDACTED], could also materially and adversely impact our capacity to [REDACTED] at a particular time or on terms advantageous to us. Furthermore, our Shareholders may face dilution of their holdings should we [REDACTED] additional securities in the future. Any [REDACTED] shares or share-linked securities [REDACTED] by the Company may also carry rights and privileges that rank in priority to those associated with the H Shares.

We have not independently verified the statistics and information in this document from official government sources.

This document contains certain statistics and information relating to our industry, the markets in which we operate, and our competitive position within those markets. We have derived such statistics and information from various available sources, which include official government sources and publications, as well as industry and market research reports. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. However, the information from official government sources has not been independently verified by us, the Joint Sponsors, the [REDACTED], the [REDACTED] or any other party involved in the [REDACTED], and no representation is given as to its accuracy. You should give consideration as to how much weight or importance you should attach to or place on the statistics or information from official government sources.

You should read the entire document carefully and should not rely on any information contained in press, media or internet regarding us and the [REDACTED].

Prior to the publication of this document, and potentially following its date but preceding the completion of the [REDACTED], there has been and may continue to be press and media coverage concerning the Company and the [REDACTED]. We have not authorized the disclosure of any information regarding the [REDACTED] to the press or media, and we do not accept responsibility for the accuracy or completeness of such articles or media reports.

We make no representation regarding the appropriateness, accuracy, completeness, or reliability of any projections, valuations, or other forward-looking information concerning us. To the extent that any such external statements are inconsistent or conflict with the information presented in this document, we disclaim all responsibility for them. Accordingly, prospective [REDACTED] are cautioned to base their [REDACTED] decisions solely on the information contained within this document and should not rely on any other information.

RISK FACTORS

We cannot assure you that we will declare or distribute any dividends in the future; you may have to rely on the appreciation of our H Shares’ price to achieve returns on your [REDACTED].

We cannot provide any guarantee regarding whether, when, or in what form future dividends will be paid. The Board of Directors maintains discretion in determining the frequency and amount of dividend distributions, which remains subject to the approval of the Shareholders. Any decision to declare or pay dividends, as well as the specific amount thereof, will be contingent upon various factors. These considerations include our results of operations, cash flows and financial condition, capital adequacy ratios, requirements for operating and capital expenditures, distributable profits, our Articles of Association, statutory and regulatory restrictions concerning dividend payments, and any other factors the Board considers relevant. For further details, see “Financial Information — Dividends”. There is no assurance that the Company will maintain the same dividend policy as has been adopted in the past.

Forward-looking statements contained in this document may not be accurate, therefore prospective [REDACTED] should not place undue reliance on such statements.

This document contains certain forward-looking statements that reflect our current expectations, assumptions, estimates and projections regarding our business, financial condition, results of operations, industry trends, regulatory environment and future development plans. These forward-looking statements are based on management’s beliefs and assumptions as of the date of this document and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. You should not place undue reliance on forward-looking statements contained in this document and are advised to carefully consider all risk factors and disclosures set forth herein before making an [REDACTED] decision.

[REDACTED] in our H Shares may be subject to PRC taxation.

Under applicable PRC tax laws, dividends paid by the Company to non-PRC resident individual holders of H shares (“non-resident individual holders”), as well as gains realized by such shareholders through the sale or other transfer of H shares, are generally subject to PRC individual income tax at a rate of 20%, unless such rate is reduced under applicable tax treaties or arrangements. Furthermore, dividends paid to, and gains realized from the sale or transfer of H shares by, non-PRC resident enterprise holders of H shares (“non-resident enterprise holders”) are subject to PRC enterprise income tax at a rate of 10%, subject to reduction by applicable tax treaties or arrangements. Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) dated August 21, 2006, a non-resident enterprise registered in Hong Kong that directly holds at least 25% of the Company’s shares may be eligible for a reduced enterprise income tax rate of 5% on dividends declared and paid by us.

Pursuant to the Circular on Questions Concerning Tax on the Profits Earned by Foreign Invested Enterprises, Foreign Enterprises and Individual Foreigners from the Transfer of Shares (Equity Interests) and on Dividend Income (關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知) issued by the State Administration of Taxation, non-resident individual holders were previously granted a temporary exemption from

RISK FACTORS

PRC individual income tax on dividends or bonuses paid by issuers of H shares. However, this circular was repealed by the Announcement on the List of Fully or Partially Invalid and Repealed Tax Regulatory Documents (關於公佈全文失效廢止、部分條款失效廢止的稅收規範性文件目錄的公告) dated January 4, 2011.

For non-resident individual holders, gains realized through the transfer of property are typically subject to PRC individual income tax at a rate of 20%. Nevertheless, according to the Circular of the Ministry of Finance and the State Administration of Taxation on Issues Concerning Individual Income Tax Policies (財政部、國家稅務總局關於個人所得稅若干政策問題的通知), income received by foreign individuals from dividends and bonuses of a foreign-invested enterprise is currently exempt from individual income tax. Furthermore, under the Circular Declaring that Individual Income Tax Continues to Be Exempted over Individual Income from Transfer of Shares issued by the MOF and the SAT (關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) effective March 30, 1998, income from the transfer of shares in listed companies by individuals continues to be temporarily exempt from individual income tax. On February 3, 2013, the State Council approved the Notice of Suggestions to Deepen the Reform of System of Income Distribution, and on February 8, 2013, the General Office of the State Council promulgated the Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution (國務院轉批發展改革委等部門關於深化收入分配制度改革若干意見的通知). These documents indicate that the PRC government intends to terminate the tax exemption for foreign individuals on dividends from foreign-invested enterprises, with the Ministry of Finance and the State Administration of Taxation tasked with the formulation and implementation of such plans. To date, the relevant implementation rules or regulations have not been promulgated.

Given these uncertainties, non-resident holders of our H Shares should be mindful of potential obligations to pay PRC income tax on dividends and gains derived from the sale or transfer of H Shares. For further details, see Appendix IV to this document.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation of the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Since our principal business and operations are substantially located, managed and conducted in the PRC, our Directors consider that appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group. As none of our executive Directors are ordinarily based in Hong Kong, we do not, and do not contemplate that we will in the foreseeable future, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules. We will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and our Company:

- (a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Ms. Xie Li (謝莉), our executive Director and the Board secretary, and Ms. Ho Sze Wah Cecilia (“**Ms. Ho**”), one of our joint company secretaries. Ms. Xie Li confirms that she possesses valid travel documents and can readily travel to Hong Kong, whilst Ms. Ho is ordinarily resident in Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone and email. Each of the authorized representatives is authorized to communicate on behalf of our Company with the Stock Exchange;
- (b) the authorized representatives have means to contact our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matter;
- (c) all of our Directors have confirmed that they possess, can apply for or renew valid travel documents to visit Hong Kong, and would be able to meet with the Stock Exchange upon reasonable notice and within a reasonable period. Each of our Directors will be readily contactable by telephone and email, and is authorized to communicate on behalf of our Company with the Stock Exchange;
- (d) each of our Directors has provided his/her respective contact details, including mobile phone numbers, email addresses and addresses, to the Stock Exchange and the authorized representatives. In the event that any Director expects to travel or otherwise be out of office, he/she will provide the contact details and his/her place of accommodation to the authorized representatives;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (e) our Company has appointed Rainbow Capital (HK) Limited as compliance advisor, pursuant to Rule 3A.19 of the Listing Rules, who will have access at all times to the authorized representatives, our Directors and other senior management of our Company, and will act as an additional channel of communication with the Stock Exchange for the period commencing on the date of the [REDACTED] of our H Shares on the Main Board and ending on the date when our Company distributes its annual report for the first full financial year in accordance with Rule 13.46 of the Listing Rules; and
- (f) meetings between the Stock Exchange and our Directors can be arranged through the authorized representatives or the compliance advisor of our Company or directly with our Directors within a reasonable time frame. Our Company will inform the Stock Exchange promptly in respect of any change in its authorized representatives and/or compliance advisor.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, our company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

The Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he or she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to be the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (a) whether the issuer has principal business activities primarily outside Hong Kong;
- (b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and
- (c) why the directors consider the individual to be suitable to act as the issuer’s company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

- (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (b) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

We have appointed Mr. Zhang Bokang (張伯康) (“**Mr. Zhang**”) as one of our joint company secretaries. Mr. Zhang joined our Group as a legal director in 2017, and has served as our joint company secretaries with effect from the [●]. Although our Company believes, having regard to Mr. Zhang’s past experience in handling corporate matters, that he has a thorough understanding of our Company and the Board, Mr. Zhang does not possess the requisite qualifications required by Rule 3.28 of the Listing Rules. Therefore, our Company has appointed Ms. Ho who possesses such qualification, to be a joint company secretary to assist Mr. Zhang in the compliance matters for the [REDACTED] as well as other Hong Kong regulatory requirements for a period of three years commencing from the [REDACTED]. For the biographies of our joint company secretaries, see “Directors and Senior Management — Joint Company Secretaries”. Over such a three-year period, we will implement measures to assist Mr. Zhang to satisfy the requisite qualifications as prescribed in Rule 3.28 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.17 and 3.28 of the Listing Rules in relation to Mr. Zhang’s appointment as a joint company secretary pursuant to Chapter 3.10 of the Guide for New Listing Applicants on the following conditions:

- (a) Mr. Zhang must be assisted by Ms. Ho, who possesses the qualification and experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the validity period of the waiver; and
- (b) the waiver is valid for a period of three years from the [REDACTED] and will be revoked immediately if and when Ms. Ho ceases to provide such assistance or if there are material breaches of the Listing Rules by our Company.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

It is anticipated that Mr. Zhang will gain experience with the assistance of Ms. Ho. Before the end of the initial three-year period, we will evaluate the then experience of Mr. Zhang in order to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied at the time and on-going assistance would be needed. We would then endeavour to demonstrate to the satisfaction of and seek the confirmation from the Stock Exchange that Mr. Zhang, having had the benefit of Ms. Ho’s assistance for three years, would then have acquired the “relevant experience” within the meaning of Rule 3.28 of the Listing Rules so that a further waiver would not be necessary.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
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Executive Directors

Mr. Zhao Min	Room 201, Unit 1 Old Building No. 30 Courtyard Fucheng Road Haidian District Beijing PRC	Chinese
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Ms. Xie Li	No. 107 Guoxiang Road Yangpu District Shanghai PRC	Chinese
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Ms. Geng Anni	Room 901 Unit 3, Building No. 3 Courtyard No. 9, Jingouhe East Road Haidian District Beijing PRC	Chinese
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Mr. Zhao Liang	No. 92, Linjin Group 3 Dongzheng Community, Shunan Town Yi'an District Tongling Anhui Province PRC	Chinese
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Independent non-executive Directors

Mr. Zhang Kejian	Room 901, No. 1 Shanya 4th Street Huangpu District Guangzhou City Guangdong Province PRC	Chinese
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Mr. Hu Kun	A5, 29/F, ONE SOHO No.B32 Shantung Street Mong Kok, Kowloon Hong Kong	Chinese
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Mr. Xu Youlin	Room 408, Building 2 No. 60 Guang'anmen South Street Xicheng District Beijing PRC	Chinese
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DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

**China Industrial Securities International
Capital Limited**

32/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan
Hong Kong

ICBC International Capital Limited

37/F, ICBC Tower
3 Garden Road
Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

Legal advisors to our Company

As to Hong Kong law
King & Wood
13/F, Gloucester Tower
The Landmark
15 Queen’s Road Central
Hong Kong

As to PRC law
Zhong Lun Law Firm
10/11/16/17F, Two IFC
8 Century Avenue
Pudong New Area
Shanghai
PRC

**Legal advisors to the Joint Sponsors and
the [REDACTED]**

As to Hong Kong law

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

As to PRC law
DeHeng Law Offices
22-23/F, Sinar Mas Plaza
501 East Daming Road, Hongkou District
Shanghai
PRC

Auditors and Reporting Accountants

KPMG
Certified Public Accountants
8th Floor, Prince’s Building
10 Chater Road
Central
Hong Kong

Industry Consultant

**Frost & Sullivan (Beijing) Inc.,
Shanghai Branch Co.**
Room 2504, Wheelock Square
1717 Nanjing West Road, Jingan District
Shanghai, PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office	Room 1002, Building 2 West Zone of Wanjing Hupan Center Qiantang District Hangzhou Zhejiang Province PRC
Headquarters and Principal Place of Business in the PRC	Room 1002, Building 2 West Zone of Wanjing Hupan Center Qiantang District Hangzhou Zhejiang Province PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Centre 183 Queen’s Road East Wan Chai Hong Kong
Company’s Website	<u>www.panacro.com</u> <i>(The information contained in this website does not form part of this document)</i>
Joint Company Secretaries	Mr. Zhang Bokang (張伯康) Room 211 Shatang Road No. 9 Huashan District Ma’anshan City Anhui Province China Ms. Ho Sze Wah Cecilia (何詩華) 46/F, Hopewell Centre 183 Queen’s Road East Wan Chai Hong Kong
Authorised Representatives	Ms. Xie Li (謝莉) Ms. Ho Sze Wah Cecilia (何詩華)
Audit Committee	Mr. Xu Youlin (<i>chairperson</i>) Mr. Hu Kun Mr. Zhang Kejian
Remuneration Committee	Mr. Zhang Kejian (<i>chairperson</i>) Mr. Xu Youlin Mr. Zhao Min

CORPORATE INFORMATION

Nomination Committee

Mr. Zhao Min (*chairperson*)
Ms. Xie Li
Mr. Xu Youlin
Mr. Zhang Kejian
Mr. Hu Kun

Compliance Adviser

Rainbow Capital (HK) Limited
Office No. 710, 7/F
Wing On House
No. 71 Des Voeux Road Central
Central
Hong Kong

[REDACTED]

Principal Banks

Industrial and Commercial Bank of China Limited, Beijing Guanzhuang Branch
1/F, Plus365 Shopping Mall
Chaoyang Road
Chaoyang District
Beijing
PRC

INDUSTRY OVERVIEW

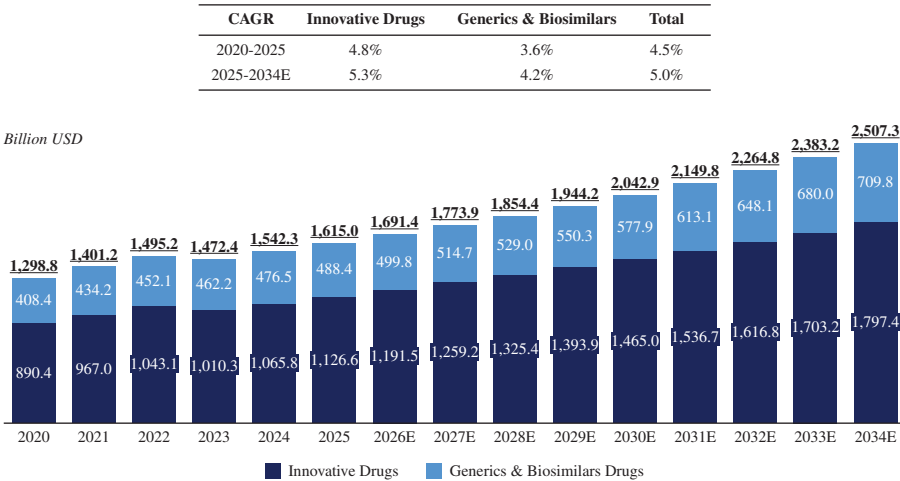
The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers. In addition, we engaged Frost & Sullivan in preparing the Frost & Sullivan Report, an independent industry report in respect of the [REDACTED]. We believe that the sources of the information in this section and other sections of this document are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the [REDACTED], Joint Sponsors, [REDACTED], any of the [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

OVERVIEW OF THE GLOBAL AND CHINA PHARMACEUTICAL MARKET

Global Pharmaceutical Market

The global pharmaceutical industry increased from approximately US\$1,298.8 billion in 2020 to US\$1,615.0 billion in 2025, and is expected to reach US\$2,507.3 billion in 2034, at a CAGR of 5.0% from 2025 to 2034. By patent status and product exclusivity, the global pharmaceutical market can be broadly classified into innovative drugs and generics & biosimilars. In 2025, innovative drugs represented a market size of US\$1,126.6 billion, compared to US\$488.4 billion for generics & biosimilars. From 2025 to 2034, innovative drugs are projected to grow at a CAGR of 5.3%, outpacing the growth of generics & biosimilars, and are expected to reach US\$1,797.4 billion by 2034, accounting for over 70% of the global pharmaceutical market.

Breakdown of Global Pharmaceutical Market by Innovative Drugs and Generics & Biosimilars, 2020-2034E



Source: Annual report, Expert interview, Frost & Sullivan Analysis

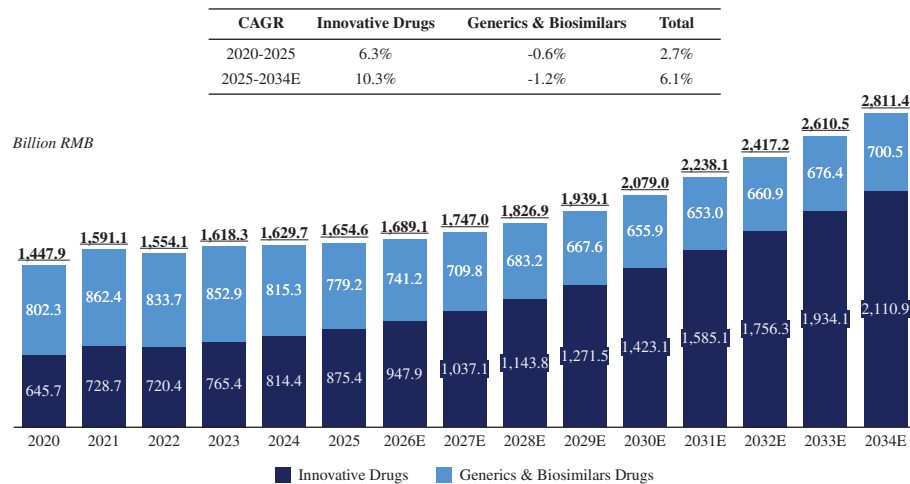
INDUSTRY OVERVIEW

China Pharmaceutical Market

China’s pharmaceutical industry increased significantly from approximately RMB1,447.9 billion in 2020 to RMB1,654.6 billion in 2025 and is expected to grow to RMB2,811.4 billion in 2034, at a CAGR of 6.1% from 2025 to 2034.

Innovative drugs are expected to be the primary growth driver, increasing at a CAGR of 10.3% from 2025 to 2034, significantly outpacing the growth of generics & biosimilars, and thereby driving a continued market mix shift toward innovative drugs.

Breakdown of China Pharmaceutical Market by Innovative Drugs and Generics & Biosimilars, 2020-2034E



Source: Annual report, Expert interview, Frost & Sullivan Analysis

Growth Drivers of China’s Pharmaceutical Market

Accelerating Population Ageing in China

Driven by increased health awareness, rising life expectancy, and declining birth rates, aging in China is faster than the global average. According to data from the Ministry of Civil Affairs, by the end of 2025, China had 323 million people aged 60 and above, accounting for 23.0% of the total population, and 224 million aged 65 and above, representing 15.9%. By 2030, the number of people aged 65 and above is projected to reach 264 million. As immune and metabolic functions generally decline with age, the elderly population typically has higher reliance on, and consumption of, medications. China’s rapidly aging demographic structure is expected to be one of the most significant drivers of long-term pharmaceutical market growth.

Steady Growth in China’s Total Healthcare Expenditure

Driven by demographic aging, China’s healthcare expenditure has continued to rise. From 2019 to 2025, China’s total healthcare expenditure increased from RMB6.58 trillion to RMB9.64 trillion, representing a compound annual growth rate of 6.6%. Total healthcare spending is projected to reach RMB12.78 trillion by 2030, with a CAGR of 5.8% from 2025 to 2030. Furthermore, total healthcare expenditure is expected to grow to RMB15.75 trillion by 2034, with a CAGR of 5.6% from 2025 to 2034.

INDUSTRY OVERVIEW

Policy Support Strengthening the Pharmaceutical Innovation Ecosystem

China’s policy and regulatory reforms continue to strengthen an innovation ecosystem anchored on clinical value and are expected to accelerate innovative drug development. In particular, the NMPA promulgated the Announcement on *Optimizing the Review and Approval Process for Clinical Trials of Innovative Drugs* (2025 No. 86), which introduces an expedited 30-working-day IND review pathway for eligible innovative drugs. Meanwhile, the pharmaceutical intellectual property regime has been further enhanced, including the implementation of the early settlement mechanism for drug patent disputes, which is intended to improve the predictability and certainty of innovation activities. Taken together, these institutional improvements are expected to enhance R&D efficiency and accelerate innovative drug pipeline advancement, thereby supporting pharmaceutical companies continued focus on innovation-driven R&D strategies and the development of differentiated, clinically valuable drug candidates.

Innovative Therapies Emerging to Address Unmet Medical Needs

The persistent presence of unmet medical needs is a fundamental driver of the growth and evolution of China’s pharmaceutical market. Despite the availability of existing therapies, limitations in treatment durability, heterogeneous disease mechanisms, and drug resistance continue to constrain long-term clinical outcomes across multiple disease areas. In oncology, intrinsic and acquired resistance to therapy frequently leads to disease progression or relapse, driving demand for novel treatments with improved and more durable efficacy. In autoimmune diseases such as rheumatoid arthritis, a meaningful proportion of patients experience inadequate or loss of response to established biologic therapies, including tumor necrosis factor (TNF) inhibitors, further reinforcing the need for therapeutic innovation. Against this backdrop, rising clinical demand for more effective and differentiated therapies is accelerating investment in drug discovery and development in China. Advances in disease biology, translational research, and drug development technologies are enabling the rapid emergence of innovative therapeutic modalities and targets. Supported by sustained R&D investment, improving innovation infrastructure, and an increasingly mature regulatory environment, next-generation therapies are becoming a key engine driving the upgrading of China’s pharmaceutical industry.

Recovery of the Financing Market and the Global Expansion Trend of the Biopharmaceutical Industry

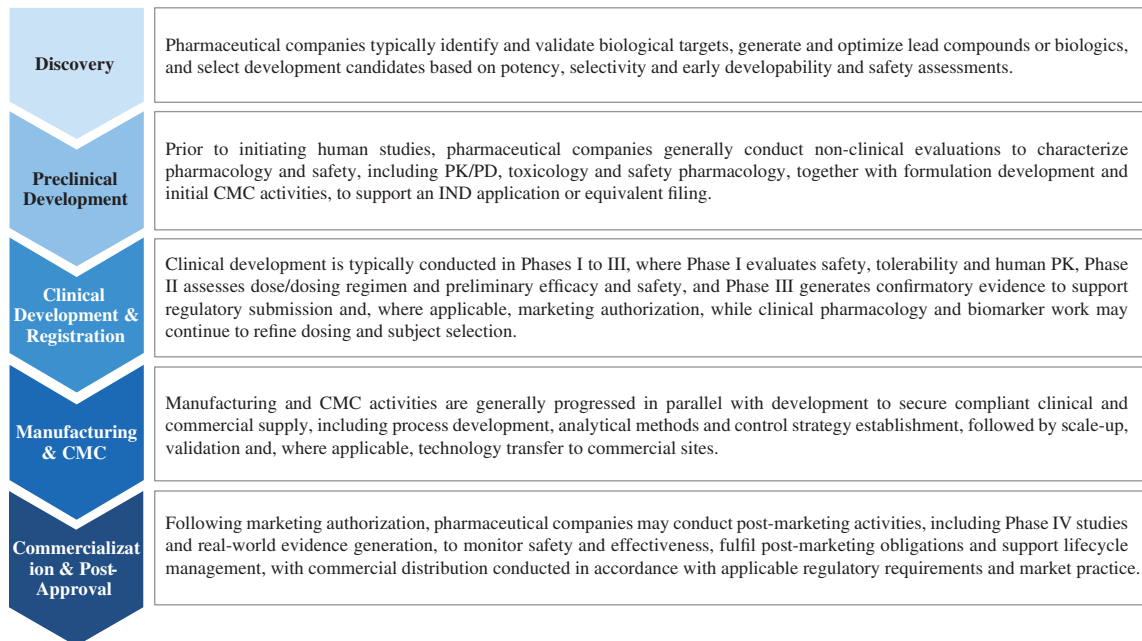
Chinese biopharmaceutical industry has experienced a gradual recovery in financing activities, supported by increasing capital inflows and the acceleration of outbound licensing and global collaboration. In 2025, total financing raised by Chinese biotechnology companies reached approximately US\$4.58 billion, representing a 39% year-on-year increase. At the same time, outbound business development transactions expanded significantly in both volume and value. In 2025, 173 business development transactions were completed, with aggregate upfront payments of US\$8.3 billion (up 82% year-on-year) and total deal value of US\$146.8 billion (up 218% year-on-year). Outbound transactions accounted for 127 deals and approximately US\$8.0 billion in upfront payments, representing a 90% year-on-year increase. The recovery of financing activities, together with the expansion of outbound licensing and global collaboration, has become an important driver of the sustainable development of China’s pharmaceutical market and the continued advancement of its biopharmaceutical industry.

INDUSTRY OVERVIEW

THE PHARMACEUTICAL R&D PROCESS

The pharmaceutical R&D process involves the discovery of drug candidates and the subsequent testing of drug candidates to demonstrate their safety and efficacy in order to obtain regulatory approval and enter the market. It also includes post-approval studies to further assess the safety and efficacy of drugs. The process is generally costly, complex, risky and time-consuming. The entire process generally consists of five stages, namely (i) discovery, (ii) pre-clinical, (iii) clinical and registration including phases I to III clinical trials and (iv) manufacturing, and (v) commercialization.

Processes in New Drug Research and Development



Source: Literature Review, Frost & Sullivan Analysis

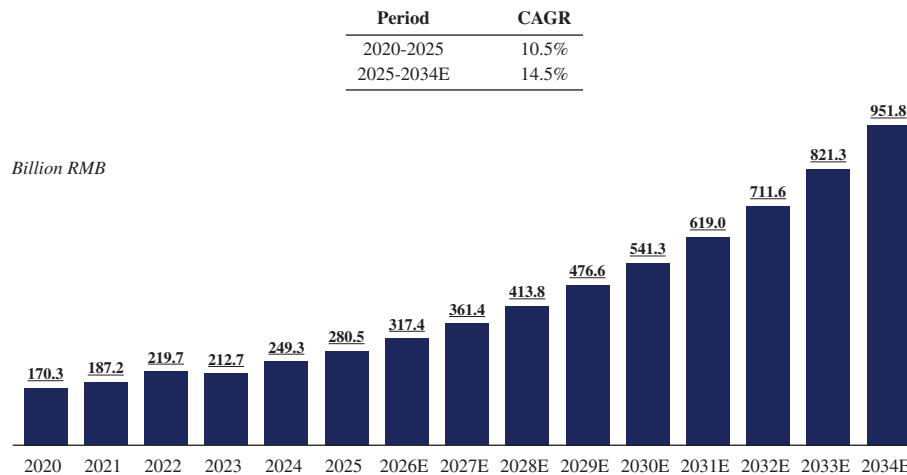
SCALE AND FORECAST OF GLOBAL AND CHINA PHARMACEUTICAL R&D EXPENDITURE

Global pharmaceutical R&D expenditure increased from US\$204.8 billion in 2020 to US\$296.6 billion in 2025, with a CAGR of 7.7%. Such growth was primarily driven by the continued shift of the pharmaceutical industry toward innovation-led development, which has prompted pharmaceutical companies to maintain and, in certain cases, increase R&D investment to support the discovery and development of new therapeutics. Global pharmaceutical R&D expenditure is expected to further increase to US\$494.2 billion in 2034, representing a CAGR of 5.8%.

As China’s pharmaceutical industry enters a stage of high-quality development, R&D innovation will receive increasing support from the government and greater attention from pharmaceutical companies. The scale of R&D expenditure in China’s pharmaceutical market holds enormous growth potential. In 2025, China’s total pharmaceutical R&D expenditure reached RMB280.5 billion, and it is expected to continue growing, reaching RMB951.8 billion in 2034, with a CAGR of 14.5%.

INDUSTRY OVERVIEW

Scale and Forecast of China Pharmaceutical R&D Expenditure, 2020-2034E



Source: Frost & Sullivan Analysis

OVERVIEW OF CRO SERVICES

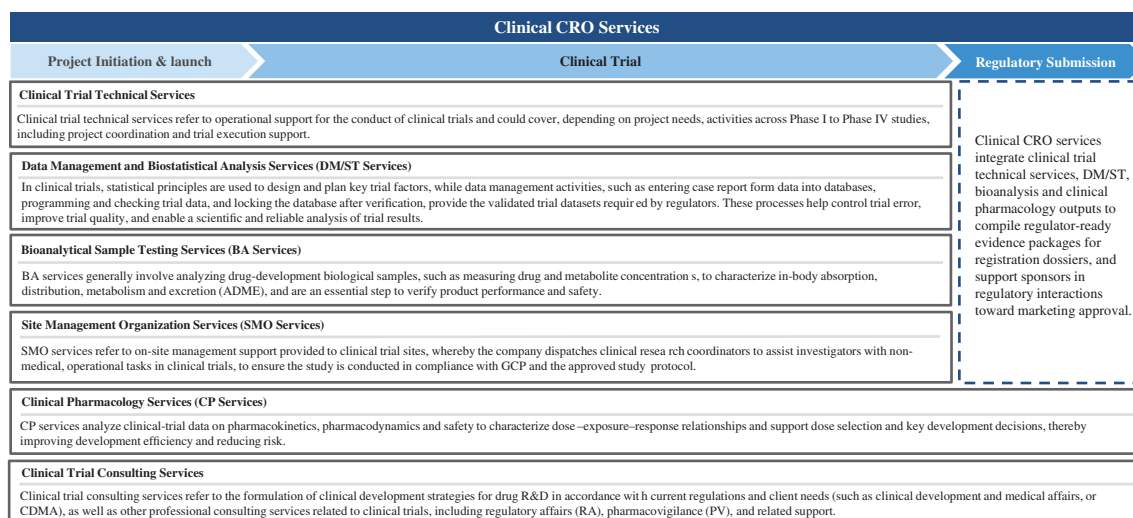
A CRO is an organization or institution that, during the pharmaceutical R&D process, is commissioned by pharmaceutical companies or other research institutions to conduct part or all of the required medical studies on a contractual basis. CROs provide development solutions spanning the drug discovery, preclinical and clinical stages, offering services such as DMPK, safety toxicology, bioanalysis, clinical trial monitoring, SMO (site management organization) support, data management and statistical analysis.

Clinical CRO services can be delivered through traditional project-based models or through functional service provider (FSP) services, whereby CROs provide sponsors with dedicated personnel and/or functional teams to support specific clinical development functions across one or multiple clinical development programs. Under the FSP model, services are typically organized and delivered based on defined functions or roles, such as clinical operations, site management, data management, biostatistical analysis, medical writing, regulatory affairs or pharmacovigilance, rather than being contracted on a project-by-project basis.

Clinical CRO services generally cover all stages of pharmaceutical clinical research, including clinical trial technical services, site management organization services (SMO Services), bioanalytical sample testing services (BA Services), data management and biostatistical analysis services (DM/ST Services), clinical trial consulting services and clinical pharmacology services (CP Services). Clinical CRO services are able to provide end-to-end support across the entire drug development lifecycle, starting from Pre-IND planning and dossier preparation, through IND application and study start-up, clinical study conduct and project execution, and onward to new drug marketing applications (e.g., NDA) and related registration activities, as well as post-marketing RCTs, PMS/RWE studies and re-registration work.

INDUSTRY OVERVIEW

Overview Clinical CRO Services

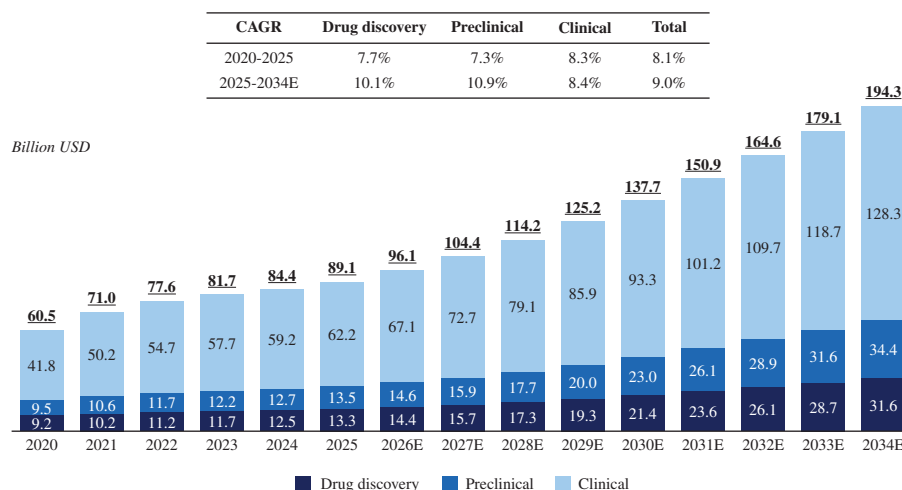


Source: Literature Review, Frost & Sullivan Analysis

THE CRO MARKET

The global CRO services market comprises three main segments: drug discovery, preclinical and clinical, of which clinical CRO services account for the largest share at around 70% of the total market. The size of global clinical CRO services market was US\$62.2 billion in 2025, and is expected to reach US\$93.3 billion and US\$128.3 billion in 2030 and 2034 respectively, representing a CAGR of 8.3% from 2020 to 2025 and 8.4% from 2025 to 2034.

Breakdown of Global CRO services market by Drug discovery, Preclinical and Clinical, 2020-2034E

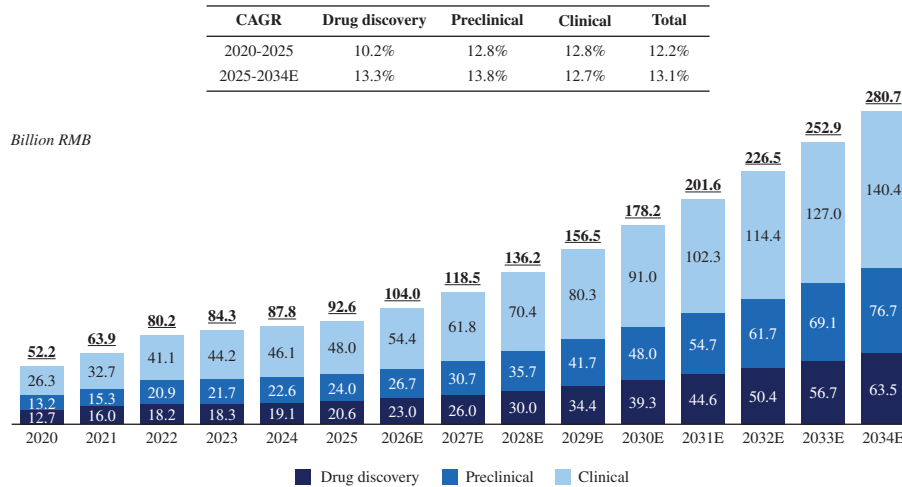


Source: Annual report, Expert interview, Frost & Sullivan Analysis

The China CRO services market comprises three main segments: drug discovery, preclinical and clinical, of which clinical CRO services account for the largest share at over 50% of the total market. The size of China clinical CRO services market was RMB48.0 billion in 2025, and is expected to reach RMB91.0 billion and RMB140.4 billion in 2030 and 2034 respectively, representing a CAGR of 12.8% from 2020 to 2025 and 12.7% from 2025 to 2034. As China’s innovative drug industry becomes increasingly sophisticated, the clinical CRO market is expected to further expand in scale.

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Breakdown of China CRO services market by Drug discovery, Preclinical and Clinical, 2020-2034E

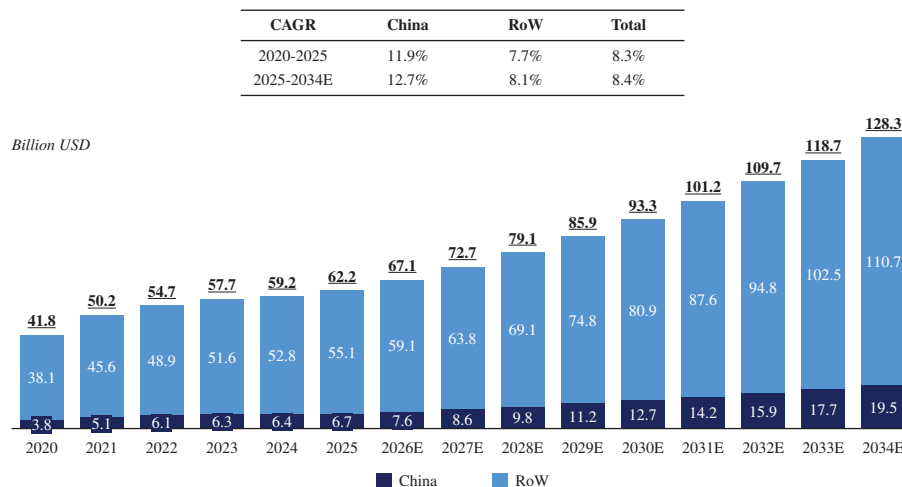


Source: Annual report, Expert interview, Frost & Sullivan Analysis

Global and China Clinical CRO Services Market

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 China 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%. As China's innovative drug pipeline continues to expand and clinical R&D outsourcing demand increases, China's clinical CRO services market is expected to have a higher growth rate than the global market and the rest of the world over the forecast period.

Global and China Clinical CRO services market size, 2020-2034E



Source: Annual report, Expert interview, Frost & Sullivan Analysis

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Growth Drivers of China’s Clinical CRO Service Market

Supportive Industrial Policies and Regulatory Framework

China’s policy environment has been increasingly supportive of the clinical CRO industry, through both regulatory reforms that directly drive demand for clinical CRO services and preferential tax policies that strengthen the operating capacity of clinical CROs. Under the Marketing Authorization Holder (MAH) system implemented through the amended Drug Administration Law, research institutions and enterprises are permitted to hold drug marketing authorizations without owning their own manufacturing or clinical trial capabilities. This has given rise to a growing number of innovation-focused holders that rely on CROs to conduct clinical trials on their behalf, directly expanding demand for clinical CRO services. Building on this, the Announcement on *Optimizing the Review and Approval Process for Clinical Trials of Innovative Drugs* (2025 No. 86) established a 30-working-day review pathway for eligible innovative drugs, under which applicants are required to commit to initiating clinical trials within 12 weeks of approval. As the start-up activities required within this compressed timeline demand established clinical site networks, regulatory and ethics committee relationships, and the operational scale to execute trials rapidly, pharmaceutical companies have increasingly turned to clinical CROs to initiate and execute clinical trials within the required timelines, directly driving demand for clinical CRO services. In addition, under the preferential tax policies for High and New Technology Enterprises pursuant to the Enterprise Income Tax Law of the PRC, qualified clinical CROs are entitled to a reduced enterprise income tax rate of 15%, as compared with the standard rate of 25%. By lowering effective tax rates, this policy improve the profitability of clinical CRO operators and reinforce their incentive to expand technical platforms, methodologies and service capabilities, thereby underpinning the continued development of the clinical CRO industry in China.

Rising R&D Burden and China Cost Advantages

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. At the same time, published analyses indicate that the direct cost of conducting clinical trials in China can be approximately 30%-40% of the comparable costs incurred in the United States, while local capabilities in investigator resources and subject recruitment efficiency continue to improve. These factors have contributed to comparatively high operational efficiency and cost-effectiveness, which support the competitiveness of PRC CRO service providers in serving both domestic and overseas pharmaceutical companies.

Patent Cliff and Profitability Pressure

The concentration of patent expiries for innovative drugs has intensified competitive pressure across the pharmaceutical industry. Chinese pharmaceutical companies are re-evaluating the sustainability of large, fully in-house R&D organizations and are gradually shifting toward a more collaborative outsourcing model. In this context, sponsors are increasingly relying on clinical CROs for protocol optimization, multi-centre trial operations, data management and safety management and, where relevant, overseas development support. By leveraging CROs’ specialized talent, standardized processes and cross-project scale effects, companies can improve development efficiency, shorten study timelines and reduce marginal project costs amid stricter budget and return requirements, making external clinical outsourcing a critical lever for sustaining innovation productivity in a patent cliff environment.

Globalization Trend of Chinese innovative drugs

As a rising number of Chinese innovative drugs, particularly in oncology and immunology, are advanced into the US, Europe and other regions through out-licensing, co-development and multi-regional clinical trials (MRCTs), the volume of cross-border clinical development activities continues to increase. This expansion directly raises demand for clinical

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CRO partners capable of MRCT execution, overseas regulatory support and cross-regional project management. Chinese clinical CROs with bilingual teams, international delivery capabilities and a solid understanding of both domestic and global regulatory frameworks are well positioned to capture these higher value-added cross-border projects, thereby supporting sustained growth of the overall clinical CRO market in China.

Future Trends in China’s Clinical CRO Service Market

Specialized and Integrated Business Models: Building One-Stop Service Platforms

In China, the clinical CRO industry is rapidly evolving toward “one-stop” service platforms that combine specialization with integration, extending their role from single clinical execution functions to full lifecycle coverage from Phase I — IV to post-marketing studies. Going forward, clinical CROs are expected to provide integrated solutions across key functions such as protocol design, clinical operations, biostatistics, data management, central laboratory services and pharmacovigilance, thereby systematically improving R&D efficiency, shortening project timelines, and, at the same time, expanding service boundaries, reducing customer acquisition and coordination costs, and strengthening client stickiness and project concentration. Such one-stop platforms are typically underpinned by continuous internal investment and external M&A-driven consolidation, enabling scaled and synergistic resource allocation, and are anticipated to become a major development direction and a key driver reshaping the competitive landscape of China’s clinical CRO industry.

Deepening Specialization of Service Capabilities and Focus on Niche Segments

As China’s clinical CRO market continues to mature and evolve, the trend toward deeper specialization in service capabilities is expected to become increasingly evident. Clinical CROs are gradually shifting from broad but fragmented offerings to more focused and specialized models. Larger clinical CROs generally leverage their established brand presence and scaled delivery capabilities to further strengthen integrated, platform-based service offerings, while small- and mid-sized clinical CROs tend to concentrate on specific therapeutic areas such as oncology, autoimmune diseases, ophthalmology, vaccines, metabolic diseases and respiratory diseases, while continuously refining service modules across key functions including biostatistics, data management, pharmacovigilance, and subject recruitment and management, thereby developing more in-depth and differentiated service portfolios. At the same time, service supply in high-growth niche areas such as rare diseases, radiopharmaceuticals and cell therapy is expected to strengthen further, driving the accelerated emergence of specialized clinical CROs with notable technical advantages and accumulated project experience in these segments, which will complement integrated, one-stop platforms.

Digital transformation of clinical CRO capabilities

Against intensifying competition and rising complexity in China’s clinical drug development landscape, clinical CROs are increasingly investing in digital infrastructure, adopting big data, AI and cloud computing, and building digital clinical trial systems based on tools such as CTMS, EDC, ePRO and eCTD. Closely linked to methodological innovation this digitalization enables standardized project process management, which enhances process control and service quality, accelerates trial execution, shortens overall development timelines and reduces R&D costs. In practice, cloud-based remote monitoring workstations allow study staff to access projects on-site or remotely, while online subject recruitment systems expand the eligible subject pool and shorten the time required to identify suitable trial participants.

Sustained Fragmentation of Market Structure

China’s clinical CRO service market is expected to continue to exhibit a fragmented market structure, with service providers operating across different clinical stages, therapeutic areas and geographic regions. The combined market share of the top five clinical CROs decreased from 30.8% in 2023 to 30.2% in 2025, reflecting a continued dispersion of clinical

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development demand among multiple service providers. As pharmaceutical and biotechnology sponsors increasingly adopt diversified outsourcing strategies and engage multiple CRO partners, overall market concentration is expected to remain at a moderate level, and such fragmented market structure is expected to persist in the near to medium term.

Increasing share of overseas clinical CRO services

As pharmaceutical companies increasingly pursue overseas opportunities, Chinese clinical CROs are rapidly expanding from domestic outsourcing to international project delivery. Since China joined the ICH in 2017, the country has been aligning its regulatory standards with global norms to facilitate more cross-border collaboration. Meanwhile, the State Council has expressly stated in the *Opinions on Promoting the Accelerated Development of the Service Outsourcing Industry* that it supports eligible service outsourcing enterprises to “go global” and encourages the undertaking of high value-added cooperation projects, including R&D outsourcing, thereby providing policy support for Chinese CROs to expand overseas markets and participate in international project delivery. At the same time, the Chinese government has encouraged the import of high-quality medicines, particularly those addressing unmet medical needs in China, which has brought an increasing number of multinational-sponsored MRCTs and early-phase clinical projects into the country. Compared with Europe and the United States, China offers clear advantages in labor and operating costs, driving a shift of overseas orders to the Chinese market. Going forward, more international companies and projects are expected to rely on Chinese clinical CROs that can deliver high-quality services and provide in-depth insight into China’s regulatory environment.

COMPETITIVE LANDSCAPE IN THE CLINICAL CRO MARKET

Competitive Landscape of China Clinical CRO services Market Players, 2025

The following table summarizes the top 10 clinical CRO service providers in China in 2025.

Company	Clinical CRO Services Revenue (Billion RMB)	Listing Status	Background
Company A	5.2	Listed	Founded in 2004 and headquartered in China, A is a clinical CRO serving pharmaceutical, biotechnology and medical device companies. Its services include clinical trial operations, data management and biostatistics.
Company B	3.8	Listed	Formed in 2016 and headquartered in the US, B is a global provider of healthcare data, analytics, technology and clinical research services. It supports customers across clinical development and commercialization.
Company C	2.0	Listed	Founded in 2004 and headquartered in China, C is a life science services provider spanning drug discovery, preclinical and clinical development and manufacturing. Its clinical services support trials across Phase I to Phase IV.
Company D	1.8	Listed	Established as an independent public company in 2023 following its spin-off from a leading global laboratory services company and headquartered in the US, D is a global CRO operating in around 90 countries. It provides Phase I–IV clinical trial management, clinical pharmacology and patient access solutions.
Company E	1.7	Listed	Founded in 2000 and headquartered in China, E is a global pharmaceutical and biotech R&D services platform spanning drug discovery, development and manufacturing. Its clinical-stage capabilities include central laboratory, bioanalytical and regulatory support services.
Company F	1.2	Unlisted	Founded in 1995, F is a privately held, full-service global CRO with delivery centers across the US, China, Europe and Asia. It offers full-service and functional service models covering clinical operations, biometrics, regulatory affairs and pharmacovigilance.
Company G	1.1	Unlisted	Founded in 1982 and headquartered in the US, G is a global CRO serving life sciences companies through clinical development and regulatory consulting. Its services span clinical operations, data management, biostatistics and pharmacovigilance.
Company H	0.9	Listed	Founded in 2008 and headquartered in China, H is a clinical CRO providing full-process clinical research services. Its capabilities span clinical trial operations, data management and biostatistics, clinical pharmacology and registration services.
Company I	0.8	Listed	Founded in 2013 and headquartered in China, I is a clinical research organization specializing in site management organization (SMO) services. It deploys clinical research coordinators (CRCs) to trial sites and provides related project management support.
Company J	0.8	Unlisted	Founded in 2005 and headquartered in China, J is a CRO providing one-stop clinical development and registration solutions. Its services cover clinical operations, site management, laboratory testing and biostatistics.

Source: Frost & Sullivan Analysis

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In terms of revenue from clinical CRO services in 2025, PANACRO ranked 14th among China-headquartered⁽¹⁾ market players, with a market share of 0.7%. As compared with the industry average level, PANACRO demonstrates certain advantages in terms of gross profit margin, net profit margin and revenue per employee.

Company	Gross profit margin ⁽²⁾ (%)	Net profit margin ⁽²⁾ (%)	Revenue per employee ⁽²⁾ (Million RMB)
PANACRO	38.9	15.4	0.7
Industry Average	~30	~10	~0.6

- (1). China-headquartered company refers to company with its headquarters and principal management primarily based in Mainland China.
- (2). The gross margin refers to the gross margin of the clinical CRO services; The net profit margin refers to the Company’s overall net profit margin; Net profit margin = Profit attributable to owners of the listed company/revenue; Revenue per employee refers total revenue divided by the total number of employees in 2025.

Source: Annual report, Expert interview, Frost & Sullivan Analysis

Entry Barriers of Clinical CRO Service Market

Professional Talent and Expertise

The clinical CRO services industry is inherently talent-intensive, and sustained access to specialized and experienced professionals constitutes a critical entry barrier. With continued policy support for innovation, an increasing number of differentiated drug candidates are emerging, and the quality of key activities such as clinical trial protocol design now directly influences trial outcomes. This trend has materially raised capability requirements, particularly in highly specialized areas such as oncology and stem cell therapy, where practitioners are expected to possess deep expertise in tumor biology, cancer therapeutics and cutting-edge stem cell science, alongside strong proficiency in dosing procedures and precise instrument operation. Given the long training cycle required to develop such senior experts, it is challenging for new clinical research service providers to rapidly build technical teams of sufficient scale and quality.

Advanced Technology and Processes

The increasing adoption of digital and intelligent technologies in clinical development has raised the capability threshold for clinical CRO service providers. Advanced tools such as electronic data capture (EDC), electronic patient-reported outcomes (ePRO), remote and risk-based monitoring, as well as big data- and AI-supported protocol design and site selection, have become integral to enhancing data integrity and regulatory compliance, improving subject safety and optimizing overall trial efficiency and cost structures. Leading clinical CROs have embedded such digital platforms and standardized processes into complex trial designs, cross-regional multi-centre trial management and subject recruitment workflows, enabling scalable and reliable execution. By contrast, new entrants, typically constrained by capital resources, technological infrastructure and accumulated operational experience, may face difficulties in building and validating comparable digital capabilities, thereby limiting their competitiveness in large-scale and high-complexity clinical programs.

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Accumulated Reputation for Quality

In the relatively homogeneous clinical research services market, high-quality and efficient execution, together with a well-established reputation, constitute significant entry barriers. Leading clinical CROs have accumulated long-term project experience in specific therapeutic areas and niche indications, supported by mature quality management systems, standardized operating procedures and systematic staff training. These capabilities enable consistent data quality, on-time delivery and sustained regulatory compliance, thereby underpinning strong credibility with sponsors and regulatory authorities. By contrast, smaller and emerging players typically lack comparable historical track records and fully developed quality infrastructures, which constrains their ability to evidence execution capability for complex and high-standard clinical trials required by leading biopharmaceutical sponsors.

Liquidity constraints among small- and mid-sized biopharma companies

Small- and mid-sized biopharmaceutical clients typically operate under constrained cash flow conditions due to funding uncertainty and ongoing R&D expenditures, and therefore tend to adopt extended payment terms, resulting in longer collection cycles for CRO service providers and, in certain circumstances, could adversely affect the timing of revenue recognition of clinical CRO companies. Payment delays are common in B2B transactions and may become more pronounced when customers face heightened financial pressure, thereby increasing receivables management and cash-conversion risks for suppliers. As a result, clinical CROs are required to maintain strong working-capital capacity and robust credit and collection controls to sustain project delivery under extended cash-conversion cycles, which materially elevates the entry barrier for new market entrants.

SOURCE OF INFORMATION

In connection with the [REDACTED], we have commissioned Frost & Sullivan, an independent third party, to conduct research and analysis of, and to produce a report on the pharmaceutical outsourcing market. The Frost & Sullivan Report has been prepared by Frost & Sullivan independent of our influence. We have agreed to pay Frost & Sullivan a fee of RMB560,000 for the preparation of the report which we consider in line with market rates. Except as otherwise noted, all data and forecasts in this section are derived from the Frost & Sullivan Report. Our Directors confirm that, after taking reasonable care, there is no adverse change in the market information since the date of the Frost & Sullivan Report which may qualify, contradict or have an impact on the information disclosed in this section. Frost & Sullivan’s independent research was undertaken primarily through secondary research which primarily involved analyzing data from various publicly available data. In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan has made the following key assumptions: (i) the economies of the United States and China are likely to maintain a steady rate of growth in the next decade, (ii) the key growth drivers mentioned in this section are likely to drive the growth of the global pharmaceutical market and the pharmaceutical outsourcing industry market from 2025 to 2034 and (iii) there is no force majeure or industry regulation that affects any of such markets dramatically or fundamentally.

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PRC REGULATION

We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section sets forth a summary of the most significant laws and regulations that are applicable to our current business activities within the territory of the PRC.

REGULATIONS ON PHARMACEUTICAL PRODUCT

Drug Regulatory Regime

The Drug Administration Law of the PRC (the “**Drug Administration Law**”) (《中華人民共和國藥品管理法》) promulgated by the Standing Committee of the National People’s Congress (the “**SCNPC**”) in September 1984, last amended on August 26, 2019, and became effective on December 1, 2019, and the Implementation Regulations of the Drug Administration Law of the PRC (the “**Implementation Regulations**”) (《中華人民共和國藥品管理法實施條例》) promulgated by the State Council in August 2002 and last amended on January 16, 2026 and was effective from May 15, 2026, have laid down the legal framework for the establishment and maintenance of pharmaceutical manufacturing and trading enterprises, as well as for the administration of pharmaceutical products including the development and manufacturing of new drugs. According to the Drug Administration Law and the Implementation Regulations, the PRC encourages the research and development of new drugs, and protects the legal rights and interests in the research and development of new drugs.

In 2017, the drug regulatory system entered a new and significant period of reform. The General Office of the State Council and the General Committee of the Communist Party of China jointly issued an Opinions on Deepening the Reform of the Evaluation and Approval Systems and Encouraging Innovation on Drugs and Medical Devices (the “**Innovation Opinions**”) (《關於深化審評審批制度改革鼓勵藥品醫療器械創新的意見》) in October 2017. According to the Innovation Opinions, institutions for drug clinical trials should establish an independent ethics committee, and clinical trial schemes are subject to examination, approval, and signing with approval opinions by the ethics committee before implementation, in order to protect the rights and interests of human subjects in clinical trials. For a multi-center clinical trial conducted in the PRC, after ethical review by the leader unit of the clinical trial, other member units should recognize the review results of the leader unit and may not conduct repeated reviews. In addition, the expedited programs, the record-filing system, the prioritized review mechanism, the acceptance of foreign clinical data under the Innovation Opinions, and other recent reforms encourage drug marketing authorization holders to seek marketing approval in China first for the development of drugs in highly prioritized therapeutic areas such as oncology or rare disease areas.

Research and development of new drugs

Pursuant to the Drug Administration Law, for clinical trials on pharmaceuticals, relevant data, information and samples such as development methods, quality indicators, and pharmacological and toxicological testing results shall be truthfully submitted to in accordance with the rules of the medical products supervisory and administrative department under the State Council and be subject to its approval. Pharmaceuticals marketed in China shall be approved by the medical products supervisory and administrative under the State Council and be with a pharmaceutical registration certificate.

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Pursuant to the Implementation Regulations, research and development of new drugs that require clinical trials shall be approved by the medical products supervisory and administrative department under the State Council in accordance with the Drug Administration Law. The applicant shall, upon obtaining the approval of the application for clinical trial of the drug from the medical products supervisory and administrative department under the State Council, choose an institution among those institutions that are qualified for conducting clinical trials of drugs in accordance with the laws to undertake the clinical trial of the drug, and shall file such institution to undertake such clinical trial with the medical products supervisory and administrative department under the State Council and the administrative department of public health under the State Council. Before clinical trials for drugs to be conducted by institutions that will undertake such clinical trials, the subjects or their guardians shall be informed of the facts and their written consents shall be obtained.

On January 22, 2020, State Administration for Market Regulation (the “SAMR”) issued the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》) (the “Measures for the Administration of Drug Registration”), which become effective on July 1, 2020. The Measures for the Administration of Drug Registration shall apply to the development, registration, supervision and management activities carried out in the territory of the PRC for marketing of drugs. Pursuant to the Measures for the Administration of Drug Registration, an applicant shall complete relevant research work in terms of pharmacy, pharmacology and toxicology, and drug clinical trials, etc. before applying for drug marketing registration. A drug registration certificate shall be valid for five years. During the validity period, a holder of a drug registration certificate shall continue to ensure the safety, effectiveness and quality controllability of the marketed drug, and apply for re-registration of the drug six months prior to the expiry of the validity period. The Center for Drug Evaluation (the “CDE”) is responsible for reviewing for accepted drug marketing authorization applications. Where the application is cleared after comprehensive review, the drug shall be approved for marketing and a drug registration certificate shall be issued. An applicant who has obtained a drug registration certificate shall be a drug marketing authorization holder.

Application for Clinical Trial

According to the Decision on Adjusting the Approval Procedures of Certain Administrative Approval Items for Drugs (《關於調整部分藥品行政審批事項審批程序的決定》) promulgated by the China Food and Drug Administration (currently known as the NMPA) on March 17, 2017, the decision on the approval of clinical trials of drugs shall be made by the CDE from May 1, 2017. According to the Measures for the Administration of Drug Registration, drug clinical trials shall be divided into Phase I clinical trial, Phase II clinical trial, Phase III clinical trial, Phase IV clinical trial, and bioequivalence trial. After the completion of the pharmaceutical, pharmacological, and toxicological research of the drug clinical trial, the applicant may submit relevant research materials to the CDE for applying for the approval to conduct a drug clinical trial. The CDE will organize pharmaceutical, medical, and other technicians to review the application and decide whether to approve the drug clinical trial within 60 days of the date of acceptance of the application. Once the decision is made, the result will be notified to the applicant through the website of the CDE, and if no notice of decision is issued within the aforementioned time limit, the application for the clinical trial shall be deemed as approved. In accordance with Measures for the Administration of Drug Registration and the Announcement on Adjusting Evaluation and Approval Procedures for Clinical Trials for Drugs (《關於調整藥物臨床試驗審評審批程序的公告》) issued in July

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2018, if a clinical trial applicant does not receive any negative or questioned opinions from the CDE within 60 days after the date when the trial application is accepted and the fees are paid, the applicant can proceed with the clinical trial in accordance with the trial protocol submitted to the CDE.

Measures for the Administration of Drug Registration further require that the applicant shall, prior to conducting the drug clinical trial, register the information of the drug clinical trial plan, etc., on the Drug Clinical Trial Information Platform. After obtaining the approval of the clinical trial, the applicant must complete the clinical trial registration at the Drug Clinical Trial Information Platform for public disclosure in accordance with the Circular on Drug Clinical Trial Information Platform (《關於藥物臨床試驗信息平台的公告》), which came into effect in September 2013. The applicant shall complete the trial pre-registration within one month after obtaining the approval of the clinical trial application in order to obtain the trial’s unique registration number and complete the registration and first submission for disclosure of certain follow-up information before the first subject’s enrollment in the trial. If the first submission for disclosure is not completed within one year after the approval, the applicant shall submit an explanation, and if the first submission disclosure is not completed within three years, the approval of the clinical trial application shall automatically become void. During the drug clinical trials, the applicant shall update registration information continuously and register information on the outcome of the drug clinical trial upon completion.

Conduct of Clinical Trial

After obtaining clinical trial approval, the applicant shall conduct clinical trials at qualified clinical trial institutions. The qualified clinical trial institution refers to institutions that have the conditions to conduct clinical trials in accordance with the requirements and technical guidelines set forth in the Regulations for the Administration of Drug Clinical Trial Institutions (《藥物臨床試驗機構管理規定》), which came into effect on December 1, 2019. Such clinical trial institutions shall be subject to filing requirements, with the exception of institutions that only engage in analysis of biological samples, which shall not be subject to such filing requirements. The NMPA is responsible for setting up a filing management information platform for the registration, filing, and operation management of drug clinical trial institutions, as well as the entry, sharing, and disclosure of information from the supervision and inspection activities conducted by the drug regulatory authorities and competent healthcare authorities.

Measures for the Administration of Drug Registration further require that the applicant filing an application for clinical drug trial after completing the pharmaceutical research, pharmacological and toxicological research, and other researches supporting clinical drug trial shall submit relevant research materials according to the requirements for the application materials. The applicant who intends to carry out a bioequivalence test shall, after undergoing the recordation formalities for bioequivalence test at the website of the CDE as required, carry out relevant research work according to the plan recorded. The applicant who is approved to carry out clinical drug trial shall, before carrying out subsequent clinical drug trial by stages, develop a corresponding plan for clinical drug trial, carry out clinical drug trial upon examination and with consent of the ethics committee, and submit a corresponding plan for clinical drug trial and supporting materials on the website of the Center for Drug Evaluation.

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Where indications (or functions) are intended to be added for a drug approved for clinical drug trial and the use of a drug in combination with other drugs is added, the applicant shall file a new application for clinical drug trial, and may only carry out new clinical drug trial with approval.

According to the Announcement on Adjusting Evaluation and Approval Procedures for Clinical Trials for Drugs (《關於調整藥物臨床試驗審評審批程序的公告》), where the application for clinical trial of a new investigational drug has been approved, upon the completion of Phases I and II clinical trials and prior to Phase III clinical trial, the applicant shall submit the application for communication meetings to CDE to discuss with CDE the key technical questions, including the design of Phase III clinical trial protocol. According to the Administrative Measures for Communication on the Research, Development and Technical Evaluation of Drugs (《藥物研發與技術審評溝通交流管理辦法》) promulgated by the CDE on December 10, 2020, during the research and development periods and in the registration applications of, among others, innovative new drugs, the applicants may propose to conduct communication meetings with the CDE. The communication meetings can be classified into three types. Type I meetings are convened to address key safety issues in clinical trials of drugs and key technical issues in the research and development of breakthrough therapeutic drugs. Type II meetings are held during the key research and development stages of drugs, mainly including meetings before submitting the clinical trial application, meetings upon the completion of Phase II trials and prior to Phase III trials, meetings before submitting the marketing application for a new drug, and meetings for risk evaluation and control. Type III meetings refer to other meetings not classified as Type I or Type II.

Good Clinical Practices

Clinical trials must be conducted in accordance with the Good Clinical Practice for Drug Trials (the “GCP Rules”) (《藥物臨床試驗質量管理規範》) promulgated by NMPA and NHC on April 23, 2020, and effective on July 1, 2020, which stipulates the requirements for the procedures of conducting clinical trials, including preclinical trial preparation, trial protocols, protection of testees’ rights and interests, duties of researchers, sponsors, and monitors, as well as data management and statistical analysis. According to the GCP Rules, clinical trial means systematical investigation of drugs conducted on human subjects (patients or healthy volunteers) to prove or reveal the clinical, pharmacological, and other pharmacodynamic effects, adverse reactions, or absorption, distribution, metabolism, and excretion of the drug being investigated. In order to ensure the quality of clinical trials and the safety of human subjects, the GCP Rules provide comprehensive and substantive requirements on the design and conduct of clinical trials in the PRC. In particular, the GCP Rules enhance the protection for study subjects and tighten the control over bio-samples collected under clinical trials.

According to the GCP Rules, a sponsor may entrust part or all of the work and tasks of its clinical trial to a CRO, but the sponsor remains ultimately responsible for the quality and reliability of clinical trial data and shall supervise the work undertaken by the CRO. The CRO shall implement quality assurance and quality control. The sponsor’s entrustment of work to a CRO shall be conducted through a contract, and the requirements applicable to sponsors under the GCP Rules shall apply to CROs that undertake relevant work and tasks on behalf of the sponsor. Where a CRO subcontracts any of its tasks, written approval from the sponsor shall be obtained.

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Trial Exemptions and Acceptance of Foreign Data

According to the Notice on Issuing the International Multi-Center Clinical Trial Guidelines (Trial) (《關於發佈國際多中心藥物臨床試驗指南(試行)的通告》) (the “**Multi-Center Clinical Trial Guidelines**”), promulgated by the NMPA on January 30, 2015 and effective from March 1, 2015, international multi-center clinical trial applicants may simultaneously perform clinical trials in different centers using the same clinical trial protocol. Where the applicants plan to implement the international multi-center clinical trials in the PRC, the applicants shall comply with relevant laws and regulations, such as the Drug Administration Law, the Implementation Regulations and the Measures for the Administration of Drug Registration, execute the Good Clinical Practice (the “**GCP**”), make reference to universal international principles such as the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (the “**ICH**”), and comply with the laws and regulations of the countries involved in the international multi-center clinical trials. Where the applicants plan to use the data derived from the international multi-center clinical trials for approval of a drug registration in the PRC, it shall involve at least two countries, including China, and shall satisfy the requirements for clinical trials set forth in the Multi-Center Clinical Trial Guidelines and other related laws and regulations.

The PRC joined the ICH in 2017 and has accelerated the alignment of its drug registration regulatory regime with international standards and rapidly enhanced GCP compliance through measures such as revising the GCP Rules, improving the supporting regulatory framework, and strengthening regulatory supervision and inspections since then. The NMPA issued the Technical Guidance Principles on Accepting Foreign Drug Clinical Trial Data (《接受藥品境外臨床試驗數據的技術指導原則》) in July 2018, as one of the implementing rules for the Innovation Opinions, which provides that overseas clinical data can be submitted for the drug marketing registration applications in China. According to the these guidance principles, sponsors may use the data of foreign clinical trials to support drug marketing registration in China, provided that sponsors must ensure the authenticity, integrity, accuracy and traceability of foreign clinical trial data and such data must be obtained consistent with the relevant requirements under the Good Clinical Practice of the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use (the “**ICH**”). Moreover, sponsors shall ensure the scientific design of overseas clinical trials, the compliance of clinical trial quality management system requirements, and the accuracy and integrity of statistical analysis of data. To ensure that the clinical trial design and statistical analysis of the data are scientific and reasonable, for the drugs with simultaneous R&D at home and abroad and forthcoming clinical trials in China, the sponsors may, prior to implementing registrational clinical trials, contact the CDE to ensure the compliance of registrational clinical trials’ design with the essential technical requirements for drug registration in China. Sponsors must also comply with other relevant sections of Measures for the Administration of Drug Registration when applying for drug marketing registrations in China using foreign clinical trial data.

The NMPA now officially permits, and its predecessor agencies have permitted on a case-by-case basis in the past, drugs approved outside of China to be approved in China on a conditional basis without pre-approval clinical trials being conducted in China. Specifically, the NMPA and the NHC released the Procedures for Reviewing and Approval of Clinical Urgently Needed Overseas New Drugs (《臨床急需境外新藥審評審批工作程序》) in October 2018, which provide an expedited review and approval pathway drugs that have been approved within the last ten years in the United States, the European Union or Japan and that prevent or treat orphan diseases or prevent, or treat serious life-threatening illnesses for which there is

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either no effective therapy in China, or for which the foreign-approved drug would have clear clinical advantages. Applicants will be required to establish a risk mitigation plan and may be required to complete trials in China after the drug has been marketed. The CDE has developed a list of qualifying drugs that meet the foregoing criteria.

The NMPA promulgated the Announcement on the Application of the ICH Guideline E6(R3): Good Clinical Practice (《關於適用<E6(R3)：藥物臨床試驗品質管制規範技術指導原則>國際人用藥品註冊技術協調會指導原則的公告》) (the “**E6(R3) Announcement**”) on December 22, 2025, which became effective on March 31, 2026, and pursuant to which all drug clinical trials initiated on or after such date will be required to comply with the ICH E6(R3) principles. The CDE shall be responsible for providing technical guidance in connection with the implementation of this Announcement. Key changes that the E6(R3) Announcement may directly affect the execution and oversight of clinical development projects include, among others: (i) the establishment of a “quality by design” approach, under which sponsors are expected to identify and manage critical-to-quality factors early in the planning process, shifting the focus from retrospective inspection to proactive prevention; (ii) implementation of a risk-proportionate quality management principle, which requires that monitoring and oversight activities be tailored to the nature and level of risks to trial integrity and participant protection; (iii) enhanced data governance requirements and lifecycle-based management of computerized systems, which obligate responsible parties to ensure data traceability, data reliability, and appropriate validation of trial systems throughout their lifecycle; and (iv) clearer articulation of the sponsor’s ultimate oversight responsibilities, with an emphasis on comprehensive evaluation and supervision of outsourced activities and third-party partners, including contract research organizations, that contribute to trial conduct or data generation.

New drug registration

Pursuant to the Measures for the Administration of Drug Registration, the measures shall apply to those engaging in drug development and registration as well as the supervision and management thereof for the purpose of the marketing of drugs within the territory of the PRC. Drug registration refers to an activity where an applicant for drug registration submits an application for drug clinical trial, marketing authorization and re-registration, among others, as well as supplementary application as per legal procedures and in line with relevant requirements, and the medical products administration conducts examinations in terms of safety, efficacy and quality controllability, etc. based on laws, regulations and existing scientific cognition to decide whether to approve the application. Drug registration shall be subject to classified registration administration in terms of traditional Chinese medicines, chemical drugs and biological products, etc.

In the process of drug registration, the drug supervisory and administrative department shall carry out on-site inspections and complaint-driven inspections on non-clinical research and clinical trials and production site inspection before granting the drug marketing approval to ensure the authenticity, accuracy and integrity of application materials.

The drug regulatory department may request the applicant or the drug research institution undertaking the drug experiments to repeat the experiments regarding the project, methods and data based on the application data. It may also entrust a drug testing institution or other drug research institutions to repeat the experiment or conduct methodological verification.

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If an applicant entrusts another institution with drug researches or single experiment, testing or pilot manufacture of drug samples, it shall execute a contract with the entrusted party, and state such entrustment in the registration application. The applicant shall be responsible for the authenticity of the research data stated in the application materials.

Pursuant to the Announcement on Several Policies Pertaining to the Review and Approval of Drug Registration (《關於藥品註冊審評審批若干政策的公告》) (effective on November 11, 2015), in order to improve the quality and efficiency for the review and approval of drugs, the drug supervisory and administrative department adopts drug registration, review and approval policies, such as improving the approval standards for generic drugs, standardizing the review and approval of improved new drugs and optimizing the review and approval of clinical trial applications.

Marketing Authorization Holder Mechanism

Pursuant to the Drug Administration Law, the PRC implements the marketing authorization holder (the “MAH”) mechanism for management of the drug industry. The drug MAH authorization holder refers to an enterprise or a drug research and development institution that has obtained the drug registration certificate. The drug MAH shall be responsible for non-clinical research, clinical trials, production and operation, post-marketing research, adverse reaction monitoring, reporting and processing of drugs in accordance with the provisions of the law.

The MAHs may manufacture drugs by themselves or entrust a pharmaceutical manufacturing enterprise to manufacture drugs. Likewise, they may sell drugs by themselves or entrust a pharmaceutical distribution enterprise to sell drugs. However, MAHs may not entrust a pharmaceutical manufacturing enterprise to produce blood products, narcotic drugs, psychotropic drugs, medical-use toxic drugs or pharmaceutical precursor chemicals, except as otherwise stipulated by the drug regulatory department under the State Council.

The MAH shall establish a drug quality assurance system and be equipped with special personnel to take charge of quality management on drugs independently. The drug MAH shall regularly review the quality management system of the drug manufacturer and the drug distributor, and supervise its continuous quality assurance and control capabilities. Where the MAH is an overseas enterprise, its designated domestic enterprise shall perform the obligations of the MAH and jointly assume responsibilities of the MAH with the overseas enterprise.

Approval or Filing of Human Genetic Resources

The MST promulgated the Service Guide for Administrative Licensing Items concerning Examination and Approval of Sampling, Collecting, Trading or Exporting Human Genetic Resources, or Taking Such Resources out of the PRC (《人類遺傳資源採集、收集、買賣、出口、出境審批行政許可事項服務指南》) in July 2015, according to which, the sampling, collection or research activities of human genetic resources by a foreign-invested sponsor fall within the scope of international cooperation, and the cooperating organization of China shall apply for approval of the Human Genetic Resources Management Office of the PRC through the online system. The Human Genetic Resources Management Office of the PRC further promulgated the Circular on Further Optimizing the Administrative Examination and Approval of Human Genetic Resources (《關於進一步優化人類遺傳資源行政審批流程的通知》) in October 2020, which simplify the approval of sampling and collecting human genetic resources for the purpose of listing a drug in the PRC.

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The Regulations on the Administration of Human Genetic Resources of the PRC, promulgated by the State Council in May 2019, latest amended in March 2024 and came into effect in May 2024, further stipulates that in order to obtain marketing authorization for relevant drugs and medical devices in China, no approval is required in international clinical trial cooperation using China’s human genetic resources at clinical institutions without export of human genetic resource materials. However, the type, quantity and usage of the human genetic resources to be used shall be filed with the administrative department of health under the State Council before clinical trials. In May 2023, the MST issued the Implementation Rules for the Administrative Regulation on Human Genetic Resources (《人類遺傳資源管理條例實施細則》), which came into effect on July 1, 2023, optimizing the scope of administrative licensing and record-keeping, enhancing the operability of the human genetic resources administration system, and implementing the registration and reporting system for the management of human genetic resources.

On October 17, 2020, the SCNPC promulgated the Biosecurity Law of the PRC (the “**Biosecurity Law**”) (《中華人民共和國生物安全法》) which became effective on April 15, 2021 and latest amended on April 26, 2024, establishing a comprehensive legislative framework on the current regulations in the areas including prevention and control of outbreak of major newly-emerged infectious diseases, animal and plant epidemics, security of biotechnology research, development and application, biosafety management of pathogenic microbiology laboratories, security management of human genetic resources and biological resources, prevention of the invasion of alien species and protection of biodiversity, countermeasures against microbial resistance and prevention of bioterrorism and threat of biological weapons.

REGULATIONS ON FOREIGN INVESTMENT

The Company Law of the PRC (《中華人民共和國公司法》) (the “**Company Law**”), which was last amended on December 29, 2023 and became effective on July 1, 2024, regulates the establishment, operation and management of corporate entities in China and classifies companies into limited liability companies and limited companies by shares. The latest revisions mainly focus on including but not limited to refining the systems for the establishment and withdrawal of companies, optimizing the organizational structure of companies, modifying the capital system of companies, strengthening the responsibilities of controlling shareholders and the management level, strengthening the social responsibilities of companies. The Company Law applies to foreign-invested companies unless relevant laws provide otherwise.

Investment activities in the PRC by foreign investors are principally governed by the Catalog of Encouraged Industries for Foreign Investment (the “**Encouraged Catalog**”) (《鼓勵外商投資產業目錄》), and the Special Administrative Measures (Negative List) for Foreign Investment Access (the “**Negative List**”) (《外商投資准入特別管理措施(負面清單)》), which are promulgated and amended from time to time by the Ministry of Commerce of the PRC (the “**MOFCOM**”) and the National Development and Reform Commission (the “**NDRC**”), and together with the Foreign Investment Law of PRC (the “**FIL**”) (《中華人民共和國外商投資法》) and its respective implementation rules and ancillary regulations.

In March 2019, the FIL was promulgated by National People’s Congress (the “**NPC**”) and came into effect on January 1, 2020. The FIL, by means of legislation, establishes the basic framework for the access, promotion, protection and administration of foreign investment in view of investment protection and fair competition. According to the FIL, foreign investment

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shall enjoy pre-entry national treatment, except for those foreign invested entities that operate in industries deemed to be either “restricted” or “prohibited” in the “negative list”, and the State Council shall promulgate or approve a list of special administrative measures for access of foreign investments. To ensure the effective implementation of the FIL, the Regulations on Implementing the Foreign Investment Law of the PRC (the “**Implementation Regulations**”) (《中華人民共和國外商投資法實施條例》), was promulgated by the State Council in December 2019 and came into effect on January 1, 2020, which further clarified that the state encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimize foreign investment environment, and advances a higher-level opening.

In December 2019, the MOFCOM and the SAMR promulgated the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which came into effect in January 2020. After the Measures on Reporting of Foreign Investment Information came into effect, the Interim Measures for the Administration of Filing for Establishment and Changes in Foreign Investment Enterprises have been repealed simultaneously. Since January 1, 2020, for foreign investors carrying out investment activities directly or indirectly in China, the foreign investors or foreign-invested enterprises shall submit investment information to the relevant commerce administrative authorities according to the Measure on Reporting of Foreign Investment Information.

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, the scopes of review and procedures to review, among others.

On September 6, 2024, the NDRC and the MOFCOM promulgated Negative List (2024 Edition), effective on November 1, 2024. The Negative List sets forth in a unified manner all special regulatory measures applicable to foreign investment access, including requirements relating to equity ratios and senior management personnel qualifications. It covers 11 industry sectors. For sectors not included in the Negative List, the principle of equal treatment between domestic and foreign investments shall apply in regulatory practice.

In December 2025, the NDRC and the MOFCOM promulgated Encouraged Catalog (2025 Edition), effective on February 1, 2026. Encouraged Catalog guides more foreign investment toward advanced manufacturing, modern services, high-tech industries, energy conservation and environmental protection, as well as central, western, and northeastern regions. The Encouraged Catalog comprises the Nationwide Catalogue of Industries for Encouraged Foreign Investment (including pharmaceutical outsourcing services (Contract Research Organization) and the Catalogue of Advantageous Industries for Foreign Investment in Central-Western, Northeastern Regions and Hainan Province, offering preferential policies for foreign investment within designated industries.

Our PRC legal advisors are of the view that we are principally engaged in clinical CRO services, which do not fall within any prohibited or restricted industries listed in the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition).

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REGULATIONS ON OVERSEAS INVESTMENT

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by MOFCOM and effective on October 6, 2014, MOFCOM and the commerce departments of provinces shall subject the overseas investment of enterprises to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management.

Pursuant to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), an enterprise in the territory of the People’s Republic of China (the “investor”) shall, in overseas investment, undergo the formalities for the confirmation or recordation, among others, of an overseas investment project (the “project”), report the relevant information, and cooperate in supervisory inspection. Sensitive projects conducted by investors directly or through overseas enterprises controlled by them shall be subject to confirmation management. Non-sensitive projects directly conducted by investors, namely, non-sensitive projects involving investors’ direct contribution of assets or rights and interests or provision of financing or security, shall be subject to recordation management. The aforementioned sensitive project means a project involving a sensitive country or region or a sensitive industry. The NDRC promulgated the Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition), effective on March 1, 2018 to list the sensitive industries in detail.

REGULATIONS ON INFORMATION SECURITY AND DATA PROTECTION

According to the PRC Civil Code (《中華人民共和國民法典》), the personal information of an individual shall be protected by the law. Any organization or individual that needs to obtain personal information of others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others. In addition, the processing of personal information shall follow the principles of lawfulness, legitimacy and necessity.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), or the Personal Information Protection Law, which became effective on November 1, 2021. The Personal Information Protection Law requires, among others, that the processing of personal information should have a clear and reasonable purpose and should be limited to the minimum scope necessary to achieve the processing purpose, adopt a method that has the least impact on personal rights and interests, and shall not process personal information that is not directly related to the processing purpose.

On June 10, 2021, the SCNPC promulgated the Data Security Law of PRC, or the Data Security Law (《中華人民共和國數據安全法》), which became effective on September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including data classification and hierarchical protection system, risk assessment system, monitoring and early warning system and emergency disposal system. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibility. The Data Security Law stipulates the measures to support and promote data security and development, to establish and optimize the national data security management system and to clarify organizations’ and individuals’ responsibilities in data security.

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On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), which became effective on June 1, 2017, last amended on October 28, 2025, and became effective on January 1, 2026, according to which, network operators shall fulfill their obligations to safeguard the security of the network when conducting business and providing services. Those who build, operate or provide services through networks shall take technical measures and other necessary measures according to laws, regulations and compulsory national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. The network operator shall not collect personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws and regulations or agreements concluded with its users.

On December 28, 2021, the Cyberspace Administration of China (the “CAC”), jointly with 12 other administrative authorities, promulgated the revised Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “MCR”), which became effective on February 15, 2022. According to the MCR, (i) CIO that the purchase of cyber products and services or network platform operators that engage in data processing activities that affects or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) network platform operators with personal information of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the issuer’s network products or services, or data processing activities affect or may affect national security. On September 24, 2024, the State Council promulgated the Administration Regulations on Cyber Data Security (the “Data Security Regulations”) (《網絡數據安全管理條例》), which came into effect on January 1, 2025. The Data Security Regulations reiterate and refine the general regulations for cyber data processing activities, rules of personal information protection, important data security protection, cyber data cross-border transfer management, and the responsibilities of online platform service providers.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) (the “Security Assessment Measures”), which became effective on September 1, 2022. The Security Assessment Measures provide four circumstances, under any of which data processors shall, through the local cyberspace administration at the provincial-level, apply to the national cyberspace administration for security assessment of cross-border data transfer. These circumstances include: (i) where the important data are transferred to an overseas recipient; (ii) where the personal information is transferred to an overseas recipient by a CIO or a data processor that has processed personal information of more than one million individuals; (iii) where a data processor provides personal information to an overseas recipient if such data processor has already provided overseas the personal information of 100,000 individuals or sensitive personal information of 10,000 individuals in total since January 1 of the preceding year; or (iv) other circumstances under which security assessment of outbound data transfer is required as prescribed by the national cyberspace administration. In addition, on February 22, 2023, the Measures for the Administration of Standard Contractual Clauses for the Cross-Border Transfer of Personal Information (《個人信息出境標準合同辦法》), or the SCC Measures, were promulgated by the CAC, which took effect on June 1, 2023. The SCC Measures attach the

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prescribed template for the standard contract on the outbound transfer of personal information that could be used as an available option to satisfy the condition for cross-border transfer of personal information under Article 38 of the Personal Information Protection Law.

On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》), effective on the date of promulgation. The provisions provide several exemptions from undergoing data security assessment, obtaining personal information protection certification or entering into standard contract for outbound transfer of personal information for businesses. The provisions also explicitly state that data processors are not required to conduct data security assessment for cross-border transfer of important data if the data has not been notified or published as important data by relevant departments or regions.

REGULATIONS ON INTELLECTUAL PROPERTY

In terms of international conventions, the PRC has entered into (including but not limited to) the Agreement on Trade-Related Aspects of Intellectual Property Rights, the Paris Convention for the Protection of Industrial Property, the Madrid Agreement Concerning the International Registration of Marks, and the Patent Cooperation Treaty.

Patent

In accordance with the Patent Law of the PRC (《中華人民共和國專利法》), promulgated by the SCNPC, which was last amended in October 2020 and became effective on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which were promulgated by the State Council on June 15, 2001 and last amended on December 11, 2023 and became effective on January 20, 2024, patents are divided into three categories: invention patents, design patents, and utility model patents. An invention or utility model for which a patent is to be granted shall be novel, inventive and practically applicable. The China National Intellectual Property Administration shall be responsible for accepting, examining and approving applications for patents. The duration of invention patent rights, design patent rights, and utility model patent rights shall be 20 years, 15 years, and 10 years, respectively, all calculated from the date of application. Implementation of a patent without the authorization of the patent holder shall constitute an infringement of patent rights, and the infringer shall be held liable for compensation to the patent holder and may be subject to fines or even criminal liabilities.

Trade Secrets

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the “**Anti-Unfair Competition Law**”), as last amended on June 27, 2025, and became effective on October 15, 2025, the term “trade secrets” refers to technical, operational or other commercial information that is unknown to the public and of commercial value and for which the right holder has taken corresponding confidentiality measures. Under the Anti-Unfair Competition Law, business persons are prohibited from infringing others’ trade secrets by: (i) obtaining the trade secrets from the legal owners or holders by any unfair methods such as theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means; (ii) disclosing, using, or permitting others to use the trade secrets obtained illegally under item (i) above; (iii) disclosing, using, or allowing another person to use a trade secret in its possession, in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential; or (iv) abetting, inducing or aiding another person to

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acquire, disclose, use, or allow another person to use the trade secret of the right holder in violation of his or her confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential. If a third party knows or should have known of the aforementioned illegal conduct but nevertheless obtains, uses, or allows another person to use the trade secret of others, the third party may be deemed to have committed a misappropriation of the others’ trade secrets. Regulatory authorities may stop any illegal activities and fine infringing parties.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) most recently amended on April 23, 2019, and effective from November 1, 2019, and the Implementation Regulation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), most recently amended on April 29, 2014, and effective from May 1, 2014, registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark owner. Trademark license agreements must be filed with the Trademark Office for record, and the Trademark Law of the PRC has adopted a “first-to-file” principle with respect to trademark registration. Conducts that shall constitute an infringement of the exclusive right to use a registered trademark include but are not limited to using a trademark that is identical with or similar to a registered trademark on the same or similar goods without the permission of the trademark registrant. The infringing party will be ordered to stop the infringement act immediately and may be imposed a fine. The infringing party may also be held liable for the right holder’s damages, which will be equal to gains obtained by the infringing party or the losses suffered by the right holder as a result of the infringement, including reasonable expenses incurred by the right holder for stopping the infringement. Trademark license agreements must be filed with the Trademark Office. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》), promulgated by the SCNPC, which was last amended in November 2020, and its related Implementing Regulations, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology, and computer software. Copyright owners of protected works enjoy personal rights and property rights with respect to publication, authorship, alteration, integrity, reproduction, distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation, and other rights shall be enjoyed by the copyright owners.

Domain Names

The Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》) was promulgated by the MIIT in 2017, which adopts a “first to file” rule to allocate domain names to applicants, and provides that the MIIT shall supervise the domain name services nationwide and publicize the PRC domain name system. After completion of the registration procedures, the applicant will become the holder of the relevant domain name.

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REGULATIONS ON LEASING

According to the Civil Code, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee’s possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected. Moreover, pursuant to the Civil Code, if the mortgaged property has been leased and transferred for occupation prior to the establishment of the mortgage right, the original tenancy shall not be affected by such mortgage right.

On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), which became effective on February 1, 2011. According to such measures, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from the execution of the property lease contract with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed on each lease agreement.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》), promulgated by the SCNPC on July 5, 1994 and latest amended on December 29, 2018 and the Labor Contract Law of the PRC, (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007 and latest amended on December 28, 2012 and came into effect on July 1, 2013, employers shall execute written labor contracts with full-time employees. All employers shall comply with local minimum wage standards. Employers shall establish a comprehensive management system to protect the rights of their employees, including a system governing occupational health and safety to provide employees with occupational training to prevent occupational injury, and employers are required to truthfully inform prospective employees of the job description, working conditions, working location, occupational hazards, and status of safe production as well as remuneration and other conditions.

Social Insurance

The Social Insurance Law of the PRC (the “**Social Insurance Law**”) (《中華人民共和國社會保險法》) issued by the SCNPC in 2010 and latest amended on December 29, 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999, and most recently amended on March 24, 2019, and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social

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insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue. Pursuant to the Interpretation II of the Supreme People’s Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) enacted by the Supreme People’s Court on July 31, 2025 and implemented on September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people’s court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38 Paragraph 3 of the Labor Contract Law, the people’s court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the people’s court shall support such requests in accordance with the law.

Housing Provident Fund

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, and latest amended on March 24, 2019, employers are required to make contribution to housing provident funds for their employees. Where an employer fails to pay up housing provident funds, the housing provident fund administration center may order it to make payment within a prescribed time limit. If the employer still fails to do so, the housing provident fund administration center may apply to the court for compulsory enforcement of the unpaid amount.

REGULATIONS ON FOREIGN EXCHANGE

Regulations relating to Foreign Currency Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》), most recently amended in August 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments, and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments, and investments in securities outside of China.

The SAFE issued the Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (the “SAFE Circular 19”) (《關於改革外商投資企業外匯資金結匯管理方式的通知》) on March 30, 2015, and latest amended on March 23, 2023. The SAFE Circular 19 expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. In June 2016, SAFE further promulgated the Circular on the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange

REGULATORY OVERVIEW

Settlement Management Policy of Capital Account (the “**SAFE Circular 16**”) (《關於改革和規範資本項目結匯管理政策的通知》), which was partially amended on December 4, 2023, and among other things, amends certain provisions of SAFE Circular 19. Pursuant to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope.

In October 2019, SAFE issued the Circular on Further Facilitating Cross-border Trade and Investment (the “**SAFE Circular 28**”) (《關於進一步促進跨境貿易投資便利化的通知》), which cancels the restrictions on domestic equity investments by capital funds of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (the “**SAFE Circular 8**”) (《關於優化外匯管理支持涉外業務發展的通知》), issued by SAFE in April 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits, and the income under capital accounts of overseas listings, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements.

Regulations relating to Stock Incentive Plans

Pursuant to the Circular on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (the “**SAFE Circular 7**”) (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), promulgated by SAFE in February 2012, employees, directors, supervisors, and other senior management participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic agency. Moreover, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests.

REGULATIONS ON TAXATION

Enterprise Income Tax

According to the EIT Law of the PRC (《中華人民共和國企業所得稅法》), which was promulgated by the SCNPC and was latest amended on December 29, 2018, and the Regulation on the Implementation of the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council and was latest amended in December 2024 and effective from January 2025, a uniform 25% enterprise income tax rate is imposed on both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. Key high-tech enterprises that are supported by the PRC’s government may enjoy a reduced tax rate of 15% for enterprise income tax.

REGULATORY OVERVIEW

Value-added Tax

Pursuant to the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which was promulgated by the SCNPC on December 25, 2024, came into effect on January 1, 2026 and repealed the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) simultaneously, all entities and individuals (including privately or individually-owned business) that sell goods, services, intangible assets, immovables, and import goods in the PRC shall be taxpayers of value-added tax and shall pay value-added tax. Unless otherwise provided, the import tax rate for the sales of goods, processing, repair and maintenance services, and leasing services of tangible movables is 13%; the tax rate for the sales of transportation, postal, basic telecommunications, construction, immovables leasing services, sales of immovables, transfer of land use rights, and sales or imports of goods prescribed by law is 9%; the tax rate for the sales of services and intangible assets is 6%.

REGULATIONS ON OVERSEAS LISTINGS

Overseas Listings

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) issued by the CSRC on February 17, 2023 and effective from March 31, 2023 (the “**Overseas Listing Trial Measures**”), where a domestic company seeks overseas securities issuance and listing, the issuer shall file with the CSRC in accordance with the Overseas Listing Trial Measures. If an issuer procures an overseas initial public offering or listing, it shall file with the CSRC within three (3) business days after submitting application documents for overseas securities issuance and listing. According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly issued by the CSRC and other departments on February 24, 2023 and effective on March 31, 2023, in the overseas offering and listing activities of domestic enterprises, domestic enterprises, and securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the PRC and satisfy the requirements of these Provisions, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public.

Our PRC legal advisors are of the view that we comply with the filing requirements stipulated in the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises and the supporting regulatory guidelines. There are no circumstances that would prohibit our overseas issuance and listing.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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.

The history of our Company dates back to May 2004 when our Company was established as a limited liability company in the PRC. On January 22, 2026, our Company was converted into a joint stock company and was renamed as PANACRO (Hangzhou) Pharmaceutical Consulting Co., Ltd. (博納西亞(杭州)醫藥科技股份有限公司).

KEY MILESTONES

The following table summarizes the key milestones in our business development:

Year	Milestone
2004	Our Company has since then established.
2016	We initiated our strategic pivot to innovative drug clinical research providing services for innovative drug development to pharmaceutical and biotechnology companies, shifting our service focus from generic drugs to innovative drug R&D support.
2019	We initiated the development of our proprietary clinical trial cloud platform, marking a key milestone in our digital transformation and infrastructure enhancement.
2020	We initiated a phased transition to prioritize oncology and autoimmune therapeutic tracks, deepening our expertise in high-value and frontier therapeutic areas.
2022	We launched our international expansion strategy to capture global market opportunities and broaden the geographical footprint of our services, expanding our global presence through a phased approach involving organic growth, strategic partnerships, and operational integration.
2026	Our Company was converted into a joint stock company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR GROUP

We set forth below information about our subsidiaries as of the Latest Practicable Date:

Name of subsidiary	Place of establishment	Date of establishment	Shareholding percentage by the Company and/or its subsidiary	Registered capital	Principal business activities
Ruijie Siyuan	PRC	October 23, 2013	100%	RMB10,000,000	Clinical trial subject recruitment
Suzhou Panacro	PRC	February 20, 2020	100%	RMB10,000,000	Vaccine clinical CRO services
Chengdu Panacro	PRC	June 28, 2024	100%	RMB10,000,000	Vaccine clinical CRO services
Beijing Linzhi	PRC	December 11, 2019	100%	RMB5,000,000	Data management and biostatistics analytics
Beijing Aismore	PRC	September 18, 2007	100%	RMB1,000,000	Clinical trial onsite services
Beijing Starphy	PRC	February 7, 2017	100%	RMB1,000,000	FSP
Guangdong Weilin	PRC	January 15, 2021	100%	RMB50,000,000	Developing digital solutions for clinical trials
Pana US.	US	February 12, 2024	100%	US\$1,000,000	Clinical CRO services
Panacro Singapore	Singapore	June 26, 2023	100%	SG\$1,000,000	Clinical CRO services
Panacro Hong Kong	Hong Kong	October 22, 2025	100%	1,000,000 shares	Clinical CRO services
Panacro Australia	Australia	October 25, 2023	100%	1 share	Clinical CRO services

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we had not made any acquisitions, disposals or mergers that we consider to be material to us.

ESTABLISHMENT AND MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

(1) Establishment of Our Company

On May 25, 2004, our Company was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB100,000. Upon the establishment, the registered capital of our Company was owned as to 80.00% by Mr. Zhao Zhongren (趙仲仁), Mr. Zhao’s father, and 20.00% by Mr. Zhao Liang (趙亮), Mr. Zhao’s brother. Mr. Zhao entrusted his father to hold his entire equity interest in our Company through nominee arrangement at the time of the establishment of our Company. The nominee arrangement was terminated in May 2015, see “— Equity Transfer and Capital Increase in 2015” for details.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(2) Major Capital Increase and Equity Transfer before Joint Stock Company Conversion

(a) Capital Increase in 2007

Pursuant to the shareholders’ resolution dated January 11, 2007, each of Mr. Zhao Zhongren (as the nominee for Mr. Zhao) and Mr. Zhao Liang subscribed for the newly issued registered capital of our Company in the amount of RMB160,000 for a consideration of RMB160,000 and RMB40,000 for a consideration of RMB40,000, respectively in proportion to their shareholding in the Company. The considerations were fully settled by January 11, 2007. Upon the completion of the capital increase and commercial registration in January 12, 2007, the registered capital of our Company was increased from RMB100,000 to RMB300,000, and each of Mr. Zhao Zhongren and Mr. Zhao Liang continues to be interested in 80% and 20% of the then shareholding of the Company, respectively.

(b) Capital Increase in 2008

Pursuant to the shareholders’ resolution dated June 8, 2008, each of Mr. Zhao Zhongren (as the nominee for Mr. Zhao) and Mr. Zhao Liang subscribed for the newly issued registered capital of our Company in the amount of RMB560,000 for a consideration of RMB560,000 and RMB140,000 for a consideration of RMB140,000, respectively in proportion to their shareholding in the Company. The considerations were fully settled by July 21, 2008. Upon the completion of the capital increase in August 1, 2008, the registered capital of our Company was increased from RMB300,000 to RMB1,000,000, and each of Mr. Zhao Zhongren and Mr. Zhao Liang continues to be interested in 80% and 20% of the then shareholding of the Company, respectively.

(c) Equity Transfer and Capital Increase in May 2015

On February 1, 2015, for the purpose of terminating the nominee shareholding arrangements, Mr. Zhao entered into an equity transfer agreement with Mr. Zhao Zhongren, pursuant to which Mr. Zhao Zhongren agreed to transfer its equity interest, corresponding to registered capital of RMB800,000, in our Company to Mr. Zhao. No consideration was paid to Mr. Zhao Zhongren.

Pursuant to the shareholders’ resolution dated May 4, 2015, Mr. Zhao subscribed for the newly issued registered capital of our Company in the amount RMB9,000,000 for a consideration of RMB9,000,000. Upon the completion of the capital increase, the registered capital of our Company was increased from RMB1,000,000 to RMB10,000,000. Upon completion of the equity transfer and the capital increase on May 19, 2015, our Company was owned as to 98% by Mr. Zhao, and 2% by Mr. Zhao Liang.

(d) Capital Increase in October 2016

Pursuant to the shareholders’ resolution dated October 28, 2016, the registered capital of our Company was increased from RMB10,000,000 to RMB11,546,154, with Huatai Zijin (Jiangsu) Equity Investment Fund (Limited Partnership) (華泰紫金(江蘇)股權投資基金(有限合夥)) (“**Huatai Zijin**”) subscribing for newly issued registered capital of RMB769,231 for a consideration of RMB20,000,000, Jiangsu Yida M&A Growth Equity Investment Fund (Limited Partnership) (江蘇毅達併購成長股權投資基金(有限合夥)) (“**Jiangsu Yida**”) subscribing for newly issued registered capital of RMB769,231 for a consideration of RMB20,000,000, and Nanjing Daohe Investment Management Center (General Partnership) (南京道合投資管理中心(普通合夥)) (“**Nanjing Daohe**”) subscribing for newly issued registered capital of RMB7,692 for a consideration of RMB200,000. Such considerations were determined after arms’ length negotiations among the parties after taking into consideration of the timing of the investments, the status of our business operations and the prospects of our Company, and were fully settled by August 29, 2016.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of the above capital increases on October 28, 2016, the registered capital of our Company increased to RMB11,546,154, and our Company was owned as to 84.88% by Mr. Zhao, 6.66% by Huatai Zijin, 6.66% by Jiangsu Yida, 1.73% by Mr. Zhao Liang, and 0.07% by Nanjing Daohe.

(e) Equity Transfer in 2017

On May 18, 2017, Mr. Zhao entered into equity transfer agreements with Boda Innovation and Bohua Innovation, which serve as our Employee Incentive Platforms respectively, pursuant to which Mr. Zhao agreed to transfer (i) his subscribed registered capital of RMB1,500,000 in our Company to Boda Innovation for a consideration of RMB122,449, and (ii) his registered capital of RMB500,000 in our Company to Bohua Innovation for a consideration of RMB40,816. Such considerations were determined taking into consideration of the purpose of setting up our Employee Incentive Platforms.

Upon completion of the equity transfers on June 13, 2017, our Company was owned as to 67.56% by Mr. Zhao, 12.99% by Boda Innovation, 6.66% by Huatai Zijin, 6.66% by Jiangsu Yida, 4.33% by Bohua Innovation, 1.73% by Mr. Zhao Liang, and 0.07% by Nanjing Daohe.

For further details of Employee Incentive Platforms, see “— Employee Incentive Platforms” below.

(f) Equity Transfer in April 2022

Mr. Zhao entered into equity transfer agreements with Zibo Xintaige Centennial Equity Investment Fund Partnership Enterprise (Limited Partnership) (淄博新太格百年股權投資基金合夥企業(有限合夥)) (“**Xintaige**”) on January 10, 2022, and with Shenzhen Kunchen Phase VI Venture Capital Partnership Enterprise (Limited Partnership) (深圳坤辰六期創業投資合夥企業(有限合夥)) (“**Kunchen Phase VI**”) on February 20, 2022, respectively, pursuant to which Mr. Zhao agreed to transfer (i) his 3.00% equity interest, corresponding to registered capital of RMB346,385 in our Company to Xintaige for a consideration of RMB18,000,000, which was settled by May 5, 2022, and (ii) his 0.83% equity interest, corresponding to registered capital of RMB96,218 in our Company to Kunchen Phase VI for a consideration of RMB5,000,000, which was settled by February 23, 2022.

Upon completion of the equity transfers on April 15, 2022, our Company was owned as to 63.72% by Mr. Zhao, 12.99% by Boda Innovation, 6.66% by Huatai Zijin, 6.66% by Jiangsu Yida, 4.33% by Bohua Innovation, 3.00% by Xintaige, 1.73% by Mr. Zhao Liang, 0.83% by Kunchen Phase VI, and 0.07% by Nanjing Daohe.

(g) Equity Transfer in November 2022

In October 25, 2022, Mr. Zhao entered into equity transfer and redemption agreements with Huatai Zijin, Nanjing Daohe and Jiangsu Yida, respectively, pursuant to which (i) Huatai Zijin agreed to transfer its 6.66% equity interest, corresponding to registered capital of RMB769,231 in our Company to Mr. Zhao for a consideration of RMB33,579,726, being its actual investment of RMB20,000,000 plus an investment return calculated at an annual rate of 11.00%; (ii) Nanjing Daohe agreed to transfer its 0.07% equity interest, corresponding to registered capital of RMB7,692 in our Company to Mr. Zhao for a consideration of RMB335,797, being its actual investment of RMB200,000 plus an investment return calculated at an annual rate of 11.00%, and (iii) Jiangsu Yida agreed to transfer its 6.66% equity interest, corresponding to registered capital of RMB769,231 in our Company to Mr. Zhao for a consideration of RMB33,570,000, being its actual investment of RMB20,000,000 plus an investment return calculated at an annual rate of 11.00%. Such considerations were fully settled by October 27, 2022.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of the equity transfers on November 10, 2022, our Company was owned as to 77.11% by Mr. Zhao, 12.99% by Boda Innovation, 4.33% by Bohua Innovation, 3.00% by Xintaige, 1.73% by Mr. Zhao Liang, and 0.83% by Kunchen Phase VI.

For further details, see “— Pre-[REDACTED] Investments” below.

(h) Equity Transfer in 2023

On March 2, 2022, Mr. Zhao entered into equity transfer agreements with Beijing Shunhe Dingsen Technology Development Co., Ltd. (北京舜和鼎森科技發展有限公司) (“**Shunhe Dingsen**”) and Tibet Kaidesida Technology Industry (Group) Co., Ltd. (西藏凱德思達科技產業(集團)有限公司), formerly known as Tibet Zhongzhi Investment Management Co., Ltd. (西藏中植投資管理有限公司) (“**Kaide Sida**”), respectively, pursuant to which Mr. Zhao agreed to transfer (i) his 1.25% equity interest, corresponding to registered capital of RMB144,327 in our Company to Shunhe Dingsen for a consideration of RMB10,000,000, which was settled on April 2, 2022, and (ii) his 2.50% equity interest, corresponding to registered capital of RMB288,654 in our Company to Kaide Sida for a consideration of RMB20,000,000, which was settled on April 15, 2022.

Upon completion of the equity transfers on January 12, 2023, our Company was owned as to 73.36% by Mr. Zhao, 12.99% by Boda Innovation, 4.33% by Bohua Innovation, 3.00% by Xintaige, 2.50% by Kaide Sida, 1.73% by Mr. Zhao Liang, 1.25% by Shunhe Dingsen, and 0.83% by Kunchen Phase VI.

For further details, see “— Pre-[REDACTED] Investments” below.

(i) Equity Transfer in January 2024

On January 19, 2024, Mr. Zhao entered into equity transfer agreements with Shenzhen Pengyuan Cornerstone Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (深圳市鵬遠基石私募股權投資基金合夥企業(有限合夥)) (“**Shenzhen Pengyuan Cornerstone**”), Changsha Xiangjiang Cornerstone Innovation Development Fund Partnership Enterprise (Limited Partnership) (長沙湘江基石創新發展基金合夥企業(有限合夥)) (“**Changsha Xiangjiang Cornerstone**”), and Suzhou Jinhe Phase III Equity Investment Partnership Enterprise (Limited Partnership) (蘇州金闔三期股權投資合夥企業(有限合夥)) (“**Jinhe Phase III**”), respectively, pursuant to which Mr. Zhao agreed to transfer (i) his 1.67% equity interest, corresponding to registered capital of RMB192,436, in our Company to Shenzhen Pengyuan Cornerstone for a consideration of RMB30,000,000, which was settled by November 28, 2023, (ii) his 1.11% equity interest, corresponding to registered capital of RMB128,291, in our Company to Changsha Xiangjiang Cornerstone for a consideration of RMB20,000,000, which was settled by December 4, 2023, and (iii) his 1.67% equity interest, corresponding to registered capital of RMB192,436, in our Company to Jinhe Phase III for a consideration of RMB30,000,000, which was settled by November 30, 2023.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of the equity transfers on January 24, 2024, our Company was owned as to 68.92% by Mr. Zhao, 12.99% by Boda Innovation, 4.33% by Bohua Innovation, 3.00% by Xintaige, 2.50% by Kaide Sida, 1.73% by Mr. Zhao Liang, 1.67% by Shenzhen Pengyuan Cornerstone, 1.67% by Jinhe Phase III, 1.25% by Shunhe Dingsen, 1.11% by Changsha Xiangjiang Cornerstone, and 0.83% by Kunchen Phase VI.

(j) Equity Transfer in May 2024

On April 28, 2024, Mr. Zhao entered into an equity transfer agreement with Jinhe Phase III, pursuant to which Mr. Zhao agreed to transfer his 1.11% equity interest, corresponding to registered capital of RMB128,291, in our Company to Jinhe Phase III for a consideration of RMB20,000,000. Such consideration was fully settled by March 28, 2024.

Upon completion of the above equity transfer on May 6, 2024, our Company was owned as to 67.81% by Mr. Zhao, 12.99% by Boda Innovation, 4.33% by Bohua Innovation, 3.00% by Xintaige, 2.78% by Jinhe Phase III, 2.50% by Kaide Sida, 1.73% by Mr. Zhao Liang, 1.67% by Shenzhen Pengyuan Cornerstone, 1.25% by Shunhe Dingsen, 1.11% by Changsha Xiangjiang Cornerstone, and 0.83% by Kunchen Phase VI.

For further details, see “— Pre-[REDACTED] Investments” below.

(k) Equity Transfer in 2025

On November 11, 2025, Shenzhen Pengyuan Cornerstone, Changsha Xiangjiang Cornerstone, and Mr. Zhao entered into equity transfer and capital increase agreements with Heda Health Venture Capital Fund Partnership (杭州錢塘和達大健康創業投資基金合夥企業(有限合夥)) (“**Heda Big Health**”), Hangzhou Efung Runjun Venture Capital Partnership (杭州倚鋒潤君創業投資合夥企業(有限合夥)) (“**Efung Capital**”), and other relevant parties, pursuant to which (i) Heda Big Health agreed to acquire approximately 1.38% equity interest of our Company from Shenzhen Pengyuan Cornerstone, 0.92% equity interest of our Company from Changsha Xiangjiang Cornerstone, and 2.37% equity interest of our Company from Mr. Zhao for considerations of RMB28,606,680, RMB19,071,120, and RMB12,322,200, respectively; and (ii) Efung Capital agreed to acquire 0.29% equity interest of our Company from Shenzhen Pengyuan Cornerstone, 0.19% equity interest of our Company from Changsha Xiangjiang Cornerstone, and 1.23% equity interest of our Company from Mr. Zhao for considerations of RMB6,000,000, RMB4,000,000, and RMB15,000,000, respectively. Such considerations were fully settled by November 26, 2025.

Upon completion of the above share transfers on November 27, 2025, our Company was owned as to 64.20% by Mr. Zhao, 12.99% by Boda Innovation, 4.67% by Heda Big Health, 4.33% by Bohua Innovation, 3.00% by Xintaige, 2.78% by Jinhe Phase III, 2.50% by Kaide Sida, 1.73% by Mr. Zhao Liang, 1.71% by Efung Capital, 1.25% by Shunhe Dingsen, and 0.83% by Kunchen Phase VI.

For further details, see “— Pre-[REDACTED] Investments” below.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(l) Equity Transfer in January 2026

On January 22, 2026, Mr. Zhao entered into an equity transfer agreement with Efung Capital, pursuant to which Mr. Zhao agreed to transfer 94,892 Shares in our Company to Efung Capital for a consideration of RMB10,000,000. Such consideration was fully settled on December 19, 2025. Upon completion of the equity transfer, our Company was owned as to 63.38% by Mr. Zhao, 12.99% by Boda Innovation, 4.67% by Heda Health, 4.33% by Bohua Innovation, 3.00% by Xintaige, 2.78% by Jinhe Phase III, 2.54% by Efung Capital, 2.50% by Kaide Sida, 1.73% by Mr. Zhao Liang, 1.25% by Shunhe Dingsen, and 0.83% by Kunchen Phase VI.

For further details, see “— Pre-[REDACTED] Investments” below.

(m) Equity Transfer in February 2026

On February 11, 2026, Shunhe Dingsen, Mr. Zhao, Dongrong No. 1 (Zhuhai Hengqin) Equity Investment Partnership (Limited Partnership) (東融壹號(珠海橫琴)股權投資合夥企業(有限合夥)) (“**Dongrong Investment**”), and other relevant parties jointly entered into an equity transfer agreement. Pursuant to the equity transfer agreement, Mr. Zhao and Shunhe Dingsen agreed to transfer 274,012 Shares and 144,327 Shares in our Company, respectively, to Dongrong Investment for a consideration of RMB37,000,000 and RMB13,000,000, respectively. Such consideration was fully settled on February 11, 2026.

Upon completion of the equity transfers, our Company was owned as to 61.01% by Mr. Zhao, 12.99% by Boda Innovation, 4.67% by Heda Health, 4.33% by Bohua Innovation, 3.62% by Dongrong Investment, 3.00% by Xintaige, 2.78% by Jinhe Phase III, 2.54% by Efung Capital, 2.50% by Kaide Sida, 1.73% by Mr. Zhao Liang, and 0.83% by Kunchen Phase VI.

For further details, see “— Pre-[REDACTED] Investments” below.

(n) Equity Transfer and Capital Increase in July 2026

On July 10, 2026, Hangshi Zhitou (Hangzhou) Industrial Investment Fund Partnership (Limited Partnership) (杭實智投(杭州)產業投資基金合夥企業(有限合夥)) (“**Hangshi Zhitou**”), Hangzhou High-level Talent Phase II Innovation and Entrepreneurship Investment Partnership (Limited Partnership) (杭州高層次人才二期創新創業投資合夥企業(有限合夥)) (“**High-level Talent**”), Heda Big Health, Mr. Zhao, and other then Shareholders entered into a share transfer and capital increase agreement, pursuant to which (i) Mr. Zhao agreed to transfer 192,436 Shares and 83,389 Shares in our Company to Hangshi Zhitou and High-level Talent for a consideration of RMB30,000,000 and RMB13,000,000 respectively; and (ii) Hangshi Zhitou, High-level Talent and Heda Big Health subscribed for newly issued 96,218 Shares, 44,902 Shares and 128,291 Shares for a consideration of RMB15,000,000, RMB7,000,000 and RMB20,000,000, respectively. The considerations for the subscriptions by Hangshi Zhitou and High-level Talent were fully settled by July 17, 2026, and the consideration for the subscription by Heda Big Health was fully settled by July 21, 2026.

Upon completion of the capital increase and commercial registration on July 21, 2026, the registered capital of our Company was increased from RMB11,546,154 to RMB11,815,565.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(3) Conversion into a Joint Stock Company

On January 16, 2026, our then Shareholders passed resolutions approving, among other things, the conversion of our Company from a limited liability company into a joint stock company (the “**Stock Conversion**”). The Stock Conversion was completed on January 22, 2026. Immediately upon the Stock Conversion, the then shareholding structure of our Company was as follows:

No.	Shareholder	Number of Shares	Shareholding Percentage (%)
1	Mr. Zhao	7,413,077	64.20
2	Boda Innovation	1,500,000	12.99
3	Heda Big Health	538,821	4.67
4	Bohua Innovation	500,000	4.33
5	Xintaige	346,385	3.00
6	Jinhe Phase III	320,727	2.78
7	Kaide Sida	288,654	2.50
8	Mr. Zhao Liang	200,000	1.73
9	Efung Capital	197,945	1.72
10	Shunhe Dingsen	144,327	1.25
11	Kunchen Phase VI	96,218	0.83
Total		11,546,154	100.00

BUSINESS COMBINATION

As part of our strategy to enhance our digitalization and AI capabilities and competitiveness within the clinical trial CRO market, on December 22, 2025, our Company completed the acquisition of 100% equity interest in Guangdong Weilin (principally engaged in developing digital solutions for clinical trials). The aforementioned acquisition constitutes a business combination under common control and the financial results and financial position of Guangdong Weilin have been retrospectively consolidated into the Group’s consolidated financial statements since the beginning of the Track Record Period. Therefore, the aforesaid acquisition does not constitute acquisition of material subsidiary or business as required to be disclosed under Rule 4.05A of the Listing Rules. For details, please refer to “Appendix I — Accountants’ Report”.

EMPLOYEE INCENTIVE PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our development, Boda Innovation and Bohua Innovation were established in the PRC as our Employee Incentive Platforms.

Boda Innovation

As of the Latest Practicable Date, Boda Innovation directly held approximately 12.70% of the Shares of our Company. Boda Innovation is a limited partnership established under the laws of the PRC on May 2, 2017, and managed by its executive and general partner, Mr. Zhao, holding approximately 58.87% of the partnership interest therein. As of the Latest Practicable Date, the remaining 41.13% partnership interest in Boda Innovation is held by: (i) three senior management members, namely Mr. Zhan Tao (詹濤), Mr. Gu Zhifu (辜志福) and Mr. Zhang Bokang (張伯康), as limited partners, holding approximately 20.00%, 4.00% and 4.00% of the partnership interest, respectively; (ii) Ms. Wu Min (吳敏), our external counsel, as limited partner, holding approximately 6.67% of the partnership interest; and (iii) 12 other employees and one external counsel of our Group, as limited partners, individually holding less than 5.00% partnership interest. Our external counsels provide advisory services to us pursuant to

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

the relevant consultancy agreements. In particular, Ms. Wu Min primarily provides consultancy advice in relation to business development matters, and the other external counsel primarily provides medical and scientific advice to us in relation to planning and design of clinical trials. The external counsels became limited partners of Boda Innovation in recognition of their significant contributions to us.

Bohua Innovation

As of Latest Practicable Date, Bohua Innovation directly held approximately 4.23% of the Shares of our Company. Bohua Innovation is a limited partnership established under the laws of the PRC on May 2, 2017, and managed by its executive and general partner, Mr. Zhao, holding approximately 52.20% of the partnership interest. As of the Latest Practicable Date, the remaining 47.80% partnership interest in Bohua Innovation is held by: (i) Mr. Qi Jianliang (齊建亮), our employee, as limited partner, holding 30.00% of the partnership interest; (ii) Ms. An Dan (安丹), and Mr. Chai Chunfeng (柴春豐), our employees as limited partners, holding 6.00% and 6.00% of the partnership interest, respectively; and (iii) 11 other employees of our Group, as limited partners, individually holding less than 5.00% partnership interest.

The partnership interest held by Mr. Zhao in the Employee Incentive Platforms represents his respective personal equity interest in our Company, and does not constitute equity incentives granted under our share incentive schemes. All the Shares held by our Employee Incentive Platforms are subject to certain transfer and disposal restrictions pursuant to the partnership agreement, which apply to the individual participants of such platforms pursuant to the relevant partnership agreements. As of the Latest Practicable Date, all of the awards under our Employee Incentive Platforms have been granted to, and subscribed for by our employees, and no further Shares will be [REDACTED] following the [REDACTED]. For further details of our share incentive schemes and our Employee Incentive Platforms, see “Appendix VI — Statutory and General Information — Share Incentive Schemes.”

PRE-[REDACTED] INVESTMENTS

(1) Overview

We underwent several rounds of investments from the Pre-[REDACTED] Investors. For details, see “— Establishment and Major Shareholding Changes of Our Company” above and the table below.

(2) Principal terms of the Pre-[REDACTED] Investments

Name of the Pre-[REDACTED] Investor(s)	Date of agreements	Amount of registered capital acquired and/or subscribed	Amount of consideration paid	Date of payment of consideration in full	Cost per Share ⁽¹⁾	Discount to the [REDACTED] ⁽²⁾
Xintaige	January 10, 2022	RMB346,385	RMB18,000,000	May 5, 2022	RMB5.2	[REDACTED]%
Kunchen Phase VI . .	February 20, 2022	RMB96,218	RMB5,000,000	February 23, 2022	RMB5.2	[REDACTED]%
Kaide Sida	March 2, 2022	RMB288,654	RMB20,000,000	April 15, 2022	RMB6.9	[REDACTED]%
Jinhe Phase III	January 19, 2024	RMB192,436	RMB30,000,000	November 30, 2023	RMB15.6	[REDACTED]%
	April 28, 2024	RMB128,291	RMB20,000,000	March 28, 2024	RMB15.6	[REDACTED]%

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Name of the Pre-[REDACTED] Investor(s)	Date of agreements	Amount of registered capital acquired and/or subscribed	Amount of consideration paid	Date of payment of consideration in full	Cost per Share ⁽¹⁾	Discount to the [REDACTED] ⁽²⁾
Heda Big Health . . .	November 11, 2025	RMB538,821	RMB60,000,000	November 26, 2025	RMB11.1	[REDACTED]%
	July 10, 2026	128,291 Shares	RMB20,000,000	July 21, 2026	RMB15.6	[REDACTED]%
Efung Capital	November 11, 2025	RMB197,945	RMB25,000,000	November 26, 2025	RMB12.6	[REDACTED]%
	January 22, 2026	94,892 Shares	RMB10,000,000	December 19, 2025	RMB10.5	[REDACTED]%
Dongrong Investment	February 2026	418,339 Shares	RMB50,000,000	February 11, 2026	RMB11.9	[REDACTED]%
Hangshi Zhitou	July 10, 2026	288,654 Shares	RMB45,000,000	July 17, 2026	RMB15.6	[REDACTED]%
High-level Talent . . .	July 10, 2026	128,291 Shares	RMB20,000,000	July 17, 2026	RMB15.6	[REDACTED]%

Basis of determination of the consideration The consideration for the Pre-[REDACTED] Investments which involved increase of registered capital in which the Company was a party was determined based on arm’s length negotiations between the Company and the Pre-[REDACTED] Investors, after taking into consideration various factors, including but not limited to, (i) the timing of the investments; (ii) the operations and status of our business and operating entities; and (iii) the expected market value and prospects of our business.

To the best knowledge of our Company, for the Pre-[REDACTED] Investments which involved the transfer of existing Shares to the Pre-[REDACTED] Investors, the considerations were determined among the relevant then Shareholders of our Company and the relevant Pre-[REDACTED] Investors upon their respective arm’s length negotiation.

Lock-up period Pursuant to the applicable PRC law, all existing Shareholders (including the Pre-[REDACTED] Investors) could not dispose of any of the Shares held by them within 12 months from the [REDACTED].

[REDACTED] from the Pre-[REDACTED] Investments Certain Pre-[REDACTED] Investments were effected by way of transfers by our then Shareholders, and no [REDACTED] were received by our Company. Whereas, other Pre-[REDACTED] Investments were effected by way of capital increase and [REDACTED] were received by our Company. We utilized the [REDACTED] from Pre-[REDACTED] Investments involving capital increase for research and development, business expansion, capital expenditures and general working capital of our Group. As of the Latest Practicable Date, [REDACTED]% of the [REDACTED] received by our Company from the Pre-[REDACTED] Investments involving capital increase had been utilized.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Strategic benefits to our
Group brought by the
Pre-[REDACTED]
Investors

At the time of the Pre-[REDACTED] Investments, the Directors were of the view that (i) the Company would benefit from the additional capital provided by the Pre-[REDACTED] Investors and their market influence, knowledge and experience and (ii) the Pre-[REDACTED] Investments demonstrated the Pre-[REDACTED] Investors’ confidence in the operation and development of our Group.

Notes:

- (1) The cost per share is calculated based on dividing the consideration by the number of Shares [REDACTED] or acquired as adjusted by the Share Subdivision to be undertaken immediately prior to the [REDACTED], to facilitate the illustration of premium or discount to the [REDACTED].
- (2) The discount to the [REDACTED] is calculated based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED] and the exchange rate of HK\$1.00: RMB0.8654.

(3) Rights of the Pre-[REDACTED] Investors

Some of our Pre-[REDACTED] Investors were granted customary special rights, including but not limited to the pre-emptive rights, tag-along rights, right of first refusal, liquidation preference, anti-dilution rights, and redemption rights. On December 31, 2025, the Company and these Pre-[REDACTED] investors signed a supplemental agreement to the shareholder’s agreement, terminating the obligations of the Company under these special rights.

On February 11, 2026 and July 10, 2026, respectively, pursuant to new shareholder’s agreements entered into between Mr. Zhao, the Company and Pre-[REDACTED] Investors, certain Pre-[REDACTED] Investors were regranted the aforementioned customary special rights. On February 11, 2026 and July 10, 2026, respectively, the Company and these Pre-[REDACTED] investors signed new supplemental agreements to the shareholder’s agreements, pursuant to the supplemental agreements: (a) all provisions regarding the Company’s redemption obligations or joint liability related to redemption obligations and to the extent involving the Company’s obligations or liabilities have been unconditionally and irrevocably terminated, and are no longer legally binding on the Company; (b) the liquidation preference, anti-dilution rights, and redemption rights (to the extent not involving the Company’s obligations or liabilities) shall automatically terminate one day prior to the submission of the Company’s [REDACTED] application to the Stock Exchange, provided however that such rights shall be automatically restored upon the earlier of (i) the [REDACTED] application being withdrawn (whether voluntarily or involuntarily), rejected, or not approved by the relevant securities regulatory authorities or the Stock Exchange; or (ii) the Company failing to complete the [REDACTED] within 24 months after the termination of such rights. Upon restoration, such rights shall be deemed to have been continuously effective from the effective date of the agreement as if they had never been terminated; and (c) all other special rights of the Pre-[REDACTED] Investors (other than the liquidation preference, anti-dilution rights, and redemption rights) shall automatically terminate upon completion of the [REDACTED].

Our Directors have confirmed that we have not provided any guarantee for the redemption rights granted by Mr. Zhao in the event of a default by Mr. Zhao, and there are no side agreements relating thereto as of the Latest Practicable Date.

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(4) Joint Sponsors’ Confirmation

On the basis that (i) the [REDACTED], being the first day of [REDACTED] of the Shares on the Stock Exchange, will take place no earlier than 120 clear days after completion of the Pre-[REDACTED] Investments; and (ii) no special rights of our Pre-[REDACTED] Investors will exist after the [REDACTED], the Joint Sponsors confirm that the [REDACTED] by the Pre-[REDACTED] Investors are in compliance with the guidance on pre-[REDACTED] investments in Chapter 4.2 of the Guide.

(5) Information about our Pre-[REDACTED] Investors

To the best knowledge of our Directors, each of the Pre-[REDACTED] Investors and their respective ultimate beneficial owners is an Independent Third Party and is regarded as part of the public float for the purpose of Rule 8.08(1) of the Listing Rules.

The background information of our Pre-[REDACTED] Investors as of the Latest Practicable Date is set out below.

Pre-[REDACTED] Investor	Background
Xintaige	Xintaige is a limited partnership established in the PRC principally engaged in equity investment. The executive and general partner of Xintaige is Xintaige Asset Management Co., Ltd. (新太格資產管理有限公司), holding 0.55% of the partnership interest. The remaining partnership interest of Xintaige is owned by six limited partners, of which approximately 31.44% is owned by Beijing Bohai Technology Centre (Limited Partnership) (北京柏海科技中心(有限合伙)). None of the other limited partners held 30.00% or more of the partnership interest as of the Latest Practicable Date. Xintaige Asset Management Co., Ltd. has the full discretion to exercise investment decisions in respect of those assets managed by Xintaige. As of the Latest Practicable Date, Xintaige Asset Management Co., Ltd. had 4 individual shareholders, the largest of whom was Tan Xiaotong (譚笑桐), holding 50.00% of the equity interest, and Yang Peng (楊鵬), holding 33.00% of the equity interest while no other shareholder held 30.00% or more of the equity interest as of the Latest Practicable Date. As of the Latest Practicable Date, the executive and general partner of Beijing Bohai Technology Centre (Limited Partnership) is Wang Zhu (王銖), holding 80.00% of the partnership interest. As of the Latest Practicable Date, Beijing Bohai Technology Centre (Limited Partnership) had one limited partner, namely Deng Xiaoxiong (鄧小雄), holding 20.00% of the partnership interest. Wang Zhu has the full discretion to exercise investment decisions in respect of those assets managed by Beijing Bohai Technology Centre (Limited Partnership).

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Pre-[REDACTED] Investor	Background
Kunchen Phase VI	Kunchen Phase VI is a limited partnership established in the PRC principally engaged in equity investment. The executive and general partner of Kunchen Phase VI is Shenzhen Kunchen Private Equity Fund Management Co., Ltd. (深圳坤辰私募股權投資基金管理有限公司), holding 0.19% of the partnership interest. As of the Latest Practicable Date, Kunchen Phase VI had one limited partner, namely Miao Yalan (繆雅瀾), holding 99.81% of the partnership interest. Shenzhen Kunchen Private Equity Fund Management Co., Ltd. has the full discretion to exercise investment decisions in respect of those assets managed by Kunchen Phase VI. As of the Latest Practicable Date, Shenzhen Kunchen Private Equity Fund Management Co., Ltd. had three individual shareholders, the largest of whom was Zhang Yunxiang (張雲祥), holding 70.00% of the equity interest while no other shareholder held 30.00% or more of the equity interest as of the Latest Practicable Date.
Kaide Sida	Kaide Sida is a limited liability company established in the PRC primarily engaged in biotechnology promotion services. As of the Latest Practicable Date, Kaide Sida was owned as to 95.10% by Li Chao (李超) and 4.90% by Hainan Kaijirui Investment Co., Ltd. (海南凱吉瑞投資有限公司).
Jinhe Phase III	Jinhe Phase III is a limited partnership established in the PRC principally engaged in equity investment. The executive and general partner of Jinhe Phase III is Guangzhou Jinyuan Kuntong Equity Investment Management Co., Ltd. (廣州金垣坤通股權投資管理有限公司), holding 1.78% of the partnership interest. As of the Latest Practicable Date, none of the other limited partners held 30.00% or more of the partnership interest. Guangzhou Jinyuan Kuntong Equity Investment Management Co., Ltd. has the full discretion to exercise investment decisions in respect of those assets managed by Jinhe Phase III. As of the Latest Practicable Date, Guangzhou Jinyuan Kuntong Equity Investment Management Co., Ltd. was owned as to 55.00% by Liang Yaoming (梁耀銘), and 45.00% by Hao Bixi (郝必喜).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pre-[REDACTED] Investor

Background

Heda Big Health

Heda Big Health is a limited partnership established in the PRC principally engaged in equity investment. The executive and general partner of Heda Big Health is Hangzhou Heda Investment Management Co., Ltd. (杭州和達投資管理有限公司), holding 0.05% of the partnership interest. As of the Latest Practicable Date, Hangzhou Heda Industrial Fund Investment Co., Ltd. (杭州和達產業基金投資有限公司) held 34.97% of the partnership interest, and none of the other limited partners held 30.00% or more of the partnership interest. Hangzhou Heda Investment Management Co., Ltd. is appointed as the executive partner responsible for managing the partnership’s affairs of Heda Big Health under the partnership agreement. Other partners exercise their voting rights on relevant partnership matters in proportion to their respective committed capital contributions.

As of the Latest Practicable Date, Hangzhou Heda Investment Management Co., Ltd. and Hangzhou Heda Industrial Fund Investment Co., Ltd. are both ultimately controlled by Hangzhou Qiantang New Area Management Committee (杭州錢塘新區管理委員會). Hangzhou Qiantang New Area Management Committee is a subordinate government agency (政府派出機構) under Hangzhou Municipal People’s Government.

Efung Capital

Efung Capital is a limited partnership established in the PRC principally engaged in equity investment. The executive and general partner of Efung Capital is Shenzhen Efung Investment Management Limited Partnership Enterprise (深圳市倚鋒投資管理企業(有限合夥)), holding 1.00% of the partnership interest. As of the Latest Practicable Date, none of the other limited partners held 30.00% or more of the partnership interest. The dedicated investment decision committee of Efung Capital has full discretion to exercise investment decisions in respect of the assets managed by Efung Capital under the partnership agreement. The appointment and removal of the members of the investment decision committee are determined by the the executive and general partner at its own discretion.

As of the Latest Practicable Date, Shenzhen Efung Investment Management Limited Partnership Enterprise is ultimately controlled by Zhu Jinqiao (朱晉橋). The dedicated investment decision committee of Shenzhen Efung Investment Management Limited Partnership Enterprise has full discretion to exercise investment decisions in respect of the assets managed by Shenzhen Efung Investment Management Limited Partnership Enterprise in accordance with the partnership agreement. The members of the dedicated investment decision committee are appointed and removed at the sole discretion of the executive and general partner, Shenzhen Efung Capital Co., Ltd. (深圳市倚鋒創業投資有限公司), which is ultimately controlled by Zhu Jinqiao.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pre-[REDACTED] Investor	Background
Dongrong Investment . . .	Dongrong Investment is a limited partnership established in the PRC principally engaged in equity investment. The executive and general partner of Dongrong Investment is CICC Capital Operation Co., Ltd. (中金資本運營有限公司), holding 1.00% of the partnership interest. As of the Latest Practicable Date, the remaining partnership interest of Dongrong Investment is owned 99.00% by Guia Fund LP, which is in turn controlled by a government body in the Greater Bay Area, an Independent Third Party. CICC Capital Operation Co., Ltd. has the full discretion to exercise investment decisions in respect of those assets managed by Dongrong Investment. As of the Latest Practicable Date, CICC Capital Operation Co., Ltd. is a wholly-owned subsidiary of China International Capital Corporation Limited (中國國際金融股份有限公司), a company listed on the Stock Exchange (stock code: 3908) and Shanghai Stock Exchange (stock code: 601995).
Hangshi Zhitou	Hangshi Zhitou is a limited partnership established in the PRC principally engaged in equity investment. The executive and general partner of Hangshi Zhitou is Hangshi Equity Investment Fund Management (Hangzhou) Co., Ltd. (杭實股權投資基金管理(杭州)有限公司), holding 0.01% of the partnership interest. The other limited partner of Hangshi Zhitou is Hangshi Innovation (Hangzhou) Investment Development Group Co., Ltd. (杭實創新(杭州)投資發展集團有限公司) (“Hangshi Innovation”) held 99.99% of the partnership interest. Hangshi Equity Investment Fund Management (Hangzhou) Co., Ltd. is wholly owned by Hangshi Innovation, which is in turn wholly owned by Hangzhou Industrial Investment Group Co., Ltd. (杭州市實業投資集團有限公司), which is owned as to 90% by the State-owned Assets Supervision and Administration Commission of Hangzhou Municipal People’s Government (杭州市人民政府國有資產監督管理委員會) and as to 10% by Zhejiang Provincial Finance Development Group (浙江省財開集團有限公司), which is wholly owned by Department of Finance of Zhejiang Province (浙江省財政廳).
High-level Talent	High Level Talent is a limited partnership established in the PRC principally engaged in equity investment. The general partner of High-level Talent is Hangzhou Talent Innovation Private Equity Fund Management Co., Ltd. (杭州市人才創新私募基金管理有限公司), holding 0.50% of the partnership interest. The other limited partner of High Level Talent is Hangzhou Talent Venture Innovation Equity Investment Co., Ltd. (杭州市人才創業創新股權投資有限公司), holding 99.5% of the partnership interest.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pre-[REDACTED] Investor

Background

Both Hangzhou Talent Innovation Private Equity Fund Management Co., Ltd. and Hangzhou Talent Venture Innovation Equity Investment Co., Ltd. are wholly owned by Hangzhou Talent Group Co., Ltd. (杭州市人才集團有限公司), which is in turn wholly owned by Hangzhou State-owned Capital Investment and Operation Co., Ltd. (杭州市國有資本投資運營有限公司), which is wholly owned by the State-owned Assets Supervision and Administration Commission of Hangzhou Municipal People’s Government (杭州市人民政府國有資產監督管理委員會).

[REDACTED]

The [REDACTED] H Shares to be converted from Unlisted Shares held by Mr. Zhao, Boda Innovation and Bohua Innovation, representing [REDACTED]% of our total issued Shares upon the completion of the Share Subdivision and the [REDACTED] (assuming the [REDACTED] is not exercised), will not be counted towards the public float as the aforesaid Shareholders are core connected persons of our Group.

To the best of our Directors’ knowledge, information and belief and having made all reasonable inquiries, save as disclosed above, none of the existing Shareholders (i) is a core connected person of our Group; (ii) has been financed directly or indirectly by a core connected person of our Group for the [REDACTED] of Shares; or (iii) is accustomed to taking instructions from a core connected person of our Group in relation to the [REDACTED], disposal, voting or other disposition of the Shares registered in their name or otherwise held by them. Therefore, the [REDACTED] H Shares to be converted from the Unlisted Shares held by the other existing Shareholders together with [REDACTED] H Shares to be [REDACTED] pursuant to the [REDACTED] (assuming the [REDACTED] is not exercised), will be counted towards the [REDACTED] for the purpose of Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules.

Based on the above, pursuant to Rule 19A.13A(1) of the Listing Rules, assuming that the [REDACTED] is not exercised, (i) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the low end of the [REDACTED]), our expected market capitalization upon the [REDACTED] is HK\$[REDACTED] million; (ii) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED]), our expected [REDACTED] upon the [REDACTED] is HK\$[REDACTED] million; and (iii) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the top end of the [REDACTED]), our expected [REDACTED] upon the [REDACTED] is HK\$[REDACTED] million and, therefore, the minimum prescribed [REDACTED] percentage as required under Rule 19A.13A of the Listing Rules would be over [REDACTED]% of the total issued Share.

FREE FLOAT

Pursuant to Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules, where a new applicant is a PRC issuer with no other [REDACTED] shares at the time of [REDACTED], this will normally mean that the portion of H shares for which [REDACTED] is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [REDACTED], must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of [REDACTED] (excluding treasury shares), with an expected [REDACTED] at the time of [REDACTED] of not less than HK\$[REDACTED] million; or

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(b) have an expected [REDACTED] at the time of listing of not less than HK\$[REDACTED] million. After all the [REDACTED] are [REDACTED] (assuming that the [REDACTED] is not exercised), our H shares held by the public and not subject to any disposal restrictions account for at least 10% of the total number of issued shares in the class, and the expected market value at the time of [REDACTED] is not less than HK\$50 million. Therefore, we are expected to satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

Share Subdivision

We expect to conduct the Share Subdivision immediately prior to the [REDACTED], pursuant to which each of our Share with par value of RMB1.00 will be subdivided into ten Shares with par value of RMB0.10 each. Upon completion of such Share Subdivision, the registered capital of our Company, which is RMB11,815,565, will be divided into [REDACTED] Shares with par value of RMB0.10 per Share, which will be [REDACTED] by all our then Shareholders in proportion to their respective equity interests in our Company immediately before the [REDACTED], and the number of our issued Shares will be [REDACTED], without taking into consideration the new Shares to be [REDACTED] for the [REDACTED].

CAPITALIZATION

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and the [REDACTED] (assuming the [REDACTED] is not exercised):

	As of the Latest Practicable Date immediately before the Share Subdivision and the [REDACTED]		Immediately upon completion of the Share Subdivision and the [REDACTED] (assuming the [REDACTED] is not exercised)	
	Number of Unlisted Shares Held	Approximate ownership percentage	Number of H Shares Held	Approximate ownership percentage
Controlling Shareholders				
Mr. Zhao	6,768,348	57.28%	[REDACTED]	[REDACTED]%
Boda Innovation	1,500,000	12.70%	[REDACTED]	[REDACTED]%
Bohua Innovation	500,000	4.23%	[REDACTED]	[REDACTED]%
Other Shareholders				
Mr. Zhao Liang	200,000	1.69%	[REDACTED]	[REDACTED]%
Pre-[REDACTED] Investors				
Heda Big Health	667,112	5.65%	[REDACTED]	[REDACTED]%
Dongrong Investment	418,339	3.54%	[REDACTED]	[REDACTED]%
Xintaige	346,385	2.93%	[REDACTED]	[REDACTED]%
Jinhe Phase III	320,727	2.71%	[REDACTED]	[REDACTED]%
Efung Capital	292,837	2.48%	[REDACTED]	[REDACTED]%
Kaide Sida	288,654	2.44%	[REDACTED]	[REDACTED]%
Hangshi Zhitou	288,654	2.44%	[REDACTED]	[REDACTED]%
High-level Talent	128,291	1.09%	[REDACTED]	[REDACTED]%
Kunchen Phase VI	96,218	0.81%	[REDACTED]	[REDACTED]%
Other investors taking part in the [REDACTED]				
	–	–	[REDACTED]	[REDACTED]%
Total	11,815,565	100.00%	[REDACTED]	100.00%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CONFIRMATION BY THE PRC LEGAL ADVISORS

Our PRC Legal Advisors have confirmed that the above-mentioned equity transfers involving our Shares, increase in share capital and conversion from a limited company to a joint stock company with limited liability have been properly and legally completed in all material respects and all requisite regulatory approvals have been obtained in accordance with the applicable PRC laws and regulations in all material respects.

As advised by our PRC legal Advisors, Our Company has made all necessary filings and have complied with applicable PRC laws and regulations in relation to the changes of shareholding.

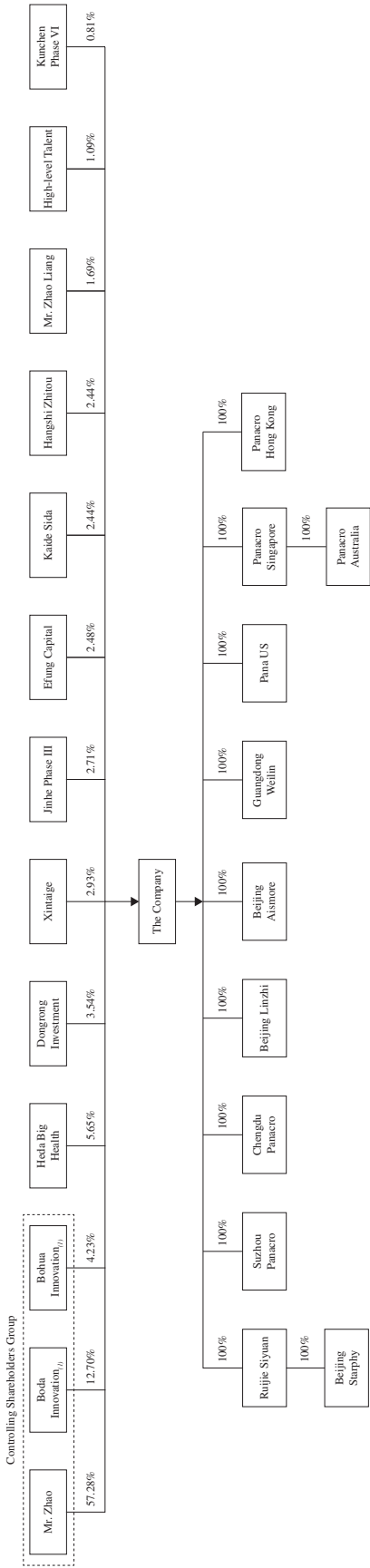
REASONS FOR THE [REDACTED]

Our Company is seeking a [REDACTED] of its H Shares on the Stock Exchange in order to raise further capital for the development of our business, and expand our global presence. For details of our future plans, see “Future Plans and [REDACTED].”

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY BEFORE THE COMPLETION OF THE [REDACTED]

The chart below sets out the corporate structure of our Company and subsidiaries immediately before the completion of the [REDACTED]:



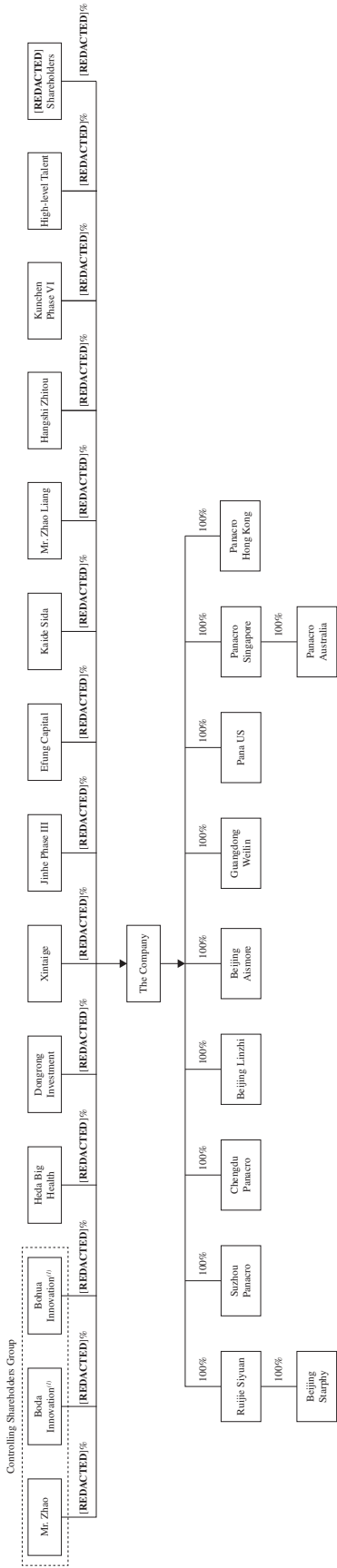
Note:

1. Boda Innovation and Bohua Innovation are controlled by their executive and general partner, Mr. Zhao.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE [REDACTED]

The chart below sets out the corporate structure of our Company and subsidiaries immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Note:

1. Boda Innovation and Bohua Innovation are controlled by their executive and general partner, Mr. Zhao.

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OVERVIEW

We are a clinical Contract Research Organization (“CRO”) based in Hangzhou, China, dedicated to advancing clinical research through digital transformation. We provide services during pharmaceutical medical studies R&D process on a contract basis for pharmaceutical and biotechnological companies during clinical stage. 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. During the Track Record Period, we served customers incorporated in various overseas jurisdictions, including Singapore, the United States, South Korea, Australia, and Hong Kong. In 2025, we ranked 14th in terms of revenue from clinical CRO services among the China-headquartered companies, with a market share of 0.7%.

By incorporating digital systems into our clinical trial process, we enable pharmaceutical and biotechnology companies to bring innovative drugs and therapies to patients with enhanced speed and efficiency. Our proprietary digital infrastructure integrates our CTMS (clinical trial management system), eTMF (electronic trial master file), and CTFS (clinical trial financial system) across the full project lifecycle. Our digital systems have reduced bid preparation time by approximately 30% and quotation turnaround by approximately 66%. During project execution, real-time project dashboards enhance visibility of key project metrics, timelines, and resource allocation, and intelligent enrollment prediction algorithms enable us to identify and address potential delays proactively. Our digital systems have improved monitoring visit compliance by approximately 50% and increased report preparation efficiency by approximately 25%. Our eTMF system automates document generation and archiving, achieving a high level of document accuracy and reducing document preparation and audit time by 30%. Our CTFS system integrates in real time with CTMS to ensure that project milestone progress and deliverables are promptly reflected in CTFS, thereby improving financial reconciliation efficiency by reducing the process from a 7-day feedback cycle to automated online integration. 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.

Our business model focuses on operating efficiency and profitability. 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 scope of services covers the entire clinical development process, including IND applications, Phase I-IV clinical studies, NDA registration filings, and FSP:

- (i). ***Clinical Development Planning and Protocol Design:*** We assist with clinical development planning, protocol design, and risk management. Our services include comprehensive regulatory consultation for submissions to the NMPA and FDA, ensuring trial designs are scientifically rigorous and compliant.
- (ii). ***Site Initiation and Management:*** We leverage our integrated hospital network to provide site selection, principal investigator (PI) qualification, and management of all start-up activities, including ethics committee approvals and contract negotiations, to ensure rapid trial initiation.
- (iii). ***Project Management and Quality Control:*** Our experienced team provides comprehensive oversight of trial operations, managing project quality, timelines, and costs for complex, multi-center, and international clinical programs.

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- (iv). **Clinical Monitoring:** Our Clinical Research Associates ensure strict adherence to protocols, ICH-GCP standards, and applicable regulations at trial sites, performing rigorous source data verification, clinical drug and biological sample management, and adverse event reporting to ensure subject safety.
- (v). **Medical Monitoring:** Our medical team conducts detailed reviews of clinical data to ensure subject safety and data integrity, and supports Independent Data Monitoring Committees (IDMCs) with data analysis and reporting.
- (vi). **Pharmacovigilance:** We offer pharmacovigilance services to help our customers monitor, detect, assess, understand and prevent adverse reactions or any other possible drug-related problems, aiming to reduce a drug’s risks to subjects.
- (vii). **Data Management and Statistical Analysis:** We provide end-to-end data management and validation, database design, and statistical analysis. Our proprietary clinical trial database enhances data quality and operational efficiency.
- (viii). **Regulatory Affairs:** We provide comprehensive support for the IND and NDA process, assisting clients with regulatory communication and submission to facilitate clinical trial approval and final marketing approval.

In addition, we provide FSP services through flexible personnel resourcing by deploying full-time or project-based staff to support a specific functional module of the entire clinical trial process. Our talent pool enables efficient recruitment and dispatch of suitable FSP staff to meet clients’ targeted needs with enhanced flexibility and control.

OUR STRENGTHS

We have built competitive advantages in the clinical CRO sector by executing a strategy focused on key therapeutic areas, management granularity, and digital operational efficiency. Over the past decade, we have developed specialized expertise and integrated digital systems to enhance our service capabilities. We believe that our key advantages are:

Focused Business Strategy and Therapeutic Areas

Since 2016, we have strategically realigned our business portfolio and priorities based on market trends, competitive analysis and our unique strengths:

- **Focused Business Strategy.** Since 2016, we have been transitioning our core business away from clinical trial services for generic drugs and traditional Chinese medicine, which carried gross margins of approximately 16% in 2017, toward clinical development services for innovative drugs and therapies. As a result of this transition, our gross margin attributable to innovative drug services improved from approximately 34% in 2023 to approximately 39% in 2024 and approximately 42% in 2025. According to Frost & Sullivan, the industry average gross margin for clinical CRO services in relation to generic drugs and traditional Chinese medicine was approximately 20% in 2025, while the industry average gross margin for clinical CRO services in relation to innovative drugs was above 30%. We shifted from lower margin business to innovative drugs and therapies development by strategic recruitment of personnel with expertise and experience in the field of innovative drugs and therapies and refinement of our clinical trial SOPs. According to F&S, innovative drugs are projected to reach US\$1,797.4 billion by 2034, accounting for over 70% of the global pharmaceutical market, and are expected to be the primary growth driver of the China pharmaceutical market, growing at a CAGR of 10.3% from 2025 to 2034.

BUSINESS

- ***Focused Therapeutic Areas.*** In our primary focus area of innovative drug and therapy clinical development, we have concentrated our expertise on oncology, autoimmune diseases, infectious diseases, and ophthalmology, establishing these as our key therapeutic pillars. We are dedicated to delivering clinical research services within these specialized fields. According to F&S, the China 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, encompassing services for innovative drugs, and innovative therapies, etc. These therapeutic fields typically involve complex trial designs, evolving treatment paradigms and diverse drug modalities, which require experienced execution teams and stringent quality control.

As of the Latest Practicable Date, we have supported 16 successful NDA approvals and nine submissions of innovative drugs or therapies in China. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, clinical trial technical services for oncology and autoimmune diseases accounted for 51.1%, 69.1%, 83.4%, 84.3% and 82.8%, of our total revenue, respectively.

Oncology

We have positioned our services on high-priority therapeutic targets, including PD-1, a protein found on the surface of T-immune cells as first-line defender against diseases, PD-L1, a protein displayed at the surface of cells and could act as an indicator of tumor cells, KRAS, a protein acting as a switch to control the growth of cells and PD-L1/VEGF bispecific fusion protein, an engineered fusion protein capable of simultaneously targeting PD-L1 and VEGF, a protein that promotes blood vessel formation. As of the Latest Practicable Date, we had undertaken 139 oncology CRO projects and assisted clients in submitting NDAs for six innovative drugs or therapies. Our portfolio covers solid tumors (including gastric, non-small cell lung, ovarian, and breast cancers, etc.) and hematologic malignancies (including multiple myeloma, acute myeloid leukemia, and chronic myeloid leukemia, etc.). We have experience with diverse modalities, including antibody-drug conjugates (ADCs), monoclonal antibodies, bispecific antibodies, cell and gene therapies, oncolytic viruses, and cancer vaccines. From January 1, 2023, to June 30, 2026, we completed 19 Phase I–III oncology clinical trials.

We have successfully supported a Chinese pharmaceutical company headquartered in Hangzhou in developing its first-in-class ADC targeting ovarian cancer, *Elahere*, in obtaining regulatory approval from the NMPA, providing Chinese ovarian cancer patients with a novel treatment option. We successfully supported Jemincare’s *Jilemei* (soxmeraseb sulfate tablets), a self-developed oral small-molecule KRAS G12C inhibitor, in achieving successful market launch, bringing a new option to patients with KRAS G12C-mutant advanced non-small cell lung cancer. We have also successfully assisted TYK Medicines, Inc. in submitting an NDA for an innovative therapy targeting EGFR-mutated brain metastases in non-small cell lung cancer patients, which aims to provide the first highly effective first-line treatment option for this patient population.

Autoimmune Diseases

We cover ten distinct mechanisms of action, including JAK, a family of enzymes that are critical to control the cell’s immune mechanisms, PDE4, an enzyme that regulates the pro-immune and inflammatory cells, and TNF- α , a protein that acts as indicator of inflammation, etc. As of the Latest Practicable Date, we have undertaken 96 autoimmune disease projects involving small-molecule drugs, monoclonal antibodies, and bispecific antibodies. We have completed Phase III autoimmune disease clinical trials for seven NDAs and supported regulatory approvals for therapies including Xeligekimab (IL-17A), adalimumab, and Benvitimod cream.

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We also focus on targets such as TSLP, a protein usually found in the skin, airway, and guts signaling immune and allergic responses, IL-4, a protein produced by immune cells to signal allergic responses, and 2-adrenergic receptors, a protein that regulates the mechanical compression of airway. We have completed 21 projects in asthma and COPD, including biologics, and small molecules, and these drugs include injectables, and advanced inhalation systems. These projects have enrolled over 1,200 subjects. As of June 30, 2026, we had partnered with over 200 respiratory departments nationwide and supported the approval of salmeterol/fluticasone propionate inhalation powder generic drugs.

Ophthalmology

In the field of ophthalmology, we have established dedicated medical and clinical operations teams with expertise across both posterior segment and ocular surface diseases. Our covered indications include age-related macular degeneration (“AMD”), diabetic macular edema, geographic atrophy, dry eye disease, bacterial conjunctivitis and ocular trauma. We have undertaken Phase III clinical trials for AMD, which have successfully passed NMPA on-site inspections.

Infectious Diseases

We collaborate with infectious disease specialists nationwide on infectious diseases clinical trial projects. Our experience covers indications including community-acquired pneumonia, chronic viral hepatitis (including hepatitis B and hepatitis C), acute liver injury, thrombocytopenia associated with chronic liver disease, and acquired hypofibrinogenemia in patients with chronic liver disease.

Others

We have also accumulated experience in the fields of metabolic diseases, neuropsychiatric disorders, and anesthesia and analgesia. The relevant indications we have covered include diabetes, gout, non-alcoholic steatohepatitis (NASH), Alzheimer’s disease, insomnia, and anesthesia and postoperative analgesia. Looking ahead, we intend to continue deepening our presence in these therapeutic areas, expand and enhance our clinical trial technologies.

Efficiency-Oriented Operation Driven by a Refined Management System

To establish an efficiency-oriented clinical CRO management model, we have adopted an operational and management strategy focused on three key areas: value creation, value evaluation, and value distribution. By introducing refined management practices, we have streamlined our organizational structure into a leaner, more agile matrix. This shift supports a competitive and goal-driven internal ecosystem, leading to lower operational costs and higher efficiency in project execution.

Unlike the traditional line-and-functional model typical of the CRO industry, where departments work independently and cross-department collaboration depends on senior leadership, we use a matrix organization structure. This setup eliminates conventional hierarchies and creates smaller, agile business units that support regional teams, making resource allocation more efficient and improving responsiveness to challenges.

Our internal assessment system relies on objective, results-based management that encourages healthy competition. We evaluate performance using key business indicators, motivating both the organization and individual employees to maximize input-output efficiency. By directly linking performance assessments to productivity, we have cultivated a culture of accountability and initiative throughout our organization.

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Our incentive philosophy prioritizes performance and accountability. We maintain a mechanism where the top 20% to 30% of our employees, based on performance assessments, are eligible for enhanced remuneration. This approach is designed to retain key talent and reinforce performance-driven behavior.

During the Track Record Period, our focus on efficiency led to improvement in our annual per employee revenue. In 2025, we recorded annual revenue per employee of approximately RMB0.71 million, which is above the industry average, according to F&S.

Enhanced Operational Efficiency and Project Quality Through Digitalization

We develop and integrate digital systems of CTMS (clinical trial management system), eTMF (electronic trial master file), CTFS (clinical trial financial system) throughout our workflows to improve clinical trial speed and efficiency. We automate workflows across project execution, documentation compliance, and financial control and support decision-making process with data-driven insights. Our digital transformation improves operational efficiency and enhances our delivery and competitiveness.

CTMS: Our clinical trial management system (CTMS) centralizes full lifecycle digital oversight across clinical trial process and provides data insight for decision-making. Our customized digital system proactively integrates data to assist clinical trial teams. Our algorithm visualizes key indicators and generates data-supported predictions to assist in resource allocation and execution responsiveness.

eTMF: Our electronic trial master file (eTMF) automates documentation workflows, enhances regulatory compliance and data responsiveness. Our eTMF system is linked to CTMS and CTFS, automatically aligns project milestones to documentation process and integrity cross-checking, ensures timeliness and integrity from initial data input. The automation ensures accuracy, eliminates missing, inconsistent, or outdated records, saves time for manual validation and inspection preparation, thereby improves clinical trial efficiency.

CTFS: Our clinical trial financial system (CTFS) uses financial indicators to quantify trial milestone progress, provides multi-dimensional project monitoring across different functions. Through monitoring input-output ratio, our team guided by efficiency-driven operation optimize resources allocation, save time and financial expenditure to improve overall efficiency across the entire clinical trial lifecycle.

Recurring and Established Client Base

We have established a recurring client base of over 200 pharmaceutical and biotechnology companies in China and internationally, including multinational pharmaceutical firms and domestic innovators. Our client relationships are distinguished by long-term collaborations, high retention rates, and consistent recurring business.

Our client base is a result of our commitment to delivering services to address our clients' needs and maintaining a responsive team. Throughout the Track Record Period, a significant portion of our revenue has been generated from returning clients, many of whom have expanded the depth and scale of their engagement with us as their pipelines progress.

During the Track Record Period, we maintained relationship with our top five customers in each year or period during the Track Record Period for an average of over six years, with certain relationship spanning more than a decade. We have consistently achieved good customer retention and repeat purchase rates. During the Track Record Period, our overall customer retention rate was 78.4%, 74.4%, 68.5%, 70.1% and 77.2% in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our overall net dollar retention rate was 110.8%, 90.6% and 105.7% in 2023, 2024 and 2025, respectively, reflecting the

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continued engagement of our existing customer base across the Track Record Period. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, approximately 95.0%, 96.5%, 97.1%, 98.8% and 90.9% of our revenue, respectively, was generated from customers who had engaged us in the prior year.

Our ability to act as a preferred clinical CRO partner for multiple programs reflects client trust, execution credibility and market recognition. Our long-standing client relationships support a virtuous cycle, where client engagement drives continuous service optimization. This commitment to quality delivery has solidified our reputation within the healthcare ecosystem, enabling us to consistently attract and retain clients.

Nationwide Clinical Site Network

We have established a nationwide clinical trial site network, collaborating with over 700 hospitals in China since our inception. The clinical trial sites we collaborate with include Class III hospitals (comprising Class III Grade A hospitals, Class III Grade B hospitals and Class III specialist hospitals) and Class II Grade A hospitals, as well as other healthcare institutions such as disease control and prevention centers and privately-owned specialist hospitals. Since our inception, as measured by the *Hospital Blue Book* list released by AiLiBi Hospital Management Center in its *Hospital Blue Book*, we have developed collaborative relationships with the top 30 hospitals in China in 2024, of which are Class III Grade A tertiary hospitals. These hospitals possess advanced clinical research infrastructure, abundant subject resources, and experienced research teams, providing us with a high-quality execution platform for our clinical trials. In each of 2023, 2024 and 2025 and the six months ended June 30, 2026, we collaborated with principal investigators on more than 50 projects.

In dermatology, for example, we collaborated with the top 10 principal investigators in the six months ended June 30, 2026 as ranked by activity rate (measured by the number of matched clinical trials). We believe our collaboration with these top-tier principal investigators provides us with a significant competitive advantage in the execution of dermatological clinical trials, supported by the following factors:

- **Academic Standing.** Five of these principal investigators serve as members of the Chinese Society of Dermatology (中華醫學會皮膚性病學分會), reflecting their familiarity with clinical trial protocols and regulatory standards; and
- **Patient Base.** These principal investigators practice at Class III Grade A hospitals and specialized dermatology hospitals in China, with certain hospitals recording annual dermatology outpatient visits of over one million, supporting subject recruitment for clinical trials.

This hospital network benefits our CRO business in the following areas:

- **Trial Site Management.** Our long-term collaborative relationships with hospitals ensure rapid initiation, stable operation, and high execution quality of trial projects at research centers.
- **Multi-site Coordination.** We are able to coordinate multi-site activities across geographic regions, adapting research center selection according to the distribution and mechanism of different diseases, thereby ensuring seamless trial implementation.
- **Subject Recruitment.** Our hospital collaboration network facilitates swift and efficient subject recruitment and enrollment, enabling us to shorten project timelines effectively.

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We believe this established network underpins our ability to secure high-quality clinical resources and deliver efficient, reliable clinical development solutions, thereby reinforcing our competitive position in the industry.

OUR STRATEGIES

We aim to build an AI-driven, international clinical CRO with strong execution capability in high-value therapeutic areas, supported by an efficiency-focused operating model and scalable digital infrastructure. To achieve this goal, we intend to execute the following strategies:

Multi-Therapeutic Areas Expansion

We will continue to prioritize high-value clinical services for innovative therapeutics, focusing our resources on scientifically significant and break-through programs. We believe value creation in the clinical CRO industry depends on technical know-how, regulatory sophistication, and execution reliability. Since 2016, we have strategically targeted segments with high barriers to entry and strong innovation momentum.

- ***Reinforce Leadership in Core Areas:*** We plan to deepen our specialization in oncology and autoimmune diseases by leveraging our accumulated technical expertise, investigator networks, and regulatory experience. We believe that sustained specialization in these areas will enhance our execution capabilities, improve delivery predictability, and strengthen long-term client relationships.
- ***Expand into Frontier Therapies:*** We intend to expand our focus into emerging frontier therapeutic areas, including cell and gene therapies (CGT), microRNA drugs (miRNA), central nervous system (CNS) diseases, and metabolic diseases. These areas represent some of the fastest-growing segments in global pharmaceutical development, characterized by complex mechanisms of action and evolving regulatory frameworks. We believe disciplined expansion into these fields will enable us to capture significant growth opportunities.
- ***Upgrade Quality Management System:*** To support this expansion, we plan to upgrade our quality control systems and standard operating procedures.
- ***Project Management:*** We intend to establish a cross-therapeutic Project Management Office (PMO) to formulate management policies, coordinate and manage complex project. We will also optimize our Clinical Trial Management System (CTMS) to enhance resource coordination and collaboration.
- ***Development of Standard Operating Procedures:*** We plan to develop indication-specific standard operating procedures and quality control frameworks tailored to frontier areas. Given the high-risk nature of these fields, we will establish comprehensive checkpoints spanning from protocol design to final report.
- ***Talent Development:*** We will recruit and train talent with specialized knowledge in these emerging therapeutic areas.
- ***Expand Clinical Site Network:*** We intend to extend our presence into second- and third-tier cities to access broader subject populations. We will identify research hospitals in these regions and establish preferred partnerships, particularly for ophthalmology, neurology, and metabolic diseases. We also plan to leverage our digital and KOL engagement teams to deepen hospital collaboration and facilitate subject recruitment in hard-to-recruit indications.

We intend to [REDACTED] approximately [REDACTED]% of the [REDACTED] from the [REDACTED] to advance our multi-therapeutic area expansion and to build service capabilities in frontier therapeutic areas. See “Future Plans and [REDACTED].”

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Implementation of Step-by-Step Globalization Strategy

We plan to gradually expand our global presence through a phased approach involving organic growth, strategic partnerships and M&A, and operational integration.

- **Local Team Establishment:** We plan to form local operation teams in North America, Europe, Australia, Korea, and Southeast Asia. We will recruit local talent with business development and management experience to serve global customers directly.
- **Strategic Partnerships and M&A:** In key international markets, we plan to identify local therapeutic-focused CROs for strategic partnerships. Subject to the success of such collaborations, we may consider investing in minority equity interests or acquiring these partners to accelerate our global footprint. As of the Latest Practicable Date, we did not identify any potential M&A target.
- **Global Integration and Talent Rotation:** We intend to second employees from our PRC operating sites overseas to cultivate global expertise and establish an integrated global management system.
- **Global Operations Support Center (GOSC):** We will establish a centralized GOSC to provide unified clinical operations, project management, data management, and statistical support for cross-time-zone projects.

We intend to [REDACTED] approximately [REDACTED]% of the [REDACTED] for localizing our overseas operating platforms, including the formation of local teams and operating centers capable of directly serving global customers in North America, Europe, Australia, Korea and Southeast Asia. See “Future Plans and [REDACTED].”

Strengthen our AI-Driven Clinical CRO Model

We plan to further integrate digital systems and initiate incorporation of AI to enhance our service capabilities and operational efficiency.

- **Vertical LLMs:** We plan to develop therapeutic area-specific LLMs tailored to our core strengths (oncology, autoimmune diseases, infectious diseases, and ophthalmology) and frontier areas (CGT, miRNA, CNS, and metabolic diseases).
- **AI Agents for Operation Management Efficiency:** We intend to deploy AI Agents to support our important workflows.
- **Data Governance Framework:** We plan to establish data governance and a centralized database that comply with regulatory requirements in China, the United States and the European Union, laying the foundation for data assetization and LLM training.
- **Ecosystem Integration:** We plan to integrate our internal business systems with external partners, including sponsors, SMOs, and research centers, to establish a unified project management portal and data visualization platform.
- **Next-Generation Technologies:** We will collaborate with technology companies and academic institutions to explore advanced methodologies, including decentralized clinical trials (DCTs), adaptive trial designs and AI-driven subject screening applications.

We intend to [REDACTED] approximately [REDACTED]% of the [REDACTED] from the [REDACTED] to implement our platform-based strategy, including LLM training, application of AI Agents and the development of Guangdong Weilin’s clinical trial digital solutions and integration with our existing digital systems. See “Future Plans and [REDACTED].”

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OUR SERVICES

We provide clinical trial and regulatory services to pharmaceutical, biotech, and vaccine developers across clinical research Phases I to IV, helping pharmaceutical and biotechnology companies optimize their research and development and ensure compliance with complex regulatory requirements.

Our clinical CRO services primarily focus on (i) clinical trial technical services (ii) FSP services and (iii) others.

Clinical Trial Technical Services

We provide clinical trial technical services to help biopharmaceutical companies operate clinical trials for innovative drugs. We primarily focus on innovative drugs, with therapeutic areas comprising oncology, autoimmune diseases, infectious diseases and frontier areas (ophthalmology, CGT, miRNA, CNS, and metabolic diseases). Throughout the clinical trial process, we engage in clinical development planning and protocol design, project management and quality control, clinical monitoring, pharmacovigilance, medical monitoring, data management and statistical analysis and regulatory affairs with a goal to accelerate the R&D process for clients while ensuring high-quality delivery. The duration and contract value of drug clinical research projects vary primarily depending on their clinical phases, complexity, service scope and the underlying drug candidates. According to F&S, in the drug clinical CRO market in China, in general, Phase I projects last for a few months with cost per subject, including costs incurred by CRO and third-party suppliers, ranging from RMB0.3 million to RMB0.4 million, Phase II projects between several months and two years with cost per subject ranging from RMB0.4 million to RMB0.5 million, Phase III projects between one to four years with cost per subject ranging from RMB0.4 million to RMB0.6 million and Phase IV projects approximately 39 months with cost per subject ranging from RMB0.1 million to RMB0.2 million.

In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our revenue generated from clinical trial technical services were RMB317.6 million, RMB290.3 million, RMB269.9 million, RMB149.6 million and RMB161.5 million, respectively. The numbers of ongoing projects during each respective year or period were 194, 209, 193, 150 and 178, with average revenue per project of RMB1.6 million, RMB1.4 million, RMB1.4 million, RMB1.0 million and RMB0.9 million.

The following table sets forth the breakdown of the numbers of ongoing clinical trial by phase and therapeutic areas during the Track Record Period:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	Ongoing project ⁽¹⁾	Ongoing project	Ongoing project	Ongoing project	Ongoing project
Phase I	67	72	53	42	56
Phase II	49	46	50	42	50
Phase III	38	36	40	30	41
Phase IV	11	16	10	9	7
Others ⁽²⁾	29	39	40	27	24
Total	194	209	193	150	178

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	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	Ongoing project ⁽¹⁾	Ongoing project	Ongoing project	Ongoing project	Ongoing project
Oncology	68	70	71	61	63
Autoimmune disease	30	35	45	29	55
Ophthalmology	3	3	3	1	7
Infectious disease	9	9	5	4	4
Others	84	92	69	55	49
Total	194	209	193	150	178

(1) Ongoing projects refer to our projects that were in progress and generated revenue during the relevant period.

(2) Others include other non-phase-based services such as bioequivalence studies and regulatory registration.

As of June 30, 2026, all of our top five ongoing projects in terms of contract value are clinical trial technical services for innovative drugs, which were all subject to the regulation of the Chinese NMPA. Below sets forth key information of our top five ongoing projects.

	Project A	Project B	Project C	Project D	Project E
Contract value as of June 30, 2026 (RMB in thousands)*	209,148	58,113	46,606	45,893	40,635
Clinical trial phase	Phase III	Phase III	Phase I	Phase III	Phase II
Therapeutic area	Oncology	Autoimmune disease	Oncology	Autoimmune disease	Oncology
Revenue recognized during Track Record Period: (RMB in thousands)					
– Six months ended June 30, 2026	33,014	61	5,297	677	7,986
– 2025	64,130	–	11,287	–	12,605
– 2024	54,519	–	11,344	–	7,134
– 2023	15,758	–	5,053	–	3,637
Revenue recognized before Track Record Period (in 2022 or before): (RMB in thousands)	–	–	5,677	–	–
Total accumulated revenue recognized by June 30, 2026 (RMB in thousands)	167,421	61	38,658	677	31,362
Expected revenue to be recognized by the end of year: (RMB in thousands)					
– 2026 (From July 1 to December 31)	10,355	5,750	957	6,207	1,147
– 2027	31,372	11,623	6,991	22,946	8,126
– 2028	–	34,868	–	16,063	–
Expected project progress by the end of 2026	85%	10%	85%	15%	80%
Expected project progress by the end of 2027	100%	30%	100%	65%	100%
Expected project progress by the end of 2028	100%	90%	100%	100%	100%

* The contract value represents the total contract value as of June 30, 2026, exclusive of applicable value-added tax, which may exceed the original contract value at signing due to subsequent supplemental agreements entered into under the same contract.

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Clinical Development Planning and Protocol Design

We assist our clients in formulating and optimizing clinical trial plans. Our clinical development planning and protocol design services encompass protocol design and regulatory communication consultation.

In the trial planning phase, we work closely with trial sponsors to develop detailed clinical trial protocols that define study objectives, sample size, treatment regimens, efficacy and safety endpoints, and safety monitoring procedures. Where required, we provide scientific support, including medical and statistical input and target patient population analysis, to support protocol design and optimization. We provide regulatory consultation to help clients navigate complex regulatory requirements and prepare clients for meetings with regulatory authorities such as the NMPA and FDA.

We conduct risk assessments to identify potential execution risks and develop mitigation strategies. In conducting such risk assessments, we refer to our prior project experience and review key protocol elements, including inclusion and exclusion criteria and material trial design features, to analyze the causes of relevant risks and prepare contingency plans in advance. We tailor our recruitment plan to serve our clients’ specific needs and effectively help them accelerate the subject recruitment process.

Project Management and Quality Control

We help our clients supervise and manage the overall operations of their clinical trials. Our project managers serve as the primary coordinators for each clinical trial, responsible for coordinating the trial sponsor, clinical trial sites, third-party service providers, and our internal teams. The project manager is responsible for developing and executing the project management plan, managing all project activities from initiation through close-out, ensuring project quality meets GCP standards and applicable regulations, budget and timeline control, and fostering client relationships.

We monitor project progress based on key clinical trial milestones defined in the project management plan, utilizing Gantt charts and regular status updates. We monitor project quality through established metrics including Protocol Deviations, data queries, and QC/QA findings. We monitor project costs by comparing planned task completion and budgeted costs against actual task completion and incurred costs. We maintain regular communication with our clients regarding project progress. In accordance with contract terms, our Project Managers provide regular updates to the trial sponsor, typically on a weekly or bi-weekly basis.

Clinical Monitoring

We ensure the quality of the trial execution conducted at clinical sites throughout the clinical trial. We conduct clinical monitoring to ensure that clinical trials are executed in accordance with the trial protocol, applicable guidelines, and GCP standards. Our clinical research associates execute monitoring activities in accordance with the monitoring frequency and requirements specified in the clinical monitoring plan. Routine monitoring is typically conducted at clinical trial sites. We maintain a team of experienced clinical research associates who are familiar with the requirements of clinical monitoring and have relevant experience in the therapeutic areas. Our clinical research associates are generally required to have a medical, pharmaceutical or nursing background, hold GCP certificates and complete internal training and assessment before undertaking monitoring responsibilities.

Our monitoring activities focus on key areas including data accuracy, adverse events, protocol deviations, informed consent, drug management, and sample management. During monitoring visits, our clinical research associates verify that data recorded in the case report forms is accurate and consistent with source documents, confirm that adverse events are properly documented and reported, verify that the trial is being conducted in accordance with

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the protocol, ensure that informed consent has been properly obtained and documented, verify that investigational drugs are being managed and stored appropriately, and confirm that samples are being collected, handled, and stored in accordance with protocol requirements.

When issues are identified during monitoring, our clinical research associates document them accurately in the monitoring report and take appropriate follow-up actions. Our clinical research associates communicate directly with PIs and research site staff on-site to discuss and resolve the issues. For significant issues or issues where the appropriate resolution is unclear, our clinical research associates report the issues immediately to the project manager or their line manager for guidance and resolution.

Medical Monitoring

Our medical monitoring personnel conduct detailed medical review of clinical trial data to ensure subject safety and data integrity. During the medical monitoring process, our medical monitors focus on assessing the clinical significance of abnormal lab results, identifying any missed adverse events, and verifying that adverse event names, severity, management, outcome, and drug relatedness are accurately and reasonably recorded in accordance with study protocol. Our medical monitors identify any issues and communicate with the operations team and site staffs to verify and confirm findings, ensuring subject safety throughout the trial.

Our medical monitors conduct logical checks across all data types recorded to ensure data integrity and completeness. These logical checks verify that medical history records, adverse event records, laboratory results, concomitant medication records, and study drug records are logically consistent with each other and that all required data elements are complete and properly documented.

When Data Safety Monitoring Board (DSMB) review is required, our medical monitors will assist in data cleaning, analysis, and reporting. Our medical monitors collect and provide relevant study background information to the DSMB to enable them to understand the latest study progress and make informed decisions. Our medical monitors participate throughout the DSMB process and are responsible for preparing, revising, and finalizing important documents such as DSMB charter, attending regular meeting and taking meeting minutes.

Pharmacovigilance

We offer pharmacovigilance services to help our customers conduct compliant pharmacovigilance activities in accordance with applicable regulatory requirements, including the collection, monitoring and reporting of individual case safety reports for serious adverse events and adverse drug reactions, safety signal detection and analysis, and risk identification, evaluation and control, aiming to reduce a drug’s risks to patients. Our pharmacovigilance services cover both clinical and post-marketing stages and mainly include individual case safety report collection, processing and compliant submission, pharmacovigilance training, safety signal detection, evaluation and risk management, drug safety database configuration and deployment, development safety update reports and periodic safety update reports, including DSUR and PSUR, risk management plans, and aggregated analysis of safety information. We also assist our customers with the establishment and implementation of pharmacovigilance systems and support their effective operation.

Data Management and Statistical Analysis

Being a critical component of the clinical trial process, clinical data management involves clinical trial database setup, data collection, and validation of data from clinical trials. We provide comprehensive clinical data management and biostatistics services, ensuring the integrity, accuracy, and reliability of clinical trial data, which forms the basis for regulatory submissions.

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Our service offerings are designed to support the entire lifecycle of a clinical trial, from initial planning to final reporting. These services are delivered by our dedicated team of data management professionals and biostatisticians, operating under a quality management system. Below sets forth a table which illustrates the services we offer and the corresponding stage of a clinical trial in which they are provided:

Service	Clinical Development Planning and Protocol Design	Project Management	Regulatory Affairs
Data Management	(i). Design of case report form; (ii). Develop data management and validation plans; (iii). Develop case report form completion guidelines, SAE consistency check plan, external data transfer agreement (if applicable), and medical coding plan; (iv). Establish and test the clinical trial database	(i). Oversee the timeliness and accuracy of data entry; (ii). Data review and cleaning; (iii). External data and SAE consistency check; (iv). Medical coding; (v). User account and normal range management; (vi). Regular progress reporting	(i). Database lock; (ii). Final data transfer; (iii). Document filing
Statistical Analysis	(i). Advise on clinical trial plan and protocol; (ii). Formulate statistical analysis plan	(i). Perform statistical programming; (ii). Statistical support on communication with regulators	(i). Perform statistical analysis; (ii). Generation of statistical analysis report; (iii). Statistical support for regulatory agencies; (iv). Submission and publication
Quality Control	(i). Internal quality control of data management documents; (ii). Quality control of data cleaning activities; (iii). Quality control of database build activities; (iv). Quality control of database changes		

Data Management

Our data management services are engaged throughout the trial lifecycle and encompass the following key activities:

- (i). **Trial Planning and Database Design:** We assist our clients in the design of case report forms and develop comprehensive data management and validation plans. Our database engineers then construct the clinical trial database in accordance with the protocol and database design specifications, which is then subject to user acceptance testing by data management personnel. This phase includes the development of online edit checks and other functional settings to ensure the accuracy of the database design.

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- (ii). Data Processing and Monitoring: We oversee the timeliness and accuracy of data entry, perform regular cleaning of the entered data, and provide our clients with regular progress reports. We also conduct consistency checks on external data and SAE information, provide medical coding, and manage user accounts and normal value ranges in a timely manner. Our team is equipped to manage and process the large and complex datasets generated from multi-center clinical trials.
- (iii). Database Lock and Data Transfer: Prior to the conclusion of a trial, we perform final data review and cleaning. Upon confirmation that all requisite pre-lock activities have been completed, such as the closure of all data queries, receipt of principal investigator signatures, and approval of the database lock application, we execute the database lock. The final dataset is then exported post-lock and securely transferred to the project statistician for analysis, and all project-related documents are subject to final archiving.

Statistical Analysis

Our biostatistics team is typically involved from the early stages of clinical trial design to ensure that the proposed statistical methodologies are scientifically valid. Our statistical analysis services include:

- (i). Statistical Planning and Consultation: We provide expert advice on the clinical trial plan and protocol, including the selection of appropriate statistical models and tools. We also offer statistical support for our clients’ communications with regulatory authorities.
- (ii). Statistical Analysis and Reporting: Subsequent to the database lock, our biostatisticians perform statistical analyses on the validated dataset in accordance with the statistical analysis plan. The results are interpreted and presented in statistical analysis reports, which include various tables, listings, and figures. These reports are an integral part of the clinical study report required for regulatory submissions.
- (iii). Statistical Programming: Our statistical programming services bridge the data management and statistical analysis phases. We utilize industry-standard software, primarily the SAS system, to efficiently process datasets and generate statistical outputs efficiently. Our capabilities include the implementation of Clinical Data Interchange Standards Consortium (“CDISC”) standards for data preparation and upload.

Quality Control

Quality control is integrated throughout our data management and statistical analysis processes. Key data management documents are subject to internal review by independent personnel. The database construction undergoes internal quality control by independent personnel before being handed over to data management staff for user acceptance testing. The quality of data cleaning is periodically reviewed by data management staff not assigned to the specific project. If a need for database modification arises, a database migration quality control process is executed to ensure the accuracy of the changes. To safeguard data security and subject privacy, we minimize the collection of directly identifiable personal information in the clinical database and employ encryption for the transmission of key datasets.

Regulatory Affairs

Following the completion of a clinical trial, we assist in the preparation of the clinical study report. The CSR is an integrated scientific report that provides a comprehensive and detailed account of the trial’s methodology, results, and statistical analysis, with a particular focus on the safety and efficacy findings. Our team is responsible for ensuring that the CSR is prepared in strict accordance with all applicable regulatory requirements and guidelines. We also assist in the regulatory filing process when clients require.

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Our regulatory affairs team guides clients through every stage from IND to NDA. We develop tailored clinical development strategies, facilitate pre-IND regulatory meetings, and oversee the preparation and filing of IND applications with complete IND application documentation. We further support the application and submission progress of NDAs, while maintaining ongoing coordination with regulatory authorities to ensure timely and successful program advancement. For clients of our clinical trial services, we also support communications with regulatory authorities in relation to clinical trial data, and we may review our clients' proposed protocols for subsequent clinical trial stages and provide relevant comments and recommendations.

Clinical Trial Participants

According to F&S, clinical trials involve six main participants: trial sponsors, CROs, subjects, PIs, clinical site ethics committees, and regulatory authorities. Below sets forth our drug clinical research services in relation to them:

Trial sponsor: The Trial Sponsor is typically responsible for initiating, managing and financing the clinical trial and for overall trial oversight, including ensuring that the trial is designed and conducted in accordance with applicable laws and regulations and GCP requirements, selecting and appointing service providers, including CROs, under written agreements, and making required regulatory submissions and safety reporting. The trial sponsor remains ultimately responsible for the quality and integrity of the trial data and holds intellectual properties of the drug candidates.

CROs: A CRO is a service provider to which a trial sponsor may delegate certain trial-related duties and functions. CRO responsibilities typically depend on the scope agreed with the trial sponsor and may include trial planning and start-up support, project management, site management, monitoring, data management, statistical analysis, medical monitoring support, medical writing support and regulatory support. CROs perform delegated responsibilities in accordance with the written agreement with the trial sponsor.

Subjects: Subjects are individuals who participate in the clinical trial. Subject participation is voluntary and is based on informed consent. Subjects may withdraw from participation at any time in accordance with the informed consent documentation and applicable requirements. Subject data and samples are collected and used for trial purposes in accordance with the protocol, informed consent and applicable requirements.

PI: A PI is the person responsible for the conduct of the clinical trial at a trial site. The PI is responsible for ensuring that the trial is conducted at the site in accordance with the protocol, ethics committee approval, applicable regulations and GCP requirements, including protecting subject rights and safety, obtaining and documenting informed consent, ensuring appropriate investigational product accountability at the site, and maintaining required trial records and source documentation. The PI typically supervises the site team, including sub-investigators and other site staff.

Clinical Site Ethics Committee: A Clinical Site Ethics Committee, often referred to as an Institutional Review Board (IRB), is an independent body composed of medical professional, non-medical personnel, legal expert, and external members, of at least five people members. The primary responsibility of the Clinical Site Ethics Committee is to protect the rights, safety, and well-being of subjects participating in a clinical trial. The Clinical Site Ethics Committee is responsible for reviewing, and providing an opinion on the clinical trial protocol, the suitability of the investigators, the adequacy of facilities, and the methods and materials to be used in obtaining and documenting informed consent from trial subjects. It conducts a risk-benefit analysis to ensure that the potential benefits for subjects and society justify the identified risks. The Clinical Site Ethics Committee must approve these documents and procedures before the commencement of a trial at the site and conduct continuing review of the ongoing trial at appropriate intervals.

Regulatory Authority: Regulatory authorities, such as the NMPA and its CDE in China and, where applicable, other authorities such as the FDA, are responsible for reviewing regulatory submissions for clinical trial authorization and marketing approval and may conduct

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inspections and other regulatory oversight activities. Regulatory authorities may request additional information, impose conditions or requirements and take regulatory actions in accordance with applicable laws and regulations.

FSP Services

We provide FSP services focusing on flexible personnel resourcing and clinical development support for pharmaceutical companies. Our FSP services are delivered through an end-to-end process from client sourcing and contract scoping to staff recruitment, deployment and ongoing performance monitoring. After initial engagement, trial sponsors enter into service contracts with us to specify their requirements for FSP staffs, including the relevant work scope, service duration, functional roles and rates. We then identify and hire suitable FSP staffs, and dispatch them to work in the city designated by the client. FSP staff deployed by us include clinical professionals such as CRAs, data managers, statistical programmers and pharmacovigilance specialists. Service fees are charged on a full-time-equivalent model and settled monthly or quarterly, and we obtain regular client feedback on the performance of the deployed FSP staffs.

According to F&S, some pharmaceutical companies are able to conduct clinical trials in-house and only require CROs to assist with certain tasks. Even clients already engaging in full-service CRO projects choose our FSP services for targeted needs. This is because the FSP model offers (i) potential cost savings; (ii) access to specialized talent; and (iii) greater flexibility and control for our clients compared to full-service outsourcing.

We typically enter into service contracts with pharmaceutical companies that set out the scope of services, number of personnel required and service duration. Our service fees are calculated based on the number of orders under the contract, with each order generally consisting of one professional deployed full-time for a 12-month term. For service durations of six months, we treat each engagement as half an order for calculation purposes. We also frequently renew service agreements for an additional 12-month term at the request of our clients, reflecting the recurring nature of our FSP engagements.

The table below sets forth the number of customers for our FSP services and the revenue generated from our FSP services for the year or period indicated:

	For the year ended December 31,			For the six months ended June 30	
	2023	2024	2025	2025	2026
Number of customers	16	18	22	13	23
Revenue (RMB in thousands) .	50,616	49,510	63,324	28,833	41,244

Our FSP business demonstrated continued customer retention during the Track Record Period. Our FSP customer retention rate was 100.0%, 68.8%, 72.2%, 66.7% and 90.9% in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026,, respectively. The decline in 2024 and the six months ended June 30, 2025 was primarily attributable to the non-renewal of certain smaller-scale FSP engagements. Despite the reduction in retained customers, the total number of FSP customers increased from 16 in 2023 to 18 in 2024, 22 in 2025 and 23 for the six months ended June 30, 2026, driven by the addition of new customers. During the same years or periods, our revenue from FSP services was RMB50.6 million, RMB49.5 million, RMB63.3 million, RMB28.8 million and RMB41.2 million with average revenue per customer of RMB3.2 million, RMB2.8 million, RMB2.9 million, RMB2.2 million and RMB1.8 million respectively.

Others

During the Track Record Period, our others primarily include subject recruitment and standalone site management. Our subject recruitment mainly assist trial sponsors and clinical research institutions in identifying patients who are potentially eligible for the enrollment of

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clinical trials. In addition to providing site initiation and management in our clinical trial technical services, we also provide standalone site management services primarily assist clinical research institutions and investigators in the actual logistics and execution of clinical trial operations. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our revenue from others was RMB2.3 million, RMB0.5 million, RMB2.7 million, RMB1.0 million and RMB1.2 million, respectively.

Average Revenue and Retention Rate

Below sets forth of average revenue per project, customer retention rate, and net dollar retention rate in each year or period during the Track Record Period.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
Average revenue per project – clinical trial technical services (RMB in million)	1.6	1.4	1.4	1.0	0.9
Average revenue per customer – FSP services (RMB in million)	3.2	2.8	2.9	2.2	1.8
Customer retention rate ⁽¹⁾ %	78.4	74.4	68.5	70.1	77.2
Net dollar retention rate ⁽²⁾ %	110.8	90.6	105.7	N/A ⁽³⁾	N/A ⁽³⁾

Notes:

- (1) Customer retention rate is calculated as the number of customers who contributed revenue to us in both the prior year and the current year or period divided by the total number of customers in the prior year.
- (2) Net dollar retention rate is calculated as the aggregate revenue in the current year from customers who contributed revenue to us in both the prior year and the current year, divided by the total revenue from such customers in the prior year.
- (3) Net dollar retention rate for the six months ended June 30, 2025 and 2026 is not presented as this metric is evaluated on an annual basis. Calculating this metric for a sub-annual period would produce a structurally lower figure because the current-period revenue numerator covers only six months while the prior-year revenue denominator covers a full year, rendering the figures not meaningful or comparable to the annual figures.

Our average revenue per project for clinical trial technical services was RMB1.6 million, RMB1.4 million, and RMB1.4 million, RMB1.0 million and RMB0.9 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. The average revenue per project remained relatively stable across the Track Record Period, with year to year or period to period variations reflecting differences in the stage of progress of individual projects and the contract value of individual projects during each year or period. Our average revenue per customer for FSP services was RMB3.2 million, RMB2.8 million, RMB2.9 million, RMB2.2 million and RMB1.8 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. The average revenue per customer remained relatively stable across the Track Record Period, with year to year or period to period variations reflecting fluctuations in customer demand for service personnel during each year or period.

Our overall customer retention rate was 78.4%, 74.4%, 68.5%, 70.1% and 77.2% in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. The gradual decline from 2023 to 2025 was driven primarily by changes in our clinical trial technical services business line, including (i) the non-renewal of engagements by certain customers in the vaccine segment following the completion of their projects; and (ii) the non-recurring nature of certain small-value project engagements. Notwithstanding the above, the customers we retained continued to represent a substantial and growing proportion of our revenue and our

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customer retention rate for the six months ended June 30, 2026 increased to 77.2%. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, approximately 95.0%, 96.5%, 97.1%, 98.8% and 90.9% of our revenue, respectively, was generated from customers who had engaged us in the prior year.

Our overall net dollar retention rate was 110.8%, 90.6% and 105.7% in 2023, 2024 and 2025, respectively. The decline in 2024 was primarily attributable to (i) certain projects with higher contract values in our clinical trial technical services business line entering their final stages in 2024, resulting in lower revenue recognized from those projects compared to 2023; and (ii) reduced demand from customers that had contributed revenue to us in the prior year due to broader industry conditions, including a contraction in biopharmaceutical financing and intensified competition among clinical CRO service providers. According to F&S, total primary-market financing raised by China’s biopharmaceutical companies decreased by approximately 19% in 2024 as compared with 2023, which led certain existing customers to reduce, delay or terminate their research and development programs and scale back engagements with us. In addition, intensified competition placed downward pressure on contract pricing, resulting in lower revenue contribution from certain existing customers even where they continued to engage our services. This resulted in lower revenue recognized from customers that contributed revenue to us in both the prior and the current year. The recovery in 2025 was driven by an increase in new projects or orders placed by existing customers across both our clinical trial technical services and FSP services business lines, resulting in higher revenue recognized from customers that contributed revenue to us in both the prior and the current year.

Loss-making Projects

Below sets forth the number of loss-making projects and the provisions made for loss-making projects during the Track Record Period:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
Number of loss- making projects ⁽¹⁾	7	9	8	7
Provision for loss-making projects ⁽²⁾ (RMB in thousands)	1,463	1,708	914	889
Contract sum of the loss-making projects (RMB in thousands) ⁽³⁾	23,407	28,071	13,259	13,158

(1) Loss-making projects refers to projects for which the latest estimated costs as of the respective year or period end exceed the tax-exclusive contract value.

(2) Provision for these projects is measured in accordance with the accounting policy as set out in note 2 to the Accountants’ Report in Appendix I to this document.

(3) Contract sum of the loss-making projects is presented exclusive of applicable value-added tax.

We have recorded 13 loss-making projects in total during the Track Record Period. The aggregate number of loss-making projects across the Track Record Period (seven, nine, eight and seven in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively) exceeds this total because certain projects spanned multiple years and were classified as loss-making in each relevant year or period based on the latest cost estimates. Of these 13 loss-making projects, 12 were clinical trial technical services projects and one was a project under our others service line, which only arose in 2025. Of the 12 clinical trial technical services projects, seven were vaccine projects, two were infectious disease projects, two were oncology projects, and one was an autoimmune disease project.

The losses on these projects were primarily attributable to cost overruns on certain legacy contracts entered into during the early stage of our transition towards innovative drug clinical development services, where subsequent increases in labor and delivery costs exceeded the original pricing assumptions.

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In order to minimize future exposure to loss-making projects, we have adopted enhanced internal control mechanisms.

- (i) We have adopted enhanced quotation mechanism to actively scrutinize our quotation and expected revenue against expected cost for each project to prevent contracting at prices unable to cover expected costs;
- (ii) We will stringently manage and monitor project budget and scale, avoiding waste and overspending and establishing benchmark for operational control.
- (iii) We will actively monitor project operation and progress by reviewing expected cost, revenue, and progress and actual perimeters. We enhance our operational control over projects to ensure they are carried out punctually and not exceeding projected costs, therefore protecting our profitability.

OUR FEE MODELS

Our service fee model can be primarily divided into two models: (i) fee-for-service model, and (ii) full-time-equivalent model. See “Financial Information — Discussion of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue — Revenue by Fee Model.”

Fee-For-Service

Under the fee-for-service model, we charge a project-based fee for agreed deliverables and services. We typically enter into a service agreement with our clients and receive payments in accordance with a payment schedule specified in the relevant service agreements. We generally determine the fee level for each service based on a number of factors including the scope of the services required, the estimated costs and expenses of the required services, and the estimated amount of time to be allocated to the project. The project-based fee is a fixed amount at the time of contract signing. However, it is subject to adjustment in certain circumstances, including (i) certain items within the contract that are estimated at the time of contract signing and subject to final settlement based on actual costs incurred; (ii) changes in the scope of services during project execution, which are reflected through supplemental agreements that increase or decrease the contract value; and (iii) reductions in contract value arising from early termination of a project. During the Track Record Period, we primarily charge clinical trial technical services clients under fee-for-service model.

Revenue from our clinical trial technical services under the fee-for-service model is generally recognized over time as the services are performed, as the customer simultaneously receives and consumes the benefits of our services. Set out below are the key stages, indicative timing and the portion of the estimated contract sum that we are generally entitled to claim at each payment milestone for a standard clinical trial technical services project. The actual timing and payment arrangement may vary depending on the trial design, number of sites, enrollment rate and the specific requirements of the customer.

- *Contract signing:* Upon execution of a legally binding service agreement, an upfront payment of 5% to 10% of the estimated contract sum is generally payable. This stage usually takes approximately one to four weeks.
- *Site initiation:* Following contract signing, we commence start-up activities and readiness checks in accordance with the clinical trial plan and agreed workplan. We complete site initiation and related training and other commencement preparations. Upon completion of the agreed site initiation milestone and the customer’s confirmation that the relevant readiness requirements have been met, a milestone payment of 10% to 20% of the estimated contract sum is generally payable.
- *Subject enrollment milestones:* During the subject enrollment period, payments are generally linked to pre-agreed enrollment thresholds. Enrollment-related milestone payments in aggregate generally represent 30% to 50% of the estimated contract sum. A milestone payment of 10% to 20% becomes payable upon first subject enrolled. A milestone payment of 10% to 20% becomes payable upon reaching 50%

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of the targeted subjects enrolled. A milestone payment of 10% to 20% becomes payable upon completion of subject enrollment. The duration of the enrollment period varies depending on the indication, protocol design, number of sites and recruitment rate.

- *Database lock:* Upon finalization of information and data sets obtained in clinical trials, external data collection has been completed in a clinical study, including follow up of all participants, data quality and validation exercises are undertaken. A milestone payment of 10% to 20% of the contract value is charged to the client at this point.
- *Clinical study report:* Upon submission of the clinical study report in accordance with the service agreement and completion of the corresponding milestone, a milestone payment of 5% to 10% of the estimated contract sum is generally payable.
- *Final delivery and close-out:* Upon final delivery of the agreed deliverables and completion of project close-out procedures, the remaining balance becomes payable. The remaining balance is generally around 10% to 20% of the estimated contract sum and represents the tail payment and final settlement. A final invoice is issued at this stage to settle the final service fees based on actual services performed.

During the Track Record Period, revenue derived under the fee-for-service model accounted for 86.3%, 85.4%, 81.0%, 83.5% and 79.8% of our total revenue in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

Full-Time-Equivalent Model

Our FSP services are charged under the full-time-equivalent model. Fees are typically calculated on a person-month basis, with person-day rates applied where appropriate, and are generally settled on a monthly or quarterly basis. The unit rate is generally determined by reference to the position, seniority and the duration of engagement, as agreed with the client in the relevant service contract, which also sets out the scope of work and the required number of FSP staffs. During the Track Record Period, revenue derived under the full-time-equivalent model accounted for 13.7%, 14.5%, 18.9%, 16.1%, and 20.2% of our total revenue in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

Contracted Future Revenue

Contracted future revenue represents, at a particular point in time, the future revenue from services not yet completed or performed under all signed contracts in effect at that time. Once work begins on a project, revenue is generally recognized over the duration of the project. Contracted future revenue is assessed primarily by reference to signed contracts, which reflect the client’s agreement to pay for specified services at specified prices, and by reference to the percentage of work completed under such contracts as of the relevant measurement date. There is no standardized accounting practice for calculating contracted future revenue and approaches to estimating contracted future revenue may vary between industry players. Accordingly, comparisons of contracted future revenue between us and other companies may not be meaningful and should be made with caution. The future revenue associated with a contract may not be realized as initially expected, including as a result of adjustments to contract value arising from supplemental agreements entered into during project execution, as well as changes resulting from project termination or completion settlement. Our contracted future revenue as of June 30, 2026 was RMB578.3 million.

The following table sets forth a summary of the movement in number and contract value of projects for our clinical trial technical services and other services during the Track Record Period, all of which are presented on a tax-exclusive basis.

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	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Number of ongoing projects at the beginning of the year or period . . .	151	177	173	162
Clinical trial technical services	143	168	163	148
Other services	8	9	10	14
Number of newly awarded projects during the year or period	49	46	57	33
Clinical trial technical services	47	42	47	26
Other services	2	4	10	7
Number of completed projects during the year or period	23	50	68	61
Clinical trial technical services	22	47	62	49
Other services	1	3	6	12
Number of ongoing projects at the end of the year or period	177	173	162	134
Clinical trial technical services	168	163	148	125
Other services	9	10	14	9
Outstanding balance of contract value* at the beginning of the year or period (RMB million) . . .	715.8	726.4	563.9	528.9
Clinical trial technical services	709.9	720.2	558.2	525.6
Other services	5.9	6.2	5.7	3.3
Contract value* of newly awarded projects during the year or period (RMB million)	354.6	143.3	303.4	249.4
Clinical trial technical services	353.2	142.8	300.0	249.4
Other services	1.4	0.4	3.4	0.0
Contract value* adjustments and terminations during the year or period (RMB million)⁽¹⁾	(24.1)	(15.0)	(66.5)	(37.3)
Clinical trial technical services	(25.3)	(14.5)	(62.7)	(36.7)
Other services	1.2	(0.5)	(3.8)	(0.6)
Revenue recognized during the year or period (RMB million)	319.9	290.7	271.9	162.7
Clinical trial technical services	317.6	290.3	269.9	161.5
Other services	2.3	0.4	2.0	1.2
Outstanding balance of contract value* at the end of the year or period (RMB million)	726.4	563.9	528.9	578.3
Clinical trial technical services	720.2	558.2	525.6	576.8
Other services	6.2	5.7	3.3	1.5

* Contract value is presented exclusive of applicable value-added tax.

- (1) Contract value adjustments and terminations during the year or period includes adjustments to contract value arising from supplemental agreements entered into during project execution, as well as changes resulting from project termination or completion settlement.

Our FSP service primarily operates under a full-time equivalent (FTE) model. Under this model, contract revenue is not based on fixed-price deliverables, but is instead billed based on the actual number of service personnel assigned to clients and their actual working hours. Our FSP contracts do not contain any legally binding work scope or legally binding contract value from which we could reasonably expect future revenue. As such, our FSP business does not generate backlog in the sense of unrecognized contract value. Future revenue may vary depending on the number of service personnel assigned to clients and real-time changes in client demand.

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OUR PARTNERSHIPS

We maintain relationships with hospitals and clinical research institutions to support clinical trial execution and site access. We worked with 296, 324, 539 and 563 partner hospitals in 2023, 2024 and 2025 and the six months ended June 30, 2026 respectively. As of June 30, 2026, these partner hospitals covered 30 provinces, regions or municipalities in China, and 347 of the 563 partner hospitals were Class III Grade A hospitals.

To enhance our clinical trial service capabilities and secure access to clinical resources, we have entered into strategic cooperation agreements with a number of hospitals in China. These collaborations are designed to improve the efficiency and quality of clinical research by defining the cooperation model, our obligations, and the mutual benefits for both our Company and our partners.

We have established strategic cooperation partnerships with the following Class III Grade A hospitals: a public tertiary hospital located in Liaoning Province, the Affiliated Hospital of Yanbian University, and Xianyang Hospital of Yan'an University. These agreements typically have terms ranging from two to ten years. Pursuant to these agreements, the cooperation content involves a comprehensive collaboration in clinical research, where we commit to prioritizing these hospitals as preferred sites for our clinical trial projects. Our obligations include providing technical support, training for hospital staff, and conducting regular academic exchanges to enhance their research capabilities. In return, we gain significant benefits, including act as preferred partner to the hospitals and acquire reliable and high-quality clinical trial resources.

Furthermore, in December 2021, we entered into a strategic framework agreement with a public hospital located in Anhui Province, a Class III Grade A comprehensive teaching hospital, to jointly build an integrated clinical trial platform. Under this collaboration, our primary obligation is to provide the hospital with our proprietary integrated clinical trial platform software and related technical support on a complimentary basis, including a three-year free maintenance period. This enables the hospital to digitize and streamline its clinical trial management. The hospital commits to utilizing its clinical trial resources to support our research projects. This collaboration not only provides us with a significant and predictable volume of clinical trial projects but also serves as a demonstration site for our integrated platform, promoting its adoption by other medical institutions.

We believe our strategic partnerships with these clinical trial sites enhance our access to clinical trial resources. The defined obligations and mutual benefits within these agreements ensure access to relevant clinical resources, foster technical and scientific exchange, and create business development opportunities, thereby enhancing our competitiveness in the CRO industry.

INTELLECTUAL PROPERTIES

Intellectual property rights are important to our business. We develop and use a number of proprietary methodologies, analytics, systems, technologies, trade secrets, know-how and other intellectual property during the conduct of our business, including our operational know-how and certain internally developed systems and tools used to support clinical trial operations, such as our CTMS, eTMF, and CTFS digital systems. As of the Latest Practicable Date, we had 15 registered trademarks and 91 software copyrights in Chinese Mainland. See “Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights of Our Group” for further details of our material intellectual property rights. We also maintain various licenses to use the intellectual property of third parties that facilitate our clinical trial and other operations, including third-party software, databases and systems used in connection with certain projects.

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The protection of our clients’ intellectual property is important to our business. Our employees are bound by confidentiality obligations under their employment contracts and are prohibited from disclosing our intellectual property or that of our clients. We apply encryption technologies and other technical and organizational measures, such as role-based access controls and secure transmission measures for sensitive documents, and our working areas and relevant information systems can only be accessed by authorized personnel. We had complied with all applicable intellectual property laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

Our PRC Legal Advisors are of the view that we have maintained full material compliance with intellectual property laws throughout the Track Record Period and up to the Latest Practicable Date.

OUR R&D AND DIGITALIZATION

We focus on providing services for innovative drug and therapies clinical research and other supporting services to Chinese and global pharmaceutical and biotechnology companies. As of June 30, 2026, we had a research and development team of 52 personnel. Our R&D personnel include one Ph.D holder and 44 holders of bachelor or above degrees, most of whom have extensive working experience in clinical CRO and related fields. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our research and development expenses were RMB27.8 million, RMB20.5 million, RMB18.7 million, RMB8.9 million and RMB9.4 million, respectively.

Our ongoing R&D efforts focus on: (i) improving clinical trial technical services and (ii) enhancing our digital systems.

Clinical Trial Technical Services

We improve risk-adaptive SOPs, which are a suite of quality management system documents including policies, quality manuals, standard operating procedures and work instructions that are continuously updated to reflect changes in domestic and international regulatory requirements, and intelligent decision-support mechanisms, which are a methodology framework covering the key stages of innovative drug development, to streamline the full innovative drug development lifecycle—from early-stage FIH design to final regulatory submission—ensuring high-quality, predictable, and compliant clinical trial delivery.

Our clinical trial technical services R&D improves our clinical trial process by refining our SOPs in the key technical areas of our innovative drug development services, including protocol design and drafting, clinical operations and monitoring, data management and statistical analysis, pharmacovigilance activities, and NDA clinical document preparation and CDE communication support. These refinements are based on experience accumulated from client projects and are aimed at improving our workflow and efficiency.

Our research on risk-based medical monitoring technologies for clinical trial projects focuses on risk prediction, identification and control to improve data quality and accelerate trial progress. The research encompasses three interconnected components. First, we study the identification and classification of core quality risks in clinical trials, focusing on risks relating to participant safety, core trial data integrity, inclusion and exclusion criteria, and efficacy and safety assessments. Second, we develop risk stratification algorithms based on three dimensions, namely the probability of occurrence, severity of impact and controllability of each identified risk, to categorise clinical trial risks into four levels of criticality and assign corresponding monitoring priorities. Third, we research a dual-model monitoring framework combining a static baseline model and a dynamic real-time model. The static model is applied at trial initiation to assess site, personnel and protocol risks, while the dynamic model continuously incorporates live data on adverse events, protocol deviations and enrollment dropout to automatically update risk levels throughout the trial. The research also covers the development of standardised intervention protocols corresponding to each risk level. This

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research is ongoing and we continue to collect data to quantify the improvements achieved through its application. We also conduct research on a decision-support system for mid-to-late-stage innovative drug development, covering protocol drafting and execution planning, clinical operations and monitoring, data management and statistical analysis, pharmacovigilance activities, and NDA-enabling deliverables and regulatory communications. The system is iteratively refined based on experience accumulated from customer projects. Experience gained through the research process has been applied across all of the above service areas in live customer engagements. For example, we have assisted a customer in completing a Phase II clinical study of a small-molecule JAK inhibitor, supporting data analysis and CDE communications that enabled progression to Phase III, and assisting in the Phase III protocol design and sample size estimation. We further develop innovative drug development strategies, first-in-human (FIH) trial top-level design and a clinical trial operations management system, covering early development pathway planning from FIH through Phase IIa proof-of-concept, and related dose selection, risk management and cross-functional execution workflows. This research is closely integrated with our day-to-day service delivery, with outputs taking the form of project-specific deliverables such as IND application materials, development strategy documents and FIH trial designs. For example, we have assisted a customer in completing IND submissions for a topical small-molecule innovative drug in both China and the United States, and in advancing the programme to a Phase I first-in-human study in healthy volunteers.

Digital Systems

We develop and integrate digital systems of CTMS (clinical trial management system), eTMF (electronic trial master file), CTFS (clinical trial financial system) throughout our workflows to improve clinical trial speed and efficiency. We automate workflows across project execution, documentation compliance, and financial control and support decision-making process with data-driven insights. Through the acquisition of Guangdong Weilin, we have further supplemented our digital capabilities with dedicated systems for hospital and institutional settings, including an institutional ethics system, clinical trial information system, GCP pharmacy system, sample management system, and remote monitoring system. These systems operate primarily within hospital environments and complement our existing platforms, extending our digital capabilities from clinical trial operations to the upstream and downstream hospital and institutional ecosystem. Our digital transformation improves operational efficiency and enhances our delivery and competitiveness.

CTMS – Enhancing Project Execution Efficiency

Our clinical trial management system (CTMS) serves as the digital mastermind for project execution, providing end-to-end data insight for decision-making. Our customized digital system proactively integrates data to assist clinical trial teams. Our CTMS acts as a cross functional information hub, enabling medical, statistics, and operational departments realtime access and collaboration on the common version of data and information. Our algorithm visualizes key indicators and generates data-supported predictions to assist in resource allocation and execution responsiveness. Project managers could proactively streamline decision-making and adjust resource allocation in real-time. Since 2025, we have also piloted open-sourced AI technologies to facilitate business development and commercial tendering. Our CTMS harmonizes clinical trial demands with operational responsiveness, leverages statistical transparency to safeguard execution quality and minimize project risks.

eTMF – Documentation Compliance

Our electronic trial master file (eTMF) system is a core component of our digital transformation strategy, enabling automated documentation to empower clinical trial lifecycle. By directly integrating with our CTMS, the eTMF system automatically aligns project execution milestones to documentation input and accuracy and timeliness. The automation is further supported by cross-checking validation mechanism to ensure precision, eliminating missing, inconsistent, or outdated records, saving time for manual validation and inspection preparation and improving clinical trial efficiency.

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CTFS – Integrating Business Operations with Financial Management

Our clinical trial financial system (CTFS) maps financial indicators to project progress and bridges financial tracking to our clinical trial services. By linking financial input directly to clinical trial output, CTFS enables real-time visibility into project-level cost structures, budget utilization and financial performance, and supports resource allocation optimization and operational decision-making.

Through automated support from eTMF, CTFS streamlines contract management, billing, payment and settlement processes, with system-generated financial vouchers automatically interfaced with our financial systems, targeting to address the industry pain point of financial record version control. Built-in validation and traceability mechanisms ensure accuracy and consistency across contracts and financial record versions, ensuring effective internal control on financial inputs to improve trial project efficiency while maintaining service delivery quality.

Based on our industrial experience and insight, we believe leveraging AI to empower our clinical trial technologies could consolidate and improve our market competitiveness. In the future, we plan to [REDACTED] approximately [REDACTED]% of the [REDACTED] from the [REDACTED] to implement our platform-based strategy, including LLM and AI agents application and the development of Guangdong Weilin’s digital solutions and integration with our existing digital systems. See “Future Plans and [REDACTED].”

ACQUISITION OF GUANGDONG WEILIN

On October 28, 2025, we entered into an equity transfer agreement with Mr. Zhao (one of our Controlling Shareholders and the founder of Guangdong Weilin) and other shareholders of Guangdong Weilin, pursuant to which we agreed to acquire 100% of the equity interests in Guangdong Weilin for nil consideration. Separately, we made a capital contribution of RMB1.0 million to Guangdong Weilin to bring its registered capital to the amount required under its articles of association, and we made a capital contribution of RMB25.0 million to Guangdong Weilin. On December 22, 2025, following completion of the relevant industrial and commercial registration, Guangdong Weilin became our subsidiary. Since its inception, Guangdong Weilin has focused on developing digital solutions for clinical trials. Guangdong Weilin was initially established separately due to its perceived potential for independent development. Consistent with our strategy focusing on AI and digitalization, we decided to integrate Guangdong Weilin into our Group in order to enhance our in-house digital capabilities. We anticipate that this integration will improve project execution efficiency, strengthen quality management, and elevate our overall service delivery over time.

Our group is primarily engaged in offering clinical trial technical services and Guangdong Weilin primarily develops digital clinical trial platform. The platform interconnects CROs and sponsors’ proprietary systems, integrates the overview of clinical trial data and progress, allowing full-cycle monitoring and management. Core functions include online ethics application and review, subject enrollment and visit tracking, drug lifecycle management, trial document archiving, quality control with issue tracking, multi-center project monitoring with cross-site data comparison, and electronic data capture enabling automated extraction of subject clinical data. The remote monitoring module allows monitors to securely access source records and trial documents online, reducing on-site visit frequency. The platform is designed in regulatory compliance with ICH-GCP, NMPA and 21 CFR Part 11 requirements.

The acquisition of Guangdong Weilin was aligned to our digitalization and efficiency driven strengths. The Weilin platform is expected to improve operational efficiency and reduce costs, synergistically empower our CRO business. Online application and approval workflows between us and research institutions, together with real-time visibility into project status at trial sites, are expected to improve project coordination and reduce approval cycle times. By embedding the platform into our clinical trial service delivery, we are able to establish a persistent digital connection with research institutions and sponsors throughout the trial lifecycle and benefit from data supported realtime analysis and management of clinical trial process. We believe such functions will improve our project execution efficiency, lower our per-trial operating costs, and further strengthen client retention through providing efficient

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operation and competitive pricing. In addition, the platform’s standardized data architecture and cross-institutional interoperability are expected to support our overseas expansion by providing a scalable infrastructure for coordinating international multi-center trials across regulatory jurisdictions and assetize know-how during the clinical trial process through quantitative and qualitative training of our LLMs and improve our SOPs.

QUALITY MANAGEMENT

Overview of Our Quality Management System

We have established a quality management system to support the consistent delivery of our clinical trial services and to help ensure compliance with applicable regulatory requirements and GCP standards. Our quality management system covers the full lifecycle of a clinical trial project and is built on a risk-based, process-based management and data-driven approach. In designing our system, we have referred to the core principles of the TransCelerate clinical Quality Management System (cQMS) framework and the quality management concepts in ICH-GCP and Chinese GCP, including quality by design and risk-based quality risk management, and we obtained ISO 9001:2015 certification in December 2025.

Our quality assurance department operates independently, reports to our executive leadership, from all stages of the clinical trial process. Our members possess experience in the field of clinical research, audits and regulatory inspection supports.

The primary responsibilities of our quality assurance department include: (i) establishing, maintaining and continuously improving our quality management system; (ii) developing and updating standard operating procedures and providing quality compliance guidance to project teams and business units; (iii) conducting independent audits, supporting client audits and regulatory inspections, and tracking follow-up actions; (iv) assessing quality management systems of key suppliers and service providers; (v) providing GCP and quality management training; and (vi) supporting the assessment of quality issues, root cause analysis and the formulation and monitoring of corrective and preventive actions (“CAPA”).

Our quality assurance department has the authority to report material quality issues or compliance risks directly to senior management, to approve or reject quality-system-related standard operating procedures, and to require relevant departments and personnel to cooperate with audits, investigations and CAPA implementation.

Our quality control measures focus on areas including subject safety and protection of subject rights, the quality and completeness of key data, compliance of key trial processes, and the timeliness, accuracy and completeness of essential documentation and archiving. Where quality issues are identified, we classify them by severity and potential impact and report them through established escalation channels, and we conduct root cause analysis and implement CAPA to address identified issues and reduce recurrence.

We have established internal quality management mechanisms applicable to our clinical trial technical services broadly, including: (i) on-site monitoring visits to clinical research centers to assess site performance and compliance; (ii) internal audit programs to provide independent oversight of trial conduct; and (iii) review of eTMF documentation to verify the accuracy, completeness, and regulatory compliance of trial records.

Pursuant to the service agreements entered into between us and our third-party service providers, liabilities are allocated as follows.

- ***Employer liability of third-party service providers.*** Personnel deployed by third-party service providers are required to be their formal employees. Each third-party service provider assumes all responsibilities and obligations as the employing entity, and any acts or omissions of its deployed personnel in the course of service delivery are treated as acts of the service provider, with all consequences arising therefrom borne by the service provider.

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- ***Compliance obligations of third-party service providers.*** Third-party service providers are required to strictly comply with applicable PRC laws and regulations, GCP guidelines, the clinical trial protocol, and our and the research center's standard operating procedures.
- ***Our remedies for misconduct.*** In the event of material misconduct by a third-party service provider or its personnel, including falsification of trial documents, AEs or SAEs caused by willful misconduct or gross negligence, or other irreparable issues affecting the authenticity of trial records, we are entitled to terminate the agreement, withhold outstanding payments, and claim compensation for losses suffered.
- ***Liquidated damages for breach.*** Third-party service providers are subject to liquidated damages for specific breaches, including (i) unilateral termination of services without our consent, attracting liquidated damages of 30% of the total contract value, and (ii) failure to report progress or material events (such as protocol deviations or SAEs) within the stipulated timeframe, attracting liquidated damages of 0.05% of the total contract value per 24-hour delay.
- ***Our supervisory rights.*** We retain the right to monitor and inspect the performance of third-party service providers, require replacement of underperforming personnel, and terminate the agreement at any time based on project progress.

To manage our potential exposure arising from the engagement of third-party service providers, we have implemented the following measures:

- ***Pre-engagement controls.*** Our procurement department has established stringent supplier selection criteria and approval procedures. Prior to engagement, project leaders are required to formulate detailed management plans that clearly delineate the roles, scope of work, and responsibilities of all parties, including third-party suppliers, through contractual agreements.
- ***Ongoing oversight during project execution.*** Third-party suppliers are required to attend regular and ad hoc project meetings, report comprehensively on their work progress and deliverables, and comply with work arrangements and rectification requests issued by the project team. Where a third-party supplier fails to perform its duties in strict compliance with applicable requirements, the project team has the authority to replace such supplier.
- ***Independent quality assurance reviews.*** Our QA department conducts independent inspections of third-party suppliers as needed. In addition, our procurement department conducts annual satisfaction assessments of all third-party suppliers, and suppliers that fail to meet the required standards are subject to suspension or termination of engagement.

We evaluate client satisfaction through a structured feedback process coordinated by our project management office (PMO). Feedback is collected through periodic project communications and PMO follow-up, escalated where appropriate, and the PMO generally responds to complaints within three business days. Corrective actions are tracked to completion and summarized in periodic management reports.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material quality incidents, material compliance breaches or material client complaints in relation to our clinical trial services, and to our knowledge, none of our third-party service providers experienced any material failure in meeting the applicable service standards.

Our PRC Legal Advisors are of the view that no material quality incidents, compliance breaches, or client complaints have occurred that would materially affect our business operations, financial condition, or prospects throughout the Track Record Period and up to the Latest Practicable Date.

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DATA PRIVACY AND SECURITY

Overview

We are committed to protecting the privacy and security of personal information and other sensitive data that we collect, process, and store in the course of our business operations. As a CRO, we process data, including personal information of clinical trial participants, subject health information, research data, and proprietary information of our clients, in accordance with trial sponsors’ instructions. In addition, we also process the personal information of researchers, clinical research coordinators, collaborator contacts and candidates of our FSP business. Data Protection is fundamental to our business operations, our relationships with clients and research participants, and our reputation in the industry. During the Track Record Period, we progressively implemented comprehensive data compliance work, and established our data privacy and security system as well as relevant internal control mechanisms, and adopted various technical measures to safeguard data privacy and security. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any penalties related to data compliance issues. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage, material data loss, or material unauthorized access to or use of data, including data relating to patients enrolled in clinical trials.

During the Track Record Period and up to the Latest Practicable Date, in the course of our business operations, we have not been involved in any cross-border data transmission in the PRC. Specifically, in the provision of clinical trial technical services, we only process data based on the entrustment of the sponsor and under the sponsor’s instructions, and do not involve the cross-border transfer of any data collected and generated in the PRC. We also do not transfer any data outside of the PRC in the course of providing FSP services and conducting other business operations. In anticipation of potential future cross-border data transmission requirements, we have adopted corresponding internal control measures by formulating and implementing the Data Privacy Protection Policy. This policy explicitly stipulates that if it becomes necessary in the future to transfer data to or permit access by overseas entities, we will ensure that authorization and consent from data subjects have been obtained and that all relevant legal requirements relating to cross-border data transfer are fully complied with.

As of the Latest Practicable Date, we have not been notified of being classified as a critical information infrastructure operator (“CIIO”), we have not received any inquiry, notice, warning from any PRC government authorities, and have not been subject to any investigation, sanctions or penalties made by any PRC government authorities regarding national security risks caused by our business operations or the [REDACTED]. In addition, while [REDACTED] is not included in the scope of “listing abroad (國外上市)” under the Cybersecurity Review Measures, we are not required to proactively submit an application for cybersecurity review in respect of [REDACTED]. Our PRC Legal Advisors are of the view that we were not required to apply for cybersecurity review.

Our PRC Legal Advisors are of the view that, as of the Latest Practicable Date, following our implementation of various data compliance measures, we have complied in all material respects with applicable PRC laws and regulations on cybersecurity, personal privacy and data protection, and are not required to apply for cybersecurity review. In addition, as of the Latest Practicable Date, we have not been involved in any cross-border data transfer in the PRC.

Data Privacy and Security Framework

We have established a data privacy and security framework designed to address data privacy and security risks and to provide reasonable assurance that we can protect the confidentiality, integrity, and availability of the data we process. Current key measures include:

- (i). We are entrusted by trial sponsors to collect and process personal information only for legitimate and specified purposes that are clearly communicated to the data subjects, or in strict accordance with study protocol and related regulations. We only engage in secondary uses of personal information upon obtaining appropriate consent or having a lawful basis for such use.

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- (ii). Obtain the consent of individuals before collecting and processing their personal information, where required by law or by our contractual obligations. We provide individuals with information about our data processing activities, including processing purposes, categories of recipients and applicable rights.
- (iii). Implement appropriate technical and organizational measures to protect personal information from unauthorized access, use, disclosure, alteration, or destruction. These measures are designed to provide a level of security appropriate to the nature and sensitivity of the data we process and the risks associated with our processing activities.
- (iv). Respect the rights of individuals with respect to their personal information, including but not limited to the right to access and correct their information, the right to restrict our processing of their information, the right to object to our processing of their information, and the right to data portability.
- (v). Transfer personal information across borders only in compliance with applicable laws and regulations. We implement appropriate safeguards for cross-border transfers, including the use of standard contractual clauses, binding corporate rules, and other legally recognized mechanisms.
- (vi). Maintain documentation of our data processing activities and our compliance with applicable laws and regulations.

We process data throughout its lifecycle, including collection, storage, processing and use, sharing and disclosure, and retention and deletion, through policies, procedures and controls such as access controls, secure transmission, retention schedules and secure deletion or destruction. We maintain logs and records where appropriate to support monitoring, investigations and compliance. We have duly completed the cybersecurity classified protection assessment and filing procedures for our clinical trial cloud platform in accordance with applicable PRC laws and regulations, and the platform has been classified as Level 3 under the PRC classified protection of cybersecurity regime.

Internal Control

We are subject to various regulatory requirements relating to cybersecurity and data privacy in the PRC, including the PRC Personal Information Protection Law (中華人民共和國個人信息保護法), PRC Data Security Law (中華人民共和國數據安全法) and the PRC Cybersecurity Law (中華人民共和國網絡安全法). To ensure full compliance with the aforesaid regulatory requirements and protect our data from unauthorized access, use, disclosure, alteration, or destruction, we have established a comprehensive internal control system, including management, organizational and technical measures.

Firstly, we have formulated and implemented comprehensive data compliance management systems, including the Data Privacy Protection Policy, Measures for the Classification and Administration of Data, Measures for the Emergency Response to Information Security Incidents, Personal Information Protection Impact Assessment System, Personal Information Protection Compliance Audit System and certain supporting procedural documents, so as to ensure a level of security appropriate to the nature and sensitivity of the data we process as well as the risks arising from our processing activities.

Secondly, we have established a multi-tiered data protection framework to ensure the effective implementation of our data compliance initiatives. For example, we have appointed a Data Protection Officer who is overall responsible for the planning, establishment, implementation and ongoing monitoring of our data and privacy protection framework. We have also set up a Data Security and Privacy Protection department responsible for the implementation of data compliance-related work.

In addition, we have implemented various technical measures to maintain cybersecurity and data privacy security, including encryption of data in transit and at rest, firewalls and intrusion detection and prevention systems, multi-factor authentication, role-based access

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controls, data loss prevention tools, and regular security patching and updates. We have also adopted strict physical controls, including restricted access to facilities, surveillance, secure storage of physical documents and devices containing sensitive data, and secure disposal of such documents and devices.

Data Breach Response and Incident Management

We have established a data breach response plan to detect and report data security incidents, investigate the cause and scope of incidents, assess notification obligations, and implement remedial measures to prevent similar incidents in the future. We maintain incident logs and documentation and notify affected individuals and regulatory authorities where required by law.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material data leakage, data loss, or unauthorised use of data. Our PRC Legal Advisor is of the view that we have complied with data privacy laws and cybersecurity laws in the PRC in all material aspects and up to the Latest Practicable Date.

Employee Training and Awareness

We recognize that our employees are a critical component of our data privacy and security framework. We provide regular training to our employees on our data privacy and security policies and procedures, and we conduct awareness campaigns to promote a culture of data privacy and security throughout our organization.

Third-Party Risk Management

We engage third-party suppliers to support our business operations. We conduct supplier due diligence, include data protection and security requirements in relevant contracts, enter into data processing agreements where suppliers process personal information on our behalf, and conduct ongoing monitoring and periodic audits as appropriate.

OUR SUPPLIERS

Our Major Suppliers

Given our CRO services, our suppliers include clinical trial sites and other third-party service providers. Such services and supplies are generally available from a number of suppliers in quantities adequate to meet our needs. We carefully select our suppliers based on factors including their qualifications and compliance record, service capabilities and capacity, quality and delivery performance, reputation, pricing, geographic coverage, and overall services.

We have established supplier selection and management procedures. In general, we conduct supplier onboarding and qualification review, and we regularly monitor and evaluate suppliers' performance based on project delivery and other relevant metrics. We may conduct on-site audits and/or enhanced reviews for key suppliers on an as-needed basis. During the Track Record Period, all of our top five suppliers in each year or period during the Track Record Period were Independent Third Parties.

Our procurement and supplier management functions are generally carried out on a centralized basis. Our procurement team and project teams coordinate to forecast demand based on the status of our ongoing projects and the expected project pipeline, and procure services and supplies in accordance with project needs. Depending on the nature of the procurement, we typically enter into (i) framework agreements supplemented by project-specific statements of work or purchase orders, or (ii) project-based agreements. We seek to manage supplier concentration and the impact of cost fluctuations through various measures, such as maintaining a diversified supplier pool, obtaining competitive quotations where appropriate, and negotiating commercial terms. During the Track Record Period, we did not experience any material shortage or delay in the supply of key services or supplies that had a material adverse impact on our operations.

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During the Track Record Period, the total amount purchased from our top five suppliers in each year or period during the Track Record Period amounted to RMB38.3 million, RMB29.1 million, RMB20.2 million and RMB15.1 million in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively, representing 28.6%, 25.4%, 18.3% and 20.5% of our total purchase amount for the respective periods. Our largest supplier accounted for 11.2%, 9.2%, 10.4% and 7.6%, respectively, of our total purchase amount in 2023, 2024 and 2025 and the six months ended June 30, 2026, with the amounts incurred being RMB15.1 million, RMB10.5 million, RMB11.4 million and RMB5.6 million, respectively. See “Risk Factors — Risks Related to Our Business and Industry — We have experienced and may continue to experience customer and supplier concentration risks.” During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our suppliers or experience any material breach of our supply agreements. To the best of our knowledge, as of the Latest Practicable Date, there was no information or arrangement that would lead to termination of our relationships with any of our major suppliers.

According to the industry consultant, our credit terms with our major suppliers are in line with the industry norm.

None of our Directors, their respective associates, or Shareholders who own 5% or more of our issued share capital had any interest in any of our top five suppliers in each year or period during the Track Record Period during the Track Record Period. During the Track Record Period, none of our major suppliers was also our customer.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material shortage or material delay in the supply of key services or supplies, nor did we have any material disputes or material breaches of agreements with any of our major suppliers, and there were no events that led to, or that we are aware of that could lead to, the termination of our relationships with any of our major suppliers.

The following tables set forth certain information about our top five suppliers in each year or period during the Track Record Period in terms of transaction amount incurred for the periods indicated.

For the six months ended June 30, 2026

Rank	Supplier	Background	Major products/services purchased	Purchase amount <i>(RMB in thousands)</i>	Percentage of total purchase amount <i>(%)</i>	Year of commencement of business relationship with us	Typical credit term
1. . .	Supplier F	Health Service Provider	SMO service	5,552	7.6%	2019	Within 7 business days from the invoice date
2. . .	Supplier E	Health Service Provider	SMO service	4,473	6.1%	2019	Within 7 to 30 business days from the invoice date
3. . .	Supplier C	Cancer hospital and academic center	Clinical research institution service	2,012	2.7%	2019	Within 7 to 10 business days from the invoice date

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Rank	Supplier	Background	Major products/services purchased	Purchase amount <i>(RMB in thousands)</i>	Percentage of total purchase amount <i>(%)</i>	Year of commencement of business relationship with us	Typical credit term
4. . .	Supplier J ⁽¹⁰⁾	Cancer hospital and academic center	Clinical research institution service	1,614	2.2%	2022	Within 5 to 10 business days from the invoice date
5. . .	Supplier K ⁽¹¹⁾	Health Service Provider	Subject recruitment service	1,406	1.9%	2023	Within 15 business days from the invoice date
Total				15,057	20.5%		

2025

Rank	Supplier	Background	Major products/services purchased	Purchase amount <i>(RMB in thousands)</i>	Percentage of total purchase amount <i>(%)</i>	Year of commencement of business relationship with us	Typical credit term
1. . .	Supplier F	Health Service Provider	SMO service	11,439	10.4%	2019	Within 7 to 10 business days from the invoice date
2. . .	Supplier H ⁽⁸⁾	Health Service Provider	SMO service	2,442	2.2%	2021	Within 10 business days from the invoice date
3. . .	Supplier E	Health Service Provider	SMO service	2,383	2.2%	2019	Within 7 to 30 business days from the invoice date
4. . .	Supplier C	Cancer hospital and academic center	Clinical research institution service	2,186	2.0%	2019	Within 7 to 10 business days from the invoice date
5. . .	Supplier I ⁽⁹⁾	General hospital	Clinical research institution service	1,714	1.6%	2023	Within 10 to 15 business days from the invoice date
Total				20,164	18.3		

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2024

Rank	Supplier	Background	Major products/services purchased	Purchase amount (RMB in thousands)	Percentage of total purchase amount (%)	Year of commencement of business relationship with us	Typical credit term
1 . .	Supplier F ⁽⁶⁾	Healthcare Service Provider	SMO services	10,528	9.2%	2019	Within 7 to 10 business days from the invoice date
2 . .	Supplier B	Medical technology company	EDC and IWRS services	6,140	5.4%	2016	Within 10 to 30 business days from the invoice date
3 . .	Supplier E	Healthcare Service Provider	SMO services	4,596	4.0%	2019	Within 7 to 10 business days from the invoice date
4 . .	Supplier G ⁽⁷⁾	Medical technology company	Central imaging services	4,307	3.8%	2022	Within 45 business days from the invoice date
5 . .	Supplier C	Cancer hospital and academic center	Clinical research institution services	3,543	3.1%	2019	Within 10 to 15 business days from the invoice date
Total				29,114	25.4%		

2023

Rank	Supplier	Background	Major products/services purchased	Purchase amount (RMB in thousands)	Percentage of total purchase amount (%)	Year of commencement of business relationship with us	Typical credit term
1 . .	Supplier A ⁽¹⁾	Regional CRO	CRO services	15,078	11.2%	2022	Within 10 business days from the invoice date
2 . .	Supplier B ⁽²⁾	Medical technology company	EDC and IWRS services	11,542	8.6%	2016	Within 10 to 30 business days from the invoice date
3 . .	Supplier C ⁽³⁾	Cancer hospital and academic center	Clinical research institution services	4,671	3.5%	2019	Within 10 business days from the invoice date

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Rank	Supplier	Background	Major products/services purchased	Purchase amount <i>(RMB in thousands)</i>	Percentage of total purchase amount <i>(%)</i>	Year of commencement of business relationship with us	Typical credit term
4. . .	Supplier D ⁽⁴⁾	Cancer center and teaching hospital	Clinical research institution services	3,732	2.8%	2022	Within 10 to 15 business days from the invoice date
5. . .	Supplier E ⁽⁵⁾	Healthcare Service Provider	SMO services	3,303	2.5%	2019	Within 7 to 30 business days from the invoice date
Total				38,326	28.6%		

- (1). Supplier A is a contract research organization headquartered in Singapore, Singapore that specializes in clinical research, regulatory startups, clinical operations, data management, biostatistics, and clinical trial management. As of the latest available data, Supplier A had between 11 and 50 employees.
- (2). Supplier B is a medical technology company headquartered in Jiaxing, Zhejiang that specializes in digital solutions for the life sciences industry, including a clinical research digital platform, pharmacovigilance, medical affairs, market access, and pharmaceutical marketing. As of the latest available data, Supplier B had 656 employees and a registered capital of RMB563.779 million.
- (3). Supplier C is a specialized cancer hospital and academic center headquartered in Beijing, Beijing that specializes in clinical oncology, cancer research, cancer education, and cancer prevention, with a focus on gastrointestinal and breast cancer. As of latest available data, Supplier C had more than 2,400 employees.
- (4). Supplier D is a provincial-level cancer prevention and research center and teaching hospital headquartered in Jinan, Shandong that specializes in oncology, cancer prevention and research, and a wide range of cancer treatment modalities including radiation therapy, surgery, chemotherapy, and proton therapy. As of the latest available data, Supplier D had over 2,600 staff.
- (5). Supplier E is a pharmaceutical technology development company headquartered in Shanghai, Shanghai that specializes in SMO services, including site selection and start-up, FSP, and third-party quality control and audits. As of the end of 2025, Supplier E had 4,157 employees and a registered capital of RMB79,502,540.
- (6). Supplier F is a medicinal technological progress company headquartered in Beijing, Beijing that specializes in Clinical Research Coordinator services and SMO for a wide range of clinical research projects. As of the latest available data, Supplier F had nearly 800 employees and a registered capital of RMB10 million.
- (7). Supplier G is a medical technology company headquartered in Haiyan, Zhejiang that specializes in clinical trial endpoint services, with a focus on central imaging reading for ophthalmology, respiratory, and oncology. As of the latest available data, Supplier G had between 100 and 499 employees and a registered capital of US\$1.5 million.
- (8). Supplier H is a medical technology company headquartered in Hangzhou, Zhejiang that specializes in SMO and Clinical Research Coordinator services for Phase I-IV clinical studies, real-world studies, and medical device clinical trials. As of the latest available data, Supplier H had over 3,600 professional team members.
- (9). Supplier I is a tertiary Grade-A general hospital and cancer center headquartered in Shijiazhuang, Hebei that is affiliated with Hebei Medical University. Founded in 1955, the hospital integrates clinical care, teaching, research, prevention, and healthcare, and also serves as the Hebei Provincial Cancer Center. The hospital specializes in oncology and a broad range of clinical disciplines, and is an accredited clinical trial institution registered with the NMPA. As of the latest available data, Supplier I had approximately 4,761 employees and over 3,186 licensed beds.
- (10). Supplier J is a specialized cancer hospital and research center based in Guangzhou, Guangdong that specializes in cancer diagnosis and treatment, cancer research, medical education and cancer prevention. As of December 31, 2025, Supplier J had 2,245 beds in operation and 4,416 employees.
- (11). Supplier K is a clinical trial subject recruitment service provider headquartered in Beijing, Beijing that specializes in one-stop subject recruitment solutions for Phase I to Phase IV clinical trials, including patient recruitment, healthy volunteer recruitment and patient management. As of December 13, 2025, Supplier K had 117 employees and a registered capital of RMB4.0 million.

BUSINESS

General Terms of Contracts with Suppliers

We procure services and supplies from suppliers to support the delivery of our services. We enter into service agreements with suppliers that set out the general rights and obligations of the parties, the scope of services, deliverables, service standards, staffing arrangement, project timetable and fees are agreed in the relevant project documents or appendices.

Our supplier agreements generally provide for: (i) performance and compliance requirements, including compliance with applicable laws and regulations and the relevant study protocol and operating procedures; (ii) project management and reporting arrangements to monitor supplier performance, and, in certain cases, restrictions on subcontracting and assignment without prior written consent; (iii) payment terms linked to project progress, and, in some cases, settlement conditional upon our receipt of the relevant pass through payment from the trial sponsor; and (iv) confidentiality provisions, and, where applicable, data ownership and return or delivery of project documents and materials in accordance with our instructions.

We may terminate supplier agreements based on project needs or where a supplier fails to perform, breaches the contract or otherwise fails to meet required standards. Upon termination, amounts payable are settled by reference to services already performed and expenses incurred. Our supplier agreements set out governing law and dispute resolution mechanisms. PRC based agreements are generally governed by PRC law and provide for resolution through litigation at the agreed competent court, while certain cross border arrangements may provide for foreign governing law and arbitration.

OUR CUSTOMERS

Our Major Customers

We have developed established relationships with many of our customers and a significant portion of our revenue is generated from repeat customers. During the Track Record Period, our overall customer retention rate was 78.4%, 74.4%, 68.5%, 70.1% and 77.2% in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. Our overall net dollar retention rate was 110.8%, 90.6% and 105.7% in 2023, 2024 and 2025, respectively. These reflect the continued engagement of our existing customer base across the Track Record Period. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, approximately 95.0%, 96.5%, 97.1%, 98.8% and 90.9% of our revenue, respectively, was generated from customers who had engaged us in the prior year. Our customers are mainly pharmaceutical and biotechnology companies. During the Track Record Period, all of our top five customers in each year or period during the Track Record Period were independent third parties.

The total revenue generated from our top five customers in each year or period during the Track Record Period amounted to RMB221.9 million, RMB190.6 million, RMB198.7 million and RMB110.8 million in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. In 2023, 2024 and 2025 and the six months ended June 30, 2026, our top five customers in each year or period during the Track Record Period together accounted for 59.9%, 56.0%, 59.2% and 54.3%, respectively, of our total revenue, and our largest customer accounted for 21.6%, 16.2%, 19.1% and 17.6%, respectively, of our total revenue. See “Risk Factors — Risks Related to Our Business and Industry — We have experienced and may continue to experience customer and supplier concentration risks.”

According to the industry consultant, our credit terms with our major customers are in line with the industry norm.

None of our Directors, their respective associates, or Shareholders who own 5% or more of our issued share capital had any interest in any of our top five customers in each year or period during the Track Record Period. During the Track Record Period, none of our major customers was also our supplier.

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During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes or material breaches of agreements with any of our major customers, and there were no events that led to, or that we are aware of that could lead to, the termination of our relationships with any of our major customers.

The following tables set forth certain information about our top five customers in each year or period during the Track Record Period in terms of revenue generated for the periods indicated.

For the six months ended June 30, 2026

Rank	Customer	Background	Services and/or solutions provided by us	Sale amount (RMB in thousands)	Percentage of total revenue (%)	Year of commencement of business relationship with us	Typical credit term
1. . .	Customer B	Pharmaceutical company	Clinical trial technical service and FSP	35,961	17.6%	2013	Within 5 to 30 business days from the invoice date
2. . .	Customer E	Biopharmaceutical company	Clinical trial technical service	33,108	16.2%	2018	Within 5 business days from the invoice date
3. . .	Customer A	Biopharmaceutical company	Clinical trial technical service and FSP	25,453	12.5%	2014	Within 10 to 60 business days from the invoice date
4. . .	Customer H ⁽⁸⁾	Biopharmaceutical company	Clinical trial technical service	8,168	4.0%	2026	Within 20 business days from the invoice date
5. . .	Customer I ⁽⁹⁾	Pharmaceutical company	Clinical trial technical service	8,098	4.0%	2021	Within 5 to 30 business days from the invoice date
Total				110,788	54.3%		

2025

Rank	Customer	Background	Services and/or solutions provided by us	Sale amount (RMB in thousands)	Percentage of total revenue (%)	Year of commencement of business relationship with us	Typical credit term
1. . .	Customer E	Biopharmaceutical company	Clinical trial technical service	64,190	19.1%	2018	Within 5 business days from the invoice date
2. . .	Customer B	Pharmaceutical company	Clinical trial technical service and FSP	54,537	16.2%	2013	Within 5 to 30 business days from the invoice date

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Rank	Customer	Background	Services and/or solutions provided by us	Sale amount (RMB in thousands)	Percentage of total revenue (%)	Year of commencement of business relationship with us	Typical credit term
3. . .	Customer A	Biopharmaceutical company	Clinical trial technical service and FSP	39,889	11.9%	2014	Within 10 to 60 business days from the invoice date
4. . .	Customer F	Pharmaceutical group	Clinical trial technical service	20,627	6.1%	2018	Within 7 to 10 business days from the invoice date
5. . .	Customer G	Pharmaceutical company	Clinical trial technical service	19,471	5.9%	2022	Within 5 to 10 business days from the invoice date
Total				198,714	59.2		

2024

Rank	Customer	Background	Services and/or solutions provided by us	Sale amount (RMB in thousands)	Percentage of total revenue (%)	Year of commencement of business relationship with us	Typical credit term
1. . .	Customer E	Biopharmaceutical company	Clinical trial technical services	55,183	16.2%	2018	Within 5 to 15 business days from the invoice date
2. . .	Customer A	Biopharmaceutical company	Clinical trial technical services and FSP	45,318	13.3%	2014	Within 10 to 60 business days from the invoice date
3. . .	Customer B	Pharmaceutical company	Clinical trial technical services and FSP	40,680	12.0%	2013	Within 5 to 30 business days from the invoice date
4. . .	Customer D	Pharmaceutical company	Clinical trial technical services	29,376	8.6%	2021	Within 5 to 10 business days from the invoice date
5. . .	Customer F	Pharmaceutical group	Clinical trial technical services	20,005	5.9%	2018	Within 7 to 10 business days from the invoice date
Total				190,562	56.0%		

BUSINESS

2023

Rank	Customer	Background	Services and/or solutions provided by us	Sale amount (RMB in thousands)	Percentage of total revenue (%)	Year of commencement of business relationship with us	Typical credit term
1. . .	Customer A	Biopharmaceutical company	Clinical trial technical services and FSP	80,154	21.6%	2014	Within 10 to 60 business days from the invoice date
2. . .	Customer B	Pharmaceutical company	Clinical trial technical services and FSP	52,486	14.2%	2013	Within 5 to 30 business days from the invoice date
3. . .	Customer C ⁽³⁾	Biopharmaceutical company	Clinical trial technical services	37,978	10.3%	2019	Within 5 to 15 business days from the invoice date
4. . .	Customer D ⁽⁴⁾	Pharmaceutical company	Clinical trial technical services	27,885	7.5%	2021	Within 5 to 10 business days from the invoice date
5. . .	Customer E ⁽⁵⁾	Biopharmaceutical company	Clinical trial technical services	23,408	6.3%	2018	Within 5 to 15 business days from the invoice date
Total				221,911	59.9%		

- (1). Customer A is a biopharmaceutical company headquartered in Shanghai, the PRC, primarily engaged in the research and development, manufacturing and commercialization of monoclonal antibody (mAb) drugs, and the provision of related technical services, technology transfer and technology consultation services. As of the latest available data, Customer A had over 40,000 employees.
- (2). Customer B is a pharmaceutical company headquartered in Hangzhou, Zhejiang that specializes in Traditional Chinese Medicine, Western Medicine, Biotechnology, APIs, Finished Products, Transplant Immunology, Endocrinology, Chronic Kidney Disease, Digestive System, Antibiotics, Oncology, and Cardiovascular products. As of the latest available data, Customer B had over 9,000 employees.
- (3). Customer C is a state-owned biopharmaceutical company headquartered in Beijing and an important member of China National Pharmaceutical Group Co., Ltd. (Sinopharm). It is principally engaged in the R&D, manufacturing and sales of biological products, covering (among others) human vaccines, blood products, medical aesthetics, animal healthcare, biotherapeutics and medical diagnostics. As of the latest available information, Customer C had over 10,000 employees.
- (4). Customer D is a pharmaceutical technology company headquartered in Shanghai that specializes in innovative drug research and development, manufacturing, and commercialization, with a focus on oncology, nephrology, cerebro-cardiovascular, analgesic, respiratory health, and immunology therapeutics. As of 2024, Customer D had 389 employees.
- (5). Customer E is a bio-pharmaceutical company headquartered in Luzhou, Sichuan that specializes in the research and development, production, and sales of biological products, biotechnology, and biopharmaceuticals, as well as pharmaceutical manufacturing, drug production, drug wholesale, and drug import and export. As of the latest available data, Customer E had between 100 and 199 employees.
- (6). Customer F is a pharmaceutical holdings company headquartered in Guangzhou, Guangdong that specializes in the research and development, manufacturing, and sales of Chinese patent medicine, Western medicine, biological products, health products, health drinks, wholesale and retail of pharmaceuticals and medical devices, and import and export business. As of December 31, 2023, Customer F had 28,048 employees.
- (7). Customer G is a pharmaceutical company headquartered in Wuxi, Jiangsu that specializes in Antibiotic APIs, Immunosuppressant APIs, Chemical Synthesis Bulk Drugs, Oral Solid Dosage Forms, New Antineoplastic Drugs, and Hepatoprotective Drugs. As of the latest available data, Customer G had between 300 and 399 employees.
- (8). Customer H is a biopharmaceutical company based in Suzhou, Jiangsu that specializes in the research and development of pharmaceutical products, with a focus on antibody-based therapies for immune diseases. As of December 31, 2025, Customer H had 95 employees and a registered capital of RMB450.0 million.

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- (9) Customer I is a biopharmaceutical company headquartered in Huzhou, Zhejiang that specializes in the research, development and commercialization of innovative pharmaceutical products, with a focus on oncology therapies, including small-molecule targeted therapies. As of December 31, 2025, Customer I had 173 employees and, as of the latest available data, a registered capital of RMB380.1 million.

General Terms of Contracts with Customers

We enter into project-based clinical trial service agreements with our customers. These agreements set out the scope of services, project timelines, key milestones, deliverables, quality standards and compliance requirements under applicable laws and regulations, including clinical trial quality management requirements.

Our customer agreements generally provide for: (i) service fees agreed based on the scope and complexity of the project and the resource requirements; (ii) payment schedules linked to project milestones, including contract signing, completion of ethics approvals, first subject first visit, last subject last visit, data cleaning, delivery of final clinical study reports and project close out, with payments usually required within a specified number of working days after the relevant milestone is achieved and, in certain cases, after the customer receives the relevant value added tax invoice; (iii) delivery of agreed project documents and reports and the customer’s review and acceptance, and amendments to protocol, scope of work, timelines, number of clinical sites and other key terms documented in writing, including by supplemental agreements where appropriate; and (iv) customer ownership of intellectual property and project results generated under the customer’s project, and confidentiality obligations covering the customer’s technical and commercial information and project results, with breach giving rise to contractual liabilities, including termination and liquidated damages. For details of payment schedule, see “Business — Our Fee Models — Fee-for-service Model.”

The agreements set out termination and settlement arrangements. Termination may arise by mutual agreement, due to force majeure or policy changes that prevent continued performance, or due to breach. Where a project is terminated, fees and reimbursable expenses are settled based on work performed and costs incurred up to the termination date, and the parties may enter into a separate termination settlement agreement to confirm the outstanding balance and payment conditions.

MARKETING AND SALES

We obtain business through efforts of our business development team. We increase our brand awareness, expand our customer base and strengthen relationships with existing clients.

Our marketing and business development activities are primarily led by our business development department, which reports directly to our chief executive officer. Our business development team conducts marketing activities through multiple channels, including customer visits, and industry conferences, and public information platforms. These channels allow us to identify potential opportunities, maintain communications with prospective clients, and convert project leads into contract awards. As of June 30, 2026, our business development team comprises 28 members. Most of our clinical CRO services are sourced through tendering and competitive bidding process.

We maintain a customer relationship management system, to support customer development and retention. The customer relationship management system contains customer profile information such as registration details, pipeline, financing status, organizational structure and key contacts, as well as follow-up records and historical cooperation information, enabling lead tracking and account management. We evaluate client satisfaction through a structured feedback process coordinated by our project management office (PMO). Feedback is collected through periodic project communications and PMO follow-up, escalated where appropriate, and the PMO generally responds to complaints within three business days. Corrective actions are tracked to completion and summarized in periodic management reports. We also provide after-sales support through our professional technical teams, including regulatory affairs, medical, clinical operations, data management, biostatistics and pharmacovigilance. Throughout project execution, business development personnel remain involved to coordinate internal and external resources and support communications.

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COMPETITION

The global and China biopharmaceutical R&D services markets are highly fragmented. In China, the five largest clinical CROs by revenue accounted for 29.9% of the total clinical CRO market in 2025, according to the F&S Report.

We face significant competition from leading China-headquartered CROs, such as Tigermed, R&G, and Pharmaron. In addition, we face competition from a substantial number of small- to medium-sized CROs and the in-house R&D departments of biopharmaceutical companies. For more details regarding our competitive landscape, see “Industry Overview — Competitive Landscape in the Clinical CRO Market” and “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.”

AWARDS AND RECOGNITIONS

The table below sets forth a summary of the major awards and recognitions we received as of the Latest Practicable Date:

Awards/Recognitions	Granting Authority/Organization	Award Year
High-tech Zone “Gazelle” Enterprise (高新區瞪羚企業)	Hefei High-tech Zone Administrative Committee (合肥高新區管委會)	2024
Anhui Province Innovative Enterprise (安徽省創新型企業)	Anhui Provincial Department of Economy and Information Technology (安徽省經濟和信息化廳)	2023
Anhui Province “Specialized, Refined, Distinctive and Innovative” Enterprise (安徽省專精特新企業)	Anhui Provincial Department of Economy and Information Technology (安徽省經濟和信息化廳)	2023
Anhui Province Big Data Enterprise (安徽省大數據企業)	Anhui Provincial Data Resources Administration (安徽省數據資源管理局)	2023
Hefei Municipal Big Data Enterprise (合肥市大數據企業)	Hefei Municipal Data Resources Administration (合肥市數據資源局)	2023
Enterprise admitted to the Hefei Biomedical Industry Public Platform (合肥市生物醫藥產業公共平台入庫企業)	Hefei Municipal Bureau of Economy and Information Technology (合肥市經濟和信息化局)	2023

EMPLOYEES

As of June 30, 2026, we had a total of 566 employees. The table below sets forth a breakdown of our employees by function and by region as of June 30, 2026.

	China	Oversea
Project operations ⁽¹⁾	436	12
Business development ⁽²⁾	24	4
Functional management ⁽³⁾	38	—
Research and development ⁽⁴⁾	52	—
Total	550	16

(1). “Project operations” primarily include personnel engaged in clinical operations, medical science, data management, biostatistics, pharmacovigilance, regulatory registration, subject recruitment and other functions.

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- (2). “Business development” primarily include personnel responsible for client development and client management.
- (3). “Functional management” primarily includes personnel in finance, legal, procurement, human resources, administration and other supporting functions.
- (4). “Research and development” primarily include personnel engaged in system development, clinical trial technology research and development and quality research and development.

Employment Arrangements and Employee Benefits

We enter into individual employment contracts with our employees in accordance with applicable labor laws. These contracts generally cover wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition where applicable and grounds for termination, and typically have terms of three years. For our employees in the PRC, we are required by applicable PRC laws and regulations to make contributions to statutory social insurance funds and housing provident funds, including basic pension insurance, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees, and engaged third-party human resources agencies to make such contributions on behalf of certain other employees. See “— Employees — Social Insurance and Housing Provident Funds Contribution”.

Recruitment, Training and Talent Development

We recruit through campus recruitment and experienced-hire channels. In the PRC, we source experienced hires through online recruitment platforms, recruitment agencies and headhunters and employee referrals, and for international recruitment we also use professional networking platforms. We invest in continuing education and training programs to upgrade employees’ skills and knowledge. Our training programs generally include:

- (i). Onboarding and role-based training, including SOP orientation and project delivery basics;
- (ii). Technical and professional training tailored to clinical research functions, including GCP awareness, protocol and process training, and function-specific training such as monitoring, data management, biostatistics and pharmacovigilance;
- (iii). Ongoing internal and external training, including participation in industry conferences and workshops; and
- (iv). Compliance training, including anti-bribery and anti-corruption requirements and other relevant legal and regulatory updates.

Remuneration, Incentives and Retention

We provide compensation and benefits that generally include base salary and performance-based incentives. Employee compensation is typically comprised of base salary plus bonus, with bonuses determined based on role responsibilities, performance assessment and business outcomes. We also provide employee benefits in accordance with applicable laws and our internal policies.

Compliance and Ethical Requirements

We require our employees, especially those involved in business development and customer-facing activities, to abide by our internal compliance requirements and applicable laws and regulations to mitigate bribery and corruption risks, and we provide regular compliance training. Compliance oversight and internal supervision arrangements are

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primarily implemented through the Audit Committee, Internal Audit Department and General Management Office, with support from the Legal Department and Human Resources and Administration, including whistleblowing channels and the handling of reports. The Audit Committee has overall oversight of the relevant corporate seals and related controls, and the Internal Audit Department investigates reported matters.

Social Insurance and Housing Provident Funds Contribution

Pursuant to the relevant PRC laws and regulations, employers are obligated to contribute to the social insurance and housing provident funds for their employees. During the Track Record Period, we (i) did not make adequate social insurances and housing provident fund contributions for certain employees; and (ii) engaged third-party human resources agencies to make social insurance and housing provident fund contributions.

During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations, primarily because certain employees were unwilling to pay the social insurance and housing provident funds in full as it requires additional contributions from our employees. In 2023, 2024 and 2025, and the six months ended June 30, 2026, the aggregate shortfall amount of social insurance contributions to our employees was RMB4.4 million, RMB5.7 million, RMB7.8 million and RMB4.3 million, respectively, and the aggregate shortfall amount of housing provident fund contributions was RMB1.6 million, RMB2.1 million, RMB2.8 million and RMB1.9 million, respectively. As advised by our PRC Legal Advisors, if any of the relevant social insurance authorities is of the view that the social insurance contributions we made for our employees do not comply with the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed time period plus a late fee of 0.05% of the total outstanding balance per day. The maximum aggregate potential late fees for which we may be liable in connection with the inadequate contributions to social insurance were approximately RMB0.3 million, RMB0.4 million, RMB0.5 million and RMB0.1 million in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. If we fail to do so within the prescribed period as requested by the relevant social insurance authorities, we may be subject to a fine ranging between one to three times of the total outstanding balance. In addition, if any of the relevant housing provident fund authorities is of the view that our contributions to the housing provident funds do not satisfy the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed period. If we fail to do so within the prescribed period, the relevant housing provident fund authority may apply to a PRC court for an order of mandatory payment.

In addition, during the Track Record Period, we engaged third-party human resources agencies to make social insurance and housing provident fund contributions for a portion of our employees, primarily because they prefer their social insurance and housing provident funds to be paid at their respective places of residence for the convenience of utilizing such benefits locally. This practice does not constitute compliance with applicable PRC laws and regulations, as such contributions are required to be made directly by the employing entity. If this arrangement is challenged by the relevant authorities, we may be deemed to have failed to discharge our statutory obligations.

Based on the applicable laws, regulations, and normative documents, the relevant credit reports obtained by us and our PRC subsidiaries, and the undertakings provided by us and each of our PRC subsidiaries, our PRC Legal Advisors are of the view that, as of the Latest Practicable Date, neither we nor our PRC subsidiaries and their respective branches have been subject to any material administrative penalties imposed by the competent authorities in charge of labor and personnel, social insurance, or housing provident fund matters. As advised by our PRC Legal Advisors, in the absence of any material changes in the current policies, regulations, and enforcement and supervisory requirements of the relevant local authorities, and provided that no material employee complaints or claims arise, the risk of us being required by the relevant authorities to make supplementary contributions or being subject to administrative

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penalties in respect of historical non-compliance with social insurance and housing provident fund contribution requirements during the Track Record Period is remote, based on the following: (i) the current PRC government policy against centralized collection of historical arrears; (ii) no material administrative penalties had been imposed on us or our PRC subsidiaries in relation to social insurance or housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date, and we were not aware of any plan or arrangement by the relevant authorities to pursue historical shortfalls; (iii) the credit reports obtained by us and each of our PRC subsidiaries confirm the absence of any record of arrears or administrative penalties in the areas of social insurance and housing provident fund contributions during the respective periods covered; (iv) we and each of our PRC subsidiaries have undertaken in writing that, in the event that any employee files a complaint with the competent authorities or the competent authorities require rectification or supplementary payment within a stipulated time period, we will duly comply in a timely manner; and (v) our controlling shareholders have undertaken in writing to personally bear any supplementary contributions, late payment surcharges, fines, or other losses incurred by us or our PRC subsidiaries as a result of any historical non-compliance, so as to ensure that we do not suffer any loss in connection therewith. See “Risk Factors — Our failure to make sufficient contributions to employee benefit plans as mandated by PRC regulations may lead to penalties, which could adversely affect our business, financial condition and reputation.”

Based on Article 19 of the Interpretation II by the Supreme People’s Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases, which provides that “where the employer and the laborer agree, or the laborer promises the employer, that there is no need to pay social insurance premiums, the people’s court shall determine that such agreement or promise is invalid”, our PRC Legal Advisors confirm that no such agreement or waiver exists between us and our employees whereby the employees have agreed to or promised to forgo the payment of social insurance premiums. Accordingly, our PRC Legal Advisors are of the view that this provision has no material impact on us.

Rectification and Enhanced Internal Control Measures

With respect to the inadequate social insurance and housing provident fund contributions, we have adopted a phased rectification plan to progressively bring our contributions into full compliance. In 2026, we plan to adjust the contribution base to 65% of each employee’s actual salary. In 2027, we plan to further increase the contribution base to 80% of each employee’s actual salary. We expect to achieve full compliance by 2028, with contributions calculated based on 100% of each employee’s actual salary.

With respect to the third-party agency arrangements, as of June 30, 2026, social insurance and housing provident fund contributions for 14 of our employees continue to be made through third-party human resources agencies. We expect to fully eliminate all third-party agency arrangements by October 2026.

In the event that we receive notification from the relevant government authorities requiring us to rectify, make timely payments, or pay any outstanding amounts, we will promptly cooperate with the relevant competent authorities to fulfil our obligations in full.

To ensure ongoing compliance, we have implemented the following enhanced internal control measures: (i) adopting an Employee Benefits Management Policy requiring social insurance and housing provident fund contributions to be made for all eligible employees based on their actual salaries in accordance with applicable national and local regulations; (ii) adopting a Third-Party Payment Management Policy establishing a three-layer identification and monitoring mechanism for third-party payments, supported by a multi-level approval process and due diligence requirements; (iii) assigning a dedicated compliance team to monitor our ongoing adherence to applicable regulations and implement corrective measures as necessary; and (iv) proactively tracking regulatory developments and maintaining regular communication with the relevant PRC authorities to ensure our contribution practices remain fully compliant.

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INSURANCE

We maintain insurance coverage that we believe is appropriate for our business operations and generally in line with industry practices. Our insurance policies are primarily intended to cover risks arising from our day-to-day operations and employee-related exposures. We do not maintain key-man life insurance for any member of our senior management. We also do not maintain business interruption insurance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

ESG Governance

As a CRO, we adhere to applicable national and local laws and regulations relating to environmental protection, labor management, occupational health and safety and business ethics (anti-corruption). We have formulated ESG policies covering environmental protection measures, social responsibility principles and internal governance frameworks. Post-[REDACTED], we will comply with applicable ESG reporting requirements and engage transparently with stakeholders.

Our Board is responsible for ESG management and oversees the implementation of ESG and climate-related policies and measures. Its duties include reviewing and approving major ESG issues, objectives and strategies, reviewing and approving the ESG report and external disclosures, and confirming significant ESG issues, materiality assessments and key data. The Audit Committee assists the Board in overseeing ESG matters, including reviewing the draft annual ESG report before it is submitted to the Board for approval.

Our ESG Working Group coordinates the implementation of ESG work and disclosure and reports to the Board on major ESG and climate-related issues and implementation progress. The Board Office is the coordinating department responsible for day-to-day ESG matters, including ESG data collection and the preparation of our annual ESG report and liaison with The Stock Exchange of Hong Kong Limited on ESG reporting matters. Relevant business and functional departments are responsible for identifying, managing and reporting ESG risks and performance within their remit and implementing ESG action plans. Our internal audit function conducts periodic independent assessments of the ESG management system and the reliability of data collection and reporting processes and reports its findings to the Audit Committee.

ESG Goals

We have identified ESG focus areas covering environmental responsibility, employee responsibility, sustainable supply chain, business ethics (anti-corruption), and client responsibility, including service quality, ethical standards in clinical trials and data privacy and information security.

Environmental Responsibility

Our waste primarily comprises general office waste such as waste ink cartridges and toner cartridges. As we do not manufacture pharmaceuticals, we do not generate production-related waste from drug manufacturing, and any unused drugs for clinical trials are collected and returned to the relevant pharmaceutical companies.

Our energy consumption mainly relates to purchased electricity for offices, and our water consumption is mainly for office daily use. We implement measures to improve resource efficiency, including equipment maintenance, lighting controls and monitoring and water-saving devices.

BUSINESS

The below table sets forth our energy and water consumption during the Track Record Period:

	Unit	Year ended December 31,			Six months ended June 30,
		2023	2024	2025	2026
Total Electricity Consumption ⁽¹⁾	MWh	179,223	144,644	144,868	103,090
Total Water Consumption	m ³	392	395	329	151

Note:

- (1) The Electricity Consumption is calculated from bills paid with prepaid account and direct payment

We categorize our greenhouse gas (GHG) emissions into Scope 1, Scope 2 and Scope 3 in accordance with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. Scope 1 emissions primarily arise from refrigerant leakage in our refrigeration equipment. Scope 2 emissions primarily arise from our purchased electricity. Scope 3 emissions primarily arise from employee business travel. The table below sets out our GHG emissions during the Track Record Period:

Category	Unit	Year Ended December 31,			Six months ended June 30,
		2023	2024	2025	2026
Total GHG Emissions .	(tonnes of CO ₂ eq)	1,029.48	1,199.85	1,308.5	586.48
Scope 1 . .	(tonnes of CO ₂ eq)	1.31	1.31	1.31	2.26 ⁽¹⁾
Scope 2 . .	(tonnes of CO ₂ eq)	96.17	77.62	77.74	55.32
Scope 3 ⁽²⁾	(tonnes of CO ₂ eq)	932	1,120.93	1,229.46	528.90

Notes:

- (1) As of June 30, 2026, the increase in Scope 1 emissions is attributed to the addition of the Hangzhou office and increased refrigeration equipment, leading to higher refrigerant leakage emissions.
- (2) The increase in Scope 3 emissions from 2023 to 2025 was primarily driven by growth in employee business travel, attributable to four factors: (i) the release of previously suppressed business travel demand following the lifting of COVID-19-related restrictions; (ii) an increase in our total headcount from 430 to 474 employees; (iii) a higher frequency of on-site monitoring visits and investigator meetings as our project portfolio expanded; and (iv) increased client visits and business development activities amid intensifying competition in the industry.

Based on our historical GHG emission data, we have established an emission reduction target: with 2025 as the base year, we will reduce the average annual GHG emissions per employee by 5% by 2028. To achieve this target, we will take the following measures: (i) For Scope 1 emissions, we focus on refrigerant leakage in our refrigeration equipment, and will reduce such leakage emissions by conducting regular inspections to register potential hazards and rolling out compliance training and awareness initiatives. (ii) For Scope 2 emissions, we focus on purchased electricity, and will reduce power consumption by promoting low-carbon electricity use behaviors, carrying out electricity use awareness training, implementing paperless office operations and enforcing time-limited use of non-essential equipment. (iii) For Scope 3 emissions, we focus on employee business travel, and will achieve full-dimensional emission reduction through behavioral guidance and management optimization, including strengthening green publicity and advocacy and standardizing the routes and modes of official business travel.

BUSINESS

Employee Responsibility

We comply with applicable labor laws and regulations and maintain standardized employment policies. We provide a remuneration and benefits framework, including mandatory social insurance and bonuses, and we are committed to non-discrimination, fair treatment and equal opportunity.

The below table sets forth the composition of our total workforce during the Track Record Period:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
By Gender				
Male	123	108	134	163
Female	307	291	340	403
By Age Group				
Under 30 years old	229	176	184	212
30-50 years old	193	216	281	345
Over 50 years old	8	7	9	9

Occupational Health and Safety

We prioritize occupational health and safety through health management measures, including entry physical examination reports and annual health check-ups. During the Track Record Period, there were no work-related fatalities or injuries recorded among our employees working at our on-site premises. We provide onboarding and annual training programs.

Development and Training

We provide our employees with annual training programs and plans, and provide new employees with onboarding training. We also encourage employees to participate in external organization forums, sharing sessions, etc. to enrich their professional knowledge — all designed to build capability and support long-term career advancement.

Supply Chain Management

We have a supplier management system and maintain a qualified supplier list. We conduct pre-engagement due diligence and regularly evaluate supplier performance. We require suppliers to comply with applicable laws and regulations on anti-bribery, anti-corruption and business ethics.

The below table sets forth the supplier distribution during the Track Record Period:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
PRC	29	94	211	140
Outside the PRC	0	15	13	17

BUSINESS

Clinical Trial Patient Recruitment

We have established a patient recruitment standard operating procedure governing the recruitment process. All recruitment materials and protocols are subject to EC/IRB approval prior to use, and the eligibility of each prospective subject is verified against their prior medical records.

Prior to enrolment, our investigators explain the informed consent form to each prospective subject on an item-by-item basis, including the potential benefits and risks of the trial. To safeguard the well-being of trial participants, we arrange insurance coverage for subjects and provides transportation subsidies, complimentary medical examinations and investigational drugs at no cost.

Patient recruitment organizations are required to provide their business licences and execute confidentiality agreements prior to onboarding. We conduct regular meetings, periodic on-site visits and training sessions to monitor performance on an ongoing basis. During the Track Record Period, we did not experience any material difficulty in patient recruitment. We have collaborated with over 60 patient recruitment organizations to support stable and orderly recruitment progress. We therefore do not consider patient recruitment difficulty to be a material risk to our operations.

Third Party Payment

During the Track Record Period, we received certain payments through third parties primarily where the payor and the customer are affiliates for business convenience (“Third Party Payment Arrangements”). The Third Party Payment Arrangements arose because the relevant customer encountered cross-border remittance difficulties in making direct payments to us in the contractual currency due to banking and foreign exchange constraints between the relevant jurisdictions. Following the resolution of these constraints, payments were made in accordance with the payment provisions set forth in the relevant contracts. One customer was involved in such arrangements during the Track Record Period, and the third-party payor was an affiliate of that customer. We received third-party payments in an aggregate amount of RMB450,000 from the above customer in 2023, and no payments were received under the Third Party Payment Arrangements in 2024 or 2025. All amounts received under the Third Party Payment Arrangements have been fully settled as of the Latest Practicable Date, and there are no outstanding or unsettled amounts thereunder. Our Directors confirm that, as of the Latest Practicable Date, each of the relevant customer and third-party payors involved in the Third Party Payment Arrangements during the Track Record Period were Independent Third Parties, and none of our Directors, their close associates, or Shareholders who own more than 5% of the share capital of our Company had any interest in such customer or third-party payors. Our PRC Legal Advisors are of the opinion that the third-party payment arrangement constitutes a violation of the foreign exchange administration regulations of the PRC. Specifically, this arrangement falls under Article 40 of the Foreign Exchange Administration Regulations, which prohibits illegal arbitrage, including the act of making payments in Renminbi that should be made in foreign exchange. Pursuant to this provision, the foreign exchange control authorities may order the repatriation of the illegally arbitrated funds and impose a fine of up to 30% of the illegal arbitrage amount for non-serious violations, or a fine ranging from 30% to the full equivalent amount where the case is serious; criminal liability shall be pursued where the offense constitutes a crime. Our PRC Legal Advisors are of the view that, given the non-serious nature of the violation, (i) the above-mentioned third-party payment acts do not satisfy the criminal case filing and prosecution standards and thus do not constitute a criminal offense, and the Group will not be subject to any criminal liability therefor; and (ii) any administrative penalty would likely be limited to the lower tier — not exceeding 30% of the transaction value, calculated as RMB135,000 (based on the RMB450,000 service fee). As of the Last Practical Date, the Company has not been subject to any administrative penalties imposed by the foreign exchange administration authorities in respect of the foregoing matters.

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Our Directors are of the view that the cessation of the Third Party Payment Arrangements would not result in any material adverse impact on our operations, liquidity, or financial performance. Based on the independent due diligence conducted by the Joint Sponsors, no material matter has come to the Joint Sponsors’ attention that would cause them to disagree with this view.

As of June 30, 2026, regarding the third party payment received by us, we have not encountered any refund requests, actual or pending disputes or disagreements or claims as a result of the Third Party Payment Arrangements.

We have strengthened our internal control measures to minimize the use of Third Party Payment Arrangements going forward, including: (i) verifying the consistency of the payor’s bank account information against the customer’s bank account information stated in the contract when following up on outstanding payments, with any discrepancies recorded immediately and an investigation into the third-party payment initiated; (ii) comparing the actual payers listed on bank receipts or statements with the contract parties in the system when reconciling payments, and flagging and reporting to the relevant business department any discrepancies identified; (iii) setting up automated alert rules in our financial system to flag transactions where the payer does not match the contracting party; (iv) suspending payment processing immediately upon identification of any such discrepancy, notifying the relevant business department to contact the customer for verification, and, where no reasonable explanation or prior notice is provided, processing a refund within three business days and requesting the customer to make a new payment; and (v) maintaining written records of the entire handling process for no less than seven years. The Internal Control Consultant engaged by us has reviewed our internal control procedures regarding the Third Party Payment management. We adopted rectification measures recommended by the Internal Control Consultant and the Internal Control Consultant has no further recommendation after the follow-up review on these procedures. Based on aforesaid, we are of the view, and the Joint Sponsors concur after having conducted the independent due diligence, that these internal control measures are effective and adequate to minimize the use of Third Party Payment Arrangements going forward.

Anti-corruption

Our anti-corruption framework includes the Anti-fraud System, the Anti-corruption, Money Laundering, and Sanction System, and whistleblowing mechanism. We prohibit improper conduct such as accepting kickbacks, embezzlement of company assets and unauthorized disclosure of commercial secrets and impose disciplinary measures for violations. We maintain internal controls over high-risk areas such as procurement and financial reporting and provide ethics training.

We have established a multi-level feedback system that includes anonymous reporting to senior management, and explicitly commit to no retaliation against bona fide whistle blowers and zero tolerance for retaliatory acts. In the procurement process, we integrate anti-corruption due diligence into the entire process of partner selection, embed anti-bribery clauses in contracts, and stipulate that the Company may unilaterally terminate the agreement if a partner engages in bribery activities.

Community Engagement

We support community programs and charitable initiatives and will continue to explore community engagement initiatives consistent with our resources and business operations.

BUSINESS

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk Management

We recognize that risk management is critical to the success of our business operations. We face risks relating to market and regulatory conditions, the quality and compliance of clinical trial CRO services, growth execution, competition, and the protection of confidential information and data. See “Risk Factors” for a discussion of various risks and uncertainties that we face. We are also exposed to market risks, including credit, liquidity, interest rate and currency risks, and see “Financial Information — Financial Risks Disclosure” for further information. In order to meet these challenges, we have established a risk management framework, which is summarized as follows:

Risk governance structure: The Board has ultimate responsibility for risk management, the Audit Committee provides oversight under the Board’s authorization, senior management implements relevant policies and procedures, and business and functional departments identify, assess, control and report risks within their respective scope of responsibilities.

Risk identification, assessment, response and monitoring: We conduct a comprehensive risk assessment on an annual basis, including risk rating using a likelihood-impact risk matrix and ongoing update of the major risk register, with key results reported to senior management and the Audit Committee and material risk matters reported to the Board as appropriate.

Internal audit and continuous improvement: Our internal audit department performs periodic independent assessments on the effectiveness of our risk management and internal control systems and reports its findings to the Audit Committee. This helps ensure that our risk management process operates on a closed-loop basis and is continuously enhanced.

Internal Controls

We have engaged an internal control consultant (the “Internal Control Consultant”) to perform certain agreed-upon procedures in connection with the internal control of our Company and our major operating subsidiaries and to report factual findings on our Company’s entity-level controls and internal controls of various processes, including control environment, risk assessment, control activities, information and communication and internal monitoring, and selected business and operational processes. The Internal Control Consultant performed procedures from December 30, 2025 to January 17, 2026 on our Company’s system of internal control. Internal Control Consultant has made recommendations to us on January 17, 2026 and we have adopted or plan to adopt a series of internal control policies. Internal Control Consultant has not made further recommendation on our internal control system after that.

We have adopted a series of internal control policies, measures and procedures to facilitate and ensure effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations, among other things. During the Track Record Period, we have regularly reviewed and enhanced our internal control system. The following is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- i. We have established internal control and internal audit institutions, including teams and regulations responsible for overall Internal Control function and development.
- ii. Our internal control team is responsible for promulgation and stipulation of internal control policies, measures, and procedures aiming to maintain a fully functional and effective internal control mechanism.
- iii. Our internal audit team regularly inspects all departments on their execution and conformity to our internal control institutions. We conduct inspections based on our annual internal auditing goals and plans. We report directly to the Auditing Committee, CEO, and CFO to ensure an effective and unbiased internal auditing mechanism.

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- iv. We have established departmental internal control mechanisms, covering Third-Party Payment, Securities affairs, legal and corporate governance compliance, etc. Departmental leaders are responsible for the implementation of the respective mechanism, under the supervision of internal control and audit teams.
- v. We have established internal control mechanism regarding our business operations, across project management, data governance, intellectual property protection, etc.
- vi. We have established internal report channel for confidential whistleblowing against any misconduct, including fraud and corruption. We will conduct independent investigation of the reports and take appropriate actions as investigation and remedies.

OUR OFFICES AND PROPERTIES

We are headquartered in Hangzhou, Zhejiang Province, China as of the Latest Practicable Date.

Owned properties

As of the Latest Practicable Date, we did not own any properties in China and overseas.

Leased properties

We primarily lease premises to support our operations. As of the Latest Practicable Date, we leased four properties in the PRC with an aggregate GFA of approximately 2,438.36 sq.m. for office and research purposes. Among the four leased properties, we operated leased facilities in Hangzhou, Zhejiang for our headquarters with an area of 1,546.26 sq.m., Hefei, Anhui for research and office purposes with an area of 298.56 sq.m., Chaoyang, Beijing for office purposes with an area of 511.11 sq.m., and Zhuhai, Guangdong for office purposes with an area of 82.33 sq.m.

Non-registration of lease agreements

As of the Latest Practicable Date, two of our PRC lease agreements had not been registered and filed with the relevant real estate management authorities pursuant to the Administrative Measures for Commodity House Leasing, (《商品房屋租賃管理辦法》). As advised by our PRC Legal Advisor, failure to register and file lease agreements does not affect the validity and enforceability of the relevant lease agreements. Under applicable PRC regulations, we may be ordered to complete such registration within a prescribed period and may be subject to administrative fines. The maximum aggregate fine exposure is RMB10,000 for each lease. During the Track Record Period and up to the Latest Practicable Date, we had not received any request or suffered any fine from the relevant government authorities in relation to non-registration of leases.

Our Directors are of the view that non-registration of leased properties would not have a material adverse impact on the Company. We will cooperate with lessors to facilitate registration of lease agreements if required by relevant government authorities.

To prevent the recurrence of similar incidents, we have implemented enhanced internal control measures in respect of lease registration. Following execution of a lease agreement, the responsible business department is required to submit the relevant documentation to our asset management department for entry into a centralized lease register within 15 business days of the lease taking effect, and to complete registration and filing with the relevant authorities in accordance with applicable regulations. The legal department is responsible for reviewing all lease agreements prior to execution, archiving executed agreements, and updating records upon any amendments.

BUSINESS

LICENSES, PERMITS AND CERTIFICATES

Notwithstanding that our services involve complex and highly regulated activities across the clinical research lifecycle, we operate solely as a third-party service provider rendering technical support, rather than as a regulated entity (such as a medical device manufacturer, drug producer, clinical trial site, or in-country agent) that is required to obtain Medical Device Registration Certificates, Drug Manufacturing Licenses, or other special regulatory permits or licenses specific to the clinical research or healthcare sectors. Accordingly, we are only required to hold general business licenses with appropriate scopes covering “technical services,” which are sufficient for our operations, and no certificates, permits, or licenses beyond such general corporate registrations are material to our operations.

During the Track Record Period and up to the Latest Practicable Date, there were no certificates, permits, or licenses that were material to our operations beyond the general business licenses described above. Our PRC Legal Advisors are of the view that all material requisite licenses, permits, and certificates obtained by us have remained valid and in full effect during the Track Record Period and up to the Latest Practicable Date, and that there are no legal impediments to the renewal of any expiring or soon-to-expire licenses, permits, or certificates.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal proceedings

We may from time to time be involved in contractual disputes or legal proceedings arising out of the ordinary course of business or pursuant to governmental or regulatory enforcement actions. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any claims, damages or losses which would have a material adverse effect on our financial position or results of operations as a whole. As of the Latest Practicable Date, no material litigation, arbitration or administrative proceedings, which as a whole would have a material adverse effect on our financial position or results of operations, had been threatened against us.

The types of disputes or proceedings that a CRO service provider may encounter in the ordinary course of business may include: (i) contractual disputes with clients and suppliers; (ii) employment-related disputes; (iii) disputes relating to confidentiality, data use or intellectual property; and (iv) regulatory or administrative proceedings arising from alleged non-compliance with applicable laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material dispute or proceeding in the above categories that had or could have a material adverse effect on our business, financial condition or results of operations.

Our PRC Legal Advisors are of the view that no material litigation, arbitration or administrative proceedings exist that would adversely affect our financial position or results of operations throughout the Track Record Period and up to the Latest Practicable Date.

Legal Compliance

During the Track Record Period and up to the Latest Practicable Date, we complied with applicable laws and regulations in all material respects, and we were not aware of any non-compliance incidents that, individually or in the aggregate, had or would have a material operational or financial impact on our business.

Our PRC Legal Advisors are of the view that we have complied with all applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

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With respect to our FSP services specifically, there are no specific laws, regulations, or regulatory guidelines exclusively governing the provision of FSP services in China. FSP services are generally classified as technical service outsourcing rather than regulated medical device or pharmaceutical manufacturing activities in China. While FSP services constitute a subset of Clinical CRO services and are therefore subject to the general laws, regulations, guidelines, and regulatory requirements applicable to Clinical CRO services, the provision of FSP services does not in itself constitute a regulated activity requiring specific regulatory filings, approvals, registrations, or qualifications under the applicable laws and regulations in China. Our PRC Legal Advisors are of the view that (i) we have lawfully conducted our FSP business during the Track Record Period and up to the Latest Practicable Date in material compliance with all applicable PRC laws and regulations governing FSP services; (ii) we possess all necessary licenses, registrations, and qualifications required for our FSP operations; and (iii) no material legal impediments exist to the continued provision of such services.

Third-party Outsourcing of CRO Activities

In the ordinary course of our business, we may outsource certain CRO activities to third-party service providers in the following circumstances: (i) where a clinical trial project requires execution in overseas markets in which we have not yet established sufficient local operational resources, we engage local CRO service providers with the relevant on-the-ground capabilities; and (ii) where project-specific circumstances require certain data analysis services to be performed by an independent third party, such as where an independent data monitoring committee requires statistical independence or a sponsor has contractually specified third-party performance.

The fees paid to third-party CRO service providers in the circumstances described above are reflected as “Outsourced CRO service fees” under “Third-party service provider fees” in our cost of sales. See “Financial Information — Discussion of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Cost of Sales — Cost of Sales by Nature.” In addition to the outsourced CRO service fees described above, subject recruitment is required across our clinical trial projects, and we engage specialist subject recruitment service providers to fulfill such requirements. We also engage third-party service providers for other clinical trial-related professional services as part of the integrated execution of clinical trial projects, including CRC services, sample testing services and other specialist support services. Such procurement arrangements are made in the ordinary course of clinical trial execution and are distinct from the outsourced CRO arrangements described above. According to Frost & Sullivan, it is not uncommon in the CRO industry for clinical trial service providers to engage third-party specialist service providers for clinical trial services as part of the integrated execution of clinical trial projects.

In all such arrangements, we act as the principal contractor and retain overall management responsibility and quality oversight for the projects we undertake, remaining fully responsible to our clients for the quality and delivery of services. All third-party service providers engaged operate under our oversight and management.

Our PRC Legal Advisors are of the view that our arrangements with third-party service providers in the course of our business operations, including our outsourcing arrangements and our procurement of clinical trial services from specialist third-party service providers as part of the integrated execution of clinical trial projects, are in compliance with applicable PRC laws and regulations, on the basis that Article 33 of the Good Clinical Practice for Drug Clinical Trials (《藥物臨床試驗品質管理規範》) permits the subcontracting of tasks provided that the written approval of the sponsor has been obtained, and we have confirmed that all outsourcing arrangements entered into during the Track Record Period were made with the prior written consent of the respective sponsors. As of the Latest Practicable Date, we have no existing or potential disputes arising from such outsourcing arrangements, nor have we been subject to any penalties imposed by competent regulatory authorities in connection therewith.

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

The Board consists of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. The Board is responsible, and has general authority for, the management and operation of our Company. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office.

Our senior management is responsible for the day-to-day operations of our Company.

All of the Directors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

BOARD OF DIRECTORS

The following table sets forth certain information regarding the members of our Board.

Name	Age ^{Note}	Position	Date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Executive Directors						
Mr. Zhao Min (趙敏)	56	Chairman of our Board, executive Director and general manager	May 2004	May 2015	Responsible for overseeing the overall management and business operation, Board affairs, formulating strategies and operation plans and making major business decisions of our Group	Brother of Mr. Zhao Liang
Ms. Xie Li (謝莉)	34	Executive Director and the Board secretary	November 2025	January 2026	Responsible for overseeing the Board affairs, corporate governance and capital operations of our Group	Nil
Ms. Geng Anni (耿安妮)	38	Executive Director and international business director	November 2022	January 2026	Responsible for international business and sales	Nil
Mr. Zhao Liang (趙亮)	48	Executive Director and senior manager of IT department	February 2018	August 2026	Responsible for the Company’s IT planning, infrastructure development, data security, and daily IT operations	Brother of Mr. Zhao Min
Independent non-executive Directors						
Mr. Zhang Kejian (張克堅)	70	Independent non-executive Director	January 2026	January 2026	Responsible for providing independent advice on the operations and management of our Group	Nil
Mr. Hu Kun (胡堃)	60	Independent non-executive Director	January 2026	January 2026	Responsible for providing independent advice on the operations and management of our Group	Nil

DIRECTORS AND SENIOR MANAGEMENT

Name	Age ^{Note}	Position	Date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Mr. Xu Youlin (徐尤林)	54	Independent non-executive Director	January 2026	January 2026	Responsible for providing independent advice on the operations and management of our Group	Nil

Note: Ages are calculated based on the year of birth.

Executive Directors

Mr. Zhao Min (趙敏), aged 56, is the chairman of our Board, an executive Director and the general manager of our Company. Mr. Zhao founded our Company in May 2004, and is primarily responsible for overseeing the overall management and business operation, Board affairs, formulating strategies and operation plans and making major business decisions of our Group. Mr. Zhao also serves as the director of certain subsidiaries of our Group.

Prior to founding our Company, Mr. Zhao served as a chief attending physician (主治醫師) at Department of Infection Control of The General Hospital of the Air Force of PLA (中國人民解放軍空軍總醫院) (currently known as Air Force Medical Center, PLA (中國人民解放軍空軍特色醫學中心)). From January 2000 to April 2004, Mr. Zhao served as a clinic research manager in Boehringer Ingelheim International Trading (Shanghai) Co., Ltd. (勃林格殷格翰國際貿易 (上海) 有限公司) (currently known as Boehringer Ingelheim Smart Healthcare Technology (Shanghai) Co., Ltd. (勃林格殷格翰智慧醫療科技(上海)有限責任公司)).

Mr. Zhao obtained a bachelor’s degree in health management from Anhui Medical University (安徽醫科大學) in July 1994, a master’s degree in immunology from The First Military Medical University (中國人民解放軍第一軍醫大學) (currently known as Southern Medical University (南方醫科大學)) in July 1997, and a master’s degree in business administration from Peking University (北京大學) in June 2005. Mr. Zhao was admitted as a practicing physician by Ministry of Health of the People’s Republic of China (中華人民共和國衛生部) in September 1999.

Ms. Xie Li (謝莉), aged 34, is an executive Director and the Board secretary of our Company. Ms. Xie joined our Company in November 2025, and is primarily responsible for overseeing the Board affairs, corporate governance and capital operations of our Group.

Prior to joining our Company, from July 2018 to November 2022, Ms. Xie worked in Shanghai Innovation Investment Group Co., Ltd. (上海創新投資集團有限公司). Ms. Xie served as an investment manager (投資經理) in investment department I (投資一部) from May 2023 to January 2024 at Hefei Xingtai Capital Management Co., Ltd. (合肥興泰資本管理有限公司) and promoted to deputy general manager (副總經理) in the same department in January 2024. From March 2025 to November 2025, she held the position of deputy general manager (in charge) (副總經理(主持工作)) of the department at Hefei Xingtai Venture Capital Management Co., Ltd. (合肥興泰創業投資管理有限公司). Ms. Xie obtained a bachelor’s degree in pharmaceutical preparation (藥物製劑) from Anhui University of Chinese Medicine (安徽中醫藥大學) in June 2015 and obtained a master’s degree in pharmaceuticals (藥劑學) from Fudan University (復旦大學) in June 2018.

Ms. Xie was certified as a National Licensed Pharmacist (國家執業藥師) by the Ministry of Human Resources and Social Security (人力資源和社會保障部) and the National Medical Products Administration (國家藥品監督管理局) in October 2021.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Geng Anni (耿安妮), aged 38, is an executive Director and international business director of our Company. She is responsible for international business and sales. She joined our Company in November 2022 as an assistant to the chief executive officer. In May 2024, she was designated as the international business director of our Company. Prior to joining our Company, from June 2015 to June 2018, Ms. Geng worked in Shanghai Henlius Biotech, Inc. (上海復宏漢霖生物技術股份有限公司), a company listed on the Stock Exchange (stock code: 02696), which was previously known as Shanghai Henlius Biotech Co., Ltd. (上海復宏漢霖生物技術有限公司) when she first joined. She served as the EHS manager (EHS 經理) at Shanghai Henlius Biopharmaceutical Co., Ltd. (上海復宏漢霖生物製藥有限公司), which is a wholly owned subsidiary of Shanghai Henlius Biotech, Inc. from June 2018 to May 2021.

Ms. Geng obtained a bachelor’s degree in applied chemistry (應用化學) from Beijing Technology and Business University (北京工商大學) in June 2010 and a master’s degree in OEH & chemistry from the University of Massachusetts Lowell in May 2014.

Mr. Zhao Liang (趙亮), aged 48, is an executive Director and the senior manager of IT department of our Company. He is responsible for our Company’s IT planning, infrastructure development, data security and daily IT operations. He joined our Company in February 2018.

Prior to joining our Company, from June 2013 to September 2017, he worked at Beijing Hesai Clothing Co., Ltd. (北京和賽服飾有限公司), a subsidiary of HEMIAN International TRADING (Shanghai) Co., Ltd. (和綿國際貿易(上海)有限公司).

Mr. Zhao obtained a graduation certificate from Tongling No.2 senior Vocational School (安徽省銅陵市第二高級職業中學) in July 1995.

Independent non-executive Directors

Mr. Zhang Kejian (張克堅), aged 70, is an independent non-executive Director of our Company. He joined our Company in January 2026. He is responsible for providing independent advice on the operations and management of our Group.

Mr. Zhang previously served as a researcher at the Institute of Materia Medica, Chinese Academy of Medical Sciences (中國醫學科學院藥物研究所) and served as deputy director (中心副主任) at the Centre for Medical Device Evaluation of the National Medical Products Administration (國家藥監局醫療器械技術審評中心) from September 2007 to December 2008. He transitioned to academia in January 2009, serving as a professor (教授) at the School of Pharmaceutical Sciences, Sun Yat-sen University (中山大學藥學院) until April 2016. Concurrently, from January 2009 to June 2024, he held the concurrent role of chief scientist (首席科學家) at the South China Centre for Innovative Pharmaceuticals (廣東華南新藥創製中心).

Mr. Zhang has held multiple board positions in listed companies. He was an independent director at Yifan Pharmaceutical Co., Ltd. (億帆醫藥股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002019), from October 2014 to October 2020. He was an independent director at China Resources Double-Crane Pharmaceutical Co., Ltd. (華潤雙鶴藥業股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600062), from February 2016 to June 2018. He was an independent director of Hunan Fangsheng Pharmaceutical Co., Ltd. (湖南方盛製藥股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603998), from August 2018 to January 2021. He was an independent director at Zhejiang Hisoar Pharmaceutical Co., Ltd. (浙江海翔藥業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002099), from November 2019 to November 2022.

Mr. Zhang has been respectively serving as an independent non-executive Director at China Resources Pharmaceutical Group Limited (華潤醫藥集團有限公司) (a company listed on the Stock Exchange, stock code: 03320) since June 2016. He served as an independent director at Liaoning Cheng Da Biotechnology Co., Ltd. (遼寧成大生物股份有限公司) (a company

DIRECTORS AND SENIOR MANAGEMENT

listed on the Shanghai Stock Exchange, stock code: 688739) from April 2020 to April 2023. He has been also respectively serving as an external director at Guangzhou Boji Medical Technology Co., Ltd. (廣州博濟醫藥生物技術股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300404) since June 2020 and an independent director at Yipinhong Pharmaceutical Co., Ltd. (一品紅藥業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300723) since July 2024.

Mr. Zhang obtained a bachelor’s degree in medicine from China Medical University (中國醫科大學) in November 1982 and a master’s degree in pathophysiology (病理生理學) from the same university in August 1985. Subsequently, he pursued doctoral studies abroad and obtained his Ph.D. in pharmacy from Chiba University (日本千葉大學) in Japan in March 1990.

Mr. Zhang obtained the Independent Director Qualification Certificate (獨立董事資格證書) from the Shanghai Stock Exchange in April 2014 and was honoured as an Expert Receiving Special Government Allowance from the State Council (國務院特殊津貼專家) by the State Council of China in 2024.

Mr. Hu Kun (胡堃), aged 60, is an independent non-executive Director of our Company. He joined our Company in January 2026. He is responsible for providing independent advice on the operations and management of our Group.

From September 1989 to June 2016, Mr. Hu served as a doctor at the former First Affiliated Hospital of the People’s Liberation Army General Hospital (原解放軍總醫院第一附屬醫院) in China. Since July 2016, he has been serving as a doctor at Beijing Tiantan Puhua Hospital (北京天壇普華醫院) in China. Since March 2023, he has been serving as a researcher at the Technological and Higher Education Institute of Hong Kong (THEi) (香港高等教育科技學院).

Mr. Hu obtained a bachelor’s degree in military medicine from the First Military Medical University (第一軍醫大學) in July 1989 and a master’s degree in public health policy and management (公共衛生政策與管理) from Southern Medical University & ISCTE-University Institute of Lisbon (南方醫科大學及葡萄牙里斯本大學學院) in August 2024.

Mr. Hu obtained the Attending Physician (主治醫師) certification from the Health Technical Qualification Examination Centre of the People’s Liberation Army (中國人民解放軍衛生技術資格考試中心) in October 1995 and his Physician Qualification (醫師資格) from the Health Department of the General Logistics Department (總後勤部衛生部) in May 1999. Mr. Hu obtained the Practicing Physician (執業醫師) license from the Beijing Municipal Health and Family Planning Commission (北京市衛生與計劃生育委員會) in July 2016.

Mr. Xu Youlin (徐尤林), aged 54, is an independent non-executive Director of our Company. He joined our Company in January 2026. He is responsible for providing independent advice on the operations and management of our Group.

Mr. Xu served as a technician at Beijing Vacuum Flask Industrial Company (北京保溫瓶工業公司) in China from July 1995 to December 1998. From January 1999 to January 2003, Mr. Xu successively served as project manager, department manager and deputy chief accountant at Zhongcai Certified Public Accountants Co., Ltd. (中才會計師事務所有限責任公司) in China. He then served as a certified public accountant at Beijing Zhongrunze Certified Public Accountants Co., Ltd. (北京中潤澤會計師事務所有限公司) in China from February 2002 to December 2002. Since January 2003, Mr. Xu has been successively served as various positions including department manager, assistant to the chief accountant, Director of the quality control centre, deputy chief accountant, deputy general manager, and deputy Director at the Zhongyi Certified Public Accountants Co., Ltd. (中一會計師事務所有限責任公司) in China. Since March 2010, he has also served as the deputy general manager at Beijing Zhongyi Asset Appraisal Co., Ltd. (北京中一資產評估有限公司) in China.

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Mr. Xu obtained a college diploma in thermal energy engineering (熱能工程) from Huangshi Polytechnic College (黃石高等專科學校) in July 1995 and a master’s degree in business administration (工商管理) from Harbin University of Science and Technology (哈爾濱理工大學) in June 2009, which was a distance-learning course.

Mr. Xu obtained the Chinese Certified Public Accountant (中國註冊會計師) certification from the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in September 1999 and the Certified Asset Appraiser (中國資產評估師) accredited by the China Appraisal Society (中國資產評估師協會) in August 2001. He also holds the Accountant (會計師) qualification issued by the Ministry of Finance of the People’s Republic of China (中華人民共和國財政部) which was obtained in May 2002.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets forth certain information regarding the members of our senior management.

Name	Age ^{Note}	Position	Date of joining our Group	Date of appointment as senior management	Responsibility
Dr. Wang Yaping (王亞平)	45	Chief scientific officer	February 2026	April 2026	Responsible for executing the comprehensive strategy pertaining to scientific research, regulatory affairs, and the clinical development process
Mr. Jin Zhengjian (金正健)	48	Vice general manager	January 2021	January 2026	Responsible for overseeing organizational management transformation and the development of the Company’s management systems
Mr. Yan Zhenan (嚴哲南)	52	Vice general manager	December 2025	January 2026	Responsible for the digital management and artificial intelligence management
Mr. Zhan Tao (詹濤)	49	Vice general manager	February 2018	January 2026	Responsible for business operations and day-to-day management
Mr. Gu Zhifu (辜志福)	56	Chief financial officer	August 2015	April 2018	Responsible for overseeing the overall financial management of our Group
Mr. Zhang Bokang (張伯康)	55	Assistant to general manager	April 2017	December 2021	Responsible for overseeing regulatory compliance affairs including legal, procurement and risk control

Note: Ages are calculated based on the year of birth.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Wang Yaping (王亞平), aged 45, is the chief scientific officer of our Company. He holds the primary responsibility for executing the comprehensive strategy pertaining to scientific research, regulatory affairs, and the clinical development process, with a specific focus on the design, management, and oversight of clinical trials.

Dr. Wang possesses substantial expertise in the biopharmaceutical and regulatory sectors. From March 2015 to January 2021, he served as a reviewer at the U.S. Food and Drug Administration (FDA). Following this, he co-founded Axter Therapeutics Biopharmaceutical (Tianjin) Co. Ltd. (艾斯拓康生物醫藥(天津)有限公司) and held the role of vice president from January 2021 to June 2022, contributing to the company’s strategic growth and operations. Subsequently, from June 2022 to January 2026, Dr. Wang served as the chief of staff, and vice president of clinical development at Shanghai RNACure BioPharma Co., Ltd. (上海藍鵲生物醫藥有限公司).

Dr. Wang completed his bachelor’s degree in applied mathematics at the Beijing Institute of Technology (北京理工大學) in June 2003. He subsequently earned a master’s degree in epidemiology and population genetics from Peking Union Medical College (北京協和醫學院) in July 2006. Further advancing his academic pursuits, he obtained a master’s degree in biostatistics from Emory University in October 2009, followed by a doctoral degree in biostatistics from the University of Texas in October 2014.

Mr. Jin Zhengjian (金正健), aged 48, is the vice general manager of our Company. He is responsible for overseeing organizational management transformation and the development of the Company’s management systems. He has served as the vice general manager of our Company from January 2021 to October 2022 and from November 2023 to present.

Mr. Jin worked at Huawei Technologies Co., Ltd. (華為技術有限公司) from July 2001 to January 2021, where he served as assistant manager from July 2001 to June 2009, was promoted to HR Partner in July 2009, and subsequently served as the senior financial manager for financial planning and analysis until December 2014 and held the role of Expert when he left.

Mr. Jin obtained a bachelor’s degree in economic management (經濟管理) from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) in June 2001.

Mr. Yan Zhenan (嚴哲南), aged 52, is the vice general manager of our Company. He is responsible for the digital management and artificial intelligence management. He joined our Company in December 2025 following the acquisition of Guangdong Weilin.

Prior to joining our Company, Mr. Yan held various technical and management positions at several technology companies, including Huawei Technologies Co., Ltd. (華為技術有限公司). From Shanghai GTX Semiconductor Company (上海光通信公司, currently known as Shanghai GTX Semiconductor Co., Ltd. (上海光通信有限公司)), The9 Computer Technology Consulting (Shanghai) Co., Ltd. (第九城市計算機技術諮詢(上海)有限公司) (a company within the group of The9 LTD, whose shares are listed on National Association of Securities Dealers Automated Quotations (“NASDAQ”), stock code: NCTY) He served as a software architect at Shengda Computer (Shanghai) Co Ltd., (盛大計算機(上海)有限公司) from May 2008 to April 2011. From 2011 to 2018, he held senior positions, including system architecture expert at Shanghai Quanlv Network Technology Co., Ltd. (上海全旅網絡科技有限公司), the chief technology officer of RRS.com (海爾日日順商城) at Haier Group E-commerce Co., Ltd. (海爾集團電子商務有限公司) (a company within the group of Haier Smart Home Co., Ltd., whose A Shares are listed on the Shanghai Stock Exchange (stock code: 600690), whose D Shares are listed on the China Europe International Exchange AG D Share Market and quoted on the Frankfurt Stock Exchange (stock code: 690D), and whose H Shares are listed on the Stock Exchange (stock code: 6690); the lead engineer at Shanghai Zhiao Yihaodian Information Technology Company Limited (上海智奧一號店信息技術有限公司) (a company which was Tencent’s E-commerce platform); the chief technology officer at Shanghai Metersbonwe Fashion and Accessories Co., Ltd. (上海美特斯邦威服飾股份有限公司) (a company listed on Shenzhen Stock Exchange, stock code: 002269); and the chief technology officer at Zhejiang Taimei Medical Technology Co., Ltd. (浙江太美醫療科技股份有限公司) (a company listed on the Stock Exchange, stock code: 02576).

DIRECTORS AND SENIOR MANAGEMENT

Mr. Yan obtained a bachelor’s degree in computing mathematics and software applications from Fudan University (復旦大學) in July 1997 and a master’s degree in computer software from Fudan University in June 2000.

Mr. Yan was accredited as a senior developer (高級程序員) by China Computer Software Professional Qualification and Skill Testing Committee (中國計算機軟件專業技術資格和水平考試委員會) in October 1995. He obtained Project Management Professional (PMP) Certification accredited by Project Management Institute in March 2009. He was accredited as a senior information security engineer (信息安全師(高級)) by Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) in September 2010.

Mr. Zhan Tao (詹濤), aged 49, is the vice general manager of our Company. He was responsible for business operations and day-to-day management. He joined our Company in February 2018.

Mr. Zhan worked at Tianjin Changzheng Hospital (天津長征醫院) in China from September 2004 to March 2007 and worked at Chengdu Kanghong Pharmaceutical Group Co., Ltd. (成都康弘藥業集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002773) in China from July 2007 to August 2007. From January 2008 to August 2009, he successively served as senior clinical research associate at Hangzhou Tigermed Technology Co., Ltd. (杭州泰格醫藥科技有限公司), which was currently known as Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300347 and the Stock Exchange, stock code: 03347). He served as a senior clinical research specialist at Covance Pharmaceutical R&D (Beijing) Co., Ltd. (科文斯醫藥研發(北京)有限公司) from September 2009 to March 2011. From April 2011 to June 2012, he served as the clinical operation leader at Parexel (Shanghai) Co., Ltd. (精鼎醫藥研究開發(上海)有限公司). He then served as a medical manager at Allergan Information Consulting (Shanghai) Co., Ltd. (艾爾建資訊諮詢(上)有限公司) from July 2012 to November 2012. From April 2014 to April 2017, he held the position of ICRO Asso. Director of Beijing Novartis Pharma Co., Ltd. (北京諾華製藥有限公司).

Mr. Zhan obtained a master’s degree in clinical medicine (臨床醫學) from West China Centre of Medical Sciences, Sichuan University (四川大學華西醫學中心) in June 2004. Mr. Zhan obtained the Professional Physician (職業醫師) certification from the Tianjin Municipal Health Bureau (天津市衛生局) in January 2005.

Mr. Gu Zhifu (辜志福), aged 56, is the chief financial officer of our Company. He is responsible for overseeing the overall financial management of our Group. He joined our Company in August 2015.

Prior to joining our Company, Mr. Gu began his career at the Huangshi Branch of China Construction Bank Corporation (中國建設銀行股份有限公司黃石市分行) (a company listed on the Stock Exchange, stock code: 00939 and Shanghai Stock Exchange, stock code: 601939), where he held various positions including accountant and comprehensive department manager from July 1994 to December 2002. He then served as an audit manager at Zhongyi Certified Public Accountants (中一會計師事務所) from January 2003 to September 2006. Subsequently, he joined China Grand Enterprises, Inc. (中國遠大集團有限公司), holding various roles from October 2006 to December 2012. Mr. Gu served as the financial director at Beijing Kangpaite Pharmaceutical Technology Development Co., Ltd. (北京康派特醫藥科技開發有限公司) from January 2013 to August 2015.

Mr. Gu obtained a bachelor’s degree in economics (經濟學) from Beijing Normal University (北京師範大學) in July 1994.

Mr. Gu obtained the Chinese Certified Public Accountant (Non-practicing) (中國註冊會計師(非執業)) certification from the Beijing Institute of Certified Public Accountants (北京註冊會計師協會) in October 2018.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhang Bokang (張伯康), aged 55, is the assistant to the general manager of our Company. He is responsible for overseeing regulatory compliance affairs including legal, procurement and risk control. He joined our Company in April 2017 as a legal director.

Mr. Zhang used to work in Ma’anshan City, Anhui Province (安徽省馬鞍山市基層人民法院). From March 2004 and April 2017, he successively served as a lawyer at Beijing Huicheng Law Firm (北京市惠誠律師事務所), Beijing Huayi Law Firm (北京市華一律師事務所), Beijing Bohan Law Firm (北京市博瀚律師事務所), Beijing Hengda Law Firm (北京市恒達律師事務所), Beijing Shixin Law Firm (北京市時信律師事務所) and Anfeng Law Firm (安峰律師事務所).

Mr. Zhang obtained a bachelor’s degree in economic law (經濟法) from East China University of Political Science and Law (華東政法大學) in July 1992.

He passed the PRC bar exam and obtained the Lawyer’s Qualification (律師資格) issued by the Ministry of Justice (司法部), and he has been practicing law as a lawyer in PRC since 2004.

Save as disclosed above, each of our Directors and senior management members confirms with respect to himself or herself that (1) he or she had no other relationship with any Director, senior management or substantial Shareholder of our Company as at the Latest Practicable Date; (2) he or she did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any stock exchange in Hong Kong and/or overseas; and (3) there are no other matters concerning our Directors’ appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

JOINT COMPANY SECRETARIES

Mr. Zhang Bokang (張伯康), aged 55, is the assistant to the general manager of our Company and was appointed as one of the joint company secretaries of our Company with effect from the [●]. For his biography, see “— Senior Management”.

Ms. Ho Sze Wah Cecilia (何詩華) was appointed as one of the joint company secretaries of our Company with effect from the [●].

Ms. Ho has over 14 years of experience in company secretarial services and corporate governance for both Hong Kong and multinational corporations. She is currently the manager of Global Entity Compliance at Computershare Hong Kong Investor Services Limited.

Ms. Ho obtained a bachelor’s degree in business administration and management from De Montfort University in the United Kingdom, and a master’s degree in professional accounting and corporate governance from City University of Hong Kong (香港城市大學) in Hong Kong. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Company has established three committees under the Board of Directors, namely the Audit Committee, the Remuneration Committee, and the Nomination Committee.

Audit Committee

The Audit Committee consists of three Directors, namely Mr. Xu Youlin, Mr. Hu Kun and Mr. Zhang Kejian, with Mr. Xu Youlin currently serving as the chairman. Mr. Xu Youlin has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of

DIRECTORS AND SENIOR MANAGEMENT

our Group and has the terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Remuneration Committee

The Remuneration Committee consists of three Directors, namely Mr. Zhang Kejian, Mr. Xu Youlin and Mr. Zhao, with Mr. Zhang Kejian currently serving as the chairman. The Remuneration Committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our Group and making recommendations thereon to the Board of Directors and has the terms of reference in compliance with relevant laws and regulations of the PRC and paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Nomination Committee

The Nomination Committee consists of five Directors, namely Mr. Zhao, Ms. Xie Li, Mr. Zhang Kejian, Mr. Hu Kun and Mr. Xu Youlin, with Mr. Zhao currently serving as the chairman. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors and has the terms of reference in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

The Board of Directors has adopted a board diversity policy (the “**Board Diversity Policy**”) in order to enhance the effectiveness of our Board of Directors and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board of Directors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board of Directors.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting, information technology and financial management. The Board of Directors is of the view that our Board of Directors satisfies the Board Diversity Policy. In addition, our Board of Directors has a wide range of age, ranging from 31 years old to 70 years old. Two of our Directors are female. Our Board of Directors will also ensure that an appropriate balance of gender diversity is achieved with reference to investors’ expectation, and international and local recommended best practices.

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. Save as disclosed below, our Group is expected to comply with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman of the Board and general manager and Mr. Zhao Min currently performs these two roles. Our Board believes that vesting the roles of both the chairman of our Board and general manager in the same person has the benefit of (i) ensuring consistent leadership within our Company, (ii) enabling more effective and efficient overall strategic planning for our Company, and (iii) facilitating the flow

DIRECTORS AND SENIOR MANAGEMENT

of information between the management and our Board. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of the chairman of our Board and the general manager of our Company at a time when it is appropriate by taking into account the circumstances of our Company as a whole.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation and remuneration of the Directors and members of the senior management of our Company are determined by the Shareholders’ meetings and the Board of Directors as appropriate in the form of salaries and bonuses. Our Company also reimburses them for expenses which are necessary and reasonably incurred in providing service to our Company or discharging their duties in relation to the operations of our Company. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of our Company, the Shareholders’ meetings and the Board of Directors take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, our Company also participates in various defined contribution plans organised by relevant provincial and municipal government authorities and welfare schemes for employees of our Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

Our Company offers executive Directors and senior management members, who are our employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. The independent non-executive Directors receive compensation based on their responsibilities.

The aggregate amounts of emoluments of our Directors for the years ended December 31, 2023 and 2024 and 2025 were RMB3.2 million, RMB2.6 million and RMB2.7 million, respectively.

The five individuals with the highest emoluments for the years ended December 31, 2023 and 2024 and 2025 included one, nil and nil Directors. The aggregate amounts of emoluments of the remaining four, five and five highest individuals for the years ended December 31, 2023 and 2024 and 2025 were RMB4.5 million, RMB5.3 million and RMB6.3 million, respectively.

It is estimated that remuneration equivalent to approximately RMB2.3 million in aggregate will be paid to the Directors by our Company for the year ending December 31, 2026, based on the arrangements in force as at the date of the document.

No remuneration was paid by our Company to the Directors or the five individuals with the highest emolument as inducement to join or upon joining our Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of the Directors had waived or agreed to waive any remuneration during the Track Record Period.

COMPLIANCE ADVISER

Our Company appointed Rainbow Capital (HK) Limited as the compliance adviser pursuant to Rules 3A.19 of the Listing Rules, and the compliance adviser will advise our Company in the following circumstances.

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

DIRECTORS AND SENIOR MANAGEMENT

- (iii) where our Company proposes to use the [REDACTED] of the [REDACTED] in a manner that is different from that detailed in this document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this document; and
- (iv) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the [REDACTED] or [REDACTED] volume of the Shares, the possible development of a false [REDACTED] in the Shares or any other matters.

The terms of the appointment of the compliance adviser will commence on the [REDACTED] and end on the date when our Company distributes the annual report of its financial results for the first full financial year commencing after the [REDACTED].

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that, as at the Latest Practicable Date, he or she did not have any interest in any business which competes, or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in January 2026; and (ii) understands his or her obligations as a director of a [REDACTED] under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (i) his independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (ii) that he has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as at the Latest Practicable Date; and (iii) that there are no other factors that may affect his independence at the time of his appointment.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Zhao (our chairman of the Board, executive Director and general manager) controlled approximately 74.21% of the total issued share capital of our Company, comprising direct interest of approximately 57.28% and indirect interest of approximately 12.70% held by Boda Innovation and 4.23% held by Bohua Innovation, where Mr. Zhao serves as the executive and general partner. For further details of Boda Innovation and Bohua Innovation, see “History, Development and Corporate Structure — Employee Incentive Platforms”.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Zhao will, directly and through Boda Innovation and Bohua Innovation, control an aggregate of approximately [REDACTED]% of the total issued Share capital of the Company. As such, Mr. Zhao, Boda Innovation and Bohua Innovation will constitute a group of Controlling Shareholders of our Company upon [REDACTED].

BUSINESS DELINEATION AND COMPETITION

As of the Latest Practicable Date, each member of our Controlling Shareholders and their respective close associates had confirmed that he/it does not have any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDER

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders and their close associates after the [REDACTED].

Management Independence

Our business is managed and conducted by the Board and our senior management. Upon [REDACTED], the Board will consist of seven Directors comprising three executive Directors, one non-executive Director and three independent non-executive Directors. For more information, see “Directors and Senior Management”. Our Directors consider that the Board and senior management are capable of functioning independently of our Controlling Shareholders for the following reasons:

- (a) our daily management and operations are carried out by a senior management team, all of whom have substantial experiences in the industry in which we are engaged, and will therefore be able to make business decisions that are in the best interest of our Group;
- (b) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she must act for the benefit and in the interest of our Group and the Shareholders as a whole, and not allow any conflict between his/her duties as a Director and his/her personal interests;
- (c) we have three independent non-executive Directors who individually and collectively possess requisite knowledge and experience, and will be able to provide professional advice to our Group. Our Directors believe that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of the Board and protect the interest of our Group and our Shareholders as a whole;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (d) in the event that there is a potential conflict of interests arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and
- (e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. See “— Corporate Governance Measures” for further information.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform their managerial roles in our Group independently, and our Directors are of the view that we are capable of managing our business independently from our Controlling Shareholders and their respective close associates after the [REDACTED].

Operational Independence

We have full rights to make business decisions and to carry out our business independently from our Controlling Shareholders. On the basis of the following reasons, our Directors consider that we will continue to be operationally independent from our Controlling Shareholders and their respective close associates after the [REDACTED]:

- (a) we have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders;
- (b) we have independent access to our customers and suppliers and a dedicated management team independently handling our day-to-day operations;
- (c) we hold the licenses, intellectual property rights and qualifications necessary to carry on our principal business;
- (d) we have our own administrative and corporate governance infrastructure; and
- (e) none of our Controlling Shareholders have any interests in any business which competes or is likely to compete with the business of our Group.

Based on the above, our Directors believe that we are able to operate independently from our Controlling Shareholders and their respective close associates.

Financial Independence

Our Company has established its own finance department with a team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit and internal control functions independently from our Controlling Shareholders and their respective close associates, as well as a sound and independent financial system. Our Company makes financial decisions and determines our use of funds according to our own business needs. Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders. Our Company makes tax registration and pays tax independently with its own funds. As such, our Company’s financial functions, such as cash and accounting management, invoices and bills, operate independently from our Controlling Shareholders and their respective close associates.

During the Track Record Period, one of our bank loans was secured by third-party guarantees, for which Mr. Zhao and his spouse, Mr. Zhao Liang and his spouse, Mr. Gu Zhifu and Mr. Zhang Bokang provided corresponding counter-guarantees for the benefit of our Group. In June 2026, we repaid the corresponding loans and therefore such third-party

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

guarantees and corresponding counter-guarantees provided were released. Going forward, we believe that we will be capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders and their respective close associates.

Based on the above, our Directors believe that we are capable of carrying on our business independently from, and do not place undue reliance on, our Controlling Shareholders and their respective close associates after the [REDACTED].

CORPORATE GOVERNANCE MEASURES

We will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance. Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. Our Board comprises a balanced mix of executive Directors and independent non-executive Directors, who collectively possess the necessary competence, experience, and expertise in corporate governance matters to ensure effective oversight and decision-making. We have adopted, among others, the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholders and their respective close associates:

- (a) where a Shareholders’ meeting is to be held for considering proposed transactions in which our Controlling Shareholders and/or their respective close associates have a material interest, the relevant Controlling Shareholders and/or their respective close associates will not vote on the relevant resolutions;
- (b) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (c) we have established internal control mechanisms to identify connected transactions and related party transactions. Upon the [REDACTED], if we enter into connected transactions or related party transactions with our Controlling Shareholders or any of their close associates, we will comply with the applicable laws and regulations, including the Listing Rules;
- (d) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (e) we will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by applicable laws and regulations, including the Listing Rules;
- (f) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and
- (g) we have established the Audit Committee, the Nomination Committee and the Remuneration Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code in Appendix C1 to the Listing Rules (where applicable).

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect our minority Shareholders’ interests after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the Conversion of Unlisted Shares into H Shares, the following persons will have interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	Type of Shares	Shares held as of the Latest Practicable Date and immediately prior to the [REDACTED]		Shares held in the total share capital of our Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
			Number of Shares ⁽¹⁾	Shareholding percentage (Approximate %) ⁽²⁾	Number of Shares ⁽¹⁾	Shareholding percentage (Approximate %) ⁽³⁾
Mr. Zhao ⁽⁴⁾⁽⁵⁾	Beneficial owner	Unlisted Shares	67,683,480	57.28%	[REDACTED]	[REDACTED]
	Beneficial owner	H Shares	–	–	[REDACTED]	[REDACTED]
	Interest held by controlled corporation	Unlisted Shares	15,000,000	12.70%	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]
	Interest held by controlled corporation	Unlisted Shares	5,000,000	4.23%	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]
Boda Innovation ⁽⁴⁾	Beneficial owner	Unlisted Shares	15,000,000	12.70%	[REDACTED]	[REDACTED]
	Beneficial owner	H Shares	–	–	[REDACTED]	[REDACTED]

Notes:

- (1) All the interests stated are long positions.
- (2) The calculation is based on the total number of 118,155,650 Shares in issue as of the Latest Practicable Date taking into account the Share Subdivision.
- (3) The calculation is based on the assumption that (i) the Share Subdivision is completed; (ii) the [REDACTED] is not exercised; (iii) the [REDACTED] Unlisted Shares (taking into account the Share Subdivision) will be converted into H Shares; and (iv) the total number of the Shares in issue will be [REDACTED] immediately following the completion of the [REDACTED].
- (4) Boda Innovation, our Employee Incentive Platform established as a limited partnership, is controlled by Mr. Zhao as its executive and general partner. By virtue of the SFO, Mr. Zhao is deemed to be interested in the 15,000,000 Shares held by Boda Innovation.
- (5) Bohua Innovation, our Employee Incentive Platform established as a limited partnership, is controlled by Mr. Zhao as its executive and general partner. By virtue of the SFO, Mr. Zhao is deemed to be interested in the 5,000,000 Shares held by Bohua Innovation.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), have interests and/or short positions in Shares or underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

SHARE CAPITAL

As of the Latest Practicable Date, our registered capital is RMB11,815,565, comprising 11,815,565 Unlisted Shares with a nominal value of RMB1.0 per share.

In the course of the [REDACTED], all of the existing Shareholders of our Company [have applied] to the CSRC, the Stock Exchange and other relevant regulatory authorities to convert all Unlisted Shares held by them into H Shares.

Immediately prior to the [REDACTED], the ordinary shares of the Company will be split on a one for ten basis, and the registered share capital of our Company will be RMB11,815,565, comprising [REDACTED] Unlisted Shares in issue of nominal value of RMB0.10 each.

UPON COMPLETION OF THE SHARE SUBDIVISION AND THE [REDACTED] AND THE CONVERSION OF DOMESTIC SHARES INTO H SHARES

Immediately following completion of the Share Subdivision, the [REDACTED] and the conversion of Domestic Shares into H Shares, assuming that the [REDACTED] is not exercised, the registered and issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	% of the enlarged issued share capital after the Share Subdivision and the [REDACTED]
H Shares converted from Unlisted Shares ⁽¹⁾	[118,155,650]	[75.00]%
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.0%

Immediately following completion of the Share Subdivision, the [REDACTED] and the Conversion of Domestic Shares into H Shares, assuming that the [REDACTED] is fully exercised, our registered and issued share capital will be as follows:

Description of Shares	Number of Shares	% of the enlarged issued share capital after the Share Subdivision and the [REDACTED]
H Shares converted from Unlisted Shares ⁽¹⁾	[118,155,650]	[REDACTED]%
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.0%

Note:

- (1) Following the completion of the Share Subdivision and the [REDACTED], [REDACTED] Unlisted Shares held by our existing Shareholders will be converted into H Shares on a one-for-one basis and [REDACTED] on the Stock Exchange for [REDACTED]. Filing of such conversion of Unlisted Shares into H shares has been completed with the CSRC on [●].

OUR SHARES

Upon completion of the [REDACTED], depending on whether Shares are [REDACTED] on the Stock Exchange, our Company will consist of Unlisted Shares and H Shares. Unlisted Shares and H Shares are both ordinary Shares in the share capital of our Company and are

SHARE CAPITAL

regarded as the same class of Shares under the Articles of Association. However, the H Shares generally may not be [REDACTED] for by, or traded between, legal or natural persons of the PRC, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold the H Shares pursuant to relevant PRC laws and regulations or upon approval by any competent authorities.

RANKING

Unlisted Shares and the H Shares carry the same rights and will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be declared in RMB and paid by our Company in Hong Kong dollars or RMB, whereas all dividends for Unlisted Shares will be paid in RMB. Other than cash, dividends could also be paid in the form of Shares or a combination of cash and Shares.

CONVERSION OF DOMESTIC SHARES INTO H SHARES

According to the regulations issued by the securities regulatory authorities of the State Council and the Articles of Association, the Unlisted Shares may be converted into H Shares, and such converted Shares may be [REDACTED] and [REDACTED] on an overseas stock exchange provided that the conversion, [REDACTED] and [REDACTED] of such converted Shares have been filed with the CSRC. Additionally, such conversion, [REDACTED] and [REDACTED] shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

Pursuant to the filing notice of the CSRC dated [●], [REDACTED] Unlisted Shares will be converted to H Shares on a one-for-one basis and be [REDACTED] for trading on the Stock Exchange upon completion of the Share Subdivision and the [REDACTED].

In accordance with the Guidelines for the “Full Circulation Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境内未上市股份申请全流通业务指引》)” announced by the CSRC, H-share listed companies which apply for the conversion of shares into H shares for listing and circulation on the Stock Exchange shall file the application with the CSRC. An unlisted domestic joint stock company may apply for “full circulation” when applying for an overseas [REDACTED].

Our Company has applied for a “full circulation” filing when applying for an overseas [REDACTED] with the CSRC on [●], and submitted the application reports, authorization documents of the shareholders of unlisted shares for which an H-share “full-circulation” was applied, undertaking about the compliance of share acquisition and other documents in accordance with the requirements of CSRC.

Our Company [has received] the filing notice from the CSRC dated [●] in relation to the filing of the overseas [REDACTED] and “Full Circulation,” pursuant to which, our Company was approved to convert a total of [REDACTED] Unlisted Shares (with a nominal value of RMB0.10 each) held by certain Shareholders of our Company (the “**Full Circulation Participating Shareholders**”) into H Shares, and the relevant Shares may be [REDACTED] on the Stock Exchange upon completion of the conversion.

Where the [REDACTED] cannot be completed within one year upon receipt of the filing notice, and our Company will continue to conduct overseas [REDACTED] and [REDACTED] after that, it shall update the filing materials, and the CSRC will update the public filing information accordingly.

SHARE CAPITAL

We [have applied] to the Listing Committee for the granting of [REDACTED] of, and permission to [REDACTED], our H Shares to be issued pursuant to the [REDACTED] (including any H Shares which may be issued pursuant to the exercise of the [REDACTED]) and the H Shares to be converted from [REDACTED] Unlisted Shares on the Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (i) giving instructions to our H [REDACTED] regarding relevant share certificates of the converted H Shares; and (ii) enabling the converted H Shares to be accepted as eligible securities by [REDACTED] for deposit, clearance and settlement in the [REDACTED]. The Full Circulation Participating Shareholders may only [REDACTED] in the Shares upon completion of following domestic procedures. Any application for [REDACTED] of the converted Shares on the Stock Exchange after our initial [REDACTED] is subject to prior notification by way of announcement to inform the Shareholders and the public of any proposed conversion.

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

The PRC Company Law provides that in relation to the [REDACTED] of a company, the shares issued prior to the [REDACTED] shall not be transferred within a period of one year from the date on which the publicly [REDACTED] shares are [REDACTED] on any stock exchange. Accordingly, Shares issued by our Company prior to the [REDACTED] shall be subject to this statutory restriction and not be transferred within a period of one year from the [REDACTED].

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Programme for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請“全流通”業務指引) announced by the CSRC, the domestic shareholders of unlisted shares shall handle share transfer registration business in accordance with the relevant business rules of CSDC. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the CSDC of the shares involved in the application is completed.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

For details of circumstances under which our Shareholders’ general meeting is required, see “Appendix V — Summary of the Articles of Association — II. Shareholders and General Meetings”.

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.

FINANCIAL INFORMATION

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.

FINANCIAL INFORMATION

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.”

FINANCIAL INFORMATION

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 June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
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
	(RMB in thousands)			
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
	(RMB in thousands)			
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.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

For a detailed description of our future plans, see “Business — Our Strategies.”

[REDACTED]

We estimate that the [REDACTED] from the [REDACTED] will be approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the [REDACTED] range of HK\$[REDACTED] per Share to HK\$[REDACTED] per Share, after deducting [REDACTED] and estimated [REDACTED] expenses paid and payable by us in the [REDACTED], taking into account any additional discretionary incentive fee. We intend to use the [REDACTED] from the [REDACTED] for the following purposes:

- Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] from the [REDACTED] is expected to be used to advance our multi-therapeutic area expansion and to build service capabilities in frontier therapeutic areas. The [REDACTED] will be applied solely to expand our service capabilities and multi-therapeutic area coverage in Chinese Mainland:
 - i. Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] will be used for expert team building to support our expansion into autoimmune diseases, oncology, as well as emerging frontier therapeutic areas, including ophthalmology, CGT, miRNA, CNS diseases and metabolic diseases. In particular, we plan to (i) recruit [four to six] experts with extensive track records in overseeing multi-regional clinical trials, navigating complex regulatory submissions across regulatory authorities in major jurisdictions such as NMPA and USFDA. They would serve as the scientific and strategic leads for each target therapeutic area; and (ii) establish dedicated cross-functional teams of approximately [30 to 40] professionals per therapeutic area, including operations general project managers, medical managers, data managers, statisticians, and clinical research associates. We expect to recruit approximately 200 professionals under this initiative over the next three years, with broadly similar numbers recruited in each year. The expertise combination of senior scientific leaders and dedicated members is expected to elevate our therapeutic area-specific advisory and execution capabilities, improve protocol execution quality and enable us to offer end-to-end clinical trial solutions within each therapeutic area. We believe our expertise is strategically deployed in therapeutic areas with strong growth potential, allowing us to build competitive advantages and capture market opportunities. Finally, we will build the team to meet the expansion strategy of multi therapeutic areas. Our recruitment plan may be adjusted in accordance with the evolution of therapeutic areas, so as to support the research, development and expansion of both our current and future therapeutic focus areas. The following table sets forth the qualifications we expect the professionals to be recruited under this initiative to possess.

Position	Expected Qualifications
Domain experts	Doctoral degree, with at least 15 years of industry experience in the relevant therapeutic area and at least 10 years of team management experience
Operations general project managers .	Over five years of project management experience, with experience managing two to three Phase II/III clinical research projects in the target therapeutic area

FUTURE PLANS AND [REDACTED]

Position	Expected Qualifications
Medical managers . . .	Medical or pharmaceutical background, with prior experience as a clinical research medical manager
Data managers	Medical or pharmaceutical background, with prior experience as a clinical research data manager
Statisticians	Medical, pharmaceutical or statistical background, with prior experience as a clinical research statistician
CRAs	Medical or pharmaceutical background, with prior experience in clinical research

- ii. Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] will be used for deepening our cooperation with hospitals and research institutions, cultivating researcher ecosystems and building subject recruitment networks, with the aim of capturing core clinical resources and accelerating project implementation. Specifically, we plan to (i) further expand our clinical trial site network, progressively extending our coverage to second- and third-tier cities, and establishing partnerships with the top 10 to 15 research hospitals in frontier therapeutic areas, including ophthalmology, CGT, miRNA, CNS diseases and metabolic diseases. We also plan to utilize Weilin platform to develop and build the information-sharing platform for clinical trial stakeholders, and expect to invite over [150] relevant institutions to participate in the next three years. The information-sharing platform is designed as an online sub-system of the Weilin platform, operating in conjunction with our regional offline service teams to form an integrated online-to-offline service model. The platform is intended to provide clinical trial stakeholders with core functional modules including site fast-track initiation, online subject recruitment and pre-screening, real-time multi-site progress monitoring, cross-institutional document collaboration, and resource matching between project requirements and our regional service teams. Data generated through the information-sharing platform will be consolidated into the Weilin platform to support group-level oversight and data governance. We expect to recruit approximately 100 professionals under this initiative over the next three years, including clinical coordination directors, site coordination managers, CRAs, and clinical trial cloud platform promotion personnel; (ii) systematically cultivate a core KOL ecosystem network by recruiting professional KOL engagement personnel and establishing an ecosystem network with approximately [25] to [35] KOLs over the next three years to facilitate academic interaction. We expect to recruit approximately five KOL engagement professionals over the next three years, and to organize academic exchange activities; and (iii) build patient recruitment and community network channels by developing a community-based chronic disease management system and dedicated trial participant channel network covering the East China and Central China regions, targeting therapeutic areas where subject populations are dispersed and recruitment is challenging. We expect to recruit approximately 30 professionals under this initiative over the next three years, including community network co-building managers, and patient recruitment platform personnel. We believe these initiatives will improve our business operations and market positioning. The systematic expansion of our clinical trial site network and development of subject recruitment channels would increase our clinical trial capacity and access to critical subject resources thereby enabling us initiate trials promptly, reduce per-patient recruitment costs especially in emerging therapeutic areas where such resources are usually scarce. By deepening KOL networks, we aim to establish scientific credibility and

FUTURE PLANS AND [REDACTED]

cooperation with clinical trial professionals. The initiatives collectively supports our long-term revenue growth and sustainable competitiveness. The following table sets forth the qualifications we expect the professionals to be recruited under this initiative to possess.

Position	Expected Qualifications
Clinical coordination directors	Over eight years of clinical research experience, with strong site coordination and communication skills
Site coordination managers .	Over five years of clinical research experience, with strong site coordination and communication skills
CRAAs	Medical or pharmaceutical background, with prior experience in clinical research
Strategic cooperation/KOL business managers	Over three years of experience as a site or business manager
Community network co-building managers . . .	Familiarity with community hospitals; candidates with established community hospital network resources preferred
Clinical trial cloud platform promotion directors	Over seven years of experience in the promotion of clinical trial-related system platforms
Clinical trial cloud platform promotion managers	Over three years of experience in the promotion of clinical trial-related system platforms
Patient recruitment platform management directors . . .	Over seven years of patient recruitment experience
Patient recruitment platform management managers . .	Over three years of patient recruitment experience
Patient recruitment specialists	Prior experience in patient recruitment or related work

- iii. Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] will be used building our company management system and process system to further enhance our operations. Specifically, we plan to (i) establish a company-level project management office (“PMO”) and collaboration platform to establish project management, resource allocation and know-how management systems to support our multi-therapeutic area expansion. We expect to recruit approximately 20 professionals under this initiative over the next three years, including PMO deputy directors, platform process managers and system maintenance managers; (ii) develop therapeutic area-specific SOPs and quality management systems, particularly for frontier therapeutic areas such as CGT and miRNA drugs, covering full clinical trial cycle from protocol design to laboratory testing. We expect to recruit approximately 20 professionals under this initiative over the next three years, including QA directors, QA deputy directors, QA specialists and quality managers; and (iii) develop a talent training and development program to cultivate professionals who are proficient in both our SOPs and therapeutic-specific knowledge. We expect to recruit approximately five professionals under this initiative over the next three years, including training directors and training managers. We believe these initiatives would improve our overall service delivery timelines and project execution

FUTURE PLANS AND [REDACTED]

predictability, building capabilities for large-scale, multi-center and cross-therapeutic area clinical trial projects. The following table sets forth the qualifications we expect the professionals to be recruited under this initiative to possess.

Position	Expected Qualifications
PMO deputy directors	Over seven years of project management experience, with experience managing two to three large-scale clinical research projects in a specific therapeutic area
Platform process managers	Medical or pharmaceutical background, with strong communication, coordination and management skills
System maintenance managers	Experience in the maintenance of medical clinical trial systems
QA directors	Over seven years of QA experience in the clinical research field; prior QA department management experience preferred
QA deputy directors	Over five years of QA experience in the clinical research field
QA specialists	Prior QA/QC experience
Quality managers	Medical or pharmaceutical background, with clinical trial QC experience
Training directors	Over five years of clinical trial training experience and over three years of experience as a training manager
Training managers	Over three years of clinical trial training experience

- Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] will be used to advance our international expansion and global operating capability development. We intend to accelerate our internationalization strategy, supporting our transition from “accompanying customers going global” to “localized participation in international competition”. Specifically, such [REDACTED] will be [REDACTED] to the following areas:
 - i. Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] will be used localizing our overseas operating platforms through strategic partnerships, investments and potential acquisitions. Our strategy will follow a phased approach, beginning with the establishment of strategic cooperation with two to three mid-sized overseas CROs with established therapeutic area expertise or specialized biometrics capabilities in North America and Europe, with a view to sharing client resources, leveraging local clinical trial networks and gaining operational familiarity with regional regulatory environments. According to Frost & Sullivan, the CRO market in North America and Europe would reach US\$26.5 billion and US\$17.1 billion as of 2029. Subject to satisfactory progress of such cooperation arrangements, we may consider acquiring minority or majority equity stakes in such partners to deepen integration and realize our localization. We adhere to disciplined investment and acquisition screening standards, including strategic alignment with our core business, regulatory

FUTURE PLANS AND [REDACTED]

compliance track record particularly with respect to FDA and NMPA inspection histories, therapeutic area expertise in innovative drug clinical development, quality and diversification of its client base, stability of its core management team, geographical coverage and established local networks, and degree of operational and commercial synergy achievable through integration with our existing platform. We will generally focus on targets with an employee base of approximately 50 to 200 personnel and net profit range from approximately RMB2.0 million to RMB50.0 million, which we believe represents an optimal scale that balances established execution capabilities with integration flexibility and financial stability.

Our financial results may be affected by our potential acquisitions. With respect to cost structure, we anticipate that initial personnel and integration expenditures will increase in the near term. We expect our management expense ratio and per-project unit costs to decline progressively over the medium to long term. With respect to profitability, we acknowledge that the consolidation of acquired targets may result in short-term margin compression due to the amortization of intangible assets arising from acquisitions. We expect the acquired businesses to contribute to a steady improvement in both gross profit margin and net profit margin within approximately two to three years following completion of each transaction. With respect to cash flow, acquisitions will result in investing cash outflows in the near term, we however expect the operating cash flows generated by the acquired targets themselves would restore cash flow equilibrium over the medium term, with an estimated investment payback period of approximately three to five years. We intend to manage the associated risks by maintaining disciplined pricing, utilizing performance-linked earnout mechanisms. The evaluation of investment and acquisition opportunities involves our management and Directors to ensure that any transaction we pursue is in the best interests of our shareholders. Considering the criteria above, based on the assessment of the global healthcare landscape, and as confirmed by Frost & Sullivan, as of December 31, 2025, there were more than 30 potential targets worldwide that met our preliminary screening criteria, comprising more than 15 in North America (primarily the United States), more than 10 in Europe and more than five in Australia. As of the Latest Practicable Date, we had not identified any specific targets for strategic cooperation, investment or acquisition, nor had we entered into any agreement, arrangement, understanding or negotiation in relation to any potential transaction. We believe our localization initiatives will enhance our ability to participate in international multi-center clinical development projects, broaden our overseas client base and strengthen our overall competitiveness in the global clinical CRO services market.

- ii. Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] will be used to build a localized service delivery infrastructure capable of directly serving global clients. In particular, we plan to (i) establish a core team and a local operations team in North America and Australia by 2027, each comprising approximately 10 professionals responsible for business development, project management, medical monitoring and operational execution; (ii) expand our North America operations team with additional local medical and biostatistics professionals and establish a core team and operations team in Europe by 2028, comprising approximately 10 professionals in each region; and (iii) further strengthen our North American and European teams with local office support and extend our geographical footprint into South Korea and Southeast Asia in 2029, with a total of approximately 20 professionals recruited across these regions. In addition, we plan to second approximately [five] of our current employees to our overseas offices over the next three years to facilitate knowledge transfer, ensure quality system alignment and support the integration of our global operations. We expect to recruit approximately 70 overseas professionals under this initiative over the next three years, with broadly similar numbers recruited in each year. According to Frost & Sullivan, the CRO market in North America,

FUTURE PLANS AND [REDACTED]

Europe, APAC would reach US\$26.5 billion, US\$17.1 billion, and US\$22.8 billion as of 2029, respectively. Our overseas teams are essential to our global expansion strategy to access these growing overseas markets, as establishing localized teams with regional expertise, language capabilities and established relationships with local investigators and regulatory authorities enable us to conduct international multi-center clinical trials and serve for global clinical development for global pharmaceutical companies.

- iii. Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] will be used for the development of our international capability, qualification and Global Operation Support Center (GOSC) infrastructure. First, we plan to comprehensively upgrade our global compliance and quality management system by benchmarking our standard operating procedures and quality frameworks against the requirements of the FDA, EMA, ICH-GCP and other major international regulatory standards, maintaining and acquiring relevant international quality certifications and passing inspections conducted by international regulatory authorities. We expect to incur certification and related compliance costs of approximately RMB2.5 million in aggregate over the next three years. Second, we plan to establish a centralized GOSC in China to provide integrated clinical operations, data management and biostatistics support for global multi-regional clinical trial projects across multiple time zones. To support these initiatives, we plan to recruit a total of approximately 50 professionals over the next three years across key functional roles, including Global QA specialists, Global project managers, Global medical managers, Global data managers, Global statisticians and Global CRAs. We believe that the establishment of a quality management system align to international regulatory standards and a centralized global operations support infrastructure will serve as a critical foundation for our participation in international multi-center clinical trials, enabling us to deliver clinical trial services that meet the rigorous standards of global pharmaceutical and biotechnology clients worldwide.
- Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] from the [REDACTED]) will be used to implement our AI-Driven strategy, including LLM training, application of AI Agents and the development of the “Weilin” platform and its integration with our existing platforms:
 - i. Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] will be used to develop therapeutic area-specific large language models (the “LLMs”) and AI agent applications to enhance our clinical research capabilities and operational efficiency. We plan to adopt market LLMs to align with our therapeutic areas of strength, including autoimmune diseases and oncology, as well as emerging frontier therapeutic areas such as ophthalmology, CGT, miRNA, CNS diseases and metabolic diseases, and to progressively apply such LLMs across key stages of clinical research, including clinical trial protocol design, endpoint assessment, risk identification, efficacy prediction and project management, thereby enhancing execution stability and predictability in complex clinical research scenarios. In parallel, we plan to develop and deploy AI agents to support clinical research workflows, with a focus on progressively expanding their applicability in international multi-center clinical trial projects, including through the procurement of AI-related regulatory compliance consulting and localization adaptation services to ensure that our AI tools comply with the data privacy and regulatory requirements of major overseas markets. To support these initiatives, we plan to recruit a total of approximately 40 professionals over the next three years, comprising AI and data engineers, managers and compliance specialists, with corresponding estimated personnel costs of approximately RMB56 million in aggregate over the next three years. In addition, we plan to procure computing power infrastructure and related technical resources, primarily comprising cloud-based GPU computing resources, cloud storage services, AI research and development consulting services, data alignment

FUTURE PLANS AND [REDACTED]

services and developer equipment, with corresponding estimated procurement and infrastructure costs of approximately RMB26 million in aggregate over the next three years. We expect to complete the development and initial deployment of both the therapeutic area-specific LLMs and the AI agent applications by 2029, which deployment may require significant cloud computational resources. We believe these investments in AI-driven clinical research tools will automate our clinical trial and operation processes, improve the quality and consistency of our clinical trial deliverables and strengthen our ability to attract and retain global pharmaceutical and biotechnology clients seeking CRO partners for their increasingly complex clinical development programs.

- ii. Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] will be used for the development of the “Weilin” global collaboration platform to enable real-time coordination across global clinical trial projects compliant to global data regulations and pilot initiatives in next generation technologies. The development of our “Weilin” platform comprises two key components. Our Weilin platform integrates our internal business systems with those of external partners, including sponsors, SMOs and trial sites, to establish a unified project management portal and real-time data visualization dashboard, thereby supporting centralized management and seamless collaboration for cross-regional clinical trials, reducing cross-institutional coordination costs and improving information consistency throughout project execution. The Weilin platform incorporates a data security architecture, standardizes data processing workflows and a centralizes database that comply with the regulatory requirements of China, the United States and Europe, thereby laying the foundation for clinical data assetization and the training of our proprietary AI models. To support these initiatives, we plan to recruit a total of approximately 40 professionals over the next three years, comprising data specialists, system engineers, operations and maintenance engineers, product managers. In addition, we plan to procure relevant hardware, software and professional services such as data security protection systems, clinical data standardization toolkits, central database construction services. We expect to complete the development and initial deployment of the global collaboration platform by 2029. The development and deployment phase in 2029 is expected to require more resources than the earlier stages in 2027 and 2028. We expect to complete data governance structure by 2028 and obtain ISO 27001 information security management system certification, HIPAA compliance certification (for the U.S. market), GDPR compliance certification (for the EU market) and China Cybersecurity Multi-Level Protection Scheme (MLPS) Level III certification. We believe these investments will enhance our operational transparency, data integrity and regulatory compliance of our global clinical trial operations, strengthen our competitive positioning as an efficiency and technology-driven CRO capable of managing multi-center clinical trials.

Our pilot initiatives in next generation technologies mainly include pilot decentralized clinical trials (DCTs) program and collaborative programs with technological companies and research institutes on autonomous trial design. We believe such exploration in frontline technologies would improve our operational efficiency in the future by streamlining the trial design and expand our geographical coverage. We expect to complete preliminary R&D for autonomous trial design and DCT and establish the first pilot DCT program by 2029.

- Approximately HK\$[REDACTED] million or approximately [REDACTED]% of the [REDACTED] from the [REDACTED] will be used for working capital and other general corporate purposes.

FUTURE PLANS AND [REDACTED]

In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the [REDACTED], the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED] million, respectively.

The additional [REDACTED] that we would receive if the [REDACTED] is exercised in full would be (i) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the maximum [REDACTED]), (ii) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the [REDACTED] range) and (iii) HK\$[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the minimum).

To the extent that the [REDACTED] from the [REDACTED] (including the [REDACTED] from the exercise of the [REDACTED]) are either more or less than expected, we may adjust our [REDACTED] of the [REDACTED] for the above purposes on a pro rata basis. To the extent that the [REDACTED] from the [REDACTED] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we will only deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions) for so long as it is deemed to be in the best interests of our Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

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STRUCTURE AND CONDITIONS OF THE [REDACTED]

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STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[●], received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF PANACRO (HANGZHOU) PHARMACEUTICAL CONSULTING CO., LTD. AND CHINA INDUSTRIAL SECURITIES INTERNATIONAL CAPITAL LIMITED AND ICBC INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of PANACRO (Hangzhou) Pharmaceutical Consulting Co., Ltd. (博納西亞(杭州)醫藥科技股份有限公司) (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-[●] to I-[●], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements for each of the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 (the “Track Record Period”), and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-[●] to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Document”) in connection with the [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

APPENDIX I

ACCOUNTANTS’ REPORT

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants’ report, a true and fair view of the Company’s and the Group’s financial position as at 31 December 2023, 2024 and 2025 and 30 June 2026 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the six months ended 30 June 2025 and other explanatory information (the “Stub Period Corresponding Financial Information”). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

APPENDIX I**ACCOUNTANTS’ REPORT**

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[●] have been made.

Dividends

We refer to Note 25(d) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

KPMG

Certified Public Accountants

8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

[Date]

APPENDIX I

ACCOUNTANTS’ REPORT

Historical financial information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “Underlying Financial Statements”).

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi (“RMB”))

	Note	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	4	370,519	340,281	335,931	179,410	203,917
Cost of sales		(246,217)	(209,961)	(205,290)	(114,993)	(132,515)
Gross profit		124,302	130,320	130,641	64,417	71,402
Other net income	5	4,108	4,484	4,078	2,306	611
Selling and marketing expenses		(14,549)	(12,935)	(15,990)	(7,713)	(9,670)
General and administrative expenses		(27,393)	(22,400)	(26,930)	(11,377)	(24,307)
Research and development expenses		(27,757)	(20,474)	(18,674)	(8,873)	(9,445)
Impairment loss recognised on trade and other receivables and contract assets	6(c)	(274)	(538)	(3,193)	(1,022)	(3,272)
Profit from operations		58,437	78,457	69,932	37,738	25,319
Finance costs	6(a)	(2,571)	(1,989)	(1,289)	(881)	(182)
Changes in the carrying amount of redemption liabilities	23	(607)	(7,829)	(8,294)	(3,967)	–
Profit before taxation	6	55,259	68,639	60,349	32,890	25,137
Income tax	7	(8,088)	(11,100)	(8,599)	(4,770)	(2,877)
Profit for the year/period		47,171	57,539	51,750	28,120	22,260
Other comprehensive income for the year/period (after tax)						
Items that are or may be reclassified subsequently to profit or loss:						
– Exchange differences on translation of financial statements of overseas subsidiaries		–	–	(141)	(23)	(113)
Total comprehensive income for the year/period		47,171	57,539	51,609	28,097	22,147
Earnings per share	10					
– Basic and Diluted (RMB).		10.76	6.28	4.48	2.44	1.93

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

		At 31 December			At 30 June
	Note	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment		1,405	694	321	1,436
Right-of-use assets	11	2,470	1,339	447	5,132
Intangible assets	12	3,105	1,543	3,187	3,667
Deferred tax assets	22(b)	6,225	8,060	9,374	10,461
		13,205	11,636	13,329	20,696
Current assets					
Contract assets	13(a)	73,123	116,269	144,973	146,506
Trade and bills receivables	14	50,028	85,700	87,742	70,863
Prepayments, deposits and other receivables	15	111,606	111,529	78,834	64,153
Financial assets measured at fair value through other comprehensive income ("FVOCI")	16	15,974	16,449	3,791	3,870
Restricted deposits	17(a)	–	–	–	3,895
Cash and cash equivalents	17(a)	101,095	111,576	72,215	129,963
		351,826	441,523	387,555	419,250
Current liabilities					
Trade payables	18	64,225	70,020	65,672	95,842
Accruals and other payables	19	82,749	86,193	52,535	43,535
Contract liabilities	13(b)	97,042	93,046	61,964	62,926
Bank loans	20	49,817	49,918	10,008	–
Lease liabilities	21	2,498	836	292	776
Current taxation	22(a)	1,242	11,109	5,740	3,457
Redemption liabilities	23	80,607	108,436	–	–
		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	21	138	292	–	4,230
NET (LIABILITIES)/ASSETS		(13,287)	33,309	204,673	229,180
CAPITAL AND RESERVES					
Paid-in capital/share capital	25	4,383	11,546	11,546	11,546
Reserves		(17,670)	21,763	193,127	217,634
TOTAL (DEFICIT)/EQUITY		(13,287)	33,309	204,673	229,180

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

		At 31 December			At 30 June
	Note	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Interests in subsidiaries	1	30,366	33,926	79,552	85,552
Property, plant and equipment		1,074	542	250	1,392
Right-of-use assets		2,124	1,184	395	5,132
Intangible assets		2,531	993	2,918	3,560
Deferred tax assets		5,831	7,631	9,098	10,177
		41,926	44,276	92,213	105,813
Current assets					
Contract assets	13(a)	69,726	115,471	142,311	142,316
Trade and bills receivables	14	45,161	81,469	88,673	71,972
Prepayments, deposits and other receivables	15	112,994	115,753	98,908	72,085
Financial assets measured at FVOCI . . .	16	15,974	15,329	3,791	2,435
Restricted deposits	17(a)	—	—	—	3,895
Cash and cash equivalents	17(a)	69,634	86,091	49,048	99,047
		313,489	414,113	382,731	391,750
Current liabilities					
Trade payables	18	75,928	99,018	127,657	149,759
Accruals and other payables	19	48,177	48,421	54,874	50,069
Contract liabilities	13(b)	94,886	90,220	57,703	49,265
Bank loans	20	49,817	49,918	10,008	—
Lease liabilities		2,148	733	292	776
Current taxation		1,101	11,039	5,412	3,194
Redemption liabilities	23	80,607	108,436	—	—
		352,664	407,785	255,946	253,063
Net current (liabilities)/assets		(39,175)	6,328	126,785	138,687
Total assets less current liabilities . . .		2,751	50,604	218,998	244,500
Non-current liability					
Lease liabilities		138	292	—	4,230
NET ASSETS		2,613	50,312	218,998	240,270
CAPITAL AND RESERVES					
Paid-in capital/share capital	25	4,383	11,546	11,546	11,546
Reserves		(1,770)	38,766	207,452	228,724
TOTAL EQUITY		2,613	50,312	218,998	240,270

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

	Paid-in capital	Capital reserve	Other reserve	Statutory Reserve	Exchange reserve	(Accumulated losses)/retained profits	Total equity/(deficit)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 25(b))	(Note 25(c)(i))	(Note 25(c)(ii))	(Note 25(c)(iii))	(Note 25(c)(iv))		
Balance at 1 January 2023 . . .	4,383	41,048	5,346	–	–	(33,330)	17,447
Changes in equity for 2023:							
Profit and total comprehensive income for the year	–	–	–	–	–	47,171	47,171
Recognition of redemption liabilities (Note 23)	–	–	(80,000)	–	–	–	(80,000)
Appropriation to statutory reserve	–	–	–	3,447	–	(3,447)	–
Equity-settled share-based transactions (Note 24)	–	–	2,095	–	–	–	2,095
Balance at 31 December 2023 and 1 January 2024	4,383	41,048	(72,559)	3,447	–	10,394	(13,287)
Changes in equity for 2024:							
Profit and total comprehensive income for the year	–	–	–	–	–	57,539	57,539
Recognition of redemption liabilities (Note 23)	–	–	(20,000)	–	–	–	(20,000)
Capital contributions (Note 25(b))	7,163	–	–	–	–	–	7,163
Appropriation to statutory reserve	–	–	–	2,326	–	(2,326)	–
Equity-settled share-based transactions (Note 24)	–	–	1,894	–	–	–	1,894
Balance at 31 December 2024 and 1 January 2025	11,546	41,048	(90,665)	5,773	–	65,607	33,309
Changes in equity for 2025:							
Profit for the year	–	–	–	–	–	51,750	51,750
Other comprehensive income . .	–	–	–	–	(141)	–	(141)
Total comprehensive income . .	–	–	–	–	(141)	51,750	51,609
Recognition of redemption liabilities (Note 23)	–	–	(37,323)	–	–	–	(37,323)
Derecognition of redemption liabilities upon termination of redemption rights (Note 23) . .	–	–	154,053	–	–	–	154,053
Equity-settled share-based transactions (Note 24)	–	–	3,025	–	–	–	3,025
Balance at 31 December 2025 .	11,546	41,048	29,090	5,773	(141)	117,357	204,673

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

	Paid-in capital	Share capital	Capital reserve	Other reserve	Statutory Reserve	Exchange reserve	Retained profits/ (accumulated losses)	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 25(b)(i))	(Note 25(b)(ii))	(Note 25(c)(i))	(Note 25(c)(ii))	(Note 25(c)(iii))	(Note 25(c)(iv))		
Balance at 1 January								
2026	11,546	—	41,048	29,090	5,773	(141)	117,357	204,673
Changes in equity for the six months ended 30 June 2026:								
Profit for the period	—	—	—	—	—	—	22,260	22,260
Other comprehensive income	—	—	—	—	—	(113)	—	(113)
Total comprehensive income	—	—	—	—	—	(113)	22,260	22,147
Conversion into a joint stock company with limited liability (Note 25(b))	(11,546)	11,546	160,774	(6,595)	(5,773)	—	(148,406)	—
Equity-settled share-based transactions (Note 24)	—	—	—	2,360	—	—	—	2,360
Balance at 30 June 2026	<u>—</u>	<u>11,546</u>	<u>201,822</u>	<u>24,855</u>	<u>—</u>	<u>(254)</u>	<u>(8,789)</u>	<u>229,180</u>
(Unaudited)								
Balance at 1 January								
2025	11,546	—	41,048	(90,665)	5,773	—	65,607	33,309
Changes in equity for the six months ended 30 June 2025:								
Profit for the period	—	—	—	—	—	—	28,120	28,120
Other comprehensive income	—	—	—	—	—	(23)	—	(23)
Total comprehensive income	—	—	—	—	—	(23)	28,120	28,097
Equity-settled share-based transactions (Note 24)	—	—	—	1,353	—	—	—	1,353
Balance at 30 June 2025	<u>11,546</u>	<u>—</u>	<u>41,048</u>	<u>(89,312)</u>	<u>5,773</u>	<u>(23)</u>	<u>93,727</u>	<u>62,759</u>

APPENDIX I

ACCOUNTANTS’ REPORT

		Year ended 31 December			Six months ended 30 June	
	Note	2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
Financing activities						
Proceeds from bank loans	17(c)	50,000	49,950	10,000	–	–
Repayment of bank loans	17(c)	(48,076)	(49,950)	(49,950)	–	(10,000)
Proceeds from capital contribution	25(b)	–	7,163	–	–	–
Proceeds from advances from related parties	27(b)	11,900	9,350	4,000	2,800	–
Repayment of advances from related parties	27(b)	–	–	(41,230)	(50)	(170)
Interest paid for bank loans . . .	17(c)	(2,307)	(1,810)	(1,228)	(791)	(130)
Capital element of lease rentals paid	17(c)	(1,429)	(1,710)	(836)	(466)	(644)
Interest element of lease rentals paid	17(c)	(136)	(78)	(21)	(14)	(60)
Payments in connection with the proposed [REDACTED] of the Company's H shares . . .		–	–	(88)	–	(4,240)
Net cash generated from/(used in) financing activities		<u>9,952</u>	<u>12,915</u>	<u>(79,353)</u>	<u>1,479</u>	<u>(15,244)</u>
Net increase/(decrease) in cash and cash equivalents						
		39,518	10,443	(39,253)	(36,975)	57,817
Cash and cash equivalents at 1 January	17(a)	61,568	101,095	111,576	111,576	72,215
Effect of foreign exchange rate changes		<u>9</u>	<u>38</u>	<u>(108)</u>	<u>(39)</u>	<u>(69)</u>
Cash and cash equivalents at 31 December/30 June	17(a)	<u>101,095</u>	<u>111,576</u>	<u>72,215</u>	<u>74,562</u>	<u>129,963</u>

APPENDIX I

ACCOUNTANTS’ REPORT

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1. BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

PANACRO (Hangzhou) Pharmaceutical Consulting Co., Ltd. (the “Company”, formerly known as Panacro (Hefei) Pharmaceutical Technology Co., Ltd. 博納西亞(合肥)醫藥科技有限公司) was established in the People’s Republic of China (the “PRC”) on 25 May 2004 as a limited liability company and was converted into a joint stock company with limited liability on 22 January 2026.

The Company and its subsidiaries (together, “the Group”) are principally engaged in the provision of clinical trial contract research organisation (“CRO”) services.

The statutory financial statements of the Company for the years ended 31 December 2023, 2024 and 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Shenzhen Tiandi Certified Public Accountants (General Partnership) (深圳天地會計師事務所(普通合夥)), Beijing Ruiying Certified Public Accountants (General Partnership) (北京睿瑛會計師事務所(普通合夥)) and Zhejiang Henghui Certified Public Accountants Co., Ltd. (浙江恒惠會計師事務所有限公司), respectively.

At the date of this report, the Company has direct or indirect interests in the following subsidiaries, all of which are private companies:

Company name	Place and date of establishment/ incorporation	Particulars of issued/paid-in capital	Proportion of ownership interest Held by the Company	Principal activities
Beijing Aismore Pharmaceutical Technology Co., Ltd. 北京艾斯默醫藥科技有限公司 (Notes (i), (ii) and (iii))	Chinese Mainland 18 September 2007	RMB1,000,000/ RMB1,000,000	100%	Clinical trial onsite services
Chengdu Panacro Pharmaceutical Technology Co., Ltd. 成都博納西亞醫藥科技有限公司 (Notes (i), (ii) and (iii)). . .	Chinese Mainland 28 June 2024	RMB10,000,000/ RMB4,000,000	100%	Vaccine CRO services
Beijing Ruijie Siyuan Pharmaceutical Technology Co., Ltd. 北京瑞傑思源醫藥科技有限公司 (Notes (i), (ii) and (iii))	Chinese Mainland 23 October 2013	RMB10,000,000/ RMB10,000,000	100%	Clinical trial subject recruitment
Suzhou Panacro Pharmaceutical Technology Co., Ltd. 蘇州博納西亞醫藥科技有限公司 (Notes (i), (ii) and (iii)). . .	Chinese Mainland 20 February 2020	RMB10,000,000/ RMB10,000,000	100%	Vaccine CRO services
Linzhi (Beijing) Technology Co., Ltd. 臨智(北京)科技有限責任公司 (Notes (i), (ii) and (iii))	Chinese Mainland 11 December 2019	RMB5,000,000/ RMB5,000,000	100%	Data management and biostatistics
Beijing Staphy Pharmaceutical Technology Co., Ltd. 北京斯達菲醫藥科技有限公司 (Notes (i), (ii) and (iii)). . .	Chinese Mainland 7 February 2017	RMB1,000,000/ RMB1,000,000	100%	Functional service provision
Panacro (Asia Pacific) Pharmaceutical Technology Pte. Ltd. (Notes (i) and (iv))	Singapore 26 June 2023	Singapore dollar (“SG\$”)1,000,000/ SG\$1,000,000	100%	Clinical CRO services

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Company name	Place and date of establishment/ incorporation	Particulars of issued/paid-in capital	Proportion of ownership interest Held by the Company	Principal activities
Pana Holding Inc., (<i>Notes (i) and (iii)</i>)	The United States of America 12 February 2024	United States dollar (“US\$”) 1,000,000/ US\$1,000,000	100%	Clinical CRO services
Panacro (Australia) Pharmaceutical Technology Pty Ltd. (<i>Notes (i) and (v)</i>) .	Australia 25 October 2023	1 share/nil	100%	Clinical CRO services
Guangdong Weilin Medical Technology Co., Ltd. (“Guangdong Weilin”) 廣東微臨醫療科技有限公司 (<i>Notes (i), (ii), (iii) and (vi)</i>)	Chinese Mainland 15 January 2021	RMB50,000,000/ RMB50,000,000	100%	Developing digital solutions for clinical trials
Panacro (Hong Kong) Pharmaceutical Technology Company Limited 博納西亞 (香港)醫藥科技有限公司 (<i>Notes (i) and (iii)</i>)	Hong Kong 22 October 2025	1,000,000 shares/nil	100%	Clinical CRO services

Notes:

- (i) These entities were registered as limited liability companies under the laws and regulations in the jurisdiction of incorporation.
- (ii) The official name of these entities are in Chinese. The English translations are for identification purpose only.
- (iii) These entities have adopted 31 December as their financial year end date. No statutory financial statements of these entities have been prepared during the Track Record Period.
- (iv) The statutory financial statements of this entity for the years ended 31 May 2024 and 2025 were prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards and audited by MRI Moores Rowland LLP. No statutory financial statements for the year ended 31 May 2026 have been prepared as of the date of this report.
- (v) This entity has adopted 31 May as its financial year end date. No statutory financial statements have been prepared during the Track Record Period.
- (vi) On 28 October 2025, the Company signed an equity transfer agreement with Mr. Zhao Min, Shanghai Yilian Enterprise Management Centre (Limited Partnership) and Shanghai Yiguang Enterprise Management Centre (Limited Partnership) to acquire 100% equity interest of Guangdong Weilin controlled by Mr. Zhao Min at nil consideration. The acquisition was completed on 22 December 2025 and regarded as a business combination under common control, and has therefore been accounted for using the pooling of interest method as if the acquisition had been completed since the date Guangdong Weilin came under the common control of Mr. Zhao Min. The assets and liabilities of Guangdong Weilin have been included using the existing book values from Mr. Zhao Min’s perspective. No adjustments were made to reflect fair values, or recognise any new assets or liabilities as a result of such acquisition.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). Further details of the material accounting policy information are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards throughout the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning on 1 January 2026. The revised and new accounting standards and interpretations issued but not yet effective for the accounting year beginning on 1 January 2026 are set out in Note 30.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

The Historical Financial Information and the Stub Period Corresponding Financial Information are presented in Renminbi (“RMB”), which is the Company’s functional currency. All values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the financial assets measured at FVPL and financial assets measured at FVOCI are stated at their fair value as explained in Note 2(e).

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Business combination

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the financial statements of the ultimate controlling party at the combination date. The difference between the carrying amounts of the net assets acquired and the consideration paid for the combination is adjusted to equity. Any costs directly attributable to the combination are recognised in profit or loss when incurred. The combination date is the date on which one combining entity obtains control of other combining entities.

Business combination is accounted for under the acquisition method except for business combination under common control.

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships, such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

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(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statements of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(i)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(e) Other investments in securities

The Group’s policies for investments in securities, other than investments in subsidiaries, are set out below.

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 26(e). These investments are subsequently accounted for as follows, depending on their classification.

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method, foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit or loss.
- FVOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit and loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in other comprehensive income (“OCI”). When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses (see Note 2(i)(ii)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

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Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives during the Track Record Period are as follows:

Electronic equipment and others	3-5 years
Vehicles	4 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(g) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(i)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives from the Track Record Period are as follows:

Software	Useful period agreed upon in the contract
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Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

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The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(f) and 2(i)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for expected credit losses (“ECL”)s on:

- financial assets measured at amortised cost (including cash and cash equivalents, restricted deposits, trade receivables and other receivables);
- contract assets (see Note 2(j)); and
- non-equity securities measured at FVOCI (recycling) (see Note 2(e))

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

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- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 30 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

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Write-off policy

The gross carrying amount of a financial asset or contract asset, is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than contact assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (“CGU”s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(s)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(i)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(k)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(s)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(k)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(s)(iii)).

(k) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(i)(i)).

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(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(i)(i)).

(m) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(u).

(o) Redemption liabilities

A contract that contains an obligation to purchase the Company’s equity instruments for cash or another financial asset gives rise to a financial liability for the redemption amount, even if the Company’s obligations to purchase is conditional on the counterparty exercising a right to redeem. The redemption liability is measured at the highest redemption amount (on a present value basis) the Company could be required to pay from time to time. Any change in the carrying amount of the redemption liability arising from the remeasurement of the redemption amount is recognised in profit or loss. The then carrying amount of the redemption liability is reclassified to equity upon a termination of the counterparty’s redemption right.

The redemption liability is classified as current as the Company does not have an unconditional right to defer payments beyond 12 months from the reporting date.

(p) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The share-based payment arrangement of the Company is set out in Note 24. The grant-date fair value of equity-settled share-based payment granted to employees is measured at the fair value of the shares granted at the grant dates. The amount is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.

The equity amount is recognised in the other reserve until either the equity-settled share-based payments award is exercised (when it is included in the amount recognised in capital reserve) or the equity-settled share-based payments award expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

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(q) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(r) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see Note 2(i)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

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Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(s) Revenue and other income

Income is classified by the Group as revenue when it arises from the provision of services and sale of goods in the ordinary course of the Group’s business.

Revenue is recognised when control over a service or product is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Further details of the Group’s revenue and other income recognition policies are as follows:

(i) Rendering of services

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the Group transfers the control for services/deliverable units and has right to payment from the customers for the services performed upon finalisation, or upon the delivery and acceptance of the deliverable units.

The Group’s revenue from rendering of services has different contractual arrangements with different customers under two different charge models: fee-for-services (“FFS”) model or full-time-equivalents (“FTE”).

Clinical trial technical services are under the FFS model. Revenue from clinical trial technical services is recognised over time as the Group’s performance has created an asset with no alternative use and the Group has an enforceable right for payments for performance completed to date. The Group measures the progress towards complete satisfaction of a performance obligation using cost-to-cost (input method). Under the input method, the Group uses the known cost measure of progress when it best depicts the transfer of value to the customer which occurs as the Group incurs costs on its contract, the extent of progress towards completion is measured based on the ratio of actual costs incurred to date to the total estimated costs at completion of the performance obligation. Revenue is recorded proportionally as costs are incurred.

Functional service provision (“FSP”) services are under the FTE model. For services under the FTE model, a dedicated team of employees are provided to a customer’s project for a specified period of time and charge the customer at fixed rate per employee. The customer simultaneously receives and consumes benefits provided by the Group’s performance. Therefore, the revenue is recognised over time at the amount to which the Group has the right to invoice for the performance completed to date (i.e. FTE billable amounts, which are calculated based on the number of employees assigned to the project and the time employees worked), usually in the form of a monthly statement. Under the FTE model, the Group measures its progress by using units produced/services transferred to the customer to date (output method).

(ii) Sale of software products

Revenue is recognised when the customer takes possession of and accepts the software products.

(iii) Other income

- *Interest income*

Interest income is recognised using the effective interest method. The “effective interest rate” is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets

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that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

– *Government grants*

Government grants are recognised in the statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognised as deferred income and subsequently recognised in profit or loss on a systematic basis over the useful life of the asset.

(t) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve.

(u) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

(v) Related parties

(a) A person, or a close member of that person’s family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group’s parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

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- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group’s parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group’s most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group’s various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. ACCOUNTING JUDGEMENTS AND ESTIMATES

Notes 24 and 26(e) contain information about the assumptions and their risk factors relating to fair value of equity-settled share-based transactions and financial instruments:

Expected credit loss for trade receivables and contract assets

The credit loss for trade receivables and contract assets are based on assumptions about the expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, set Note 26(a). Changes in these assumptions and estimation could materially affect the result of the assessment and it may be necessary to make additional loss allowance in future periods.

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in the provision of clinical trial CRO services.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers within the scope of IFRS 15 by types of services is as follow:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Clinical trial technical services	317,617	290,320	269,947	149,607	161,479
FSP services	50,616	49,510	63,324	28,833	41,244
Others	2,286	451	2,660	970	1,194
	<u>370,519</u>	<u>340,281</u>	<u>335,931</u>	<u>179,410</u>	<u>203,917</u>
Timing of recognition					
Over time	370,507	340,253	335,265	178,777	203,905
Point in time	12	28	666	633	12
	<u>370,519</u>	<u>340,281</u>	<u>335,931</u>	<u>179,410</u>	<u>203,917</u>

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During the Track Record Period, the Group’s customers with whom transactions have exceeded 10% of the Group’s revenue in the respective years/periods are as follows.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Customer A	80,154	45,318	39,889	20,122	25,453
Customer B	52,486	40,680	54,537	41,286	35,961
Customer C	*	55,183	64,190	39,917	33,108
Customer D	37,978	*	*	*	*

* The corresponding revenue did not contribute over 10% of the total revenue of the Group in the respective years/periods.

Details of concentrations of credit risk of the Group are set out in Note 26(a).

(ii) ***Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date***

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group’s existing contracts were RMB726,371,000, RMB563,908,000 and RMB528,942,000 and RMB578,250,000 respectively.

Management of the Group expects the majority of the transaction price allocated to the unsatisfied contracts as of the end of each reporting period during the Track Record Period will be recognised within 3 years from the end of each reporting period.

(b) **Segment reporting**

Operating segments are identified on the basis of internal reports that the Group’s most senior executive management reviews regularly in allocating resources to segments and in assessing their performances.

The Group’s most senior executive management makes resources allocation decisions based on internal management functions and assess the Group’s business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

Geographic information

The following table sets out information about the geographical location of the Group’s revenue from external customers. The geographical location of customers is based on the location of projects conducted.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Chinese Mainland (place of domicile)	342,120	331,256	324,142	174,476	195,297
Overseas	28,399	9,025	11,789	4,934	8,620
	<u>370,519</u>	<u>340,281</u>	<u>335,931</u>	<u>179,410</u>	<u>203,917</u>

All of the Group’s non-current assets are located in the PRC. Accordingly, no segment analysis based on geographical location of the assets is provided.

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5. OTHER NET INCOME

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest income on:					
– amounts due from related parties (Note 27(b))	2,182	2,536	2,682	1,453	315
– bank deposits	250	202	132	52	37
Net foreign exchange gains/(losses)	8	(78)	(21)	(21)	13
Government grants	1,125	1,450	527	288	–
Change in fair value of financial assets measured at FVPL	136	142	330	192	31
Net (loss)/gain on disposal of property, plant and equipment and right-of-use assets	(10)	241	(8)	(8)	–
Others	417	(9)	436	350	215
	<u>4,108</u>	<u>4,484</u>	<u>4,078</u>	<u>2,306</u>	<u>611</u>

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on bank loans . . .	2,435	1,911	1,268	867	122
Interest on lease liabilities	136	78	21	14	60
	<u>2,571</u>	<u>1,989</u>	<u>1,289</u>	<u>881</u>	<u>182</u>

(b) Staff costs

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, wages, bonuses and other benefits	148,007	123,266	127,971	61,339	75,857
Contributions to defined contribution retirement plans	10,013	8,675	8,601	4,475	5,455
Equity-settled share-based payment expenses (Note 24).	2,095	1,894	3,025	1,353	2,360
	<u>160,115</u>	<u>133,835</u>	<u>139,597</u>	<u>67,167</u>	<u>83,672</u>

Notes:

- (i) Employees of the Group in Chinese Mainland are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group’s entities in Chinese Mainland contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

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- (ii) Overseas subsidiaries of the Group are subject to the statutory enterprise contribution retirement scheme under the laws of the respective jurisdictions.
- (iii) Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution. The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

(c) **Other items**

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Amortisation cost of intangible assets (Note 12)	2,948	2,088	1,968	950	1,125
Depreciation charge					
– property, plant and equipment	918	813	489	274	154
– right-of-use assets (Note 11)	2,313	1,574	892	577	673
	<u>6,179</u>	<u>4,475</u>	<u>3,349</u>	<u>1,801</u>	<u>1,952</u>
Impairment losses recognised on financial assets and contract assets					
– contract assets (Note 13 (a))	123	123	1,605	740	1,676
– trade receivables (Note 14)	38	346	1,479	221	1,588
– other receivables (Note 15)	113	69	109	61	8
	<u>274</u>	<u>538</u>	<u>3,193</u>	<u>1,022</u>	<u>3,272</u>
[REDACTED]	–	–	4,839	–	11,026

7. INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) **Taxation in the consolidated statements of profit or loss and other comprehensive income represents**

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Current tax (Note 22 (a))					
Provision for the year/period	8,532	12,935	9,913	5,092	3,964
Deferred tax (Note 22 (b))					
Origination and reversal of temporary differences . .	(444)	(1,835)	(1,314)	(322)	(1,087)
	<u>8,088</u>	<u>11,100</u>	<u>8,599</u>	<u>4,770</u>	<u>2,877</u>

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(b) Reconciliation between tax expense and accounting profit at applicable tax rate

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Profit before taxation	55,259	68,639	60,349	32,890	25,137
Notional tax on profit before taxation, at PRC statutory tax rate (Note (i))	13,815	17,160	15,087	8,223	6,284
Tax effect of:					
– different tax rates applied by subsidiaries (Note (ii))	(3)	10	(28)	(21)	46
– preferential tax rate (Note (iii))	(4,949)	(6,650)	(6,418)	(3,510)	(2,709)
– changes in the carrying amount of redemption liabilities	91	1,174	1,244	595	–
– non-deductible expenses	683	898	306	161	267
– unused tax losses and deductible temporary differences not recognised	1,380	844	781	464	258
– utilisation of tax losses previously not recognised	–	–	–	–	(114)
– additional deduction on research and development expenses (Note (iv))	(2,929)	(2,336)	(2,373)	(1,142)	(1,155)
Actual tax expense	8,088	11,100	8,599	4,770	2,877

Notes:

- (i) The Company and subsidiaries of the Group established in the PRC are subject to PRC corporate income tax rate of 25% during the Track Record Period.
- (ii) The Group’s subsidiary incorporated in Singapore is subject to corporate income tax of Singapore on its taxable income at a rate of 17% during the Track Record Period.

The Group’s subsidiary incorporated in Australia is subject to corporate income tax of Australia on its taxable income at a rate of 25% during the Track Record Period.

The Group’s subsidiary incorporated in the United States of America is subject to U.S. corporate income tax on its taxable income at 21% federal corporate income tax rate and other relevant states tax rate at a maximum of 8.7% during the Track Record Period.

The Group’s subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax on its assessable profits at 16.5%. There are no assessable profits arising from Hong Kong during the Track Record Period.

- (iii) Under the PRC Income Tax Laws, an enterprise which qualifies as a High and New Technology Enterprise (“HNTE”) is entitled to a preferential tax rate of 15% provided it continues to meet HNTE qualification standards on an annual basis. The Company was qualified as an HNTE and is entitled for a preferential tax rate of 15% during the Track Record Period.

Pursuant to tax relief policies issued by Ministry of Finance and State Taxation Administration of the PRC, companies which meet: 1) annual taxable profits less than RMB3 million; 2) employees less than 300; and 3) total assets less than RMB50 million, are entitled for a preferential effective tax rate of 5%. Certain subsidiaries of the Group established in the PRC enjoyed above-mentioned tax relief policies during the Track Record Period.

- (iv) The Company and Guangdong Weilin are entitled to an additional tax-deductible allowance calculated at 100% of the qualified research and development expenses incurred during the Track Record Period.

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8. DIRECTORS’ AND SUPERVISOR’S EMOLUMENTS

Details of emoluments of directors and supervisor of the Company during the Track Record Period are as follows:

	Year ended 31 December 2023						
	Directors’ fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Mr. Zhao Min	—	963	300	48	1,311	—	1,311
Mr. Zhao Liang . . .	—	278	22	24	324	—	324
Mr. Zhang Bokang .	—	479	200	40	719	76	795
Mr. Gu Zhifu	—	536	200	40	776	13	789
Ms. Huang Yiling . .	—	—	—	—	—	—	—
Supervisor							
Ms. Wang Ying	—	236	20	21	277	—	277
	—	2,492	742	173	3,407	89	3,496
	—						

	Year ended 31 December 2024						
	Directors’ fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Mr. Zhao Min	—	687	—	59	746	—	746
Mr. Zhao Liang . . .	—	278	29	24	331	—	331
Mr. Zhang Bokang .	—	481	200	42	723	99	822
Mr. Gu Zhifu	—	483	144	42	669	17	686
Ms. Huang Yiling . .	—	—	—	—	—	—	—
Supervisor							
Ms. Wang Ying	—	234	24	20	278	—	278
	—	2,163	397	187	2,747	116	2,863

Year ended 31 December 2025							
Directors’ fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments	Total	
RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	
Directors							
Mr. Zhao Min	–	686	–	59	745	–	745
Mr. Zhao Liang . . .	–	278	40	24	342	–	342
Mr. Zhang Bokang .	–	481	200	42	723	129	852
Mr. Gu Zhifu	–	539	200	42	781	21	802
Ms. Huang Yiling							
(Note (i))	–	–	–	–	–	–	–
Mr. Li Shaonan							
(Note(i))	–	–	–	–	–	–	–
Supervisor							
Ms. Wang Ying	–	233	51	20	304	–	304
	–	2,217	491	187	2,895	150	3,045

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Six months ended 30 June 2026

	Directors’ fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Mr. Zhao Min	–	339	–	25	364	–	364
Mr. Zhao Liang (Notes (ii) and (iv))	–	12	1	1	14	–	14
Mr. Zhang Bokang (Note (ii))	–	21	9	2	32	11	43
Mr. Gu Zhifu (Note (ii))	–	21	9	2	32	7	39
Mr. Li Shaonan (Note (ii))	–	–	–	–	–	–	–
Mr. Chu Weiming (Notes (ii) and (iv))	–	–	–	–	–	–	–
Ms. Xie Li (Note (ii))	–	184	110	16	310	–	310
Ms. Geng Anni (Note (ii))	–	371	–	24	395	–	395
Independent non-executive directors							
Mr. Zhang Kejian (Note (ii))	44	–	–	–	44	–	44
Mr. Hu Kun (Note (ii))	44	–	–	–	44	–	44
Mr. Xu Youlin (Note (ii))	44	–	–	–	44	–	44
Supervisor							
Ms. Wang Ying (Note (ii))	–	10	1	1	12	–	12
	<u>132</u>	<u>958</u>	<u>130</u>	<u>71</u>	<u>1,291</u>	<u>18</u>	<u>1,309</u>

Six months ended 30 June 2025 (unaudited)

	Directors’ fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Mr. Zhao Min	–	343	–	30	373	–	373
Mr. Zhao Liang . . .	–	139	20	12	171	–	171
Mr. Zhang Bokang .	–	240	100	21	361	60	421
Mr. Gu Zhifu	–	297	100	21	418	10	428
Ms. Huang Yiling . .	–	–	–	–	–	–	–
Supervisor							
Ms. Wang Ying	–	117	26	10	153	–	153
	–	<u>1,136</u>	<u>246</u>	<u>94</u>	<u>1,476</u>	<u>70</u>	<u>1,546</u>

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Notes:

- (i) On 12 November 2025, Ms. Huang Yiling resigned as a director of the Company and Mr. Li Shaonan was appointed as a director of the Company.
- (ii) Pursuant to resolutions of shareholders on 16 January 2026, Mr. Zhao Min, Ms. Xie Li and Ms. Geng Anni were appointed as executive directors of the Company, Mr. Chu Weiming were appointed as a non-executive director of the Company. Mr. Zhang Kejian, Mr. Hu Kun and Mr. Xu Youlin were appointed as independent non-executive directors of the Company.

On the same day, Mr. Zhao Liang, Mr. Zhang Bokang, Mr. Gu Zhifu and Mr. Li Shaonan resigned as directors of the Company. Ms. Wang Ying resigned as supervisor of the Company.

- (iii) The Company formally abolished its Board of Supervisors on 16 January 2026.

- (iv) On 28 July 2026, Mr. Chu Weiming resigned as a non-executive director of the Company.

Pursuant to resolutions of shareholders on 13 August 2026, Mr. Zhao Liang was appointed as an executive director of the Company.

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

The number of directors, supervisor and other employees included in the five individuals with the highest emoluments during the Track Record Period are set forth below:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	Number of individuals	Number of individuals	Number of individuals	Number of individuals	Number of individuals
				(unaudited)	
Directors and supervisor . .	1	—	—	—	—
Other employees	4	5	5	5	5
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

The emoluments of the directors or supervisor are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Salaries and other emoluments	3,116	4,982	4,499	2,663	1,925
Discretionary bonuses . . .	670	107	1,478	565	862
Retirement scheme contributions	136	130	280	70	101
Equity-settled share-based payments	<u>556</u>	<u>56</u>	<u>73</u>	<u>502</u>	<u>1,219</u>
	<u>4,478</u>	<u>5,275</u>	<u>6,330</u>	<u>3,800</u>	<u>4,107</u>

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The emoluments of the individuals who are not directors nor supervisor and who are amongst the five individuals with highest emoluments of the Group are within the following bands:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	Number of individuals	Number of individuals	Number of individuals	Number of individuals	Number of individuals
				(unaudited)	
Nil – Hong Kong dollar (“HK\$”) 1,000,000	–	2	–	4	4
HK\$1,000,001 – HK\$1,500,000	4	3	5	1	1

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the following profit attributable to ordinary equity owners/shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue during the Track Record Period.

As described in Note 25(b)(ii), the Company was converted into a joint stock limited liability company and issued 11,546,154 shares with the par value of RMB1 each on 22 January 2026. For the purpose of computing basic earnings per share, the weighted average number of ordinary shares deemed to be in issue before the Company’s conversion into a joint stock limited liability company was determined assuming the conversion into joint stock limited liability company had occurred on 1 January 2023, at the exchange ratio established in the conversion in January 2026.

(i) Profit for the year attributable to ordinary equity owners/shareholders of the Company

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(unaudited)	
Profit for the year/period attributable to all equity owners/shareholders of the Company	47,171	57,539	51,750	28,120	22,260
Less: allocation of profit for the year/period attributable to the ordinary shares with redemption right (Note 23)	(460)	(3,829)	(3,030)	(1,562)	–
Profit for the year/period attributable to ordinary equity owners/shareholders of the Company	<u>46,711</u>	<u>53,710</u>	<u>48,720</u>	<u>26,558</u>	<u>22,260</u>

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(ii) *Weighted average number of ordinary shares*

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	Number of shares	Number of shares	Number of shares	Number of shares	Number of shares
	'000	'000	'000	'000 (unaudited)	'000
Ordinary shares deemed to be in issue at 1 January .	4,383	4,383	11,546	11,546	11,546
Effect of ordinary shares deemed to be issued (Note 25(b))	—	4,776	—	—	—
Effect of ordinary shares with redemption right (Note 23)	(43)	(609)	(676)	(641)	—
Weighted average number of ordinary shares deemed to be in issue/in issue at 31 December/ 30 June	<u>4,340</u>	<u>8,550</u>	<u>10,870</u>	<u>10,905</u>	<u>11,546</u>

(b) **Diluted earnings per share**

Ordinary shares with redemption right (see Note 23) were not included in the calculation of diluted earnings per share because their effect would have been anti-dilutive. Accordingly, diluted earnings per share for each year/period during the Track Record Period were the same as basic earnings per share of the respective years/periods.

11. RIGHT-OF-USE ASSETS

The Group

	Properties
	RMB'000
Cost:	
At 1 January 2023	8,519
Additions	519
Disposals	(743)
At 31 December 2023 and 1 January 2024	8,295
Additions	3,520
Early termination of leases	(7,831)
Disposals	(426)
At 31 December 2024 and 1 January 2025	3,558
Disposals	(2,211)
At 31 December 2025 and 1 January 2026	1,347
Additions	5,358
Disposals	(206)
At 30 June 2026	<u>6,499</u>
Accumulated depreciation:	
At 1 January 2023	(4,255)
Charge for the year	(2,313)
Written back on disposals	743

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	Properties
	<i>RMB'000</i>
At 31 December 2023 and 1 January 2024	(5,825)
Charge for the year	(1,574)
Early termination of leases	4,754
Written back on disposals	426
At 31 December 2024 and 1 January 2025	(2,219)
Charge for the year	(892)
Written back on disposals	2,211
At 31 December 2025 and 1 January 2026	(900)
Charge for the period	(673)
Written back on disposals	206
At 30 June 2026	(1,367)
Net book value:	
At 31 December 2023	2,470
At 31 December 2024	1,339
At 31 December 2025	447
At 30 June 2026	5,132

During the Track Record Period, the Group mainly leases properties for its office space. The leases typically run for 2 to 5 years.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Depreciation charge of right-of-use assets	2,313	1,574	892	577	673
Interest expenses on lease liabilities (<i>Note 6(a)</i>)	136	78	21	14	60
Expenses relating to short-term assets	148	–	6	2	7
Net gain on early termination of leases	–	241	–	–	–

Details of total cash outflow for leases and maturity analysis of lease liabilities are set out in Notes 17(d) and 21.

12. INTANGIBLE ASSETS

The Group

	Software
	<i>RMB'000</i>
Cost:	
At 1 January 2023	8,926
Additions	2,194
Disposals	(4,168)
At 31 December 2023 and 1 January 2024	6,952

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	Software
	<i>RMB'000</i>
Additions	526
Disposals	(1,812)
At 31 December 2024 and 1 January 2025	5,666
Additions	3,612
Disposals	(4,052)
At 31 December 2025 and 1 January 2026	5,226
Additions	1,605
Disposals	(783)
At 30 June 2026	6,048
Accumulated amortisation:	
At 1 January 2023	(5,067)
Charge for the year	(2,948)
Written back on disposals	4,168
At 31 December 2023 and 1 January 2024	(3,847)
Charge for the year	(2,088)
Written back on disposals	1,812
At 31 December 2024 and 1 January 2025	(4,123)
Charge for the year	(1,968)
Written back on disposals	4,052
At 31 December 2025 and 1 January 2026	(2,039)
Charge for the period	(1,125)
Written back on disposals	783
At 30 June 2026	(2,381)
Net book value:	
At 31 December 2023	3,105
At 31 December 2024	1,543
At 31 December 2025	3,187
At 30 June 2026	3,667

13. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract assets	73,339	116,608	146,917	150,126
Less: loss allowance	(216)	(339)	(1,944)	(3,620)
	<u>73,123</u>	<u>116,269</u>	<u>144,973</u>	<u>146,506</u>

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract assets	69,932	115,808	144,238	145,914
Less: loss allowance	(206)	(337)	(1,927)	(3,598)
	<u>69,726</u>	<u>115,471</u>	<u>142,311</u>	<u>142,316</u>

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Contract assets primarily relate to the Group’s rights to the consideration for work completed but not yet billed and will be transferred to trade receivables when the rights become unconditional.

(b) Contract liabilities

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Obligation to provide services and sale of software products in connection with advances received or receivable from customers . . .	<u>97,042</u>	<u>93,046</u>	<u>61,964</u>	<u>62,926</u>

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Obligation to provide services in connection with advances received or receivable from customers . . .	<u>94,886</u>	<u>90,220</u>	<u>57,703</u>	<u>49,265</u>

Movements in contract liabilities

The Group

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Decrease in contract liabilities as a result of recognising revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	<u>63,449</u>	<u>84,710</u>	<u>72,647</u>	<u>40,263</u>

The Company

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Decrease in contract liabilities as a result of recognising revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	<u>61,581</u>	<u>84,255</u>	<u>71,719</u>	<u>37,670</u>

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14. TRADE AND BILLS RECEIVABLES

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
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
	50,028	85,700	87,742	70,863

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables from third parties .	42,459	70,314	83,177	63,110
Trade receivables from subsidiaries .	—	—	3,900	3,976
	42,459	70,314	87,077	67,086
Less: loss allowance	(320)	(630)	(1,674)	(3,187)
	42,139	69,684	85,403	63,899
Bills receivables	3,022	11,785	3,270	8,073
	45,161	81,469	88,673	71,972

All of trade and bill receivables of the Group and the Company are expected to be received within one year.

Ageing analysis

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

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	47,329	78,379	69,749	53,427
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
	50,028	85,700	87,742	70,863

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The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	42,826	75,762	73,519	56,760
1 to 2 years	1,303	5,446	11,256	12,600
2 to 3 years	1,030	244	3,896	2,606
3 to 4 years	2	17	2	6
	<u>45,161</u>	<u>81,469</u>	<u>88,673</u>	<u>71,972</u>

Further details on the Group’s credit policy and credit risk arising from trade receivables are set out in Note 26(a).

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments for purchase of services	34,933	30,829	23,102	31,754
Amounts due from related parties (Note (i))				
– 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
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	<u>1,953</u>	<u>1,656</u>	<u>1,478</u>	<u>1,400</u>
	111,961	111,953	79,367	64,694
Less: loss allowance	<u>(355)</u>	<u>(424)</u>	<u>(533)</u>	<u>(541)</u>
	<u>111,606</u>	<u>111,529</u>	<u>78,834</u>	<u>64,153</u>

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments for purchase of services	32,246	30,504	25,468	29,986
Amounts due from related parties (Note (i))				
– amounts due from Mr. Zhao Min and Ms. Zhou Zhongying	71,366	76,901	50,083	20,428
Amounts due from subsidiaries (Note (ii))	5,874	5,831	18,897	10,432
Deposits	1,489	548	988	3,496
Advances to staff	957	846	1,008	1,539
Prepayments in connection with the proposed [REDACTED] of the Company’s H shares	–	–	1,613	5,255
Others	<u>1,290</u>	<u>1,413</u>	<u>1,312</u>	<u>1,419</u>
	113,222	116,043	99,369	72,555
Less: loss allowance	<u>(228)</u>	<u>(290)</u>	<u>(461)</u>	<u>(470)</u>
	<u>112,994</u>	<u>115,753</u>	<u>98,908</u>	<u>72,085</u>

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Apart from prepayments in connection with the proposed [REDACTED] of the Company’s H shares, which is expected to be debited to equity upon the [REDACTED], all prepayments, deposits and other receivables are expected to be recovered or recognised as expenses within one year.

Notes:

- (i) During the Track Record Period, amounts due from Mr. Zhao Min and Ms. Zhou Zhongying are unsecured, interest bearing at 2.50% to 4.75% per annum and have no fixed terms of repayment.
- (ii) Amounts due from subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.

16. FINANCIAL ASSETS MEASURED AT FVOCI

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Bills receivable	15,974	16,449	3,791	3,870

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Bills receivable	15,974	15,329	3,791	2,435

The above bills receivable are held by the Group and the Company within a business model whose objective is both to collect their contractual cash flows which are solely payments of principal and interest on the principal amount outstanding and to sell these bills receivable. Hence, these bills receivable are classified as financial assets measured at FVOCI.

17. CASH AND CASH EQUIVALENTS, RESTRICTED DEPOSITS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank	101,095	111,576	72,215	133,858
Less: restricted deposits	—	—	—	3,895
Cash and cash equivalents	101,095	111,576	72,215	129,963

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank	69,634	86,091	49,048	102,942
Less: restricted deposits	—	—	—	3,895
Cash and cash equivalents	69,634	86,091	49,048	99,047

As at 30 June 2026, restricted deposits represented deposits for performance guarantee.

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(b) Reconciliation of profit before taxation to cash generated from operations:

	Note	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Operating activities						
Profit before taxation . . .		55,259	68,639	60,349	32,890	25,137
Adjustments for:						
Depreciation and amortisation	6(c)	6,179	4,475	3,349	1,801	1,952
Impairment loss recognised on trade and other receivables and contract assets	6(c)	274	538	3,193	1,022	3,272
Finance costs	6(a)	2,571	1,989	1,289	881	182
Equity-settled share-based payments expenses	6(b)	2,095	1,894	3,025	1,353	2,360
Changes in the carrying amount of redemption liabilities	23	607	7,829	8,294	3,967	–
Change in fair value of financial assets measured at FVPL	5	(136)	(142)	(330)	(192)	(31)
Interest income on amounts due from related parties	5	(2,182)	(2,536)	(2,682)	(1,453)	(315)
Net loss/(gain) on disposal of property, plant and equipment and right-of-use assets	5	10	(241)	8	8	–
Changes in working capital:						
– Trade and bills receivables		71,403	(36,018)	(3,521)	4,735	15,291
– Financial assets measured at FVOCI		(15,974)	(475)	12,658	(23,359)	(79)
– Contract assets		(49,951)	(43,269)	(30,309)	3,444	(3,209)
– Prepayments, deposits and other receivables		(180)	5,544	7,381	5,216	(11,351)
– Trade payables		20,472	6,550	(6,783)	7,043	30,829
– Accruals and other payables		6,480	(5,945)	2,014	(13,707)	(8,275)
– Contract liabilities		(25,792)	(3,996)	(31,082)	(20,238)	962
– Restricted deposits		–	–	–	–	(3,895)
Cash generated from operations		<u>71,135</u>	<u>4,836</u>	<u>26,853</u>	<u>3,411</u>	<u>52,830</u>

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(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group’s liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group’s consolidated cash flow statements as cash flows from financing activities.

	Bank loans	Amounts due to related parties	Lease liabilities	Redemption liabilities	Total
	<i>RMB'000</i> <i>(Note 20)</i>	<i>RMB'000</i> <i>(Note 19)</i>	<i>RMB'000</i> <i>(Note 21)</i>	<i>RMB'000</i> <i>(Note 23)</i>	<i>RMB'000</i>
At 1 January 2023	47,765	17,700	3,546	–	69,011
Changes from financing cash flows:					
Proceeds from bank loans	50,000	–	–	–	50,000
Proceeds from advances from related parties	–	11,900	–	–	11,900
Repayment of bank loans	(48,076)	–	–	–	(48,076)
Capital element of lease rentals paid	–	–	(1,429)	–	(1,429)
Interest element of lease rentals paid	–	–	(136)	–	(136)
Interest paid for bank loans	(2,307)	–	–	–	(2,307)
Total changes from financing cash flows	(383)	11,900	(1,565)	–	9,952
Other changes:					
Interest expenses (<i>Note 6(a)</i>)	2,435	–	136	–	2,571
Increase in lease liabilities from entering into new leases during the year (<i>Note 11</i>)	–	–	519	–	519
Changes in the carrying amount of redemption liabilities (<i>Note 23</i>)	–	–	–	607	607
Recognition of redemption liabilities (<i>Note 23</i>)	–	–	–	80,000	80,000
Total other changes	2,435	–	655	80,607	83,697
At 31 December 2023 and 1 January 2024	49,817	29,600	2,636	80,607	162,660
Changes from financing cash flows:					
Proceeds from bank loans	49,950	–	–	–	49,950
Proceeds from advances from related parties	–	9,350	–	–	9,350
Repayment of bank loans	(49,950)	–	–	–	(49,950)
Capital element of lease rentals paid	–	–	(1,710)	–	(1,710)
Interest element of lease rentals paid	–	–	(78)	–	(78)
Interest paid for bank loans	(1,810)	–	–	–	(1,810)
Total changes from financing cash flows	(1,810)	9,350	(1,788)	–	5,752
Other changes:					
Interest expenses (<i>Note 6(a)</i>)	1,911	–	78	–	1,989
Increase in lease liabilities from entering into new leases during the year (<i>Note 11</i>)	–	–	3,520	–	3,520
Early termination of leases	–	–	(3,318)	–	(3,318)
Changes in the carrying amount of redemption liabilities (<i>Note 23</i>)	–	–	–	7,829	7,829
Recognition of redemption liabilities (<i>Note 23</i>)	–	–	–	20,000	20,000
Total other changes	1,911	–	280	27,829	30,020
At 31 December 2024	49,918	38,950	1,128	108,436	198,432

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	Bank loans	Amounts due to related parties	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 20)	RMB'000 (Note 19)	RMB'000 (Note 21)	RMB'000 (Note 23)	RMB'000
At 1 January 2025	49,918	38,950	1,128	108,436	198,432
Changes from financing cash flows:					
Proceeds from bank loans	10,000	—	—	—	10,000
Proceeds from advances from related parties	—	4,000	—	—	4,000
Repayment of bank loans	(49,950)	—	—	—	(49,950)
Repayment of advances from related parties	—	(41,230)	—	—	(41,230)
Capital element of lease rentals paid	—	—	(836)	—	(836)
Interest element of lease rentals paid	—	—	(21)	—	(21)
Interest paid for bank loans	(1,228)	—	—	—	(1,228)
Total changes from financing cash flows	(41,178)	(37,230)	(857)	—	(79,265)
Other changes:					
Interest expenses (Note 6(a))	1,268	—	21	—	1,289
Changes in the carrying amount of redemption liabilities (Note 23)	—	—	—	8,294	8,294
Recognition of redemption liabilities (Note 23)	—	—	—	37,323	37,323
Derecognition of redemption liabilities upon termination of redemption rights (Note 23)	—	—	—	(154,053)	(154,053)
Total other changes	1,268	—	21	(108,436)	(107,147)
At 31 December 2025 and 1 January 2026	10,008	1,720	292	—	12,020
Changes from financing cash flows:					
Repayment of advances from related parties	—	(170)	—	—	(170)
Repayment of bank loans	(10,000)	—	—	—	(10,000)
Capital element of lease rentals paid	—	—	(644)	—	(644)
Interest element of lease rentals paid	—	—	(60)	—	(60)
Interest paid for bank loans	(130)	—	—	—	(130)
Total changes from financing cash flows	(10,130)	(170)	(704)	—	(11,004)
Other changes:					
Interest expenses (Note 6(a))	122	—	60	—	182
Increase in lease liabilities from entering into new leases during the period (Note 11)	—	—	5,358	—	5,358
Total other changes	122	—	5,418	—	5,540
At 30 June 2026	—	1,550	5,006	—	6,556
(Unaudited)					
At 1 January 2025	49,918	38,950	1,128	108,436	198,432
Changes from financing cash flows:					
Proceeds from advances from related parties	—	2,800	—	—	2,800
Repayment of advances from related parties	—	(50)	—	—	(50)
Capital element of lease rentals paid	—	—	(466)	—	(466)
Interest element of lease rentals paid	—	—	(14)	—	(14)
Interest paid for bank loans	(791)	—	—	—	(791)
Total changes from financing cash flows	(791)	2,750	(480)	—	1,479

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	Bank loans	Amounts due to related parties	Lease liabilities	Redemption liabilities	Total
	<i>RMB'000</i> <i>(Note 20)</i>	<i>RMB'000</i> <i>(Note 19)</i>	<i>RMB'000</i> <i>(Note 21)</i>	<i>RMB'000</i> <i>(Note 23)</i>	<i>RMB'000</i>
Other changes:					
Interest expenses (<i>Note 6(a)</i>)	867	–	14	–	881
Changes in the carrying amount of redemption liabilities (<i>Note 23</i>)	–	–	–	3,967	3,967
Total other changes	867	–	14	3,967	4,848
At 30 June 2025	49,994	41,700	662	112,403	204,759

(d) **Total cash outflow for leases**

Amounts included in the consolidated cash flow statements for leases comprise the following:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Within operating cash flows	148	–	6	2	7
Within financing cash flows	1,565	1,788	857	480	704
	1,713	1,788	863	482	711

18. TRADE PAYABLES

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables to third parties	64,225	70,020	65,672	95,842

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables to subsidiaries	15,271	32,514	69,431	68,635
Trade payables to third parties	60,657	66,504	58,226	81,124
	75,928	99,018	127,657	149,759

All of trade payables are expected to be settled within one year or are repayable on demand.

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As of the end of the reporting period, the ageing analysis of trade payables, based on the date when service provided, is as follows:

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
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
	<u>64,225</u>	<u>70,020</u>	<u>65,672</u>	<u>95,842</u>

The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	56,670	74,747	87,174	102,484
1 to 2 years	17,786	20,848	35,005	28,838
2 to 3 years	1,435	2,347	3,984	15,945
Over 3 years	37	1,076	1,494	2,492
	<u>75,928</u>	<u>99,018</u>	<u>127,657</u>	<u>149,759</u>

19. ACCRUALS AND OTHER PAYABLES

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
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 (Note)				
– 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
– Mr. Zhao Min	29,600	37,100	–	–
Payables for [REDACTED] costs . .	–	–	6,102	4,130
Others	1,636	1,727	1,955	1,359
	<u>82,749</u>	<u>86,193</u>	<u>52,535</u>	<u>43,535</u>

Note: Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

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The Company

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Payables for staff related costs	22,063	13,681	17,275	12,882
Conditional government grants	13,643	13,643	13,643	13,643
Other tax payables	6,342	5,410	2,710	1,836
Provisions for onerous contracts . . .	758	938	172	162
Amounts due to subsidiaries	3,970	13,099	13,124	16,191
Payables for [REDACTED] costs . .	–	–	6,102	4,130
Others	1,401	1,650	1,848	1,225
	<u>48,177</u>	<u>48,421</u>	<u>54,874</u>	<u>50,069</u>

All of the other payables and accruals are expected to be settled within one year or are repayable on demand.

20. BANK LOANS

The Group and the Company

	Year ended 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans - within 1 year				
– guaranteed by certain directors and their close family members (Note (i)).	10,002	19,950	–	–
– guaranteed by third parties (Note (ii))	39,815	29,968	10,008	–
	<u>49,817</u>	<u>49,918</u>	<u>10,008</u>	<u>–</u>

Notes:

- (i) The bank loan was guaranteed by Mr. Zhao Min and his spouse, Mr. Zhao Liang and his spouse, Mr. Gu Zhifu and Mr. Zhang Bokang. The bank loan was repaid on 26 December 2025 and the guarantee was also released on the same day.
- (ii) These bank loans were guaranteed by third-party guarantees, with Mr. Zhao Min and his spouse, Mr. Zhao Liang and his spouse, Mr. Gu Zhifu and Mr. Zhang Bokang providing counter-guarantees in respect thereof. The loans were repaid on 24 June 2026.

21. LEASE LIABILITIES

At the end of each reporting period, the lease liabilities were repayable as follows:

The Group

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	2,498	836	292	776
After 1 year but within 2 years . . .	138	292	–	980
After 2 years but within 5 years . . .	–	–	–	3,250
	<u>138</u>	<u>292</u>	<u>–</u>	<u>4,230</u>
	<u>2,636</u>	<u>1,128</u>	<u>292</u>	<u>5,006</u>

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22. INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represent:

The Group

	At 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	8,482	1,242	11,109	5,740
Provision for the year/period (Note 7(a))	8,532	12,935	9,913	3,964
Income tax paid	(15,772)	(3,068)	(15,282)	(6,247)
At the end of the year/period	<u>1,242</u>	<u>11,109</u>	<u>5,740</u>	<u>3,457</u>

(b) Deferred tax assets and liabilities recognised

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements during the Track Record Period are as follows:

The Group

	Assets					Liabilities		
	Expected credit loss allowance	Lease Liabilities	Accrued expenses	Provisions	Tax deductible losses	Fair value changes of financial assets measured at FVPL	Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax arising from:								
At 1 January 2023	65	516	5,187	264	395	(21)	(625)	5,781
Credited/(charged) to profit or loss (Note 7(a))	<u>58</u>	<u>(156)</u>	<u>499</u>	<u>(115)</u>	<u>(152)</u>	<u>21</u>	<u>289</u>	<u>444</u>
At 31 December 2023 and 1 January 2024	123	360	5,686	149	243	–	(336)	6,225
Credited/(charged) to profit or loss (Note 7(a))	<u>77</u>	<u>(201)</u>	<u>1,687</u>	<u>30</u>	<u>91</u>	<u>–</u>	<u>151</u>	<u>1,835</u>
At 31 December 2024 and 1 January 2025	200	159	7,373	179	334	–	(185)	8,060
Credited/(charged) to profit or loss (Note 7(a))	<u>440</u>	<u>(115)</u>	<u>1,198</u>	<u>(116)</u>	<u>(216)</u>	<u>–</u>	<u>123</u>	<u>1,314</u>
At 31 December 2025 and 1 January 2026	640	44	8,571	63	118	–	(62)	9,374
Credited/(charged) to profit or loss (Note 7(a))	<u>482</u>	<u>707</u>	<u>646</u>	<u>(2)</u>	<u>(38)</u>	<u>–</u>	<u>(708)</u>	<u>1,087</u>
At 30 June 2026	<u>1,122</u>	<u>751</u>	<u>9,217</u>	<u>61</u>	<u>80</u>	<u>–</u>	<u>(770)</u>	<u>10,461</u>

Reconciliation to the consolidated statements of financial position:

	At 31 December			At 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax asset in the consolidated statements of financial position	<u>6,225</u>	<u>8,060</u>	<u>9,374</u>	<u>10,461</u>

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(c) Deferred tax assets not recognised

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB58,173,000, RMB74,612,000 and RMB83,575,000 and RMB87,319,000 as it is not probable that future taxable profits against which the losses can be utilised will be available.

The tax losses can be carried forward for 5 years from the year incurred under the current tax legislation in the PRC.

23. REDEMPTION LIABILITIES

In 2023 and 2024, Mr. Zhao Min, Shenzhen Pengyuan Cornerstone Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (“Shenzhen Pengyuan Cornerstone”, 深圳市鵬遠基石私募股權投資基金合夥企業(有限合夥)), Changsha Xiangjiang Cornerstone Innovation Development Fund Partnership Enterprise (Limited Partnership) (“Changsha Xiangjiang Cornerstone”, 長沙湘江基石創新發展基金合夥企業(有限合夥)), Suzhou Jinhe Phase III Equity Investment Partnership Enterprise (Limited Partnership) (“Jinhe Phase III”, 蘇州金闕三期股權投資合夥企業(有限合夥)) and the Company entered into a series of agreements (the “2023 and 2024 Agreements”), and Mr. Zhao Min transferred a total 641,454 registered capital of the Company to Shenzhen Pengyuan Cornerstone, Changsha Xiangjiang Cornerstone and Jinhe Phase III at a total consideration of RMB100,000,000. The consideration of RMB80,000,000 was settled in 2023, with the remaining amount was settled in 2024.

In 2025, Mr. Zhao Min, Shenzhen Pengyuan Cornerstone and Changsha Xiangjiang Cornerstone, Heda Health Venture Capital Fund Partnership (“Heda Big Health”, 杭州錢塘和達大健康創業投資基金合夥企業(有限合夥)), Hangzhou Efung Runjun Venture Capital Partnership (“Efung Capital”, 杭州倚鋒潤君創業投資合夥企業(有限合夥)) and the Company entered into a series of agreements (the “2025 Agreements”, together with the 2023 and 2024 Agreement, the “Agreements”). Pursuant to the 2025 Agreements, Mr. Zhao Min, Shenzhen Pengyuan Cornerstone and Changsha Xiangjiang Cornerstone transferred a total 831,658 registered capital of the Company to Heda Big Health and Efung Capital, the total consideration of RMB95,000,000 was settled in 2025.

Pursuant to the Agreements, the Company is obliged to redeem the registered capital held by the investors upon the occurrence of certain contingent events. The Company recognised financial liabilities arising from its obligation to redeem these investors’ investments as not all redemption events are within the Company or the Group’s control.

The redemption price shall equal to the consideration paid by investors plus a simple interest at 8% per annum, calculated from the payment date of the consideration to the date on which the investors receive the redemption amount, less any distributed dividends.

On 31 December 2025, pursuant to the supplementary agreement signed by the Company, Mr. Zhao Min and the investors with redemption rights mentioned above, the Company’s redemption obligation was terminated and could not be reinstated.

As detailed in the section headed “History, Development and Corporate Structure” on [page 117] to this Document, pre-[REDACTED] investors had been granted certain special rights by Mr. Zhao Min, including, among others, share redemption rights.

The directors of the Company have confirmed that since 31 December 2025 (i) the Company does not have any obligation to fulfil the abovementioned special rights granted by Mr. Zhao Min, including the redemption rights; and (ii) the Company has not provided any guarantee for the abovementioned special rights granted by Mr. Zhao Min in the event of a default by Mr. Zhao Min. Accordingly, no financial liability has been recorded since 31 December 2025 with respect to these special rights granted to the pre-[REDACTED] investors by Mr. Zhao Min.

The movements of the redemption liabilities during the Track Record Period are set out below:

The Group and the Company

	At 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At 1 January	–	80,607	108,436
Changes in the carrying amount of redemption liabilities	607	7,829	8,294
Recognition of redemption liabilities	80,000	20,000	37,323
Derecognition of redemption liabilities upon termination of redemption rights	–	–	(154,053)
At 31 December	80,607	108,436	–

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24. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

Upon the approval of Board of Director of the Company and shareholders meetings in 2020, the Company launched a share award scheme (“2020 Restricted Share Award Scheme”) directly to eligible participants through the grant of restricted share units of the Company.

The restricted share units granted will be vested after one year of qualified [REDACTED] of the Company.

Prior to 1 January 2023, the Company granted 1,025,000 restricted share units to eligible participants of the Group at a subscription price of RMB13.0 per share unit.

The number of restricted share units during the Track Record Period are as follows:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	Number of restricted Share units	Number of restricted Share units	Number of restricted Share units	Number of restricted Share units
At 1 January	1,025,000	979,500	869,500	856,000
Forfeited during the year/period . . .	(45,500)	(110,000)	(13,500)	–
At 31 December/30 June	<u>979,500</u>	<u>869,500</u>	<u>856,000</u>	<u>856,000</u>

The fair value of equity-settled share-based payments was calculated based on the fair value of underlying ordinary shares at the grant date. The grant date fair value of the underlying ordinary shares was determined with the assistance of an independent appraiser by using the discounted cash flow method under the income approach, and adjusted using the equity allocation model. The discounted cash flow derived by management considered Group’s further business plan, specific business and financial risks, the stage of development of Group’s operations and economic competitive elements affecting Group’s business, industry and market.

The restricted share units granted under 2020 Restricted Share Award Schemes were valued at RMB38.71 per share unit.

The equity-settled share-based payments expenses recognised during the Track Record Period are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Equity-settled share-based payment expenses	<u>2,095</u>	<u>1,894</u>	<u>3,025</u>	<u>1,353</u>	<u>2,360</u>

25. CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group’s consolidated equity during the Track Record Period are set out in the consolidated statements of changes in equity.

Details of the changes in the Company’s individual components of equity are set out below:

	Paid-in capital	Share capital	Capital reserve	Other reserve	Statutory reserve	(Accumulated losses)/ retained profits	Total equity
	RMB’000 (Note 25(b)(i))	RMB’000 (Note 25(b)(ii))	RMB’000 (Note 25(c)(i))	RMB’000 (Note 25(c)(ii))	RMB’000 (Note 25(c)(iii))	RMB’000	RMB’000
At 1 January 2023	4,383	–	38,654	3,715	–	(19,063)	27,689
Changes in equity for 2023:							
Profit and total comprehensive income for the year	–	–	–	–	–	53,533	53,533
Recognition of redemption liabilities (Note 23)	–	–	–	(80,000)	–	–	(80,000)
Appropriation to statutory reserve	–	–	–	–	3,447	(3,447)	–
Equity-settled share-based transactions	–	–	–	1,391	–	–	1,391

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	Paid-in capital	Share capital	Capital reserve	Other reserve	Statutory reserve	(Accumulated losses)/ retained profits	Total equity
	RMB'000 (Note 25(b)(i))	RMB'000 (Note 25(b)(ii))	RMB'000 (Note 25(c)(i))	RMB'000 (Note 25(c)(ii))	RMB'000 (Note 25(c)(iii))	RMB'000	RMB'000
At 31 December 2023 and 1 January 2024	4,383	–	38,654	(74,894)	3,447	31,023	2,613
Changes in equity for 2024:							
Profit and total comprehensive income for the year	–	–	–	–	–	59,736	59,736
Recognition of redemption liabilities (Note 23)	–	–	–	(20,000)	–	–	(20,000)
Capital contribution (Note 25 (b))	7,163	–	–	–	–	–	7,163
Appropriation to statutory reserve	–	–	–	–	2,326	(2,326)	–
Equity-settled share-based transactions	–	–	–	800	–	–	800
At 31 December 2024 and 1 January 2025	11,546	–	38,654	(94,094)	5,773	88,433	50,312
Changes in equity for 2025:							
Profit and total comprehensive income for the year	–	–	–	–	–	51,204	51,204
Recognition of redemption liabilities (Note 23)	–	–	–	(37,323)	–	–	(37,323)
Derecognition of redemption liabilities upon termination of redemption rights (Note 23)	–	–	–	154,053	–	–	154,053
Equity-settled share-based transactions	–	–	–	752	–	–	752
Balance at 31 December 2025 and 1 January 2026	11,546	–	38,654	23,388	5,773	139,637	218,998
Changes in equity for the six months ended 30 June 2026:							
Profit and total comprehensive income for the period	–	–	–	–	–	20,655	20,655
Conversion into a joint stock company with limited liability (Note 25(b))	(11,546)	11,546	160,774	(6,595)	(5,773)	(148,406)	–
Equity-settled share-based transactions	–	–	–	617	–	–	617
Balance at 30 June 2026	–	11,546	199,428	17,410	–	11,886	240,270

(b) Paid-in capital/share capital

(i) Paid-in capital

For the purpose of the Historical Financial Information, the paid-in capital of the Company represents the paid-in capital of the Company before it was converted into a joint stock limited liability company on 22 January 2026.

	Paid-in capital
	RMB'000
At 1 January 2023, 31 December 2023 and 1 January 2024	4,383
Capital contribution from Mr. Zhao Min	7,163
At 31 December 2024, 1 January 2025 and 31 December 2025	11,546
Conversion into a joint stock company with limited liability	(11,546)
At 30 June 2026	–

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(ii) *Share capital*

	Number of shares	Amount RMB'000
Ordinary shares, issued and fully paid		
At 1 January 2026	–	–
Issuance of ordinary shares upon conversion into a joint stock company	11,546,154	11,546
At 30 June 2026	<u>11,546,154</u>	<u>11,546</u>

The Company was converted into a joint stock limited liability company and issued 11,546,154 shares with par value of RMB1 each on 22 January 2026.

(c) *Nature and propose of reserves*

(i) *Capital reserve*

The capital reserve comprises: (i) the differences between the net considerations received and the nominal amount of paid-in capital issued by the Company, (ii) the difference between the carrying amounts of the net assets acquired and the consideration paid for the combination under common control, and (iii) the differences between the amount of the net assets and the total amount of the par value of shares issued in relation to the conversion into a joint stock company as disclosed in Note 25(b)(ii).

(ii) *Other reserve*

The other reserve comprises: (i) the recognition and termination of redemption liabilities as set out in Note 23; and (ii) the portion of the grant date fair value of restricted shares granted to eligible employees of the Group that has been recognised in accordance with the accounting policy adopted for equity-settled share-based payments in Note 2(p)(ii).

(iii) *Statutory reserve*

In accordance with the relevant PRC laws and regulations, the Company is required to transfer 10% of its net profit, after recovering any accumulated historical losses, to the statutory reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distributions to equity holders. This reserve can be utilised in setting off accumulated losses or increase capital and is non-distributable other than in liquidation.

(iv) *Exchange reserve*

The exchange reserve comprises foreign exchange differences arising from the translation of the financial statements for operations outside of Chinese Mainland into RMB. The reserve is dealt with in accordance with the accounting policies set out in Note 2(t).

(d) *Dividends*

No dividends have been declared or paid by the Company during the Track Record Period.

(e) *Capital management*

The Group’s primary objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

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26. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group’s business.

The Group’s exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group’s credit risk is primarily attributable to trade receivables and contract assets. The Group’s exposure to credit risk arising from cash and cash equivalents, restricted deposits, bills receivables and financial assets measured at FVPL are limited because the counterparties are banks and financial institutions with high credit ratings assigned by the management of the Group, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables and contract assets

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are generally due within 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2023, 2024 and 2025 and 30 June 2026, 16%, 20%, 12% and 11% of the total trade receivables and contract assets were due from the Group’s largest debtor respectively, and 50%, 55%, 45% and 43% of the total trade receivables and contract assets, respectively, were due from the Group’s five largest debtors.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix.

The following table provides information about the Group’s exposure to credit risk and ECLs for trade receivables and contract assets which are assessed collectively as at the end of the reporting periods:

At 31 December 2023			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB’000	RMB’000
Within 1 year	0.29	117,777	347
1 to 2 years	3.03	1,719	52
2 to 3 years	11.66	1,166	136
3 to 4 years	92.59	27	25
Over 4 years	100.00	30	30
		<u>120,719</u>	<u>590</u>

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At 31 December 2024			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Within 1 year	0.29	183,396	533
1 to 2 years	3.22	7,025	226
2 to 3 years	12.78	579	74
3 to 4 years	92.13	216	199
Over 4 years	100.00	27	27
		<u>191,243</u>	<u>1,059</u>
At 31 December 2025			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Within 1 year	1.04	213,669	2,217
1 to 2 years	3.72	13,003	485
2 to 3 years	13.63	6,323	862
3 to 4 years	96.10	359	345
Over 4 years	100.00	234	234
		<u>233,588</u>	<u>4,143</u>
At 30 June 2026			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Within 1 year	1.60	194,970	3,111
1 to 2 years	3.75	14,732	552
2 to 3 years	13.79	3,771	520
3 to 4 years	96.08	153	147
Over 4 years	100.00	24	24
		<u>213,650</u>	<u>4,354</u>
Credit-impaired		<u>3,053</u>	<u>3,053</u>
		<u>216,703</u>	<u>7,407</u>

Expected loss rates are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables and contract assets during the Track Record Period is as follows:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January	429	590	1,059	4,143
Impairment losses recognised during the year/period, net	<u>161</u>	<u>469</u>	<u>3,084</u>	<u>3,264</u>
Balance at 31 December/30 June	<u>590</u>	<u>1,059</u>	<u>4,143</u>	<u>7,407</u>

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(b) Liquidity risk

The Group’s policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

At the end of each reporting period, the contractual maturities of the Group’s financial liabilities other than lease liabilities (see Note 21) are on demand or within one year.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is primarily exposed to fair value interest rate risk in relation to amounts due from related parties, bank loans, lease liabilities and redemption liabilities at fixed rates, and exposed to cash flow interest rate risk in relation to cash at bank at variable rates. Overall, the Group’s exposure to interest rate risk is not significant.

(d) Currency risk

The Group is exposed to currency risk primarily through purchases which give rise to payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily US\$.

Overall, the Group’s exposure to currency risk is not significant.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group’s financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

Fair value measurement categorised into Level 3

At 31 December			At 30 June
2023	2024	2025	2026
RMB’000	RMB’000	RMB’000	RMB’000

Recurring fair value measurements

Financial assets measured at FVOCI

– bills receivables	15,974	16,449	3,791	3,870
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During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group’s policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period in which they occurred.

The fair value of certain bills receivables measured at FVOCI is determined using the discounted cash flow method and the significant unobservable input used is the discount rate that reflects market credit risk. The fair values of these bills receivable approximated to their carrying amounts as at 31 December 2023, 2024, and 2025 and 30 June 2026. For the years ended 31 December 2023, 2024, and 2025 and the six months ended 30 June 2026, it is estimated that with all other variable held constant, an increase in discount rate by one percentage point, the fair value of these bills receivable would have been decreased by RMB50,000, RMB25,000, RMB3,000 and RMB7,000, respectively.

The movements during the Track Record Period in the balance of these Level 3 fair value measurements are as follows:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Wealth management products				
Balance at 1 January	5,143	–	–	–
Additions in investments . . .	60,000	59,000	109,000	25,000
Change in fair value during the year/period (<i>Note 5</i>) . .	136	142	330	31
Redemption of investments . .	(65,279)	(59,142)	(109,330)	(25,031)
Balance at 31 December/ 30 June	–	–	–	–

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets measured at FVOCI				
Balance at 1 January	–	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 at 31 December/ 30 June	15,974	16,449	3,791	3,870

(ii) *Fair value of financial assets and liabilities carried at other than fair value*

The carrying amounts of the Group’s financial instruments carried at cost or amortised cost were not materially different from their fair values at the end of each reporting period.

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ACCOUNTANTS’ REPORT

27. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

(a) Names and relationships of the related parties that had material transactions with the Group during the Track Record Period

Name of related parties	Relationship
Mr. Zhao Min 趙敏	Chairperson and the controlling shareholder of the Company
Ms. Zhou Zhongying 周仲英	Close family member of the controlling shareholder
Zhongda Xinglin	Controlled by Ms. Zhou Zhongying

(b) Transactions with related parties during the Track Record Period

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Payments for advances to Mr. Zhao Min	69,000	3,000	10,500	8,500	–
Proceeds from repayment of advances to Mr. Zhao Min	40,000	–	40,000	–	29,981
Interest income on amounts due from related parties (Note 5)	2,182	2,536	2,682	1,453	315
Advances received from Mr. Zhao Min	11,900	7,500	3,900	2,700	–
Repayment of advances received from Mr. Zhao Min	–	–	41,000	–	–
Advances received from Zhongda Xinglin	–	1,850	100	100	–
Repayment of advances received from Zhongda Xinglin	–	–	230	50	170

(c) Balances with related parties

	At 31 December			At 30 June	
	2023	2024	2025	2026	
	RMB'000	RMB'000	RMB'000	RMB'000	
Non-trade in nature					
Amounts due from Mr. Zhao Min and Ms. Zhou Zhongying (Note)	71,607	77,143	50,325	20,659	
Amounts due to Mr. Zhao Min	29,600	37,100	–	–	
Amounts due to Zhongda Xinglin	–	1,850	1,720	1,550	

Note: Amounts due from Mr. Zhao Min and Ms. Zhou Zhongying as at 30 June 2026 have been fully settled in July 2026.

(d) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9 is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries and other benefits	3,225	3,492	3,547	1,801	2,840
Discretionary bonuses	999	1,009	1,103	552	718
Retirement scheme contributions	225	304	305	152	215
Share-based payments	683	894	1,002	538	847
	<u>5,132</u>	<u>5,699</u>	<u>5,957</u>	<u>3,043</u>	<u>4,620</u>

APPENDIX I

ACCOUNTANTS’ REPORT

28. ULTIMATE CONTROLLING PARTY

At 30 June 2026, the directors of the Company consider the ultimate controlling party to be Mr. Zhao Min.

29. SUBSEQUENT EVENTS

In July 2026, certain investors made total capital injections of RMB42,000,000 for subscribing an aggregate of 269,411 shares of the Company.

30. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR BEGINNING ON 1 JANUARY 2026

Up to the date of issue of the Historical Financial Information, the IASB has issued a number of new or amended standards, which are not yet effective for the accounting period beginning 1 January 2026 and which have not been adopted in the Historical Financial Information. These developments include:

	Effective for accounting periods beginning on or after
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to IAS 21, <i>Translation to a hyperinflationary presentation currency</i> . .	1 January 2027
IFRS 20, <i>Regulatory assets and regulatory liabilities</i>	1 January 2029
Amendments to IFRS 10, <i>Consolidated financial statements</i> and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity’s financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively. Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements. The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 30 June 2026.

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the People’s Republic of China (the “**PRC**”) and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken in to account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an investment in the H shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect. This discussion does not address any aspects of PRC taxation other than income tax, value-added tax, stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the PRC and other tax consequences of owning and disposing of the H shares.

Taxation in Chinese Mainland

Tax on Dividends

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the “**Individual Income Tax Law**”), amended by the Standing Committee of the National People’s Congress (the “**SCNPC**”) on 31 August 2018 and effective on 1 January 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) amended by the State Council on 18 December 2018 and effective on 1 January 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the Ministry of Finance, the State Administration of Taxation (the “**SAT**”) and the China Securities Regulatory Commission (the “**CSRC**”) on 7 September 2015 and effective on 8 September 2015, where an individual holds the shares of a listed company obtained from the public offering of the enterprise or from the stock transfer market and holds the stocks for more than one year, the dividend and bonus income shall be temporarily exempted from individual income tax. Where an individual acquires shares of a listed company from the public offering and transfers the stock of the listed company on the stock market, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), or the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, executed on 21 August 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》), or the Fifth Protocol, issued by The SAT and effective on 6 December 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investor

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “**EIT Law**”), amended by the SCNPC and effective on 29 December 2018, and the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (the “**Implementation Rules of the EIT Law**”), last amended on December 6, 2024, and came into effect on January 20, 2025, a non-resident enterprise is subject to a 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the PRC or has an establishment or place of business in the PRC but the PRC-sourced income is not actually connected with such establishment or place of business in the PRC. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the SAT and effective on 6 November 2008, a PRC resident enterprise is required to withhold enterprise income tax at a rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008.

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TAXATION AND FOREIGN EXCHANGE

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Tax Treaties

Non-resident investors residing in countries or regions which have entered into taxation agreements for the avoidance of double taxation with the PRC are generally entitled to a lower withholding tax rate on the dividends received from PRC enterprises. The PRC has entered into such agreements with a number of jurisdictions including but not limited to Hong Kong, China, Macau, China, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States.

Pursuant to the Law of the PRC on the Administration of Tax Collection (《中華人民共和國稅收徵收管理法實施細則》), where there are differences between provisions of applicable tax treaties and agreements and those of domestic tax legislations, such treaties and agreements shall prevail. Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities’ verification.

Tax related to equity transfer income

Individual Investors

Under the Individual Income Tax Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), which was promulgated by the MOF and the SSAT and became effective on 30 March 1998, from 1 January 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. On 31 December 2009, the MOF, the SAT and CSRC jointly issued the Circular on Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Restricted Shares of Listed Company (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》), this circular provides that any individual’s income from the transfer of listed shares on the Shanghai Stock Exchange and the Shenzhen Stock Exchange

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shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction, as defined in the Supplementary Notice on Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Restricted Shares of Listed Company (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) jointly issued by the abovementioned three departments on 10 November 2010. The SAT does not specify whether to continue to exempt individuals from personal income tax on the income from the transfer of shares in listed company in the newly revised EIT Law and Implementation Rules of the EIT Law. As of the Latest Practicable Date, no aforesaid provisions had expressly provided that whether individual income tax shall be levied from non-PRC resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

Under the EIT Law and its implementation rules, a non-PRC resident enterprise is subject to enterprise income tax at the rate of 10% with respect to PRC-sourced income, including gains derived from the disposal of shares in a PRC resident enterprise, if it does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not actually connected with such establishment or premises in the PRC. The aforementioned income tax payable by non-PRC resident enterprises is subject to source withholding, and the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted under applicable tax treaties or arrangements.

Stamp Duty

According to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated on 10 June 2021 and came into effect on 1 July 2022, the purchase and disposal of H Shares by non-mainland Chinese investors outside of Chinese Mainland are not subject to the requirements of the Stamp Duty Law of the PRC.

Estate duty

According to PRC law, no estate duty is currently levied in Chinese Mainland.

MAJOR TAXATION OF OUR COMPANY IN CHINESE MAINLAND

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), enterprises and other income-generating organizations (hereinafter collectively referred to as “**enterprises**”) within the territory of the PRC are the taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with the provisions of the EIT Law. The Enterprise Income Tax rate is 25%. The high-tech enterprises that need full support from the PRC’s government will enjoy a reduced tax rate of 15% for Enterprise Income Tax.

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TAXATION AND FOREIGN EXCHANGE

Enterprises are classified into resident enterprises and non-resident enterprises. A non-resident enterprise that does not have an establishment or place of business in the PRC, or has an establishment or place of business in the PRC but the income has no actual connection to such establishment or place of business, shall pay enterprise income tax on its income within the PRC and withhold at source, where the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Meanwhile, any gains realized on the transfer of shares by such investors are subject to enterprise income tax and shall be withheld at source if such gains are regarded as income derived from the transfer of property within the PRC.

Pursuant to the Measures for the Administration of Accreditation of High-tech Enterprises (《高新技術企業認定管理工作指引》), which was jointly promulgated by the Ministry of Science and Technology of the PRC, the MOF, and the SAT on April 14, 2008, amended on January 29, 2016 and entered into force on January 1, 2016, high-tech enterprises may apply for a preferential EIT rate of 15% under the EIT Law.

Value-added tax

Pursuant to the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which was promulgated by the SCNPC on December 25, 2024, came into effect on January 1, 2026 and repealed the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) simultaneously, all entities and individuals (including privately or individually-owned business) that sell goods, services, intangible assets, immovables, and import goods in the PRC shall be taxpayers of value-added tax and shall pay value-added tax. Unless otherwise provided, the import tax rate for the sales of goods, processing, repair and maintenance services, and leasing services of tangible movables is 13%; the tax rate for the sales of transportation, postal, basic telecommunications, construction, immovables leasing services, sales of immovables, transfer of land use rights, and sales or imports of goods prescribed by law is 9%; the tax rate for the sales of services and intangible assets is 6%.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is the Renminbi. The SAFE, authorized by the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Regulations of the PRC on Foreign Exchange Control (《中華人民共和國外匯管理條例》) amended by the State Council and became effective on 5 August 2008, all international payments and transfers are classified into current account items and capital account items. The PRC does not impose restrictions on international payments and transfers under current account items. Foreign exchange income from the current account of PRC enterprises may be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange in accordance with relevant provisions of the State. The retention or sale

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of foreign exchange receipts under capital accounts to financial institutions engaging in settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by the State.

Pursuant to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on 20 June 1996 and became effective on 1 July 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained.

According to relevant laws and regulations of the PRC, PRC enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange accounts at the designated foreign exchange banks, on the strength of valid receipts and proof of transactions. Foreign-invested enterprise that need to distribute profits to their shareholders in foreign exchange and Chinese enterprise that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

According to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and effective on 23 October 2014, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

According to the Circular of the SAFE on Relevant Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE and became effective on 26 December 2014, the relevant provisions on foreign exchange administration of domestic joint stock companies (hereinafter referred to as "**domestic companies**") listed overseas are as follows:

- (i) The SAFE and its branches and the Foreign Exchange Management Department, or the Foreign Exchange Bureau, supervise, manage and inspect the business registration, account opening and use, cross-border income and expenditure, and capital exchange involved in the overseas listing of domestic companies.
- (ii) A domestic company shall, within 15 working days after the completion of the overseas listing and issuance, register the overseas listing with the Foreign Exchange Bureau at the place where it is registered with relevant material.
- (iii) After the overseas listing of a domestic company, its domestic shareholders who intend to increase or reduce their shareholding in an overseas listed company according to relevant regulations shall register the overseas shareholding with the

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local foreign exchange bureau at the place where the domestic shareholders are located within 20 working days prior to the proposed increase or reduction of shareholding with relevant materials.

- (iv) A domestic company (other than banking financial institutions) shall, by virtue of its registration certificate for overseas listing business, open a “special foreign exchange account for overseas listing of domestic companies” with a domestic bank for its initial offering (or additional offering) and repurchase business to handle the remittance and transfer of funds for the relevant business.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued on 13 February 2015 and came into effect on 1 June 2015, the SAFE has cancelled the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionize and Regulate Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) issued and implemented by the SAFE on 9 June 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the “**Constitution**”) and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution, and the Legislation Law of the PRC (《中華人民共和國立法法》) (the “**Legislation Law**”) which was amended in 2023, the NPC and the Standing Committee of the NPC are empowered to exercise the legislative power of the State. The NPC has the power to enact and amend basic laws governing civil and criminal matters, state organs and other matters. The Standing Committee of the NPC is empowered to enact and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to enact administrative regulations based on the Constitution and laws.

The people’s congresses of provinces, autonomous regions and municipalities and their respective standing committees may enact local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, the National Audit Office of the People’s Republic of China as well as the other organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, enact rules.

The people’s congresses and their respective standing committees of cities with subordinate districts may, in the areas of urban and rural development and management, environmental protection and the preservation of history and culture, enact local regulations based on the specific circumstances and actual requirements, which shall become enforceable after being reported to and approved by the standing committees of the people’s congresses of the relevant provinces or autonomous regions, but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. The people’s congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The people’s governments of the provinces, autonomous regions, municipalities and cities with subordinate districts may enact rules in accordance with laws, administrative regulations and

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

the local regulations of their respective provinces, autonomous regions or municipalities. The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people’s governments of the provinces or autonomous regions is greater than that of the rules enacted by the people’s governments of the cities with subordinate districts or autonomous prefectures within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The Standing Committee of the NPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people’s congresses of the relevant provinces, autonomous regions or municipalities, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people’s congresses of provinces, autonomous regions or municipalities have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people’s governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people’s governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, the Supreme People’s Court of the PRC (the “**Supreme People’s Court**”) has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organization of the People’s Courts (《中華人民共和國人民法院組織法》) amended in 2018, the PRC judicial system is made up of the Supreme People’s Court, the local people’s courts, and other special people’s courts.

The local people’s courts are comprised of the primary people’s courts, the intermediate people’s courts and the higher people’s courts. The higher people’s courts supervise the primary and intermediate people’s courts. The people’s procuratorates also have the right to exercise legal supervision over the civil proceedings of people’s courts of the same level and lower levels. The Supreme People’s Court is the highest judicial body in the PRC. It supervises the adjudication work of the people’s courts at all levels.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) (the “**Civil Procedure Law**”, amended in 2023), which was adopted in 1991, amended in 2007, 2012, 2017 and 2021 and last amended on September 1, 2023 by the Standing Committee of the NPC, and become effective on January 1, 2024, sets forth the criteria for instituting a civil action, the jurisdiction of the people’s courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either located at the plaintiff’s or the defendant’s place of domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that the provisions regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country’s judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgment or ruling made by a people’s court or an award made by an arbitration panel in the PRC, the other party may apply to the people’s court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

A party seeking to enforce a judgment or ruling of a people’s court against a party who is not personally and whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people’s court according to PRC enforcement procedures if the PRC has entered into or acceded to an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if

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the judgment or ruling satisfies the court’s examination according to the principle of reciprocity, unless the people’s court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest.

According to the Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People’s Court on January 25, 2024, the Arrangements apply to the reciprocal recognition and enforcement of effective judgments in civil, commercial cases and civil compensation in criminal cases between courts of the Mainland and Hong Kong. Accordingly, the effective judgments satisfying the conditions of the Arrangement may be recognized and enforced by the PRC court or Hong Kong court upon the application by the parties concerned.

THE COMPANY LAW AND TRIAL MEASURES AND GUIDELINES FOR OVERSEAS LISTING

A joint stock limited company incorporated in the PRC and seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following three laws and regulations in the PRC:

The Company Law of the People’s Republic of China (“**Company Law**”) which was promulgated by the Standing Committee of the NPC on December 29, 1993, came into effect on July 1, 1994, amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023, respectively and the latest amendment of which was implemented on July 1, 2024.

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》(the “**Overseas Listing Trial Measures**”) promulgated by the CSRC on February 17, 2023 and effective on March 31, 2023, which are applicable to overseas offerings and listings of securities of PRC domestic companies.

The Guidelines for Articles of Association of Listed Companies (the “**Guidelines**”) issued by the CSRC on December 16, 1997, as last amended on March 28, 2025 and effective on the same date, which provide guidance on the articles of association of companies. Accordingly, the contents of the Guidelines are set out in the Company’s Articles of Association and a summary thereof is set out in the section headed “Appendix V — Summary of Articles of Association” of this document.

Set out below is a summary of the major provisions of the Company Law and the trial measures and guidelines for overseas listing.

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General

A joint stock limited company refers to an enterprise legal person incorporated in China under the Company Law with independent legal person properties and entitlements to such legal person properties and with its registered capital divided into shares of equal par value. The liability of the company for its own debts is limited to all the properties it owns and the liability of its shareholders for the company is limited to the extent of the shares they subscribe for.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC. The promoters must convene an inaugural meeting within 30 days after the full payment of the shares to be issued at the time of the establishment of the company, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of subscribers holding a majority of the voting rights. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the supervisory committee of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must authorize a representative to apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority.

Share capital

The promoters of a company can make capital contributions in cash or in non-monetary assets which can be valued in currency and transferable according to law, such as physical items, intellectual property rights, land use rights, equity interests, creditor’s rights and so on, except for properties that are prohibited from being used as capital contributions under the provisions of laws and administrative regulations. If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out. The shares issued by a company shall be registered shares.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

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Under the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorise the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

The share offering price may be equal to or greater than nominal value, but shall not be less than nominal value.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. Transfer of shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations.

Shares issued by a company prior to the public offering of its shares shall not be transferred within one year from the date of listing of the shares of the company on a stock exchange. Directors, supervisors and senior management of a company shall declare to the company their holdings of the company’s shares and the status of changes therein, and shall not transfer over 25% of the shares held by each of them in the company each year during the term of office determined at the time of assumption of office or transfer any share of the company held by each of them within one year after the listing date.

Transfers of shares may not be entered in the register of shareholders within 20 days before the date of a shareholders’ meeting or within five days before the record date set for the purpose of distribution of dividends.

Allotment and Issue of Shares

According to the Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders’ meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance, the class and amount of new shares to be issued to existing shareholders and the amount of the proceeds of issue of the new shares without par value included in the registered capital. In the case of the issue of shares without par value, more than half of the proceeds of issue of the new shares is to be included in the registered capital.

When a company offers shares to the public, it shall be registered by the securities regulatory authority under the State Council and announce a document. When the shares issued by the company are fully paid up, a public announcement shall be made accordingly.

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Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (i) the company shall prepare a balance sheet and a property list; (ii) the reduction of registered capital shall be approved by a shareholders’ meeting; (iii) the company shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper or the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction; and (iv) creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts.

Repurchase of Shares

According to the Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who request and are against the resolution regarding the merger or division with other companies at a shareholders’ meeting; (v) use of shares for conversion of convertible corporate bonds issued by the company; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders’ equity.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders’ meeting. For a company’s share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company’s board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the company’s articles of association or as authorized by the shareholders’ meeting.

Following the purchase of shares in accordance with (i), such shares shall be cancelled within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company’s total outstanding shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If a listed company purchases its shares under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralized trading shall be adopted publicly.

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Transfer of shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of shareholder’s meeting or five days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of the shareholder register of listed companies, those provisions shall prevail.

Shareholder

Under the Company Law and the Guidelines, the rights of holders of ordinary shares of a joint stock limited company include the right:

- to receive dividends and profit distributions in any other form in proportion to their shareholdings;
- to lawfully require, convene, preside over or attend shareholders’ meetings either in person or by proxy and exercise the corresponding voting right;
- to supervise, present suggestions on or make inquiries about the operations of the Company;
- to transfer, gift or pledge their shares in accordance with the laws, administrative regulations and the articles of association;
- to inspect the company’s articles of association, shareholder register, counterfoil of company debentures, minutes of shareholders’ meetings, resolutions of the board of directors, resolutions of the Supervisory Committee and financial and accounting reports of the company;
- in the event of the termination or liquidation of the company, to participate in the distribution of the remaining property of the company in proportion to the shares held by them;
- to require the company to buy their shares in the event of their objection to resolutions of the shareholders’ meeting concerning merger or division of the company; and
- any other shareholders’ rights provided for in laws, administrative regulations, other regulatory documents and the articles of association.

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The obligations of a shareholder include the obligation to abide by the Company’s articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company’s debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders’ obligation specified in the company’s articles of association.

Shareholders’ Meetings

The shareholders’ meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law. The shareholders’ meeting may exercise its powers:

- to elect and remove the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors;
- to review and approve the reports of the board of directors;
- to review and approve the reports of the Supervisory Committee;
- to review and approve the company’s profit distribution proposals and loss recovery proposals;
- to decide on any increase or reduction of the company’s registered capital;
- to decide on the issue of corporate bonds;
- to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;
- to amend the articles of association; and
- to exercise any other authority stipulated in the articles of association.

A shareholders’ meeting is required to be held once every year. An extraordinary shareholders’ meeting is required to be held within two months of the occurrence of any of the following:

- the number of directors is less than the number stipulated by the Company Law or less than two-thirds of the number specified in the articles of association;
- the outstanding losses of the company amounted to one-third of the company’s total share capital;
- shareholders individually or in aggregate holding 10% or more of the company’s shares request the convening of an extraordinary shareholders’ meeting;

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- the board deems necessary;
- the Supervisory Committee proposes to hold; or
- any other circumstances as provided for in the articles of association.

Under the Company Law, shareholders’ meetings shall be convened by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders’ meeting, the supervisory committee shall convene and preside over such meeting in a timely manner. In case the supervisory committee fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company’s shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the Company Law, notice of shareholders’ meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary shareholders’ meetings shall be given to all shareholders 15 days prior to the meeting. Under the Guidance for Articles of Association, after the notice of the shareholders’ meetings is issued, the shareholders’ meetings shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of shareholders’ meetings shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original meeting date.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders’ meeting. Pursuant to the Guidance for Articles of Association, the board of directors and the Secretary of the board of directors will cooperate with the shareholders’ meetings convened by the supervisory committee or shareholders. The board of directors will provide the register of shareholders on the date of equity registration. Moreover, when a shareholders’ meetings is held, all directors, supervisors and the secretary of the board of directors of the company shall attend the meeting, and managers and other senior management personnel shall attend the meeting as nonvoting delegates.

Pursuant to the Company Law, shareholders who individually or jointly hold more than 1% of the company’s shares may put forward interim proposals and submit them to the convener in writing 10 days before the shareholders’ meetings. The convener shall issue a supplementary notice of the shareholders’ meetings within two days after receiving the proposal and announce the contents of the interim proposal.

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Under the Company Law, shareholders present at shareholders’ meeting have one vote for each share they hold, except the shareholders of classified shares, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders’ meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the shareholders’ meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders’ meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and the Guidance for Articles of Association, resolutions of the shareholders’ meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders’ meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) equity incentive plan; (iv) the company purchases or sells major assets within one year or any guaranty provided to others by the company within one year exceeds 30% of the company’s total audited assets in the latest period; (v) the merger, division, dissolution, liquidation or change in the form of the company; and (vi) other matters stipulated by laws, administrative regulations or the Articles of Association, as well as other matters considered by the shareholders’ meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders’ meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders’ attendance register and the proxy forms.

Board of Directors

Under the Company Law, a joint stock limited company is required to establish a board of directors. A joint stock limited company that is of small size or has a small number of shareholders may not have a board of directors and may have one director who exercises the powers and functions of the board of directors as provided for in the Company Law. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company’s staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

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Under the Company Law, the board of directors may exercise its powers:

- to convene shareholders’ meetings and report on its work to the shareholders’ meetings;
- to implement resolutions of the shareholders’ meeting;
- to decide on the company’s operational plans and investment proposals;
- to formulate the company’s profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company’s registered capital and the issue of corporate bonds;
- to formulate proposals for the merger, division or dissolution of the company or change of corporate form;
- to decide on the setup of the company’s internal management organs;
- to appoint or dismiss the company’s manager and decide on his/her remuneration and, based on the manager’s recommendation, to appoint or dismiss any deputy general manager and financial officer of the company and to decide on their remunerations;
- to formulate the company’s basic management system; and
- to exercise any other authority stipulated in the articles of association.

Board meetings

Under the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the supervisory committee. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall be held only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his behalf.

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If a resolution of the board of directors violates the laws, administrative regulations or the articles of association or a resolution of the shareholders’ meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempted from that liability.

Chairman of the Board of the Directors

Under the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualifications of Directors

The PRC Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;
- a person who has been convicted of an offence of corruption, bribery, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence. If he/she has been pronounced on a suspended sentence, the period of two years has not elapsed since the expiration of the suspension of sentence;
- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of revocation of business license and the order for closure; or
- a person who is listed as a dishonest person subject to enforcement by the people’s court due to his/her failure to pay off a relatively large amount of due debts.

Other circumstances under which a person is disqualified from acting as a director are set out in the Guidance for Articles of Association.

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Supervisory Committee

Under the Company Law, a joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee under the board of directors comprising directors to exercise the powers and functions of the Supervisory Committee, in place of a Supervisory Committee or supervisors. Otherwise, a joint stock limited company shall have a supervisory committee composed of not less than three members. The supervisory committee is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the company in the supervisory committee shall be democratically elected by the employees at the employees’ representative assembly, employees’ general meeting or otherwise. The directors and senior management may not act concurrently as supervisors.

The supervisory committee shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the supervisory committee are elected with approval of more than half of all the supervisors. The chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. In the event that the chairman of the supervisory committee is incapable of performing or not performing his duties, the vice chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. In the event that the vice chairman of the supervisory committee is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the supervisory committee.

Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected. A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The supervisory committee of a company shall hold at least one meeting every six months. According to the Company Law, a resolution of the supervisory committee shall be passed by more than half of all the supervisors.

The supervisory committee exercises the following powers:

- to review the company’s financial position;
- to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or the resolutions of shareholders’ meeting;

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- when the acts of directors and senior management are harmful to the company’s interests, to require correction of those acts;
- to propose the convening of extraordinary shareholders’ meetings and to convene and preside over shareholders’ meetings when the board of directors fails to perform the duty of convening and presiding over shareholders’ meeting under this law;
- to initiate proposals for resolutions to shareholders’ meeting;
- to initiate proceedings against directors and senior management;
- other powers specified in the articles of association; and
- supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The supervisory committee may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company’s expense.

Manager and Senior Management

Under the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall exercise his/her powers in accordance with provisions of the articles of association or as authorized by the board of directors. The manager attends board meetings. According to the Company Law, senior management shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association. Directors, supervisors and senior management have fiduciary and diligent duties to the company and should take measures to avoid any conflict between their own interests and the interests of the company and not make use of their powers to obtain improper benefits.

Directors, supervisors and senior management have a duty of diligence to the company and should exercise reasonable care in performing their duties in the best interests of the company, as would normally be expected of a manager. Directors, supervisors and senior management are prohibited from:

- seizing or misappropriating company property or funds;
- depositing the company’s capital into accounts under his/her own name or the name of other individuals;

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- giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;
- taking commissions from the transactions between the company and any other person into his/her own pocket;
- unauthorized divulgence of confidential business information of the company; or
- other acts in violation of their fiduciary duty to the company.

Income generated by directors or senior management in violation of aforementioned regulations shall be returned to the company.

Directors, Supervisors and senior management, who directly or indirectly enter into contracts or conduct transactions with the company, shall report to the board of directors or the shareholders' meeting on matters relating to the entering into of such contracts or the conduct of such transactions, which shall be approved by a resolution of the board of directors or the shareholders' meetings in accordance with the provisions of the articles of association of the company.

Directors, supervisors and senior management shall not use the convenience of their positions to seek business opportunities belonging to the company for themselves or others, except in the following circumstances: i) after reporting to the board of directors or the shareholders' meetings and a resolution by the board of directors or the shareholders' meetings in accordance with the articles of association of the company has been passed; or ii) the company is unable to take advantage of the business opportunity in accordance with the provisions of the laws, administrative regulations or the articles of association of the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

Under the Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

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Pursuant to the Company Law, a joint stock limited company shall prepare and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual shareholder' meetings. A joint stock limited company which has issued shares to the public must also publish its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital). If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions. After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' meetings, allocate discretionary common reserve fund from after-tax profits. The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association. Shares held by the company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund. The company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Upon the conversion of statutory common reserve fund into capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Retirement of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' meetings, board of directors or board of supervisors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' meetings, board of directors or the board of supervisors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

The Guidance for Articles of Association provide that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report. And the audit fee of the accounting firm shall be decided by the shareholders’ meetings.

Profit Distribution

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendment to the Articles of Association

Any amendments to the company’s articles of association must be made in accordance with the procedures set out in the company’s articles of association. In the event of a company registration, the amendments to the articles of association shall be registered with the relevant registration authorities in accordance with applicable laws.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved by reason of the following: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association occurred; (ii) the shareholders’ meetings has resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked, or the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people’s court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders. If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

In the event of (i) or (ii) above, a company may carry on its existence by amending its articles of association or by a resolution of the shareholders’ meetings if it has not distributed its assets to its shareholders yet. The amendment of the articles of association or resolution of a shareholders’ meetings in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a shareholders’ meetings.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation group shall be established. The directors shall be the liquidation obligors of the company and form a liquidation group to carry out liquidation within 15 days after the occurrence of an event of dissolution.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

The members of the company’s liquidation group shall be composed of its directors except where the articles of association provide otherwise or the shareholders resolve to elect another person. If a liquidation group is not established within the stipulated period or fails to carry out the liquidation after its formation, any interested party may apply to the people’s court and request the court to appoint relevant personnel to form the liquidation group. The people’s court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- to liquidate the company’s assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company’s outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to settle claims and debts;
- to distribute the company’s remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

The liquidation group shall notify the company’s creditors within 10 days after its establishment and issue public notices in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders’ meetings or people’s court for confirmation.

The company’s remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company’s properties shall not be distributed to the shareholders before repayments are made in accordance with the foregoing provisions.

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Upon liquidation of the company’s properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people’s court for a declaration for bankruptcy.

Following such declaration, the liquidation group shall hand over all matters relating to the liquidation to the bankruptcy administrator designated by the people’s court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders’ meetings or the people’s court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to apply for deregistration.

The members of the liquidation group are obliged to perform their liquidation duties with fidelity and diligence. The members of the liquidation group shall be liable for damages caused to the company if they are negligent in performing their liquidation duties. A member of the liquidation group is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Overseas Listing

Pursuant to the Overseas Listing Trial Measures and relevant five guidelines, promulgated by the CSRC and came into force on March 31, 2023, a PRC domestic enterprise that directly or indirectly issues or lists its securities in an overseas market, including (1) any PRC joint stock limited company, and (2) any overseas enterprise that principally conducts its business in the PRC and proposes to issue or list its securities in an overseas market on the basis of its domestic equity interests, assets or similar interests, is required to file a report with the CSRC within three business days after it submits an application for overseas listing. Where the issuer issues securities in the same overseas market following the overseas issuance and listing, it shall be filed with the CSRC within three working days upon the completion of the issuance. Subsequent offerings and listings of securities by the issuer in other foreign markets shall be filed as initial public offerings. A PRC domestic enterprise that fails to complete the filing in accordance with the Overseas Listing Trial Measures may be ordered to rectify, warned or fined from RMB1 million to RMB10 million by the CSRC.

In addition, the issuer shall report the following major events to the CSRC within three working days from the date of occurrence and announcement of the relevant events: (i) change of control; (ii) being investigated or punished by overseas securities regulatory authorities or the relevant competent authorities; (iii) change of listing status or sector; (iv) voluntary or forced termination of the listing. Where the issuer witnesses significant changes in its main business operations after the overseas issuance and listing such that it no longer falls within the scope of filing, the issuer shall, within three working days from the date of such changes, submit a special report together with legal opinions issued by a domestic law firm to the CSRC explaining the relevant circumstances.

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Under the Overseas Listing Trial Measures, domestic companies seeking to offer and list securities directly or indirectly in overseas markets must complete filing procedures with the CSRC and report relevant information. The Overseas Listing Trial Measures stipulate that under any of the following circumstances, no overseas offering or listing is allowed: (i) financing through listing is explicitly prohibited by laws, administrative regulations or relevant provisions of China; (ii) the overseas offering and listing may endanger national security, as determined by the relevant competent department under the State Council after examination according to the law; (iii) a domestic enterprise or its controlling shareholder or actual controller intending to list or issue securities in overseas markets has committed criminal offenses of corruption, bribery, embezzlement, misappropriation of property or disrupting the order of the socialist market economy within the last three years; (iv) a domestic company intending to list or issue securities in overseas markets is under investigation according to law for suspected criminal offenses or major violations of laws and regulations, and no definitive conclusions have been reached; or (v) there is a major dispute over the ownership of equity held by the controlling shareholder or a shareholder controlled by the controlling shareholder and/or the actual controller of a domestic company.

Merger and Division

Companies may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

Securities Law and Regulations

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The PRC Securities Law took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. The latest amendment to the Securities Law took effect on March 1, 2020. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council’s securities regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that a domestic

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enterprise must comply with the relevant provisions of the State Council in order to list its shares outside the PRC. Currently, the issue and trading of foreign issued shares (including H shares) are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

On November 14, 2019, the CSRC issued the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies, which became effective on the same day and was partially amended on August 10, 2023 pursuant to the Decision of the China Securities Regulatory Commission on Amending and Repeal Certain Securities and Futures System Documents. The purpose of the Guidelines is to regulate the listing and circulation of unlisted domestic shares (including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares issued in the PRC upon overseas listing and unlisted shares held by overseas shareholders) of domestic joint stock limited companies listed on the Stock Exchange (hereinafter referred to as H-share companies) (hereinafter referred to as “**Full Circulation**”).

H-share companies applying for “Full Circulation” shall apply to the CSRC for record-filing. H-share companies may, separately or concurrently, submit an application for “Full Circulation” when applying for offshore refinancing. An unlisted domestic joint stock limited company may submit an application for “Full Circulation” at the same time when applying for an overseas initial public offering and listing.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

This appendix summarizes the principal provisions of the Company’s Articles of Association which shall take effect on the date the H-shares are listed on the Hong Kong Stock Exchange. The main purpose of this appendix is to provide an overview of the Company’s Articles of Association for [REDACTED], so it may not contain all the data that is important to [REDACTED].

1 DIRECTORS AND BOARD OF DIRECTORS

(1) Power to Allot and Issue Shares

The Articles of Association do not contain clauses that authorize the Board of Directors to allot or issue shares. The Board of Directors shall formulate plans for increasing registered capital, issuance of bonds or other securities and listing, which are subject to approval by the general meeting. Any allotment or issue of shares shall be in accordance with the procedures stipulated in applicable laws, administrative regulations and regulatory rules.

(2) Power to Dispose of Assets of the Company or Any Subsidiary

The Board of Directors shall, within the scope authorized by the general meeting, determine the Company’s external investments, acquisition and sale of assets, asset mortgage, provision of guarantees to entities other than its subsidiaries, entrusted wealth management, connected transactions, external donations and other matters.

(3) Compensation or Payments for Loss of Office

The general meeting may remove any Director from office by resolution, which shall take effect from the date on which such resolution is made. Where a director is removed from office prior to the expiration of his/her term of office without justifiable reason, such director may claim compensation from the Company.

(4) Loans to Directors

There are no provisions in the Articles of Association relating to loans to directors.

(5) Provision of Financial Assistance for Purchasing Shares of the Company or Any of Its Subsidiaries

The Company or its subsidiaries (including affiliates of the Company) shall not provide financial assistance by way of gift, advance fund, guarantee, lending, or other means for others to acquire shares of the Company or its parent company, except when the Company implements employee stock ownership schemes.

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SUMMARY OF THE ARTICLES OF ASSOCIATION

For the benefit of the Company, the Company may, upon a resolution by the general meeting or by the Board of Directors pursuant to the Articles of Association or the authorization of the general meeting, provide financial aids for others to obtain shares of the Company or its parent company, provided that the total accumulative amount of such financial aids shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be adopted by not less than two-thirds of all the directors.

(6) Disclosure of Interest in Contracts with the Company or Any Subsidiaries

Without reporting to the Board of Directors or the general meeting, and being approved by the Board of Directors or the general meeting meeting by way of resolutions in accordance with the provisions of the Articles of Association, no relevant person shall directly or indirectly enter into contracts or conduct transactions with the Company.

(7) Remuneration

The appointment and removal of the members of the Board of Directors, as well as their remuneration and payment methods, shall be approved by the general meeting by ordinary resolution.

(8) Retirement, Appointment, Removal

The Company shall have a Board of Directors which shall be accountable to the general meeting. The Board of Directors shall consist of 7 directors, which shall include 3 independent directors. The Board of Directors shall have at least one-third of independent directors, at least one of whom has appropriate professional qualifications or appropriate accounting or related financial management expertise in compliance with the requirements of the Listing Rules.

Directors shall be elected or replaced by the general meeting and may be removed by the general meeting before the expiry of his/her term of office. Each term of office of the Board of Directors shall be 3 years. A director may be re-elected and reappointed upon the expiry of his/her term of office, unless otherwise stipulated by the relevant laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

The term of office of a director shall commence from the date on which such director assumes office and shall expire on the date of expiry of the current term of the Board of Directors. If the term of office of a director expires but re-election is not carried out in a timely manner, the said director shall continue to perform the duties as director pursuant to the laws, administrative regulations, departmental rules and the Articles of Association until the newly elected director assumes office.

The general manager or other senior management personnel may concurrently serve as a Director, provided that the aggregate number of directors who concurrently serve as the general manager or other senior management personnel shall not exceed one half of the total number of directors of the Company.

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Directors of the Company must be natural persons, and none of the following persons may act as a director of the Company:

- i a person who has no civil capacity or has limited civil capacity;
- ii a person who has been sentenced to a criminal penalty for any of the following crimes and five years have not elapsed since the date on which execution of the sentence was completed: embezzlement, bribery, embezzlement and misappropriation of property, or sabotaging the socialist economic order, or has been deprived of his/her political rights as a result of a criminal conviction; where a suspended sentence is pronounced, a two-year period has not elapsed since the expiration of the suspension of sentence;
- iii a person who has served as a director, factory director or manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the bankruptcy and liquidation of such company or enterprise are completed;
- iv a person who has served as the legal representative of a company or enterprise whose business license has been revoked or has been ordered to close down due to any violation of law, and is held personally liable therefor, and three years have not elapsed since the date of the revocation or the order for closure of such company or enterprise;
- v a person who has been listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large sum of personal debts due;
- vi a person who has been banned from entering the securities market by the China Securities Regulatory Commission and such term has not expired;
- vii other circumstances as prescribed by laws, administrative regulations, departmental rules, or supervisory rules of the place where the shares of the Company are listed.

Any election, appointment or engagement of a director which violates the aforesaid provisions shall be void. A director who falls under any of the circumstance set out in the above paragraph during his/her term of office shall be dismissed by the Company.

(9) Borrowing Powers

Except that (a) the Board of Directors has the authority to formulate the proposal for the issuance of corporate bonds; and (b) the general meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds, there are no provisions in the Articles of Association relating to the exercise of the power of borrowing by directors.

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SUMMARY OF THE ARTICLES OF ASSOCIATION

2 AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

The Company shall amend the Articles of Association under any of the following circumstances:

- (1) after the amendments are made to the *Company Law of the People’s Republic of China* or relevant laws, administrative regulations or the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the Listing Rules), the provisions of the Articles of Association are in conflict with the amended laws, administrative regulations or the Listing Rules;
- (2) there is a change in the Company’s situation, which is inconsistent with the matters recorded in the Articles of Association;
- (3) the general meeting decides to amend the Articles of Association.

The amendments to the Articles of Association adopted by the general meeting shall be submitted to the competent authorities for approval if they are subject to approval by the competent authorities. If any matter involves the registration of the Company, the Company shall go through the formalities for change of registration in accordance with the law.

3 VARIATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES

There are no provisions in the Articles of Association relating to the variation of rights of existing shares or classes of shares.

4 SPECIAL RESOLUTIONS — MAJORITIES REQUIRED

Resolutions of the general meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be passed by votes representing more than half of the voting rights represented by the shareholders (including proxies) present at the meeting.

A special resolution shall be passed by votes representing at least two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.

The following matters shall be approved by ordinary resolutions at a general meeting:

- (1) work reports of the Board of Directors;
- (2) profit distribution plans and loss recovery plans formulated by the Board of Directors;

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SUMMARY OF THE ARTICLES OF ASSOCIATION

- (3) appointment and removal of members of the Board of Directors, and their remuneration and method of payment for them;
- (4) the issuance of corporate bonds;
- (5) engagement and dismissal of an accounting firm;
- (6) matters other than those required by the laws, administrative regulations, and securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association to be adopted by special resolution.

The following matters shall be approved by special resolutions at a general meeting:

- (1) increase or reduction of the registered capital of the Company;
- (2) division, split, merger, dissolution, liquidation and change in corporate form of the Company;
- (3) amendments to the Articles of Association;
- (4) purchase or disposal of material assets or provision of external guarantee by the Company within 1 year with an amount exceeding 30% of the latest audited total assets of the Company, and the aforementioned provisions do not apply to guarantees provided by the Company for its subsidiaries, by subsidiaries for the Company and among subsidiaries;
- (5) share incentive scheme;
- (6) other matters stipulated by laws, administrative regulations or the Articles of Association, and other matters considered by the general meeting, by way of ordinary resolution, to have a material impact on the Company and need to be approved by special resolution.

If there are otherwise provisions in the regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

5 VOTING RIGHTS (GENERALLY AND BY MEANS OF VOTING)

Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote.

The Company's shares held by the Company shall have no voting rights, and such shares shall not be included in the total number of voting shares attending the general meeting.

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If any shareholder, under applicable laws, regulations and the securities regulatory rules of the place where the Company’s shares are listed, is required to abstain from voting on a particular resolution or is restricted to voting only for (or only against) a particular resolution, the number of votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Shareholders attending the general meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention. Any ballot that is not completed, completed incorrectly, illegible, or not cast shall be deemed as the voter waiving his/her voting rights and the voting result for his/her shares shall be deemed as an “abstention”.

6 REQUIREMENTS FOR ANNUAL GENERAL MEETINGS

General meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once in each accounting year within six months after the end of the previous accounting year.

7 ACCOUNTS AND AUDIT

(1) Financial and Accounting Policies

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the requirements of the relevant state authorities. If there are other provisions in the securities regulatory authorities of the place where the Company’s shares are listed, such provisions shall prevail.

The Company shall not establish other accounting books except for the statutory accounting books. The funds of the Company shall not be deposited in any account opened in the name of any individual.

(2) Appointment and Dismissal of Accounting Firms

The Company employs an accounting firm that complies with laws, regulations and the regulatory provisions of the place where shares of the Company are listed to conduct accounting statement audit, net asset verification and other related consulting services. The term of employment is one year, and such term may be renewed.

The employment and dismissal of accounting firms by the Company must be decided by the general meeting, and the Board of Directors shall not appoint accounting firms prior to the decision of the general meeting.

The Company shall guarantee to provide the accounting firm it employs with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials, and shall not refuse, conceal or make false statements.

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The Company shall notify the accounting firm 15 days in advance when dismissing or not renewing the employment of the accounting firm. The accounting firm shall be entitled to present its opinions when the general meeting votes on the dismissal of the accounting firm. If the accounting firm proposes to resign, it shall explain to the general meeting whether there is any impropriety on the part of the Company.

8 NOTICE OF MEETINGS AND BUSINESS TO BE CONDUCTED THEREAT

The Company shall convene an extraordinary general meeting within 2 months from the date of occurrence of any of the following circumstances:

- (1) the number of directors is less than the quorum stipulated in the *Company Law of the People's Republic of China* or less than two-thirds of the number specified in the Articles of Association;
- (2) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;
- (3) when shareholders individually or jointly holding 10% or more of the Company's shares so request in writing;
- (4) when deemed necessary by the Board of Directors;
- (5) when proposed by the Audit Committee;
- (6) other circumstances stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

General meetings shall be summoned by the Board of Directors in accordance with the law.

With the consent of a majority of all independent directors, independent directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting. With respect to such proposal, the Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting within 10 days after receiving the proposal. If the Board of Directors agrees to convene the extraordinary general meeting, a notice to convene such meeting shall be issued within 5 days after the resolution of the Board of Directors is passed. If the Board of Directors does not agree to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.

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The Audit Committee shall have the right to propose in writing to the Board of Directors to convene an extraordinary general meeting. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting within 10 days after receipt of the proposal.

If the Board of Directors agrees to convene the extraordinary general meeting, a notice to convene such meeting shall be issued within 5 days after the resolution of the Board of Directors is passed. Any amendment to the original proposal contained in the notice is subject to the consent of the Audit Committee.

If the Board of Directors does not agree to convene the extraordinary general meeting, or fails to give a reply within 10 days of receipt of the proposal, it is deemed that the Board of Directors is unable to perform or fails to perform its duty to convene a general meeting, and the Audit Committee may convene and preside over such meeting on its own.

The shareholder(s) individually or collectively holding ten percent (10%) or more of the Company's shares (excluding the voting rights attached to treasury shares) shall be entitled to request the Board of Directors to convene an extraordinary general meeting and add proposals to the meeting agenda, and shall put forward such request to the Board of Directors in writing. The written request shall state the subject of the meeting and present a complete proposal. The Board of Directors shall, pursuant to laws, administrative regulations and the Articles of Association, provide written feedback on whether to approve or disapprove the convening of an extraordinary general meeting within ten (10) days upon receipt of the request.

Where the Board of Directors agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be given within five (5) days after the resolution is made by the Board of Directors, and any amendment to the original request set out in the notice shall be subject to the consent of the relevant shareholders. Where otherwise provided by laws, administrative regulations, departmental rules, and securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

Where the Board of Directors does not agree to convene an extraordinary general meeting or fails to give feedback within ten (10) days after it receives the request, the shareholders who individually or collectively hold 10% or more of the Company's shares shall have the right to propose to the Audit Committee to convene an extraordinary general meeting, and shall put forward such request to the Audit Committee in writing.

The Audit Committee shall, in accordance with laws, administrative regulations and the Articles of Association, provide written feedback on whether it agrees to convene such extraordinary general meeting within ten (10) days from the date of receipt of the request. Where the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice to convene such meeting within five (5) days after receipt of the request. Any amendment to the original request contained in the notice shall be subject to the consent of the relevant shareholders.

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If the Audit Committee fails to issue the notice of the general meeting within the prescribed time limit, it shall be deemed that the Audit Committee refuses to convene and preside over the general meeting, and shareholders who have held 10% or more of the Company's shares individually or collectively for 90 consecutive days or more may convene and preside over such meeting on their own.

If the Audit Committee or any shareholder(s) decides to convene a general meeting by itself/themselves, the Audit Committee or the relevant shareholder(s) shall notify the Board of Directors in writing. Prior to the adoption of the resolution at such general meeting, the shareholders convening such meeting shall hold no less than 10% of the Company's shares.

When the Company convenes a general meeting, the Board of Directors, the Audit Committee and shareholders individually or jointly holding 1% or more of the Company's shares shall have the right to submit proposals to the Company. Shareholders individually or jointly holding 1% or more of the Company's shares may submit ad hoc proposals in writing to the convener 10 days before a general meeting is convened. The convener shall, within 2 days upon receipt of the proposal, issue a supplementary notice of the general meeting and announce the content of the ad hoc proposal, and submit such ad hoc proposal to the general meeting for deliberation, unless such ad hoc proposal is in violation of any law, administrative regulation or the Articles of Association or fails to fall within the scope of the functions and powers of the general meeting. Prior to the adoption of the resolution at the general meeting, the shareholding ratio of the shareholders who propose the ad hoc proposal shall not be less than 1%.

Except for the circumstances provided in the preceding paragraph, laws and administrative regulations, the convener shall not amend the proposals set out in the notice of the general meeting or add any new proposals after issuing the notice of the general meeting.

Proposals which are not specified in the notice of the general meeting or which do not comply with the Articles of Association shall not be voted on and adopted at the general meeting.

The convener shall notify all shareholders by written notice at least 21 days prior to the date of convening the annual general meeting and at least 15 days prior to the date of convening the extraordinary general meeting. Where otherwise provided for by laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail. If the general meeting needs to be postponed due to the issuance of a supplemental notice of the general meeting in accordance with the securities regulatory rules of the place where the Company's shares are listed, the convening of the general meeting shall be postponed pursuant to such regulatory rules.

The date of the general meeting shall be excluded when the Company calculates the relevant time periods. With the unanimous consent of all shareholders, the time limit for advance notice of the aforesaid extraordinary general meeting may be waived.

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9 TRANSFER OF SHARES

The shares of the Company shall be transferred in accordance with the law.

The Company shall not accept any shares of the Company as the subject matter of a pledge.

Shares issued by the Company prior to its public offering of shares shall not be transferred within one (1) year from the date on which the Company's shares are listed and traded on a stock exchange. Directors and senior management of the Company shall report to the Company their shareholdings in the Company and any changes thereof, and shall not transfer more than 25% of the total number of the Company's shares held by them each year during their term of office as determined when they assume their respective offices; the shares of the Company held by them shall not be transferred within one (1) year from the date of the listing and trading of the Company's shares on a stock exchange. The aforementioned persons shall not transfer the shares of the Company held by them within half a year after their resignation.

If there are other restrictions on the transfer of overseas listed shares imposed by relevant provisions of the securities regulatory authority and the stock exchange of the place where the Company's shares are listed, such provisions shall prevail.

10 POWER OF THE COMPANY TO REPURCHASE ITS OWN SHARES

The Company shall not buy back its own shares, except under any of the following circumstances:

- (1) reducing the registered capital of the Company;
- (2) merging with another company that holds shares in the Company;
- (3) using such shares for an employee stock ownership plan or equity incentive plans;
- (4) a shareholder raising an objection to the resolution on the Company's merger or division adopted at a general meeting and demanding the Company to buy back his/her shares;
- (5) using such shares for the conversion of corporate bonds issued by the Company that are convertible into equity shares;
- (6) where it is necessary for the Company to safeguard its value and shareholders' rights and interests;
- (7) other circumstances as permitted by laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the shares of the Company are listed, and other relevant provisions.

The Company shall not engage in the trading of its shares except for the circumstances specified above.

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Where the Company repurchases its shares under the circumstances set out in items (1) and (2) above, such acquisition shall be subject to a resolution adopted by the general meeting of the Company. Where the Company repurchases its shares under the circumstances set out in items (3), (5) and (6) above, such acquisition shall be subject to a resolution adopted by a meeting of the Board of Directors attended by more than two-thirds of the directors.

Where the Company repurchases its shares under the circumstances set out in item (1) above, such shares shall be cancelled within ten (10) days from the date of repurchase; where the Company repurchases its shares under the circumstances set out in items (2) and (4) above, such shares shall be transferred or cancelled within six (6) months; where the Company repurchases its shares under the circumstances set out in items (3), (5) and (6) above, the total number of the Company’s own shares held by it shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within three (3) years.

Where relevant laws and regulations, regulatory documents and the securities regulatory rules of the place where the shares of the Company are listed otherwise provide for matters related to the aforesaid share repurchase, such provisions shall prevail provided that they do not violate the *Company Law of the People’s Republic of China* and the *Securities Law of the People’s Republic of China*.

11 POWER OF ANY SUBSIDIARY OF THE COMPANY TO OWN SHARES IN ITS PARENT COMPANY

The Company’s subsidiaries (including the Company’s affiliated enterprises) shall not provide financial assistance in the form of gifts, capital advances, guarantees or loans, etc. to any person for the acquisition of shares in the Parent Company, except for the implementation of the Company’s employee stock option plans.

12 DIVIDENDS AND OTHER METHODS OF DISTRIBUTION

The Company shall distribute profits by way of cash, stocks, a combination of cash and stocks or other ways permitted by laws, regulations and the securities regulatory rules of the place where the Company’s shares are listed.

The Company’s profit distribution plan is formulated by the Board of Directors, and after being approved by the Board of Directors, it is submitted to the general meeting for consideration and approved by ordinary resolutions.

After the Company’s general meeting makes a resolution on the profit distribution plan, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within 6 months after the general meeting is held.

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If the general meeting distributes profits to shareholders in violation of the *Company Law of the People’s Republic of China*, the shareholders shall return the relevant profits to the Company; if losses are caused to the Company, shareholders, responsible directors and senior management personnel shall be liable for compensation.

The shares of the Company held by it are not entitled to any profits distribution.

13 PROXIES

All shareholders registered on the record date or their proxies are entitled to attend the general meeting and speak at the general meeting, and shall exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association, unless individual shareholders are required to abstain from voting on individual matters according to the securities regulatory rules of the place where the Company’s shares are listed (for example, where a shareholder holds a material interest in individual transactions or arrangements being voted on). Shareholders may attend the general meeting in person, or they can entrust a proxy to attend and vote on their behalf.

Individual shareholders who attend the meeting in person shall produce their identity cards or other valid identity documents or certificates and shareholding certificates. Where a proxy attends the meeting on behalf of an individual shareholder, such proxy shall also present his/her valid identity cards and the power of attorney of the shareholder. A corporate shareholder shall be represented at the meeting by its legal representative or a proxy appointed by its legal representative. If a legal representative attends the meeting, he/she should present his/her identity card, and a valid certificate evidencing his/her capacity as the legal representative; if a proxy attends the meeting, the proxy should present his/her identity card, a written power of attorney issued by the legal representative of the corporate shareholder (save for a recognized clearing house or its proxy), or a proxy form signed by a person duly authorized by such corporate shareholder. If such corporate shareholder has appointed a representative to attend the general meeting, such corporate shareholder shall be deemed to be present in person.

If the shareholder is a recognized clearing house as defined in the relevant ordinances enacted from time to time under the laws of Hong Kong (or its proxy), the shareholder may authorize one or more persons as it thinks fit to act as its representative(s) at any general meetings and creditors’ meetings; however, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is authorized, and shall be executed by the authorized person of the recognized clearing house. The person so authorized may attend the meeting on behalf of the recognized clearing house (or its proxy) (without being required to present a share certificate, notarized authorization and/or further evidence to prove that he/she is duly authorized) to exercise the rights, including the rights to speak and vote, as if he/she were an individual shareholder of the Company.

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The power of attorney for appointing a proxy to attend the general meeting issued by a shareholder shall include the following information:

- (1) The principal’s name or title, as well as the class and number of shares of the Company held by the principal;
- (2) The proxy’s name or title;
- (3) Specific instructions from shareholders, including instructions on voting “for”, “against” or “abstain” on each matter included in the agenda of the general meeting for deliberation;
- (4) The date of issuance of the power of attorney and its validity period;
- (5) The signature (or seal) of the principal; If the principal is a corporate shareholder or a partnership shareholder, the seal of the legal entity or partnership shall be affixed; if an overseas corporate shareholder does not have an official seal, the document may be signed by a duly authorized person of such shareholder.

Where the securities regulatory rules of the place where the Company’s shares are listed have special provisions on the power of attorney, such provisions shall prevail.

14 CALLS ON SHARES AND FORFEITURE OF SHARES

There are no provisions in the Articles of Association relating to calls on shares and forfeiture of shares.

15 INSPECTION ON REGISTER OF SHAREHOLDERS

The Company has established a register of shareholders in accordance with the *Company Law of the People’s Republic of China* and other relevant regulations and the Articles of Association. The register of shareholders shall be sufficient evidence of the shareholders’ shareholdings in the Company. Shareholders shall enjoy rights and assume obligations according to the classes of shares they hold; shareholders holding the same class of shares shall enjoy equal rights and assume the same obligations.

When the Company convenes a general meeting, distributes dividends, conducts liquidation or engages in other activities that require the confirmation of the identity of shareholders, the Board of Directors or the convener of the general meeting shall determine the share registration record date. Shareholders registered on the share registration record date shall be entitled to the relevant rights and interests. Where laws, administrative regulations, departmental rules, regulatory documents, and the stock exchanges or regulatory authorities of the place where the Company’s shares are listed contain provisions on the suspension period of share transfer registration, such provisions shall prevail.

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16 QUORUM FOR GENERAL MEETINGS AND SEPARATE CLASS MEETINGS

There are no provisions in the Articles of Association relating to the quorum for general meetings and class meetings of shareholders.

17 RIGHTS OF MINORITY SHAREHOLDERS IN CASES OF FRAUD OR OPPRESSION

If directors or senior management personnel other than members of the Audit Committee violate laws, administrative regulations, or the provisions of the Articles of Association in performing the duties of the Company, causing losses to the Company, shareholders who individually or jointly hold more than 1% of the Company's shares for more than 180 consecutive days shall have the right to request in writing that the Audit Committee file a lawsuit with the people's court; where a member of the Audit Committee violates laws, administrative regulations, or the provisions of the Articles of Association while performing the duties of the Company, causing losses to the Company, the aforementioned shareholders may request in writing that the Board of Directors file a lawsuit with the people's court. If the Audit Committee or the Board of Directors refuses to file a lawsuit after receiving a written request from the shareholders specified above, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and failure to file a lawsuit immediately will cause irreparable damage to the Company's interests, the shareholders specified above shall have the right to directly file a lawsuit in their own name to the people's court for the interests of the Company.

If directors or senior management personnel violate laws, administrative regulations, or the provisions of the Articles of Association and harm the interests of shareholders, the shareholders may file a lawsuit with the people's court.

If shareholders of the Company abuse their shareholder rights and cause losses to the Company or other shareholders, they shall bear compensation liability in accordance with the law. If a shareholder of the Company abuses the independent status of the Company as a legal person and the limited liability of shareholders, evades debts, and seriously harms the interests of the Company's creditors, they shall bear joint and several liability for the Company's debts. Where a shareholder commits the acts specified in the preceding paragraph through two or more companies under its control, each company shall bear joint and several liability for the debts of any of such companies.

The controlling shareholders, actual controllers, the directors or senior management personnel of the Company shall not use their related party relationships to harm the interests of the Company. Those who violate aforesaid regulations and cause losses to the Company shall be liable for compensation. The controlling shareholders and actual controllers of the Company owe fiduciary obligations towards the Company and the public shareholders of the Company. The controlling shareholder shall strictly exercise their rights as capital contributors in accordance with the law, and shall not impair the legitimate rights and interests of the

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Company and the public shareholders of the Company by means of profit distribution, asset restructuring, external investment, fund occupation, loan guarantee and other means, nor shall they use their controlling position to harm the interests of the Company and the public shareholders of the Company.

18 PROCEDURES ON LIQUIDATION

The Company shall be dissolved for the following reasons:

- (1) the term of its operations stipulated in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;
- (2) the general meeting adopts a resolution to dissolve the Company;
- (3) dissolution is necessary due to merger or division of the Company;
- (4) the Company's business licence is revoked, the Company is ordered to close or has been dissolved by law;
- (5) where the Company encounters serious difficulties in its operation and management and its continuous existence will cause significant losses to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholders holding more than 10% of the voting rights of all shareholders of the Company may request the people's court to dissolve the Company.

If any of the above dissolution events occurs, the reasons for dissolution shall be publicized through the National Enterprise Credit Information Publicity System within ten (10) days.

In the case of circumstances specified in item (1) or (2), if no assets have been distributed to shareholders, the Company may continue to exist by amending the Articles of Association or by a resolution of the general meeting. Such a resolution requires the approval of shareholders representing at least two-thirds of the voting rights present at the general meeting.

Where the Company is dissolved pursuant to items (1), (2), (4) and (5) above, it shall be liquidated. The directors, who are the liquidation obligors of the Company, shall form a liquidation committee to carry out liquidation within 15 days from the date of the cause of dissolution arises. The liquidation committee shall be composed of directors, unless otherwise stipulated in the Articles of Association or a resolution is passed by the shareholders' meeting to elect other persons. If the liquidation obligor fails to perform the liquidation obligation in a timely manner, causing losses to the Company or creditors, he/she shall be liable for compensation.

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Where a liquidation committee is not established within the specified time limit or where liquidation is not conducted after the formation of the liquidation committee, interested parties may apply to the people's court to designate relevant personnel to form a liquidation committee to carry out liquidation.

The liquidation committee shall notify creditors within 10 days from the date of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days.

After cleaning up the Company's assets and preparing a balance sheet and an inventory of assets, if the liquidation committee discovers that the Company's assets are insufficient to repay its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report, which shall be submitted to the general meeting or the people's court for confirmation, and filed with the company registration authority. The committee shall then apply for cancellation of the company's registration and announce the termination of the Company.

19 OTHER PROVISIONS MATERIAL TO THE COMPANY OR THE SHAREHOLDERS THEREOF

(1) General Provisions

Our Company is a joint stock limited company with perpetual existence.

All the assets of the Company are divided into shares of equal value. The shareholders shall be liable to the Company to the extent of their subscribed shares, and the Company shall be liable for its debts with all of its assets.

The Articles of Association shall, upon effectiveness, constitute a legally binding document that regulates the organization and activities of the Company and the rights and obligations between the Company and its shareholders, and those among the shareholders, and shall be legally binding on the Company, its shareholders, directors and senior management personnel. Based on the Articles of Association, a shareholder may initiate a lawsuit against another shareholder, a shareholder may initiate a lawsuit against a director or a senior management person of the Company, a shareholder may initiate a lawsuit against the Company, and the Company may initiate a lawsuit against a shareholder, director or senior management personnel.

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(2) Capital Increase and Capital Reduction

The Company may, based on its business and development needs and in accordance with laws and regulations, increase its capital by the following ways, subject to respective resolutions of the general meeting:

- i Issuing shares by way of public offering;
- ii Issuing shares by way of private placement;
- iii Distributing bonus shares to its existing shareholders;
- iv Conversion of capital reserve into share capital;
- v Other methods stipulated by laws, administrative regulations, and as approved by relevant regulatory authorities such as the China Securities Regulatory Commission and the regulatory authority of the place where the Company’s shares are listed.

Any increase in the registered capital of the Company, after being approved in accordance with the Articles of Association, shall be conducted in accordance with the procedures under relevant laws and the Listing Rules.

The Company may reduce its registered capital. When the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall reduce its registered capital in accordance with the procedures stipulated in the *Company Law of the People’s Republic of China* and other relevant regulations as well as the Articles of Association.

(3) Shareholders

Shareholders of the Company shall enjoy the following rights:

- i to receive dividends and other distributions in proportion to their respective shareholdings;
- ii to request to convene, summon, preside over, attend or appoint a proxy to attend general meetings, to speak at such meetings, and to exercise corresponding voting rights in accordance with the law;
- iii to supervise the operation of the Company, and to make suggestions or raise inquiries;
- iv to transfer, gift, or pledge their shares in accordance with laws, administrative regulations and the Articles of Association;

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- v to consult and copy the Articles of Association, the register of shareholders, minutes of general meetings, resolutions of the Board of Directors' meetings, and financial and accounting reports;
- vi in the event of the Company's termination or liquidation, to participate in the distribution of the remaining assets of the Company in proportion to their respective shareholdings;
- vii for a shareholder who dissents from a resolution of the general meeting on the merger or division of the Company, to require the Company to repurchase his/her shares;
- viii other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Shareholders of the Company shall assume the following obligations:

- i to abide by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- ii to pay capital contribution in accordance with the number of shares subscribed for and the method of capital contribution;
- iii not to withdraw his/her capital contributions unless under the circumstances stipulated by laws and regulations;
- iv not to abuse their shareholder rights to harm the interests of the Company or other shareholders; not to abuse the Company's independent legal entity status and the shareholders' limited liability to harm the interests of the Company's creditors;
- v other obligations imposed by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

(4) Board of Directors

The Board of Directors shall exercise the following powers:

- i to summon general meetings and report on its work to the general meetings;
- ii to implement the resolutions of the general meeting;
- iii to decide on the Company's business plans and investment plans;
- iv to formulate the Company's profit distribution plans and loss recovery plans;

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- v to formulate plans for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities and listing plans;
- vi to formulate plans for merger, division, dissolution and change in corporate form of the Company;
- vii to decide on matters including the Company's external investment, acquisition and disposal of assets, pledge of assets, provision of guarantees for entities other than its subsidiaries, entrusted wealth management, connected transactions, and external donations within the scope authorized by the general meeting or in accordance with the securities regulatory rules of the place where the Company's shares are listed;
- viii to decide on the establishment of the Company's internal management bodies;
- ix to decide on appointment or removal of the Company's general manager and their remuneration, and on the appointment and removal of other senior management personnel based on the nomination by the general manager, as well as and their remuneration, rewards and punishments;
- x to formulate the basic management system of the Company;
- xi to formulate proposals for amendments to the Articles of Association;
- xii to propose to the general meeting the appointment or replacement of the accounting firm that audits the Company;
- xiii to listen to the work report of the general manager of the Company and inspect his/her work;
- xiv other functions and powers conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

(5) Duties of Directors

Directors shall abide by laws, administrative regulations and the Articles of Association, take measures to avoid conflicts between their own interests and those of the Company, and shall not seek any improper interests by taking advantage of their powers and shall owe the following fiduciary duties to the Company:

- i Directors shall not embezzle the Company's property and misappropriate the Company's funds;
- ii Directors shall not deposit Company's funds into accounts opened in their own names or in the name of other individuals;

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- iii Directors shall not solicit or accept bribes or other illegal gains by taking advantage of their powers;
- iv Directors shall not, directly or indirectly, enter into contracts or engage in transactions with the Company, without reporting to the Board of Directors or the general meeting and obtaining approval by resolution of the Board of Directors or the general meeting as stipulated in the Articles of Association;
- v Directors shall not use their positions to pursue business opportunities that belong to the Company either for their own account or for the account of any other person, unless they have reported to the Board of Directors or the general meeting and obtained approval by resolution of the general meeting or as required by laws, administrative regulations and the Articles of Association;
- vi Directors shall not engage in business identical or similar to that of the Company either for themselves or on behalf of others, without reporting to the Board of Directors or the general meeting and obtaining approval by resolution of the general meeting;
- vii Directors shall not accept commissions arising from transactions between others and the Company for their own benefit;
- viii Directors shall not disclose the Company's secrets without authorization;
- ix Directors shall not abuse affiliations to damage the Company's interests;
- x Other fiduciary obligations stipulated in laws, administrative regulations, departmental rules and the Articles of Association.

Any gains obtained by a director in violation of above provisions shall be surrendered to the Company; if any loss is incurred by the Company as a result thereof, the director shall be liable for compensation.

The aforesaid provisions of item (4) shall apply to contracts concluded or transactions conducted with the Company by close relatives of directors and senior management personnel, enterprises directly or indirectly controlled by directors and senior management personnel or their close relatives, as well as connected persons having other relevant relationships with directors and senior management personnel.

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Directors shall abide by laws, administrative regulations and the Articles of Association, exercise the reasonable care ordinarily expected of a manager, acting for the best interests of the Company when performing their duties. Directors owe the following duties of diligence to the Company:

- i Directors shall prudently, earnestly and diligently exercise the powers granted by the Company, to ensure the Company's business complies with state laws, administrative regulations and economic policies, and that its business activities remain within the scope specified in its business license;
- ii Directors shall treat all shareholders fairly;
- iii Directors shall maintain a timely understanding of the Company's operational and management status;
- iv Directors shall sign written statements to confirm the Company's periodic reports, and ensure the information disclosed by the Company is true, accurate and complete;
- v Directors shall provide accurate information and data to the Audit Committee and shall not obstruct the Audit Committee from exercising its authority;
- vi Other duties of diligence stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where shares of the Company are listed and the Articles of Association.

The Company shall establish a system for managing the departure of directors, which specifies safeguards for pursuing liability and seeking compensation for unfulfilled public commitments and other unresolved matters. Upon a director's resignation becoming effective or upon the expiry of his/her office, the director shall complete all handover procedures with the Board of Directors, and his/her fiduciary obligations to the Company and the shareholders shall not automatically terminate upon the end of the term and shall remain effective for two years after the resignation becomes effective or the term expires. A director's liabilities arising from the performance of his/her duties during the term of office shall not be relieved or terminated as a result of his/her departure.

The director's obligation to maintain the confidentiality of the Company's business secrets shall remain valid after his/her resignation takes effect or the term expires, until such secrets become public. The duration of other obligations shall be determined based on the principle of fairness.

Where a director violates laws, administrative regulations, departmental rules or the Articles of Association in performing his/her duties, thereby causing loss to the Company, he/she shall be liable for compensation. Directors who terminate their office before the end of the term without approval shall compensate the loss suffered by the Company as a result thereof.

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The Company shall be liable for any damages to others caused by a director while performing his/her duties. Where such damage results from the director’s intentional act or gross negligence, the director shall also be liable.

(6) Independent Non-executive Director

The Board of Directors shall consist of 7 directors, including 3 independent directors. At least one-third of the directors on the Board of Directors shall be independent directors, and at least one of the independent directors shall possess appropriate professional qualifications or appropriate expertise in accounting or related financial management, as required by the Listing Rules. All independent directors shall satisfy the independence criteria set out in the Listing Rules.

(7) Audit Committee

The Board of Directors shall set up an Audit Committee to exercise the functions and powers of the Board of Supervisors as stipulated in the *Company Law of the People’s Republic of China*. The Audit Committee shall consist of 3 members, who shall be directors not serving as senior management personnel of the Company, including 2 independent directors, and the convener of the Committee shall be an independent director with accounting expertise.

Meetings of the Audit Committee shall be either regular or interim. Regular meetings shall be held at least twice a year (once every half year) and shall be held prior to the regular meetings of the Board of Directors of the Company to discuss opinions and recommendations to be submitted to the Board of Directors. A meeting of the Audit Committee shall only be held when more than two-thirds of its members are present.

Resolutions of the Audit Committee shall be adopted by an affirmative vote of more than half of its members.

Each member of the Audit Committee shall have one vote when resolutions are put to a vote.

Minutes of the Audit Committee meetings shall be prepared in accordance with applicable requirements. Members present at the meeting shall sign the minutes.

(8) General Manager

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The general manager shall be accountable to the Board of Directors and shall exercise the following powers:

- i to be in charge of the production, operation and management of the Company, organize the implementation of the Board of Directors’ resolutions and report to the Board of Directors;

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- ii to organize the implementation of the Company's annual business plans and investment plans;
- iii to prepare plans for the establishment of the Company's internal management bodies;
- iv to prepare the basic management system of the Company;
- v to formulate the specific rules and regulations of the Company;
- vi to propose to the Board of Directors to appoint or dismiss other senior management personnel of the Company;
- vii to decide on the appointment or removal of management personnel other than those whose appointment or removal falls within the authority of the Board of Directors;
- viii to prepare the salary, welfare, reward and punishment systems for the Company's employees, and to decide on the appointment and dismissal of the Company's employees;
- ix to review and approve the purchase and disposal of fixed assets within the scope authorized by the Board of Directors;
- x to review and approve the investment matters within the scope authorized by the Board of Directors;
- xi to decide on matters relating to operating loans for the Company and its subsidiaries;
- xii to exercise other powers conferred by the Articles of Association or the Board of Directors.

If the general manager does not concurrently serve as a director, he/she shall attend meetings of the Board of Directors.

(9) Reserves

In distributing its current-year after-tax profits, the Company shall allocate 10% of the profit to its statutory reserve fund. No further allocation to the statutory reserve fund is required once the cumulative amount thereof reaches 50% or more of the Company's registered capital.

Where the statutory reserve fund is not sufficient to cover losses incurred in previous years, the current year's profit shall be used to cover such losses before any allocation is made to the statutory reserve fund as provided in the preceding paragraph.

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After allocating to the statutory reserve fund from the after-tax profit, the Company may, upon a resolution by the general meeting, also allocate a portion of the after-tax profit to the discretionary reserve fund.

After the Company has covered its losses and made allocations to the reserve funds, the remaining after-tax profit shall be distributed among the shareholders in proportion to their respective shareholdings, unless otherwise provided in the Articles of Association.

The Company’s reserve funds shall be used to cover the Company’s losses, expand its production and operations, or be converted into increased registered capital.

When using reserve funds to offset losses, the Company shall use the discretionary reserve and the statutory reserve first. If the losses still cannot be fully offset, the capital reserve may be used in accordance with the relevant provisions.

When converting the statutory reserve into registered capital, the balance of the statutory reserve retained shall be no less than 25% of the Company’s registered capital immediately before the conversion.

If the Company still has losses after offsetting them in accordance with the aforesaid provisions, it may reduce its registered capital to offset the remaining losses. Where the registered capital is reduced to offset losses, the Company shall not make any distributions to shareholders, nor shall it exempt shareholders from their obligations to make capital contributions or pay for shares.

After the Company reduces its registered capital in accordance with the two preceding paragraphs, it shall not distribute any profits until the accumulated amount of the statutory reserve and the discretionary reserve reaches 50% of the Company’s registered capital.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

Our Company was established under the laws of the PRC as a limited liability company on May 25, 2004. On January 22, 2026, our Company was converted to a joint stock company with limited liability under the PRC Company Law. The registered address of our Company in the PRC is on Room 1002, Building 2, West Zone of Wanjing Hupan Center, Qiantang District, Hangzhou, Zhejiang Province, PRC.

We have established a place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, and have submitted an application to the Companies Registry in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance. Ms. Ho Wing Nga has been appointed as the authorised representative of our Company for the acceptance of service of process and notice in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. An overview of the relevant aspects of laws and regulations of the PRC is set out in “Regulatory Overview” in this document. A summary of our Articles of Association is set out in Appendix V to this document.

2. Changes in Share Capital of our Company

See the sections headed “History, Development and Corporate Structure — Development and Major Shareholding Changes of the Company” and “History, Development and Corporate Structure — Pre-[REDACTED] Investments” of this document for details of the alteration in our share capital within the two years immediately preceding the date of this document. Save as disclosed above, there has been no alteration in the share capital within two years immediately preceding the date of this document.

3. Changes in the Share Capital of Our Subsidiaries

The list of our subsidiaries is set out in Note 1 to the Accountants’ Report, the text of which is set out in Appendix I to this document. Save as disclosed below, there has been no alteration in the share capital of any of our subsidiaries within the two years preceding the date of this document.

Guangdong Weilin

On December 22, 2025, the registered share capital of Guangdong Weilin increased from RMB5.0 million to RMB30.0 million.

On July 21, 2026, the registered share capital of Guangdong Weilin increased from RMB30.0 million to RMB50.0 million.

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STATUTORY AND GENERAL INFORMATION

4. Resolutions of our Shareholders in relation to the [REDACTED]

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders on February 11, 2026, the following resolutions, among others, were duly passed:

- (a) the sub-division of the Shares with nominal value of RMB1.0 each on the basis of 1:10, effective immediately prior to the [REDACTED], and taking into account the Share Subdivision, the issuance by our Company of H Shares of nominal value of RMB0.10 each and such H Shares to be [REDACTED] on the [REDACTED];
- (b) the number of H Shares to be issued pursuant to the [REDACTED], and the grant to the [REDACTED] of the [REDACTED] of not more than [REDACTED]% of the number of H Shares issued pursuant to the [REDACTED];
- (c) the [REDACTED] from the [REDACTED] shall be applied for the purposes disclosed in “Future Plans and [REDACTED]” of this document;
- (d) subject to the CSRC’s approval, upon completion of the Share Subdivision and the [REDACTED], [REDACTED] Unlisted Shares in aggregate of our Company will be converted into H Shares;
- (e) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association which shall become effective upon the [REDACTED]; and
- (f) authorisation of our Board or/and its authorised persons to handle all matters relating to, among other things, the [REDACTED] and the [REDACTED].

5. Restrictions on Repurchase

For details of the restrictions on share repurchases by our Company, see “Appendix V — Summary of the Articles of Association” of this document.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contract (not being contracts entered into in the ordinary course of business) has been entered into by us within the two years preceding the date of this document and are or may be material:

- (a) [REDACTED];
- (b) Share Transfer Agreement regarding the acquisition of Guangdong Weilin between our Company and Mr. Zhao dated October 28, 2025;
- (c) Share Transfer Agreement regarding the acquisition of Guangdong Weilin between our Company and Shanghai Yilian Enterprise Management Center (Limited Partnership) (上海毅聯企業管理中心(有限合夥)), dated October 28, 2025; and
- (d) Share Transfer Agreement regarding the acquisition of Guangdong Weilin between our Company and Shanghai Yiguang Enterprise Management Center (Limited Partnership) (上海毅光企業管理中心(有限合夥)), dated October 28, 2025.

APPENDIX VI STATUTORY AND GENERAL INFORMATION

2. Intellectual Property Rights of Our Group

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date
1 . . .	PANACRO	PRC	Our Company	5	21877690	February 13, 2028
2 . . .	PANACRO	PRC	Our Company	10	21877881	December 27, 2027
3 . . .	PANACRO	PRC	Our Company	42	21877931	December 27, 2027
4 . . .	PANACRO	PRC	Our Company	44	21877831	December 27, 2027
5 . . .		PRC	Our Company	10	21877906A	January 13, 2028
6 . . .		PRC	Our Company	42	21877913A	January 27, 2028
7 . . .		PRC	Our Company	44	21877959	December 27, 2027
8 . . .		PRC	Our Company	42	21877913	October 27, 2028
9 . . .	博纳西亚	PRC	Our Company	5	21877826	December 27, 2027
10 . . .	博纳西亚	PRC	Our Company	10	21877747	December 27, 2027
11 . . .	博纳西亚	PRC	Our Company	42	21877902	December 27, 2027
12 . . .	博纳西亚	PRC	Our Company	44	21878010	December 27, 2027
13 . . .	威 临	PRC	Suzhou Panacro	42	51290579	July 13, 2031
14 . . .	WeLinc 威 临	PRC	Suzhou Panacro	42	46550657	December 13, 2031

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date
15 . . .		PRC	Guangdong Weilin	45	71414988	January 20, 2034

(b) Copyrights

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following copyrights which we consider to be or may be material to our business:

No.	Name of Copyright	Place of Registration	Registered Owner	Registration Number	Registration Date
1 . . .	博納臨床試驗CAPA管理系統V1.0 (Panacro Clinical Trial CAPA Management System V1.0)	PRC	Our Company	2025SR1233228	July 11, 2025
2 . . .	博納臨床試驗GCP培訓證書管理系統 V1.0 (Panacro Clinical Trial GCP Training Certificate Management System V1.0)	PRC	Our Company	2025SR1236289	July 11, 2025
3 . . .	博納臨床試驗多平台SOP培訓系統 V1.1 (Panacro Clinical Trial Multi-Platform SOP Training System V1.1)	PRC	Our Company	2025SR1236728	July 11, 2025
4 . . .	博納臨床試驗項目質量溯源系統V1.0 (Panacro Clinical Trial Project Quality Traceability System V1.0)	PRC	Our Company	2025SR1233173	July 11, 2025
5 . . .	臨床試驗CRO智能數據治理平台V1.0 (Clinical Trial CRO Intelligent Data Governance Platform V1.0)	PRC	Our Company	2025SR1238148	July 11, 2025
6 . . .	臨床試驗項目核算管理系統V1.0 (Clinical Trial Project Accounting Management System V1.0)	PRC	Our Company	2025SR1234472	July 11, 2025
7 . . .	臨床試驗報表生成系統V1.0 (Clinical Trials Report Generation System V1.0)	PRC	Our Company	2024SR0557614	April 24, 2024
8 . . .	博納臨床試驗項目中心物資管理系統 V1.0 (Panacro Clinical Trial Project Centralised Materials Management System V1.0)	PRC	Our Company	2024SR1600562	October 24, 2024

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Name of Copyright	Place of Registration	Registered Owner	Registration Number	Registration Date
9 . . .	博納臨床試驗項目SOP模板配置系統 V1.0 (Panacro Clinical Trial Project SOP Template Configuration System V1.0)	PRC	Our Company	2024SR1594448	October 23, 2024
10 . . .	博納臨床試驗項目方案偏離管理系統 V1.0 (Panacro Clinical Trial Project Deviation Management System V1.0)	PRC	Our Company	2024SR1214164	August 20, 2024
11 . . .	博納臨床試驗項目里程碑進度管理系 統V1.0 (Panacro Clinical Trial Project Milestone Progress Management System V1.0)	PRC	Our Company	2024SR1210332	August 20, 2024
12 . . .	博納臨床試驗項目樣本管理系統V1.0 (Panacro Clinical Trial Project Sample Management System V1.0)	PRC	Our Company	2024SR1210342	August 20, 2024
13 . . .	臨床試驗監查報告在線撰寫系統V1.0 (Clinical Trial Monitoring Report Online Authoring System V1.0)	PRC	Our Company	2024SR0645380	May 14, 2024
14 . . .	臨床試驗受試者入組趨勢分析系統 V1.0 (Clinical Trial Subject Enrolment Trend Analysis System V1.0)	PRC	Our Company	2023SR1602489	December 11, 2023
15 . . .	藥物臨床試驗PD記錄系統V1.0 (Drug Clinical Trial PD Recording System V1.0)	PRC	Our Company	2023SR1100409	September 19, 2023
16 . . .	藥物臨床試驗SSU快啟系統V1.0 (Drug Clinical Trial SSU Rapid Initiation System V1.0)	PRC	Our Company	2023SR1098663	September 19, 2023
17 . . .	藥物臨床試驗項目智能報價管理系統 V1.0 (Drug Clinical Trial Project Intelligent Quotation Management System V1.0)	PRC	Our Company	2023SR1092307	September 18, 2023
18 . . .	藥物臨床試驗預算管理系統V1.0 (Drug Clinical Trial Budget Management System V1.0)	PRC	Our Company	2023SR1091994	September 18, 2023
19 . . .	臨床實驗數據採集管理系統 V1.0 (Clinical Trial Data Collection Management System V1.0)	PRC	Our Company	2022SR0089148	January 13, 2022
20 . . .	臨床試驗數據統計分析系統 V1. 0 (Clinical Trial Data Statistical Analysis System V1.0)	PRC	Our Company	2022SR0088887	January 13, 2022

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Name of Copyright	Place of Registration	Registered Owner	Registration Number	Registration Date
21 . . .	臨床試驗大數據信息化服務平台V1.0 (Clinical Trial Big Data Informatisation Service Platform V1.0)	PRC	Our Company	2022SR0088888	January 13, 2022
22 . . .	臨床試驗大數據可視化服務平台V1.0	PRC	Our Company	2022SR0088889	January 13, 2022
23 . . .	臨床試驗數據驗證系統V1.0 (Clinical Trial Data Validation System V1.0)	PRC	Our Company	2022SR0083867	January 12, 2022
24 . . .	銀屑病臨床試驗受試者招募系統V1.0 (Psoriasis Clinical Trial Subject Recruitment System V1.0)	PRC	Our Company	2021SR1885426	November 25, 2021
25 . . .	臨床試驗監查員調度系統 V1.0 (Clinical Trial Monitor Dispatch System V1.0)	PRC	Our Company	2021SR1885471	November 25, 2021
26 . . .	臨床試驗稽查問題跟蹤系統 V1. 0 (Clinical Trial Audit Issue Tracking System V1.0)	PRC	Our Company	2021SR1885470	November 25, 2021
27 . . .	臨床試驗進度監控系統 V1.0 (Clinical Trial Progress Monitoring System V1.0)	PRC	Our Company	2021SR1885472	November 25, 2021
28 . . .	臨床試驗研究中心篩選系統 V1.0 (Clinical Trial Research Centre Screening System V1.0)	PRC	Our Company	2021SR1885451	November 25, 2021
29 . . .	臨床試驗數據統計分析監控系統V1.0 (Clinical Trial Data Statistical Analysis Monitoring System V1.0)	PRC	Our Company	2021SR1885450	November 25, 2021
30 . . .	腫瘤臨床試驗監控信息化管理系統 V1.0 (Clinical Oncology Trial Monitoring Information Management System V1.0)	PRC	Our Company	2021SR1885448	November 25, 2021
31 . . .	臨床試驗受試者訪視管理系統 V1.0 (Clinical Trial Subject Visit Management System V1.0)	PRC	Our Company	2021SR1781391	November 18, 2021
32 . . .	臨床試驗受試者入組監控系統 V1.0 (Clinical Trial Subject Enrolment Monitoring System V1.0)	PRC	Our Company	2021SR1781390	November 18, 2021
33 . . .	臨床試驗受試者智能篩選系統 V1.0 (Clinical Trial Subject Intelligent Screening System V1.0)	PRC	Our Company	2021SR1781301	November 18, 2021
34 . . .	臨床試驗電子病歷管理系統 V1. 0 (Clinical Trial Electronic Medical Record Management System V1.0)	PRC	Our Company	2021SR1939009	November 30, 2021

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Name of Copyright	Place of Registration	Registered Owner	Registration Number	Registration Date
35 . . .	藥物臨床試驗項目合同管理系統V1.0 (Drug Clinical Trial Project Contract Management System V1.0)	PRC	Beijing Panacro	2019SR0042897	January 14, 2019
36 . . .	藥物臨床試驗人員管理系統V1.0 (Drug Clinical Trial Personnel Management System V1.0)	PRC	Beijing Panacro	2019SR0037917	January 11, 2019
37 . . .	藥物臨床試驗項目文檔管理系統V1.0 (Clinical Trial Project Documentation Management System V1.0)	PRC	Beijing Panacro	2019SR0017584	January 7, 2019
38 . . .	藥物臨床試驗工時管理系統V1.0 (Clinical Trial Time Management System V1.0)	PRC	Beijing Panacro	2019SR0018097	January 7, 2019
39 . . .	藥物臨床試驗SOP管理系統V1.0 (Clinical Trial SOP Management System V1.0)	PRC	Beijing Panacro	2019SR0015218	January 4, 2019
40 . . .	藥物臨床試驗在線培訓考試管理系統V1.0 (Clinical Trial Online Training and Examination Management System V1.0)	PRC	Beijing Panacro	2019SR0015225	January 4, 2019
41 . . .	藥物臨床試驗質量管理評價系統V1.0 (Clinical Trial Quality Management Evaluation System V1.0)	PRC	Beijing Panacro	2015SR189173	September 29, 2015
42 . . .	臨床試驗數據管理與統計分析軟件V1.0 (Clinical Trial Data Management and Statistical Analysis Software V1.0)	PRC	Beijing Panacro	2015SR189178	September 29, 2015
43 . . .	新藥研發過程信息服務系統V1.0 (New Drug Development Process Information Service System V1.0)	PRC	Beijing Panacro	2015SR189182	September 29, 2015
44 . . .	生物統計軟件V1.0 (Biostatistics Software V1.0)	PRC	Beijing Panacro	2015SR189185	September 29, 2015
45 . . .	醫療器械臨床試驗評價系統V1.0 (Medical Device Clinical Trial Evaluation System V1.0)	PRC	Beijing Panacro	2015SR189189	September 29, 2015
46 . . .	註冊事務管理系統V1.0 (Registration Affairs Management System V1.0)	PRC	Beijing Panacro	2015SR189192	September 29, 2015
47 . . .	博納臨床試驗數據驗證系統V1.0 (Panacro Clinical Trial Data Verification System V1.0)	PRC	Suzhou Panacro	2021SR2196417	December 28, 2021

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Name of Copyright	Place of Registration	Registered Owner	Registration Number	Registration Date
48 . . .	博納臨床試驗數據採集管理系統V1.0 (Panacro Clinical Trial Data Collection Management System V1.0)	PRC	Suzhou Panacro	2021SR2196416	December 28, 2021
49 . . .	博納臨床試驗數據統計分析系統V10 (Panacro Clinical Trial Data Statistical Analysis System V10)	PRC	Suzhou Panacro	2021SR2194889	December 28, 2021
50 . . .	疫苗臨床試驗受試者招募系統V1.0 (Vaccine Clinical Trial Subject Recruitment System V1.0)	PRC	Suzhou Panacro	2022SR1627656	December 29, 2022
51 . . .	疫苗臨床試驗數據統計分析監控系統 V1.0 (Vaccine Clinical Trial Data Statistical Analysis Monitoring System V1.0)	PRC	Suzhou Panacro	2022SR1627657	December 29, 2022
52 . . .	疫苗臨床試驗項目管理系統V1.0 (Vaccine Clinical Trial Project Management System V1.0)	PRC	Suzhou Panacro	2022SR1627877	December 29, 2022
53 . . .	疫苗臨床試驗大數據可視化服務平台 V1.0 (Vaccine Clinical Trial Big Data Visualisation Service Platform V1.0)	PRC	Suzhou Panacro	2022SR1623416	December 28, 2022
54 . . .	疫苗藥物臨床試驗項目合同管理系統 V1.0 (Vaccine Drug Clinical Trial Project Contract Management System V1.0)	PRC	Suzhou Panacro	2022SR1623417	December 28, 2022
55 . . .	疫苗臨床試驗項目核算發布系統V1.0 (Vaccine Clinical Trial Project Accounting and Release System V1.0)	PRC	Suzhou Panacro	2022SR1623420	December 28, 2022
56 . . .	疫苗臨床試驗研究中心篩選系統V1.0 (Vaccine Clinical Trial Research Centre Screening System V1.0)	PRC	Suzhou Panacro	2022SR1619004	December 28, 2022
57 . . .	疫苗臨床試驗受試者入組監控系統 V1.0 (Vaccine Clinical Trial Subject Enrolment Monitoring System V1.0)	PRC	Suzhou Panacro	2022SR1615574	December 26, 2022
58 . . .	疫苗臨床試驗CRA監察系統V1.0 (Vaccine Clinical Trial CRA Monitoring System V1.0)	PRC	Suzhou Panacro	2022SR1615590	December 26, 2022
59 . . .	疫苗臨床試驗SSU快速啟動系統V1.0 (Vaccine Clinical Trial SSU Rapid Start-up System V1.0)	PRC	Suzhou Panacro	2022SR1615179	December 26, 2022

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No.	Name of Copyright	Place of Registration	Registered Owner	Registration Number	Registration Date
60 . . .	疫苗臨床試驗進度監控系統V1.0 (Vaccine Clinical Trial Progress Monitoring System V1.0)	PRC	Suzhou Panacro	2022SR1615582	December 26, 2022
61 . . .	疫苗臨床試驗受試者智能篩選系統 V1.0 (Vaccine Clinical Trial Subject Intelligent Screening System V1.0)	PRC	Suzhou Panacro	2022SR1615589	December 26, 2022
62 . . .	數據傳輸及光盤準備管理系統V1.0 (Data Transfer and CD Preparation Management System V1.0)	PRC	Beijing Linzhi	2021SR0599458	April 26, 2021
63 . . .	總結報告審核管理系統V1.0 (Summary Report Review Management System V1.0)	PRC	Beijing Linzhi	2021SR0598372	April 26, 2021
64 . . .	文件存檔管理系統V1.0 (Document Archiving Management System V1.0)	PRC	Beijing Linzhi	2021SR0598260	April 26, 2021
65 . . .	中心實驗室數據傳輸文檔制定管理系統V1.0 (Central Laboratory Data Transfer Document Development Management System V1.0)	PRC	Beijing Linzhi	2021SR0598261	April 26, 2021
66 . . .	人工核査程序配置管理系統V1.0 (Manual Verification Procedure Configuration Management System V1.0)	PRC	Beijing Linzhi	2021SR0589599	April 25, 2021
67 . . .	統計分析圖標清單模板管理系統V1.0 (Statistical Analysis Chart Template Management System V1.0)	PRC	Beijing Linzhi	2021SR0589598	April 25, 2021
68 . . .	數據項目管理系統V1.0 (Data Item Management System V1.0)	PRC	Beijing Linzhi	2021SR0589597	April 25, 2021
69 . . .	編程記錄管理系統V1.0 (Programming Record Management System V1.0)	PRC	Beijing Linzhi	2021SR0589600	April 25, 2021
70 . . .	臨床試驗分析培訓管理平台V1.0 (Clinical Trial Analysis Training Management Platform V1.0)	PRC	Beijing Aismore	2017SR168073	May 9, 2017
71 . . .	臨床研究試驗預算管理系統V1.0 (Clinical Research Trial Budget Management System V1.0)	PRC	Beijing Aismore	2017SR168076	May 9, 2017
72 . . .	臨床研究內部稽查管理系統V1.0 (Clinical Research Internal Audit Management System V1.0)	PRC	Beijing Aismore	2017SR167990	May 9, 2017

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Name of Copyright	Place of Registration	Registered Owner	Registration Number	Registration Date
73 . . .	臨床試驗研究管控系統V1.0 (Clinical Trial Research Control System PRC V1.0)	PRC	Beijing Aismore	2017SR168069	May 9, 2017
74 . . .	臨床試驗檔案信息化管理軟件V1.0 (Clinical Trial Documentation Information Management Software V1.0)	PRC	Beijing Aismore	2017SR168081	May 9, 2017
75 . . .	CRC臨床服務管理軟件V1.0 (CRC Clinical Service Management Software V1.0)	PRC	Beijing Aismore	2017SR168085	May 9, 2017
76 . . .	藥物臨床試驗流程管理軟件V1.0 (Drug Clinical Trial Process Management Software V1.0)	PRC	Beijing Aismore	2016SR241721	August 31, 2016
77 . . .	臨床研究信息採集管理系統V1.0 (Clinical Research Information Collection Management System V1.0)	PRC	Beijing Aismore	2016SR243448	August 31, 2016
78 . . .	臨床試驗機構項目管理系統V1.0 (Clinical Trial Organisation Project Management System V1.0)	PRC	Beijing Aismore	2016SR241725	August 31, 2016
79 . . .	臨床研究項目綜合檢驗管理系統V1.0 (Clinical Research Project Comprehensive Inspection Management System V1.0)	PRC	Beijing Aismore	2016SR241729	August 31, 2016
80 . . .	藥品諮詢及用藥安全監測軟件V1.0 (Drug Consultation and Medication Safety Monitoring Software V1.0)	PRC	Beijing Aismore	2016SR241733	August 31, 2016
81 . . .	臨床數據統計分析管理軟件 V1.0 (Clinical Data Statistical Analysis Management Software V1.0)	PRC	Beijing Aismore	2016SR243453	August 31, 2016
82 . . .	GCP藥房管理系統V1.0 (GCP Pharmacy Management System V1.0)	PRC	Guangdong Weilin	2022SR1590895	December 20, 2022
83 . . .	臨床試驗遠程監查系統V1.0 (Clinical Trial Remote Monitoring System V1.0)	PRC	Guangdong Weilin	2022SR1590896	December 20, 2022
84 . . .	生物樣本管理系統V1.0 (Biological Sample Management System V1.0)	PRC	Guangdong Weilin	2022SR1591747	December 20, 2022
85 . . .	臨床試驗信息系統V1.0 (Clinical Trial Information System V1.0)	PRC	Guangdong Weilin	2022SR1590897	December 20, 2022

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Name of Copyright	Place of Registration	Registered Owner	Registration Number	Registration Date
86 . . .	臨床試驗項目管理系統(CTMS) V2.1.0 (Clinical Trial Project Management System (CTMS) V2.1.0)	PRC	Guangdong Weilin	2022SR0836428	June 23, 2022
87 . . .	臨床研究文檔管理系統V1.0.3 (Clinical Research Document Management System V1.0.3)	PRC	Guangdong Weilin	2022SR0828021	June 23, 2022
88 . . .	臨床試驗電子數據採集系統V1.5 (Clinical Trial Electronic Data Capture System V1.5)	PRC	Guangdong Weilin	2022SR0834898	June 23, 2022
89 . . .	受試者管理平台 (SMP) V1.0 (Subject Management Platform (SMP) V1.0)	PRC	Guangdong Weilin	2022SR0835752	June 23, 2022
90 . . .	機構倫理系統 (GCPEC) V1.0 (Institutional Ethics System (GCPEC) V1.0)	PRC	Guangdong Weilin	2022SR0835751	June 23, 2022
91 . . .	博納臨床試驗項目藥品管理系統V1.0 (Panacro IMP Management System V1.0)	PRC	Our Company	2024SR1564462	October 21, 2024

(c) Domain Names

As of the Latest Practicable Date, we had registered and maintained ownership to the following domain names in the PRC which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Filing date
1 . . .	panacro.com	Our Company	December 9, 2025
2 . . .	weilinct.com	Guangdong Weilin	October 18, 2024
3 . . .	bnxycro.com	Our Company	April 15, 2026

Save as disclosed above, as of the Latest Practicable Date, there were no other patents, trade or service marks, intellectual or industrial property rights which are or may be material in relation to our business.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interest of Directors and Chief Executive

Disclosure of Interests

To the best knowledge of our Directors, saved as disclosed below, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), none of our Directors or chief executive has any interests or short positions in the Shares, underlying Shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Name of Shareholder	Nature of interest	Type of Shares	Shares held as of the Latest Practicable Date and immediately prior to the [REDACTED]		Shares held in the total share capital of our Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
			Number of Shares ⁽¹⁾	Shareholding percentage (Approximate %) ⁽²⁾	Number of Shares ⁽¹⁾	Shareholding percentage (Approximate %) ⁽³⁾
Mr. Zhao ⁽⁴⁾⁽⁵⁾	Beneficial owner	Unlisted Shares	67,683,480	57.28%	[REDACTED]	[REDACTED]
	Beneficial owner	H Shares	–	–	[REDACTED]	[REDACTED]%
	Interest held by controlled corporation	Unlisted Shares	20,000,000	16.93%	[REDACTED]	[REDACTED]
	Interest held by controlled corporation	H Shares	–	–	[REDACTED]	[REDACTED]%

Notes:

- (1) All the interests stated are long positions.
- (2) The calculation is based on the total number of [REDACTED] Shares in issue as of the Latest Practicable Date taking into account the Share Subdivision.
- (3) The calculation is based on the assumption that (i) the Share Subdivision is completed; (ii) the [REDACTED] is not exercised; (iii) the [REDACTED] Unlisted Shares (taking into account the Share Subdivision) will be converted into H Shares; and (iv) the total number of the Shares in issue will be [REDACTED] immediately following the completion of the [REDACTED].
- (4) As of the Latest Practicable Date, Mr. Zhao was the executive and general partner of Boda Innovation, our Employee Incentive Platform established as a limited partnership. By virtue of the SFO, Mr. Zhao is deemed to be interested in the 15,000,000 Shares held by Boda Innovation.

APPENDIX VI

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- (5) As of the Latest Practicable Date, Mr. Zhao was the executive and general partner of Bohua Innovation, our Employee Incentive Platform established as a limited partnership. By virtue of the SFO, Mr. Zhao is deemed to be interested in the 5,000,000 Shares held by Bohua Innovation.

Particulars of Service Contracts

Pursuant to Rules 19A.54 and 19A.55 of the Listing Rules, our Company [has entered into] a service agreement with each of the Directors which contains provisions in relation to, among other things, compliance of relevant laws and regulations, observations of Articles of Association and provisions on arbitration.

The principal particulars of these service agreements are: (a) each of the agreements is for a term of three years following his/her respective effective date of his/her appointment; (b) each of the agreements is subject to termination in accordance with their respective terms.

Save as disclosed above, our Company has not entered, and does not propose to enter, into any service contracts with any of the Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

Directors’ Remuneration

For details of the Directors’ remuneration, see “Directors and Senior Management — Compensation of Directors and Senior Management.” and Note 8 to the Accountants’ Report as set out in Appendix I.

2. Disclosure of Interest of Substantial Shareholders

Interests in the Shares of our Company

Save as disclosed in the section headed “Substantial Shareholders” in this document, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), having or be deemed or taken to the beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the issued voting shares of our Company.

Interests in our Company’s subsidiaries

Immediately following the completion of the [REDACTED], all member companies of our Group (other than our Company) are wholly owned by our Company. As such, no person (other than our Company) will be interested, directly or indirectly, in 10% or more of share capital with the right to, in any event, vote at the general meeting of any other member (other than our Company) of our Group.

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Disclaimers

Save as disclosed in the “History, Development and Corporate Structure” section, none of our Directors or any of the parties listed in “— Other Information — Consents of Experts” in this appendix is interested in our promotion, or in any assets which, within the two years immediately preceding the date of this document, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company; or

Saved as disclosed in the “Underwriting” section, none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document that is significant in relation to our business.

D. SHARE INCENTIVE SCHEMES

In recognition of the contributions of, the employees of our Group, and to incentivize them to further promote our development, we adopted the pre-[REDACTED] share incentive schemes (the “**Share Incentive Schemes**”). Under the Share Incentive Schemes, eligible participants were granted partnership interest in the Employee Incentive Platforms (the “**Incentive Awards**”). As of the Latest Practicable Date, our Employee Incentive Platforms, in aggregate, hold 20,000,000 Shares (taking into account the Share Subdivision), representing approximately 16.93% of our total issued Shares. For details of our Employee Incentive Platforms, see “History, Development and Corporate Structure — Employee Incentive Platforms.”

The Share Incentive Schemes do not involve any grant of share options or awards after the [REDACTED] and therefore is not subject to the provisions of Chapter 17 of the Listing Rules. Given the underlying Shares under the Share Incentive Schemes have already been issued, there will not be any further dilution effect to the issued Shares arising from the Share Incentive Schemes.

Below is a summary of the principal terms and provisions of Share Incentive Schemes.

(i) Purpose

The Share Incentive Schemes aim to attract and retain top-tier talent for key positions of significant responsibility, provide additional incentives to selected employees, and support the growth and success of our business. By granting the Incentive Awards, these plans offer eligible participants the opportunity to acquire or increase their proprietary interest in our Company, thereby aligning their interests with the long-term success of our Company.

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STATUTORY AND GENERAL INFORMATION

(ii) Eligible Participants

Persons eligible to participate in the Share Incentive Schemes include (i) senior management of our Company and its subsidiaries; (ii) middle management of our Company and its subsidiaries; (iii) core personnel of our Company and its subsidiaries; (iv) individuals who have made special contributions to our Company; (v) external consultants providing advisory services to our Company; and (vi) other individuals as approved by the Board.

(iii) Maximum number of Shares

The maximum number of Shares underlying the Incentive Awards that may be granted under the Share Incentive Schemes is 20,000,000. As of the date of this document, all Incentive Awards have been granted and vested to 31 grantees, including our senior management, counsels and employees, etc., and are subject to certain transfer and disposal restrictions pursuant to the partnership agreement. No further grants will be made under the Share Incentive Schemes following the [REDACTED].

(iv) Administration

Our Share Incentive Schemes are administered by Mr. Zhao, one of our Controlling Shareholders, who serves as the administrator under shareholder authority to determine all key issues including but not limited to the selection of grantees, the allocation of incentive awards represented by partnership interests in our Employee Incentive Platforms, Boda Innovation and Bohua Innovation — as well as the grant price and service period requirements.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our financial condition or results of operations.

3. Joint Sponsors

Our Company has entered into engagement agreements with the Joint Sponsors, pursuant to which our Company agreed to pay an aggregate of US\$650,000 (excluding expenses) to the Joint Sponsors to act as the sponsors to our Company in connection with the [REDACTED].

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STATUTORY AND GENERAL INFORMATION

4. Preliminary Expenses

We did not incur any material preliminary expenses in relation to the incorporation of our Company.

5. Taxation of Holder of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see “Appendix III — Taxation and Foreign Exchange.”

Potential [REDACTED] in the [REDACTED] are urged to consult their professional tax advisers if they are in any doubt as to the taxation implications of [REDACTED] for, purchasing, holding or disposing of or [REDACTED] in our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], or any other person or party involved in the [REDACTED] accept responsibility for any tax effects on, or liabilities of, any person, resulting from the [REDACTED], purchase, holding or disposal of, [REDACTED] in or the exercise of any rights in relation to our H Shares.

6. Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
China Industrial Securities International Capital Limited	A corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
ICBC International Capital Limited . . .	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO

APPENDIX VI STATUTORY AND GENERAL INFORMATION

Name	Qualification
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Zhong Lun Law Firm	Legal advisors as to PRC laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

7. Promoters

The promoters of our Company are as follows:

No.	Name of promoters of our Company
1.	Mr. Zhao
2.	Boda Innovation
3.	Heda Big Health
4.	Bohua Innovation
5.	Zibo Xintaige Centennial Equity Investment Fund Partnership Enterprise (Limited Partnership) (淄博新太格百年股權投資基金 合夥企業(有限合夥))
6.	Suzhou Jinhe Phase III Equity Investment Partnership Enterprise (Limited Partnership) (蘇州金闔三期股權投資合夥企業(有限合 夥))
7.	Tibet Kaidesida Technology Industry (Group) Co., Ltd. (西藏凱 德思達科技產業(集團)有限公司)
8.	Mr. Zhao Liang (趙亮)
9.	Hangzhou Efung Runjun Venture Capital Partnership (杭州倚鋒 潤君創業投資合夥企業(有限合夥))
10.	Beijing Shunhe Dingsen Technology Development Co., Ltd. (北 京舜和鼎森科技發展有限公司)
11.	Shenzhen Kunchen Phase VI Venture Capital Partnership Enterprise (Limited Partnership) (深圳坤辰六期創業投資合夥企 業(有限合夥))

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STATUTORY AND GENERAL INFORMATION

Within the two years immediately preceding the date of this document, no cash, securities, amount or benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters named above in connection with the [REDACTED] or the related transactions described in this document.

8. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

9. Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in so far as applicable.

10. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial, trading position or prospects since June 30, 2026, being the period end date of our latest consolidated financial statements as set out in “Appendix I — Accountants’ Report,” up to the date of this document.

11. Miscellaneous

In connection with the [REDACTED],

- (i) within the two years immediately preceding the date of this document:
 - (a) saved as disclosed in the “History, Development and Corporate Structure” section and “3. Changes in the Share Capital of Our Subsidiaries” above, no Share or loan capital of our Company or any of its subsidiaries has been issued nor agreed to be issued fully or partly paid either for cash or for a consideration other than cash; and
 - (b) saved as disclosed in the “[REDACTED]” section, no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any Share or loan capital of our Company or any of our subsidiaries;
- (ii) no Share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

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STATUTORY AND GENERAL INFORMATION

- (iii) there are no arrangements under which future dividends are waived or agreed to be waived;
- (iv) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (v) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
- (vi) no part of the equity or debt securities of our Company or any member of our Group, if any, is currently [REDACTED] on or [REDACTED] on any stock exchange or [REDACTED] system, and no such [REDACTED] or permission to [REDACTED] on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought; and
- (vii) our Company has no outstanding convertible debt securities or debentures.

APPENDIX VII

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “B. Further Information about our Business — 1. Summary of Material Contracts” in Appendix VI to this document; and
- (b) the written consents referred to in “E. Other Information — 6. Consents of Experts” in Appendix VI to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of our Company at www.panacro.com and on the website of the Stock Exchange at www.hkexnews.hk during a period of 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the accountants’ report from KPMG, the text of which is set out in Appendix I to this document;
- (c) the audited consolidated financial statements of our Group for the Track Record Period;
- (d) the report on the [REDACTED] financial information from KPMG, the text of which is set forth in Appendix II to this document;
- (e) the industry report issued by Frost & Sullivan referred to in the section headed “Industry Overview” in this document;
- (f) the PRC legal opinions issued by Zhong Lun Law Firm, our PRC Legal Advisers, in respect of certain general corporate matters and our Group’s business operations in the PRC;
- (g) the share incentive scheme referred to in “Share Incentive Schemes” in Appendix VI to this document;
- (h) the material contracts referred to in “B. Further Information about our Business — 1. Summary of Material Contracts” in Appendix VI to this document;

APPENDIX VII

**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES AND AVAILABLE ON DISPLAY**

- (i) the service contracts and appointment letters referred to in “C. Further Information about our Directors, Chief Executive and Substantial Shareholders — 1. Disclosure of Interest of Directors and Chief Executive — Particulars of Service Contracts” in Appendix VI to this document;
- (j) the written consents referred to in “E. Other Information — 6. Consents of Experts” in Appendix VI to this document; and
- (k) the PRC Company Law, the PRC Securities Law, the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.