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Pharmaron Beijing Co., Ltd.

康龍化成(北京)新藥技術股份有限公司

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

(Stock Code: 3759)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

FINANCIAL SUMMARY AND HIGHLIGHTS

	Six months ended June 30,		Change
	2025	2024	%
	RMB'000	RMB'000	
Revenue	6,440,951	5,604,463	14.9
Gross profit	2,172,201	1,848,051	17.5
Profit attributable to owners of the parent	701,396	1,113,403	(37.0)
Non-IFRSs adjusted net profit attributable to owners of the parent	755,701	690,266	9.5
Net cash flows generated from operating activities	<u>1,408,277</u>	<u>1,099,735</u>	<u>28.1</u>

- During the Reporting Period, the Group recorded aggregate revenue of approximately RMB6,441.0 million, representing an increase of approximately RMB836.5 million, or 14.9%, as compared to the six months ended June 30, 2024.
- During the Reporting Period, the profit attributable to owners of the parent was approximately RMB701.4 million, representing a decrease of approximately 37.0% as compared to the six months ended June 30, 2024.
- During the Reporting Period, the net cash flows generated from operating activities was approximately RMB1,408.3 million, representing an increase of approximately 28.1% as compared to the six months ended June 30, 2024.
- The Board resolved not to declare any interim dividend for the six months ended June 30, 2025.

The Board of Pharmaron Beijing Co., Ltd. is pleased to announce that the unaudited interim results of the Group for the six months ended June 30, 2025 with the comparative figures in the corresponding period in 2024.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED JUNE 30, 2025

		Six months ended June 30,	
	<i>Notes</i>	2025	2024
		RMB'000	RMB'000
		(unaudited)	(unaudited)
REVENUE	<i>5</i>	6,440,951	5,604,463
Cost of sales		<u>(4,268,750)</u>	<u>(3,756,412)</u>
Gross profit		2,172,201	1,848,051
Other income and gains	<i>6</i>	105,153	776,275
Other expenses	<i>6</i>	(58,387)	(34,007)
Selling and distribution expenses		(142,944)	(122,949)
Administrative expenses		(848,836)	(841,221)
Research and development costs		(250,460)	(207,798)
Impairment losses on financial and contract assets		(37,143)	(22,940)
Finance costs		(94,171)	(138,254)
Share of losses of associates		<u>(32,657)</u>	<u>(30,306)</u>
Profit before tax	<i>7</i>	812,756	1,226,851
Income tax expense	<i>8</i>	<u>(160,126)</u>	<u>(143,905)</u>
Profit for the period		<u>652,630</u>	<u>1,082,946</u>
Attributable to:			
Owners of the parent		701,396	1,113,403
Non-controlling interests		<u>(48,766)</u>	<u>(30,457)</u>
		<u>652,630</u>	<u>1,082,946</u>
EARNINGS PER SHARE ATTRIBUTABLE TO			
ORDINARY EQUITY HOLDERS OF THE			
PARENT			
		RMB	RMB
Basic			
For profit for the period	<i>10</i>	<u>0.3984</u>	<u>0.6282</u>
Diluted			
For profit for the period	<i>10</i>	<u>0.3978</u>	<u>0.6271</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Profit for the period	652,630	1,082,946
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	268,923	11,504
Fair value gains/(losses) on:		
Hedging instruments designated in cash flow hedges	21,679	(51,805)
Income tax effect	(3,252)	7,771
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	287,350	(32,530)
Other comprehensive income/(loss) for the period, net of tax	287,350	(32,530)
Total comprehensive income for the period	939,980	1,050,416
Attributable to:		
Owners of the parent	977,454	1,075,893
Non-controlling interests	(37,474)	(25,477)
	939,980	1,050,416

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	<i>Notes</i>	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		11,472,772	10,944,152
Right-of-use assets		912,551	922,592
Goodwill		2,984,608	2,760,736
Other intangible assets		298,528	225,319
Investments in associates		712,678	648,983
Equity investments at fair value through profit or loss		466,887	234,059
Biological assets		157,431	175,001
Deferred tax assets		229,165	192,684
Other non-current assets		369,248	215,693
Total non-current assets		17,603,868	16,319,219
CURRENT ASSETS			
Inventories		542,507	486,811
Contract costs		368,206	211,572
Trade and bills receivable	<i>11</i>	2,552,632	2,413,629
Contract assets		431,646	457,811
Biological assets		394,436	418,282
Prepayments, other receivables and other assets		1,141,050	809,831
Financial assets at fair value through profit or loss		859,820	1,115,265
Derivative financial instruments		1,115	5,063
Pledged deposits		92,887	66,844
Cash and cash equivalents		1,208,842	1,623,072
Total current assets		7,593,141	7,608,180
CURRENT LIABILITIES			
Interest-bearing bank borrowings		1,333,486	1,047,309
Trade payables	<i>12</i>	527,833	477,089
Other payables and accruals		1,819,065	1,507,999
Derivative financial instruments		365	47,165
Contract liabilities		1,070,649	834,858
Lease liabilities		137,055	149,508
Tax payable		89,294	160,078
Total current liabilities		4,977,747	4,224,006
NET CURRENT ASSETS		2,615,394	3,384,174
TOTAL ASSETS LESS CURRENT LIABILITIES		20,219,262	19,703,393

	<i>Notes</i>	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		4,209,326	4,377,368
Deferred tax liabilities		324,614	291,867
Deferred income		415,078	409,978
Lease liabilities		401,189	401,307
		<hr/>	<hr/>
Total non-current liabilities		5,350,207	5,480,520
		<hr/>	<hr/>
NET ASSETS		14,869,055	14,222,873
		<hr/>	<hr/>
EQUITY			
Share capital	<i>13</i>	1,778,196	1,778,196
Treasury shares		(304,892)	(416,271)
Reserves		12,792,647	12,257,410
		<hr/>	<hr/>
Equity attributable to owners of the parent		14,265,951	13,619,335
		<hr/>	<hr/>
Non-controlling interests		603,104	603,538
		<hr/>	<hr/>
Total equity		14,869,055	14,222,873
		<hr/>	<hr/>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

1. GENERAL INFORMATION

Pharmaron Beijing Co., Ltd. was incorporated and registered in the People's Republic of China ("PRC") on July 1, 2004. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and was listed on the Shenzhen Stock Exchange (stock code: 300759.SZ) on January 28, 2019. On November 28, 2019, the Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (stock code: 3759.HK). The address of the registered office is 8th Floor, Block 1, 6 Taihe Road, Beijing Economic Technological Development Area, Beijing, China.

The Company is a leading fully-integrated pharmaceutical R&D service platform with global operations to accelerate drug innovation for our customers. The principal activity of the Company and its subsidiaries (together, the "Group") is to provide contract research, development and manufacturing services for innovative pharmaceutical products throughout the research and development cycle and the services are organised in four major categories: laboratory services, chemistry, manufacturing and controls ("CMC") (small molecule CDMO) services, clinical development services and Biologics and CGT services.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2025 has been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2024 which have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The interim condensed consolidated financial information has been prepared under the historical cost convention, except for biological assets which are measured at fair value less costs to sell, equity investments at fair value through profit or loss, derivative financial instruments and financial assets and financial liabilities at fair value through profit or loss which have been measured at fair value. The interim condensed consolidated financial information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the revised IFRSs are described below:

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

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has five reportable business segments as follows:

- The laboratory services segment includes laboratory chemistry and bioscience services, covering small molecule drugs, oligonucleotides, peptides, antibodies, antibody-drug conjugates (ADC) and CGT products, etc.
- The CMC (small molecule CDMO) services segment includes API process development and manufacturing, materials science/pre-formulation, formulation development and manufacturing, and analytical development services
- The clinical development services segment includes overseas clinical development services (including radiolabelled science services and early stage clinical trial services) and domestic clinical development services (including clinical research services and site management services)
- The Biologics and CGT services segment includes biologics discovery, development and manufacturing services (CDMO), CGT lab and Gene therapy CDMO services
- The “Others” segment

Segment revenue and results

The following is an analysis of the Group’s revenue and results by reportable segments.

Six months ended June 30, 2025 (unaudited)	Laboratory services RMB'000	CMC (small molecule CDMO) services RMB'000	Clinical development services RMB'000	Biologics and CGT services RMB'000	Others RMB'000	Total RMB'000
Segment revenue	3,892,461	1,389,707	939,327	211,477	7,979	6,440,951
Segment results	<u>1,747,811</u>	<u>419,920</u>	<u>115,767</u>	<u>(115,743)</u>	<u>4,446</u>	<u>2,172,201</u>
Unallocated amount:						
Other income and gains						105,153
Other expenses						(58,387)
Selling and distribution expenses						(142,944)
Administrative expenses						(848,836)
Research and development costs						(250,460)
Impairment losses on financial and contract assets						(37,143)
Finance costs						(94,171)
Share of losses of associates						(32,657)
Group’s profit before tax						<u><u>812,756</u></u>

Six months ended June 30, 2024 (unaudited)	Laboratory services <i>RMB'000</i>	CMC (small molecule CDMO) services <i>RMB'000</i>	Clinical development services <i>RMB'000</i>	Biologics and CGT services <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	3,371,177	1,175,747	843,269	211,210	3,060	5,604,463
Segment results	<u>1,481,655</u>	<u>326,749</u>	<u>105,842</u>	<u>(66,329)</u>	<u>134</u>	<u>1,848,051</u>
Unallocated amount:						
Other income and gains						776,275
Other expenses						(34,007)
Selling and distribution expenses						(122,949)
Administrative expenses						(841,221)
Research and development costs						(207,798)
Impairment losses on financial and contract assets						(22,940)
Finance costs						(138,254)
Share of losses of associates						(30,306)
Group's profit before tax						<u>1,226,851</u>

Management monitors the results of the Group's business segments separately for the purpose of making decisions about resources allocation and performance assessment. No analysis of segment asset and liability is presented as the management does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Geographical information

(a) Revenue from external customers

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
North America	4,072,640	3,668,223
Europe	1,234,167	945,577
Chinese Mainland	973,047	842,603
Asia (except Chinese Mainland)	135,344	126,009
Others	25,753	22,051
Total	<u>6,440,951</u>	<u>5,604,463</u>

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

(b) Non-current assets

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Chinese Mainland	12,021,554	11,237,927
Europe	2,859,570	2,599,672
North America	2,012,521	2,039,131
Others	14,171	15,746
Total	16,907,816	15,892,476

The non-current assets information above is based on the locations of the assets and excludes equity investments at fair value through profit or loss and deferred tax assets.

5. REVENUE

An analysis of revenue is as follows:

	Six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Revenue from contracts with customers	6,440,951	5,604,463
Total	6,440,951	5,604,463

Revenue from contracts with customers

(a) Disaggregated revenue information

Segments	Six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Type of services		
Laboratory services	3,892,461	3,371,177
CMC (small molecule CDMO) services	1,389,707	1,175,747
Clinical development services	939,327	843,269
Biologics and CGT services	211,477	211,210
Others	7,979	3,060
Total	6,440,951	5,604,463
Timing of revenue recognition		
Services transferred at a point of time	3,434,909	2,887,870
Services transferred over time	3,006,042	2,716,593
Total	6,440,951	5,604,463

(b) Performance obligations

The Group has different contractual arrangements with different customers under two different charge methods: Full-Time-Equivalent (“FTE”) or Fee-For-Service (“FFS”) model.

All services under the FTE model, revenue is recognised over time at the amount to which the Group has the right to invoice for services performed. Therefore, under practical expedients allowed by IFRS 15, the Group does not disclose the value of unsatisfied performance obligations under the FTE model.

Similarly, certain services under the FFS model, revenue is recognised over time and contracts are generally within an original expected length of one year or less. Therefore, the practical expedients are also applied.

6. OTHER INCOME AND GAINS AND OTHER EXPENSES

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Other income		
Interest income	17,462	50,881
Government grants and subsidies related to		
– Assets	14,369	10,365
– Income	23,605	19,844
	<hr/>	<hr/>
Subtotal	55,436	81,090
	<hr/>	<hr/>
Other gains		
Foreign exchange gains, net	–	22,923
Gains on disposal of equity investment at fair value through profit or loss	–	562,692
Gains of equity investment at fair value through profit or loss	33,048	–
Gains on financial assets at fair value through profit or loss	16,134	9,644
Gains on financial assets at amortised cost	–	1,583
Gains on repurchase of convertible bonds	–	89,239
Gains on disposal of right-of-use assets	26	8,723
Others	509	381
	<hr/>	<hr/>
Subtotal	49,717	695,185
	<hr/>	<hr/>
Total	105,153	776,275
	<hr/>	<hr/>
Other expenses		
Foreign exchange loss, net	(31,972)	–
Losses on disposal of biological assets	(8,184)	(2,850)
Losses on disposal of property, plant and equipment	(3,388)	(29,502)
Losses of derivative financial instruments	(28)	–
Losses on fair value change of biological assets	(13,277)	–
Losses on fair value change of equity investments at fair value through profit or loss	–	(1,309)
Others	(1,538)	(346)
	<hr/>	<hr/>
Total	(58,387)	(34,007)
	<hr/>	<hr/>

7. PROFIT BEFORE TAX

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

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	503,117	442,718
Depreciation of right-of-use assets	82,101	93,211
Amortization of other intangible assets	24,208	18,884
Staff costs* (including directors' and chief executive's remuneration):		
Salaries and other benefits	2,336,016	2,137,594
Pension scheme contribution, social welfare and other welfare**	757,673	664,750
Share-based compensation expenses	29,459	75,405
Gains of equity investment at fair value through profit or loss	(33,048)	–
Gains on repurchase of convertible bonds	–	(89,239)
Gains on financial assets at amortised cost	–	(1,583)
Gains on financial assets at fair value through profit or loss	(16,134)	(9,644)
Gains on disposal of equity investment at fair value through profit or loss	–	(562,692)
Losses on disposal of biological assets	8,184	2,850
Losses on fair value change of equity investment at fair value through profit or loss	–	1,309
Losses on fair value change of biological assets	13,277	–
Impairment losses/(gains) on inventories, net of reversal	263	(747)
Impairment losses on financial and contract assets, net of reversal	37,143	22,940
Foreign exchange losses/(gains), net	31,972	(22,923)
Auditor's remuneration	2,425	2,425
	<u>2,425</u>	<u>2,425</u>

* The staff costs for the period are included in “Cost of sales”, “Administrative expenses”, “Selling and distribution expenses” and “Research and development costs” in the interim condensed consolidated statement of profit or loss.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. INCOME TAX EXPENSE

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax	177,788	221,833
Deferred tax	(17,662)	(77,928)
Total	<u>160,126</u>	<u>143,905</u>

9. DIVIDENDS

On June 20, 2025, the Company's shareholders approved the 2024 Profit Distribution at annual general meeting as a final dividend of RMB0.2 (inclusive of tax) per share in respect of the year ended December 31, 2024 was declared to both holders of A Shares and H Shares and aggregate dividend amounted to RMB352,662,000 (inclusive of tax), excluding the dividend amount in the trust account relating to the First H Share Award and Trust Scheme. As of the date of this announcement, all dividends have been paid.

The directors of the Company have determined that no dividend will be proposed or declared in respect of the current interim period (Six months ended June 30, 2024: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculations of basic and diluted earnings per share are based on:

	Six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Earnings:		
Profit attributable to ordinary equity holders of the parent	<u>701,396</u>	<u>1,113,403</u>
	Six months ended June 30, 2025 (unaudited)	2024 (unaudited)
Number of shares:		
Weighted average number of ordinary shares in issue during the period, used in the basic earnings per share calculation	<u>1,760,451,917</u>	<u>1,772,440,504</u>
Effect of diluted potential ordinary shares:		
Effective of restricted shares units and share awards issued by the Company	<u>2,937,152</u>	<u>3,051,679</u>
Weighted average number of ordinary shares in issue during the period, used in the diluted earnings per share calculation	<u>1,763,389,069</u>	<u>1,775,492,183</u>

11. TRADE AND BILLS RECEIVABLE

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

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Within 1 year	2,497,564	2,352,925
1 year to 2 years	<u>55,068</u>	<u>60,704</u>
Total	<u>2,552,632</u>	<u>2,413,629</u>

Included in trade receivables are amounts due from a related party of RMB71,621,000 as at June 30, 2025 (December 31, 2024: RMB75,356,000) which are repayable on credit terms similar to those offered to the major customers of the Group.

12. TRADE PAYABLES

Trade payables are non-interest-bearing and normally settled on terms of one to three months.

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

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Within 1 year	515,278	472,489
Over 1 year	12,555	4,600
Total	527,833	477,089

13. SHARE CAPITAL

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Issued and fully paid:	1,778,196	1,778,196

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

	Number of shares in issue	Share capital RMB'000
At December 31, 2024 and 1 January 2025	1,778,195,525	1,778,196
At June 30, 2025	1,778,195,525	1,778,196

MANAGEMENT DISCUSSION AND ANALYSIS

A. Business Review

1. *Principal Business*

The Company is a leading fully-integrated pharmaceutical R&D services platform with global operations to accelerate drug innovation for our customers, providing fully-integrated drug research, development and manufacturing services throughout the research and development cycle. The Company has 21 R&D centers and manufacturing facilities across China, the U.K. and the U.S., and is steadfast in implementing its core strategy of developing an end-to-end, fully integrated and multiple modalities-capable services platform with global footprints to further support its customers in improving the efficiency and flexibility of their pharmaceutical R&D and manufacturing needs. The Company has built a fully-integrated service platform for small molecule drugs, biologics and CGT products. Meanwhile, the Company is rapidly expanding in new modalities and is committed to becoming a global leader in pharmaceutical R&D services across multiple therapeutic modalities. In addition, the Company will further develop the global footprints of its service platform to provide customers with interdisciplinary and global service solutions, making full use of the Company's global scientific research talent network and meet customers' regional strategic needs.

B. Financial Review

1. *Overall Operation Results*

In the first half of 2025, the Company realized revenue of RMB6,441.0 million, representing an increase of 14.9% compared to the same period of last year; among them, in the second quarter of 2025, the Company realized revenue of RMB3,342.1 million, representing an increase of 7.9% over the first quarter of 2025. During the Reporting Period, the Company obtained the non-IFRSs adjusted net profit attributable to owners of the parent of RMB755.7 million, representing an increase of 9.5% compared to the same period of last year. In the second quarter of 2025, the Company obtained the non-IFRSs adjusted net profit attributable to owners of the parent of RMB406.3 million, maintaining rapid growth both year-on-year and quarter-on-quarter. With core business maintaining positive momentum, the Company obtained the profit attributable to owners of the parent of RMB701.4 million, representing a decrease of 37.0% over the same period of last year, mainly due to the impact of investment income generated from the disposal of equity interests in PROTEOLOGIX, INC. in the same period of last year. During the Reporting Period, the net cash flow generated from operating activities of the Company amounted to RMB1,408.3 million, representing a year-on-year increase of 28.1%. After deducting the capital expenditures allocated to support its business growth, the Company's free cash flow was RMB254.1 million.

The Company continued to adhere to the “Customer Centric” corporate philosophy, leveraging its end-to-end and fully-integrated services platform, adhering the highest international quality standards, and seamless collaborations among teams in China, the U.K. and the U.S., the Company has effectively met the diverse needs of global customers across different R&D stages. During the Reporting Period, the Company’s newly signed purchase orders increased by more than 10% year-on-year. In the first half of 2025, the Company served over 2,600 global customers, of which customers using the continuous services of multiple business segments of the Company contributed revenue of RMB4,510.2 million, accounting for 70.0% of the Company’s revenue. During the Reporting Period, the Company added over 480 new customers, contributing revenue of RMB128.1 million, accounting for 2.0% of the Company’s revenue. The existing customer contributed revenue of RMB6,312.9 million, accounting for 98.0% of the Company’s revenue.

Categorized by customer types, during the Reporting Period, the revenue from the global top 20 pharmaceutical companies was RMB1,167.9 million, with an increase of 48.0% compared to same period of last year, accounting for 18.1% of its total revenue; the revenue from other customers was RMB5,273.1 million, with an increase of 9.5% compared to same period of last year, accounting for 81.9% of its total revenue. Categorized by regions where the customers are located, during the Reporting Period, the revenue from customers in North America was RMB4,072.6 million, with an increase of 11.0% compared to same period of last year, accounting for 63.2% of its total revenue; the revenue from customers in EU (including the U.K.) was RMB1,234.2 million, with an increase of 30.5% compared to same period of last year, accounting for 19.2% of its total revenue; the revenue from customers in China Mainland was RMB973.0 million, with an increase of 15.5% compared to same period of last year, accounting for 15.1% of its total revenue; and the revenue from customers in other regions was RMB161.2 million, with an increase of 8.8% compared to same period of last year, accounting for 2.5% of revenue of its total revenue.

The Company continued to bring in high-level domestic and overseas talents and enhance its global capabilities and capacities to support its growing business. As of June 30, 2025, the total number of employees reached 22,908, including 20,684 R&D, production technology and clinical services staff, accounting for 90.3% of the total number of employees in the Company. With the expansion of its global footprint, the Company owns 11 operating facilities and has more than 1,700 employees in the U.K. and the U.S.. In the first half of 2025, the delivered revenue of the overseas subsidiaries was RMB802.2 million, representing an increase of 8.9% over the same period of last year, accounting for 12.4% of its total revenue.

During the Reporting Period, the Company continued to make progress in the digitalization and AI technologies adoption of its service platform. In February 2025, the Company completed the acquisition of a controlling stake in Aistarfish Technology. The Company aims to advance the integration of clinical data resources and AI technologies to assist its customers in improving the efficiency of clinical development. In July 2025, the Company signed a comprehensive strategic collaboration agreement with Zhejiang University. The two parties will jointly establish a “Joint Research Center for Artificial Intelligence and Life Sciences” to accelerate innovative application and breakthrough of AI technologies in life sciences, promote translational research, and collaboratively cultivate interdisciplinary talent. This partnership aims to jointly advance the high-quality development of the healthcare industry.

In the first half of 2025, the Company continuously developing our management systems across four key areas: environment, labor and human rights, business ethics, and sustainable procurement. Through procedural systems improvement, indicator optimization, and strategic implementation, the Company significantly enhanced its ESG governance capabilities. To ensure the achievement of the Company’s SBTi decarbonization targets, the Company continuously holds quarterly meetings of the energy conservation and emissions reduction working group and dynamically monitors the processes of the group’s energy consumption and carbon reduction targets. Additionally, the Company is exploring the potential for the use of renewable electricity. Part of our domestic facilities have already achieved 100% use of renewable electricity. The Company is also actively exploring the application of new technologies, such as sustainable steam and thermal applications, ensuring the stable advancement of the group’s carbon reduction targets. Regarding management system certifications, the Company continuously expands the scope of our ISO 27001 Information Security Management System certification and will accelerate efforts in the second half of the year to obtain ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 22301 Business Continuity Management System certifications. By aligning with globally recognized management standards, the Company aims to comprehensively elevate our corporate governance and framework development. Furthermore, the Company has formally applied to join in the United Nations Global Compact (UNGC), committing to and supporting the ten principles in human rights, labor standards, environmental protection, and anti-corruption to fulfill our social responsibilities. In 2025, the Company was awarded the title of “Industry Mover” by S&P Global, reflecting capital market recognition of our sustainability achievements.

2. Operation results of each business segment

(1) Laboratory services

During the Reporting Period, the laboratory services segment realized revenue of RMB3,892.5 million, with an increase of 15.5 % compared to same period of last year; in the second quarter of 2025, the segment's revenue reached RMB2,035.2 million, with an increase of 9.6% compared to the first quarter of 2025; a gross margin of 44.9% in the first half of 2025, with an increase of 0.9 percentage points compared to same period of last year. During the Reporting Period, the amount of new orders for laboratory services has increased by more than 10% over the same period of last year. The Company's laboratory chemistry services maintained its established competitiveness and market share. The bioscience services continued to realize synergies with laboratory chemistry services, and vigorously expanding business opportunities in new modalities. As a result, its revenue has maintained rapid and steady growth. In the first half of 2025, the proportion of bioscience services in laboratory services revenue exceeded 55.0%. The Company continued to contribute to the global innovative drug R&D, and laboratory services team participated in 795 global innovative drug discovery projects during the Reporting Period.

During the Reporting Period, the Company's bioscience team continued to enhance its technical capabilities. Through the integration and automation of its compound management system and high-throughput screening platforms, the Company further improved its experimental throughput and productivity. Its fully automated proteomics technology platform has achieved seamless integration from sample preparation to data analysis, with research throughput reaching industry-leading levels. In addition, the Company continued to strengthen its strategic focus on organoid and organ-on-a-chip technologies, and further developed new organoid models. It also established a strategic partnership with CN-Bio, a UK-based leader in organ-on-a-chip technology, to jointly develop new applications and provide clients with more precise and efficient drug discovery services. In DMPK/ADME services, the Company further enhanced its service capabilities by establishing the industry's most comprehensive and technologically advanced enzymology platform, along with a complete metabolomics and biomarker analysis platform. These advancements empower customers to more accurately evaluate the efficacy and safety of drug candidates. The Company continued to promote the application of AI technologies, deeply integrating AI into drug discovery, mechanism of action studies, toxicity prediction and automated data processing. We also implemented AI tools in scenarios such as project management, image analysis, and automation, which significantly enhancing its productivity. In addition to its long-established expertise in small molecule services, the Company further expanded and strengthened its R&D service capabilities for new drug modalities, including advanced small molecules (such as PROTACs, molecular glues), peptides, oligonucleotides, antibodies, proteins, ADCs, and CGT products. It provides end-to-end services from early-stage screening to IND filings, offering customers extensive, efficient, and reliable solutions.

Laboratory chemistry is the core driver of small molecule drug discovery services. The Company leveraged its years of accumulated expertise to continuously expand its service scope and enrich its service offerings. Maintaining focus on cutting-edge technologies and emerging therapeutic targets in drug discovery, the Company had developed specialized laboratory chemistry capabilities including AI-assisted synthesis route design and flow chemistry, to accelerate synthesis of novel drug molecules. The Company had developed specialized laboratory chemistry capabilities for advanced modalities, including PROTACs, molecular glues, peptides, oligonucleotides, ADCs, etc, and achieved rapid development. In addition, the Company provided customers with more flexible and comprehensive laboratory services through seamless collaborations among laboratory services teams in China, the U.K. and the U.S., fulfilling the diverse needs in different R&D stages from customers, improving R&D efficiency, and helping customers rapidly advance R&D projects from preclinical R&D to clinical stage globally. Furthermore, the Company initiated the application of AI tools in laboratory chemistry services and will continue to invest in AI and automation to further improve its productivity.

As of June 30, 2025, the Company had 10,706 employees engaged in laboratory services. The Company has nearly 6,700 laboratory chemists and technicians in laboratory chemistry services, being one of the world's leading laboratory chemistry groups in terms of size and expertise. In July 2025, the Company completed the installation and commissioning of the next generation low-energy accelerator mass spectrometry (AMS) system in Ningbo. This marks China's first AMS dedicated to innovative drug R&D, signifying a comprehensive upgrade of the Company's integrated service platform for "radioisotope compound synthesis-clinical-analysis" in China, the U.K. and the U.S.. This advancement further enhances the Company's capabilities in providing high-sensitivity radioactive isotope tracing and ultrasensitive drug metabolism and bioanalysis services. During the Reporting Period, the Campus II in Beijing was gradually put into operation and the capacity building was continuously promoted to meet the medium and long-term development needs of laboratory services.

(2) CMC (small molecule CDMO) services

During the Reporting Period, the CMC (small molecule CDMO) services realized revenue of RMB1,389.7 million, with an increase of 18.2% compared to the same period of last year; in the second quarter of 2025, the segment's revenue reached RMB696.7 million, with an increase of 0.5% compared to the first quarter of 2025; a gross margin of 30.2% in the first half of 2025, with an increase of 2.4 percentage points compared to same period of last year. With the gradual recovery of customer demand and existing projects advance toward later development stages, during the Reporting Period, the Company's new orders for CMC (small molecule CDMO) services increased by approximately 20% over the same period of last year, and more projects are expected to be delivered in the second half of 2025.

As of June 30, 2025, the Company had 4,811 employees in CMC (small molecule CDMO) services. With the seamless integration of the Company's fully integrated R&D service platform and the coordination of different service segments, approximately 84.0% of CMC (small molecule CDMO) services revenue came from the Company's existing customers of drug discovery services. In terms of process development, more than 2,500 process development chemists of the Company in China and more than 200 process development chemists of the Company in the U.K. worked closely together to provide customized services for global customers with state-of-the-art technology. In terms of manufacturing, the Company's manufacturing facilities in China, the U.K. and the U.S. provided customers with flexible, efficient and cost-effective integrated solutions from pilot to commercial production, covering intermediates, APIs and formulations. The Company continued to invest in end-to-end continuous flow synthesis, continuous hydrogenation reactions, continuous flow ozonolysis, biocatalysis, electrochemistry, photochemistry, high-throughput experimentation (HTE), and high potency API manufacturing, and made remarkable progress. Building upon its expertise in linkers and payloads production, the Company is further strengthening its GMP bioconjugation capabilities, and its bioconjugation facility for clinical trial materials is expected to commence operation in the second half of 2025. In addition, the Company continued to advance the construction of the Campus II in Shaoxing to meet the medium-and long-term development needs of CMC (small molecule CDMO) services. During the Reporting Period, the Company's CMC (small molecule CDMO) services pipeline reached 641 molecules or intermediates, including 23 projects in process validation and commercialization stage, 21 projects in Phase III clinical trials, 188 projects in Phase I-II clinical trials, and 409 projects in preclinical stage.

During the Reporting Period, the Company actively explored the application of AI and machine learning in process chemistry R&D, reaction optimization, high-throughput experimentation, directed enzyme evolution, continuous manufacturing, safety evaluation, quality management, production equipment maintenance, and engineering design, and implemented initiatives to leverage these technologies to improve the productivity of its CDMO services.

As the cornerstone for the sustainable development of the Company's CMC (small molecule CDMO) services, the Company is committed to the continuous improvement of its quality of services. The Company strictly adheres to the highest international quality standards and has laid a solid foundation for the further development of its CMC (small molecule CDMO) services by continuously strengthening its quality management systems. The Company's QA team provides regulatory authorities and customers with a variety of auditing methods, including on-site inspections and remote audits. During the Reporting Period, the Company received 84 QA audits (including 3 audits by regulatory authorities and 81 customer audits), and passed all the audits. The Company's API production facility in Ningbo completed a pre-approval inspection (PAI) by the U.S. Food and Drug Administration (FDA) in November 2024, and received the Establishment Inspection Report (EIR) from the FDA in April 2025. The Company's API production facility in Shaoxing completed a pre-approval inspection (PAI) by the U.S. Food and Drug Administration (FDA) in June 2025. The inspection results were favorable, and currently, the Company is awaiting the Establishment Inspection Report (EIR) from the FDA. The Company's drug product production facility in Ningbo has completed an unannounced inspection by the Ningbo Municipal Administration for Market Regulation in June 2025, and the inspection results were favorable. The above results fully verify that the Company's CMC (small molecule CDMO) services have a sound quality management system and GMP commercial production capabilities for API and drug products. The Company remains steadfast in its commitment to excellence in quality management, delivering highest quality services and products to its customers.

(3) Clinical development services

During the Reporting Period, the clinical development services segment realized revenue of RMB939.3 million, with an increase of 11.4% compared to the same period of last year; in the second quarter of 2025, the segment's revenue reached RMB492.0 million, with an increase of 10.0% compared to the first quarter of 2025; a gross margin of 12.3% in the first half of 2025, with a decrease of 0.3 percentage points compared to the same period of last year.

As of June 30, 2025, the Company had 4,415 employees in clinical development services. Pharmaron Clinical has established an integrated clinical trial service platform in China, an independent early clinical R&D center with 96 beds in Maryland, the U.S., and an integrated platform of "radioisotope compound synthesis-clinical-analysis" in the U.K. and the U.S.. Pharmaron Clinical's domestic and overseas teams work closely to help overseas customers develop their products in China and help China customers develop their products overseas.

During the Reporting Period, the Company's clinical CRO team provided services for 1,027 ongoing projects, including 89 projects in Phase III clinical trials, 389 projects in Phase I/II clinical trials, and 549 other clinical trial projects (including Phase IV clinical trials, investigator-initiated trials and real-world evidence trials). The Company's clinical research site management services team provided services to over 1,700 ongoing projects. Its CRC team covered over 700 hospitals and clinical trial centers in over 150 cities in China for clinical research site management services. Amidst intensifying market competitions, the Company had strengthened its core competitiveness by streamlining organizational structures and enhancing operational efficiency. Through dual regulatory filing services in China and the U.S., the Company expanded its presence in the U.S. market, laying a solid foundation for future growth.

The Company continued to make progress in the digitalization and AI Technologies adoption of its clinical development services. The Company had implemented multiple AI applications across various business units including regulatory affairs, medical affairs, statistics, and pharmacovigilance to enhance the quality and efficiency of its services. In February 2025, the Company completed the acquisition of a controlling stake in Aistarfish Technology. During the Reporting Period, the Company continued to advance the integration of clinical data resources and AI technologies, leveraging the high-quality and compliant patient data of Aistarfish Technology, in combination with Shanghai Jiying's technical capabilities in data analysis and AI algorithms, and the capabilities and scale advantages of the Company's clinical CRO services, to optimize the clinical trial processes including patient enrollment, patient follow-up, and data management. This integrated approach aims to assist its customers in improving the efficiency of clinical development. In addition, the Company made additional investments to expand its AI models and data platform into non-oncology fields, establishing unified multimodal data standards and integrating various disease characteristics to achieve cross-disease data integration, further strengthening its competitiveness in the digital and AI-driven clinical development services.

(4) Biologics and CGT services

During the Reporting Period, the Biologics and CGT services segment realized revenue of RMB211.5 million, with an increase of 0.1% compared to the same period of last year; in the second quarter of 2025, the segment's revenue reached RMB112.8 million, with an increase of 14.3% compared to the first quarter of 2025; a gross margin of -54.7% in the first half of 2025. The biologics and gene therapy CDMO business was in early stage development, and the biologics CDMO platform at the Campus II in Ningbo was partially put into operation in the second quarter of 2024, and during the Reporting Period, the facility's operating costs along with depreciation and amortization were higher than those in the same period last year.

As of June 30, 2025, the Company had 752 employees in Biologics and CGT services. During the Reporting Period, the Company provided analytical release testing services to 22 CGT products at various stages, including 2 potency assays for commercial manufacture and 13 potency assays for clinical studies. For safety assessment services, the Company had 17 GLP and non-GLP toxicology and toxicology support studies for CGT products either had been completed or were in progress. In terms of gene therapy CDMO services, the Company had 16 projects across different service offerings and R&D stages, including 1 Phase III project, 5 Phase I/II projects, and 10 preclinical projects.

During the Reporting Period, the Company's biologics discovery services achieved rapid growth. The Company continued to enhance its protein and antibody generation and screening capabilities, providing customers with more comprehensive early-stage biologics drug discovery services. Its biologics CDMO platform in Ningbo passed a comprehensive manufacturing audit by a global pharmaceutical company in the first half of 2025, qualifying as a GMP production supplier, and completed its second batch of GMP drug supply production. In addition, the Company successfully delivered GMP batch production projects for multiple Chinese and global customers while further expanding its early-stage project pipeline, initiating several DNA-to-IND antibody projects. The Company continued to enhance its testing capabilities and capacities in the U.S. for advanced modalities, including CAR-T therapies. During the Reporting Period, the Company's laboratory in Exton, Pennsylvania, U.S., successfully passed the FDA audit. The Company's laboratories and facilities in Liverpool, the U.K. offer customers a scalable and approvable multiple AAV production platform, and further expanded its service capabilities for other advanced modalities, including adenovirus vaccines and microbial protein production. The Company is committed to providing customers with services in line with the highest global standards. During the Reporting Period, the Company's laboratory in Exton, Pennsylvania, U.S., successfully passed the FDA audit.

3. Industry competition and development

The Company is engaged in pharmaceutical research, development and manufacturing services which provides fully integrated services to support our global customers' R&D for innovative pharmaceutical products, covering small molecule drugs, biologics and cell and gene therapy products. Its business is closely related to the development of the pharmaceutical industry and pharmaceutical R&D outsourcing market.

The long-term industry fundamentals for global and China pharmaceutical R&D and manufacturing remain intact, and the investment is expected to maintain steady growth. The pursuit of health and longevity is eternal. With the accelerated growth of the aging population globally, the expansion of the chronic disease patient population and the increase in the total investment in the medical and healthcare industry in various countries, the global and China pharmaceutical markets continue to develop, which in turn drives the continuous increase of the pharmaceutical R&D and manufacturing spending. The spending on pharmaceutical research, development and manufacturing is expected to maintain solid growth both globally and in China.

The pharmaceutical R&D and manufacturing outsourcing services market is expected to maintain a rapid growth, and the market share of the fully-integrated R&D services platform that serve global customers is expected to continue to increase. The innovative drug R&D industry features large investments, high risks and long R&D cycles, and the fully-integrated R&D services platform can help to improve the overall R&D efficiency of the customers by reducing costs and R&D risks. First of all, as a result of increasing R&D costs and patent cliffs, as well as the internal R&D talent and capacity limitations, large pharmaceutical companies gradually turn to pharmaceutical R&D and manufacturing outsourcing services with an aim to reduce their overall R&D costs and improve their R&D efficiency. It is expected that the large pharmaceutical companies will continue to increase the proportion of R&D outsourcing in the overall R&D investment. Secondly, small and mid-sized biotech companies have become an important driver of pharmaceutical innovation. These biotech companies generally have yet to establish comprehensive R&D and manufacturing capabilities and rely more on outsourcing services to advance their R&D projects. Thirdly, the fully-integrated R&D platform serving global customers is well positioned to meet the various needs of different customers, especially small and mid-sized biotech customers, across the entire pharmaceutical R&D process. Through seamless collaborations among each business segment, the fully-integrated service platform can help customers to further improve efficiencies, and is expected to continuously increase its market share.

4. *Profit in the Reporting Period*

The profit attributable to owners of the parent in the Reporting Period was approximately RMB701.4 million, decreased by 37.0% as compared to approximately RMB1,113.4 million for the six months ended June 30, 2024. The decrease was mainly due to the impact of investment income generated from the disposal of equity interests in PROTEOLOGIX, INC. in the same period of last year, as mentioned above.

5. *Basic and Diluted Earnings Per Share*

The basic earnings per share was RMB0.3984, decreased by 36.6% as compared to RMB0.6282 for the six months ended June 30, 2024. The diluted earnings per share was RMB0.3978, decreased by 36.6% as compared to RMB0.6271 for the six months ended June 30, 2024.

6. *Non-IFRSs Adjusted Net Profit for the Period Attributable to Owners of the Parent*

To supplement the financial statements prepared by us, we use non-IFRSs adjusted net profit attributable to owners of the parent as an additional financial measure. We define non-IFRSs adjusted net profit attributable to owners of the parent as net profit before certain expenses/(gains) as set out in the table below.

The Company believes that the consideration of the non-IFRSs adjusted net profit attributable to owners of the parent by eliminating the impact of certain incidental, non-cash or non-operating items is useful for better understanding and assessing underlying business performance and operating trends for the Company's management, shareholders and potential investors.

The non-IFRSs adjusted net profit attributable to owners of the parent is not an alternative to (i) profit before tax or net profit (as determined in accordance with IFRSs) as a measure of our operating performance, (ii) cash flows from operating, investing and financing activities as a measure of our ability to satisfy our cash needs, or (iii) any other measures of performance or liquidity. In addition, the presentation of the non-IFRSs adjusted net profit attributable to owners of the parent is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRSs. Shareholders and potential investors should not view the non-IFRSs adjusted net profit attributable to owners of the parent on a stand-alone basis or as a substitute for results under the IFRSs, or as being comparable to results reported or forecasted by other companies.

	Six months ended June 30, 2025 RMB'000 (unaudited)	Six months ended June 30, 2024 RMB'000 (unaudited)
Profit attributable to owners of the parent	701,396	1,113,403
Add:		
Share-based compensation expenses	25,735	65,711
Convertible Bonds related gains	–	(6,686)
Foreign exchange related losses	22,755	5,094
Amortization of intangible assets from acquisitions	1,074	–
Realized and unrealized losses/(gains) from equity investments	4,741	(531,272)
One-off loss made by Pharmaron Shanghai Co., Ltd. due to the business close	–	44,016
Non-IFRS adjusted net profit attributable to owners of the parent	755,701	690,266

7. Cash Flows

During the Reporting Period, net cash flows generated from operating activities of the Group amounted to approximately RMB1,408.3 million, representing an increase of approximately RMB308.5 million or 28.1% as compared to the six months ended June 30, 2024.

During the Reporting Period, net cash flows used in investing activities of the Group amounted to approximately RMB1,737.3 million, representing an increase of approximately RMB1,726.7 million or 16,216.8% as compared to the six months ended June 30, 2024. The increase was mainly due to: 1) the increase in net investment in some medium-risk and low-risk wealth management products from a number of reputable international banks; 2) the disposal of equity interests in the Group's investment in PROTEOLOGIX, INC. in the same period of last year, which did not occur during the Reporting Period.

During the Reporting Period, net cash flows used in financing activities of the Group amounted to RMB101.0 million, representing a decrease of RMB4,552.0 million or 97.8% as compared to the six months ended June 30, 2024. The decrease was mainly due to the repurchase of convertible bonds in the same period of last year, which did not occur during the Reporting Period.

8. *Liquidity and Financial Resources*

The Group has maintained a sound financial position during the Reporting Period. As at June 30, 2025, the Group's cash and cash equivalents amounted to approximately RMB1,208.8 million. During the Reporting Period, net cash flows generated from operating activities of the Group amounted to approximately RMB1,408.3 million.

The Group recorded total current assets of approximately RMB7,593.1 million as at June 30, 2025 (December 31, 2024: approximately RMB7,608.2 million) and total current liabilities of approximately RMB4,977.7 million as at June 30, 2025 (December 31, 2024: approximately RMB4,224.0 million). The current ratio (calculated by dividing the current assets by the current liabilities) of the Group was approximately 1.5 as at June 30, 2025 (December 31, 2024: approximately 1.8).

9. *Borrowings and Gearing Ratio*

As at June 30, 2025, the Group aggregated interest-bearing bank borrowings of RMB5,542.8 million. Among the total borrowings, RMB1,333.5 million will be due within one year and RMB4,209.3 million will be due after one year.

As at June 30, 2025, the Group's gearing ratio, calculated as total liabilities over total assets, was 41.0%, as compared with 40.6% as at December 31, 2024.

10. *Pledge of Assets*

As at June 30, 2025, the Group mortgaged property, plant and equipment with a net carrying amount of approximately RMB901.7 million (December 31, 2024: approximately RMB1,102.7 million); and the mortgaged right-of-use assets had a net carrying amount of approximately RMB124.1 million (December 31, 2024: approximately RMB138.3 million).

Those pledged assets above have been used to secure the Group's interest-bearing bank borrowings.

Besides, as at June 30, 2025, the Group pledged deposits of approximately RMB92.9 million (December 31, 2024: approximately RMB66.8 million) to issue letters of credit, environmental protection and others.

11. *Interim Dividend*

The Board resolved not to declare any interim dividend for the six months ended June 30, 2025.

12. *Contingent Liabilities*

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

13. *Share Incentive Schemes*

(1) 2021 A Share Incentive Scheme

On July 12, 2021, the Shareholders resolved to adopt the 2021 A Share Incentive Scheme, the assessment management measures for the implementation of the 2021 A Share Incentive Scheme and the authorization to the Board to handle matters pertaining to the 2021 A Share Incentive Scheme.

(i) Purpose of the 2021 A Share Incentive Scheme

In order to further perfect the Company's corporate governance structure, establish and improve the Company's long-term incentive mechanism, attract and retain the Company's core management, mid-level management, core technical personnel, basic-level management and technical personnel, fully mobilize their enthusiasm and creativity, effectively strengthen the cohesion of the core team and the competitiveness of the Company, align the interests of the shareholders, the Company and the core staff members, bring their attention to the long-term development of the Company and ensure that the Company's development strategy and business goals shall be realized, the 2021 A Share Incentive Scheme was approved by the general meeting.

(ii) Category of grantees and participants of the 2021 A Share Incentive Scheme

The total number of grantees who have been granted and who have taken up the relevant Restricted A Shares under the 2021 A Share Incentive Scheme is 204, including core management of the Company, mid-level managements and core technical personnel and basic-level management and technical personnel. All eligible participants must have an employment or labour relationship with the Company or its subsidiaries when a grant under the 2021 A Share Incentive Scheme is made and during the assessment period of the 2021 A Share Incentive Scheme.

None of the Directors, supervisors, members of senior management, non-PRC employee, shareholders who individually or collectively hold more than 5% of the Shares of the Company, de facto controllers, or their respective spouses, parents or children, or the Directors, supervisors, substantial shareholders has been the grantee of any awards granted pursuant to the 2021 A Share Incentive Scheme.

- (iii) Maximum entitlement of each participant and maximum number of Restricted A Shares to be issued by the Company under the 2021 A Share Incentive Scheme

None of the grants under the 2021 A Share Incentive Scheme was subject to approval by the shareholders of the Company. The grants under the 2021 A Share Incentive Scheme would not result in the awards granted and to be granted to each individual grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% of the relevant class of shares in issue (excluding treasury shares (as defined under the Listing Rules)).

Pursuant to the Management Measures and the 2021 A Share Incentive Scheme, the maximum number of Restricted A Shares to be issued by the Company was 1,161,300 A Shares (as adjusted after the implementation of the 2021 Capitalization of Reserve), and was further adjusted to 1,741,950 A Shares (as adjusted after the implementation of the 2022 Capitalization of Reserve), representing approximately 0.1% of the Company's total number of issued Shares as of June 30, 2025. The total number of Shares to be granted to any participants under all the fully effective share incentive schemes of the Company shall not exceed 1% of the total share capital of the Company.

- (iv) Grant price and the basis of determining the grant price

The grant price of the Restricted A Shares under the 2021 A Share Incentive Scheme shall be RMB70.47 per A Share (subject to adjustment). Pursuant to the Shenzhen Listing Rules and the Management Measures, the pricing method for the Restricted A Shares under the 2021 A Share Incentive Scheme is independent pricing, and the share price is the 50% of average trading price of the Company's shares for 120 trading days prior to the date of the announcement of the 2021 A Share Incentive Scheme, which is RMB70.47 per share:

1. 50% of the average trading price of the Company's shares on the trading day immediately preceding the date of the announcement on the adoption of the 2021 A Share Incentive Scheme amongst other things, being RMB92.57 per A Share;
2. 50% of the average trading price of the Company's shares for the 20 trading days immediately preceding the date of the announcement on the adoption of the 2021 A Share Incentive Scheme amongst other things, being RMB89.86 per A Share;
3. 50% of the average trading price of the Company's shares for the 60 trading days immediately preceding the date of the announcement on the adoption of the 2021 A Share Incentive Scheme amongst other things, being RMB77.47 per A Share; and
4. 50% of any one of the average trading price of the Company's shares for the 120 trading days immediately preceding the date of the announcement on the adoption of the 2021 A Share Incentive Scheme amongst other things, being RMB70.47 per A Share.

The grant price was determined in accordance with the price references abovementioned. This was also determined with a view to stabilize talents and effectively incentivize employees under different cycles and business environments which may allow the Company to gain advantage in the competitive industry that it operates in. The Board has also taken into consideration the level of difficulty of the performance targets which eligible participants must achieve for the restricted A Share(s) to be attributed, and considers that this is in balance with a discount in the grant price.

As a result of the implementation of the 2021 Profit Distribution Plan and pursuant to the Management Measures and the 2021 A Share Incentive Scheme, on July 28, 2022, the Board resolved to adjust the grant price of Restricted A Shares granted under the 2021 A Share Incentive Scheme from RMB70.17 per A Share to RMB46.48 per A Share.

As a result of the implementation of the 2022 Profit Distribution Plan and pursuant to the Management Measures and the 2021 A Share Incentive Scheme, on October 27, 2023, the Board resolved to adjust the grant price of Restricted A Shares granted under the 2021 A Share Incentive Scheme from RMB46.48 per A Share to RMB30.79 per A Share.

As a result of the implementation of the 2023 Profit Distribution and pursuant to the Management Measures and the 2021 A Share Incentive Scheme, on August 27, 2024, the Board resolved to adjust the grant price of Restricted A Shares granted under the 2021 A Share Incentive Scheme from RMB30.79 per A Share to RMB30.59 per A Share.

(v) Granting of Restricted A Shares during the Reporting Period

No awards were granted under the 2021 A Share Incentive Scheme during the Reporting Period, and no further share incentives shall be available for grant under the 2021 A Share Incentive Scheme.

(vi) Vesting and Forfeiture of Restricted A Shares during the Reporting Period

In January 2025, the Company conducted the registration of vesting of Restricted A Shares. Restricted A Shares were vested to a total of 20 eligible employees, and the total number of Restricted A Shares vested was 24,459. The Restricted A Shares vested were circulated on February 5, 2025.

In the process of payment of funds and share registration, a total of 347,001 Restricted A Shares that could be vested to 157 eligible employees were forfeited in whole or in part due to personal reasons. Please refer to the overseas regulatory announcement of the Company dated January 23, 2025 for further details.

(vii) Particulars of movement of unvested awards during the Reporting Period

The granted Restricted A Shares shall be vested over a four-year period, with 25%, 25%, 25% and 25% of total shares vesting on the first trading date after each anniversary date after the vesting commencement date upon meeting certain performance conditions, and shall last until the last trading dates by the next anniversary date.

Set out below are details of the unvested awards and the movements of the number of granted awards under the 2021 A Share Incentive Scheme during the Reporting Period:

Category of grantee	Date of grant	Grant Price ⁽¹⁾	Number of unvested and not registered awards as at January 1, 2025	Number of awards vested on January 27, 2025 ⁽²⁾	Number of awards lapsed on January 27, 2025	Number of unvested and not registered awards as at June 30, 2025
Employees	July 27, 2021	RMB30.59	742,980	24,459	347,001	371,520

Note:

- (1) The grant price was adjusted from RMB30.79 to RMB30.59 as a result of the implementation of the 2023 Profit Distribution. Please refer to section under “(1) 2021 A Share Incentive Scheme – (iv) Grant price and the basis of determining the grant price” above for further details. Employees shall pay for the grant price of the vested Restricted A Shares based on the amount vested at the time of each vesting.
- (2) The weighted average closing price of the A Shares immediately before the dates on which the awards were vested was RMB24.65.

(viii) Remaining validity period of the 2021 A Share Incentive Scheme

The 2021 A Share Incentive Scheme shall be valid until the date on which all Restricted A Shares available for issue under the 2021 A Share Incentive Scheme have been attributed or forfeited, and such period shall not exceed 60 months from the grant date. As such, as of June 30, 2025, the remaining life of the 2021 A Share Incentive Scheme is 12 months.

(ix) Others

As at June 30, 2025, the number of unvested and not registered awards is 371,520.

(2) *2022 A Share Incentive Scheme*

On May 31, 2022, the Shareholders resolved to adopt the 2022 A Share Incentive Scheme, the assessment management measures for the implementation of the 2022 A Share Incentive Scheme and the authorization to the Board to handle matters pertaining to the 2022 A Share Incentive Scheme.

(i) Purpose of the 2022 A Share Incentive Scheme

In order to further perfect the Company's corporate governance structure, establish and improve the Company's long-term incentive mechanism, attract and retain the Company's core management, mid-level management and core technical personnel, basic-level management and technical personnel, fully mobilize their enthusiasm and creativity, effectively strengthen the cohesion of the core team and the competitiveness of the Company, align the interests of the shareholders, the Company and the core staff members, bring their attention to the long-term development of the Company and ensure that the Company's development strategy and business goals shall be realized, the 2022 A Share Incentive Scheme was approved by Shareholders' meeting of the Company.

(ii) Category of grantees and participants of the 2022 A Share Incentive Scheme

The total number of the eligible participants for the grant proposed under the 2022 A Share Incentive Scheme shall be 379. All eligible participants must have an employment or labour relationship with the Company or its subsidiaries when a grant under the 2022 A Share Incentive Scheme is made and during the assessment period of the 2022 A Share Incentive Scheme.

None of the Directors, supervisors, members of senior management, non-PRC employee, shareholders who individually or collectively hold more than 5% of the Shares of the Company, de facto controllers, or their respective spouses, parents or children, or the respective associates of the Directors, supervisors, substantial shareholders has been the grantee of any awards granted pursuant to the 2022 A Share Incentive Scheme.

(iii) Maximum entitlement of each participant and maximum number of Restricted A Shares to be issued by the Company under the 2022 A Share Incentive Scheme

None of the grants under the 2022 A Share Incentive Scheme was subject to approval by the shareholders of the Company. The grants under the 2022 A Share Incentive Scheme would not result in the awards granted and to be granted to each individual grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% of the relevant class of shares in issue (excluding treasury shares (as defined under the Listing Rules)).

Pursuant to the Management Measures and the 2022 A Share Incentive Scheme, the maximum number of Restricted A Shares to be issued by the Company was 2,203,200 A Shares (as adjusted after the implementation of the 2021 Capitalization of Reserve), and was further adjusted to 3,304,800 A Shares (as adjusted after the implementation of the 2022 Capitalization of Reserve), representing approximately 0.19% of the Company's total number of issued Shares as of June 30, 2025. The total number of Shares to be granted to any participants under all the fully effective share incentive schemes of the Company shall not exceed 1% of the total share capital of the Company.

(iv) Grant price and the basis of determining the grant price

The grant price of the Restricted A Shares under the 2022 A Share Incentive Scheme was RMB58.38 per A Share (subject to adjustment). Pursuant to the Shenzhen Listing Rules and the Management Measures, the grant price of the Restricted A Shares under the 2022 A Share Incentive Scheme shall be not less than the par value of the Shares, and in principle not less than the higher of:

1. 50% of the average trading price of the Company's A Shares for one trading day immediately preceding the date of the announcement with respect to the adoption of the 2022 A Share Incentive Scheme, being RMB58.38 per A Share; and
2. 50% of the average trading price of the Company's A Shares for the 20 trading days immediately preceding the date of the announcement with respect to the adoption of the 2022 A Share Incentive Scheme, being RMB55.06 per A Share.

The grant price was determined in accordance with the price references abovementioned. This was also determined with a view to stabilize talents and effectively incentivize employees under different cycles and business environments which may allow the Company to gain advantage in the competitive industry that it operates in. The Board has also taken into consideration the level of difficulty of the performance targets which participants must achieve for the restricted share(s) to be attributed, and considers that this is in balance with a discount in the grant price.

As a result of the implementation of the 2021 Profit Distribution Plan, and pursuant to the Management Measures and the 2022 A Share Incentive Scheme, on July 28, 2022, the Board resolved to adjust the grant price of Restricted A Shares granted under the 2022 A Share Incentive Scheme from RMB58.38 per A Share to RMB38.62 per A Share.

As a result of the implementation of the 2022 Profit Distribution Plan, and pursuant to the Management Measures and the 2022 A Share Incentive Scheme, on October 27, 2023, the Board resolved to adjust the grant price of Restricted A Shares granted under the 2022 A Share Incentive Scheme from RMB38.62 per A Share to RMB25.55 per A Share.

As a result of the implementation of the 2023 Profit Distribution, and pursuant to the Management Measures and the 2022 A Share Incentive Scheme, on August 27, 2024, the Board resolved to adjust the grant price of Restricted A Shares granted under the 2022 A Share Incentive Scheme from RMB25.55 per A Share to RMB25.35 per A Share.

(v) Granting of Restricted A Shares during the Reporting Period

No awards were granted under the 2022 A Share Incentive Scheme during the Reporting Period, and no further share incentives shall be available for grant under the 2022 A Share Incentive Scheme.

(vi) Vesting and Forfeiture of Restricted A Shares during the Reporting Period

In January 2025, the Company conducted the registration of vesting of Restricted A Shares. Restricted A Shares were vested to a total of 209 eligible employees, and the total number of Restricted A Shares vested was 385,057. The Restricted A Shares vested were circulated on February 5, 2025.

In the process of payment of funds and share registration, a total of 317,632 Restricted A Shares that could be vested to 140 eligible employees were forfeited in whole or in part due to personal reasons. Please refer to the overseas regulatory announcement of the Company dated January 23, 2025 for further details.

(vii) Particulars of movement of unvested awards during the Reporting Period

The granted Restricted A Shares shall be vested over a four-year period, with 25%, 25%, 25% and 25% of total shares vesting on the first trading date after each anniversary date after the vesting commencement date upon meeting certain performance conditions, and shall last until the last trading dates by the next anniversary date.

Set out below are details of the unvested awards and the movements of the number of granted awards under the 2022 A Share Incentive Scheme during the Reporting Period:

Category of grantee	Date of grant	Grant Price ⁽¹⁾	Number of unvested and not registered awards as at January 1, 2025	Number of awards vested on January 27, 2025 ⁽²⁾	Number of awards lapsed on January 27, 2025	Number of unvested and not registered awards as at June 30, 2025
Employees	July 28, 2022	RMB25.35	2,110,711	385,057	317,632	1,408,022

Note:

- (1) The grant price was adjusted from RMB25.55 to RMB25.35 as a result of the implementation of the 2023 Profit Distribution. Please refer to “(2) 2022 A Share Incentive Scheme – (iv) Grant price and the basis of determining the grant price” for further details. Employees shall pay for the subscription funds for the Restricted A Shares based on the grant price at the time of each vesting.
- (2) The weighted average closing price of the A Shares immediately before the dates on which the awards were vested was RMB24.65.

(viii) Remaining validity period of the 2022 A Share Incentive Scheme

The 2022 A Share Incentive Scheme shall be valid until the date on which all Restricted A Shares have been attributed or forfeited under the 2022 A Share Incentive Scheme, and such period shall not exceed 60 months. As such, as of June 30, 2025, the remaining life of the 2022 A Share Incentive Scheme is 24 months.

(ix) Others

As at June 30, 2025, the number of unvested and not registered awards is 1,408,022.

(3) *2023 A Share Incentive Scheme*

On June 21, 2023, the Shareholders resolved to adopt the 2023 A Share Incentive Scheme, the assessment management measures for the implementation of the 2023 A Share Incentive Scheme and the authorization to the Board to handle matters pertaining to the 2023 A Share Incentive Scheme during the annual general meeting of the Company.

(i) Purpose of the 2023 A Share Incentive Scheme

In order to further perfect the Company's corporate governance structure, establish and improve the Company's long-term incentive mechanism, attract and retain the Company's core management, mid-level management, core technical personnel, basic-level management and technical personnel, fully mobilize their enthusiasm and creativity, effectively strengthen the cohesion of the core team and the competitiveness of the Company, align the interests of the shareholders, the Company and the core staff members, bring their attention to the long-term development of the Company and ensure that the Company's development strategy and business goals shall be realized, the 2023 A Share Incentive Scheme was approved by Shareholders' meeting of the Company.

(ii) Category of grantees and participants of the 2023 A Share Incentive Scheme

The total number of the eligible participants for the first grant proposed under the 2023 A Share Incentive Scheme shall be 295. All eligible participants must have an employment or labour relationship with the Company or its subsidiaries when a grant under the 2023 A Share Incentive Scheme is made and during the assessment period in relation to the First Grant and the Reserved Grant under the 2023 A Share Incentive Scheme.

None of the Directors, supervisors, chief executive, members of senior management, shareholders who individually or collectively hold more than 5% of the Shares of the Company, de facto controllers, or their respective spouses, parents or children, or the respective associates of the Directors, supervisors, substantial shareholders has been the grantee of any awards granted pursuant to the 2023 A Share Incentive Scheme.

(iii) Maximum entitlements of each participant and maximum number of Restricted A Shares to be issued by the Company under the 2023 A Share Incentive Scheme

None of the grants made under the 2023 A Share Incentive Scheme was subject to approval by the shareholders of the Company. The grants made under the 2023 A Share Incentive Scheme would not result in the awards granted and to be granted to each individual grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% of the relevant class of shares in issue (excluding treasury shares (as defined under the Listing Rules)).

The maximum number of Restricted A Shares to be granted under the First Grant pursuant to the 2023 A Share Incentive Scheme would be 1,479,300 A Shares, representing approximately 90% of the A Shares available under the 2023 A Share Incentive Scheme, with the remaining 10%, being 164,400 A Shares reserved for further award grants. However, as a result of change of eligibility of four proposed participants, and the voluntary waivers of Restricted A Shares by nine proposed participants, the number of Restricted A Shares to be issued by the Company under the First Grant was adjusted from 1,479,300 A Shares to 1,444,500 A Shares, and was further adjusted to 2,166,750 A Shares (as adjusted after the implementation of the 2022 Capitalization of Reserve), representing approximately 0.12% of the Company's total number of issued Shares as of June 30, 2025. The number of Restricted A Shares to be issued by the Company under the Reserved Grant was adjusted from 164,400 A Shares to 246,600 A Shares (as adjusted after the implementation of the 2022 Capitalization of Reserve), representing approximately 0.01% of the Company's total number of issued Shares as of June 30, 2025. The total number of Shares to be granted to any participants under all the fully effective share incentive schemes of the Company shall not exceed 1% of the total share capital of the Company.

(iv) Grant price and the basis of determining the grant price

The Grant Price of the Restricted A Shares under the First Grant and the Reserved Grant shall be RMB28.58 per A Share (subject to adjustment).

Pursuant to the Shenzhen Listing Rules and the Management Measures, the grant price of the Restricted A Shares under the First Grant and the Reserved Grant shall be not less than the par value of the Shares, and in principle not less than the higher of:

1. 50% of the average trading price of the Company's A Shares for one trading day immediately preceding the date of the announcement in relation to the adoption of the 2023 A Share Incentive Scheme, being RMB28.51 per A Share; and
2. 50% of the average trading price of the Company's A Shares for the 20 trading days immediately preceding the date of the announcement in relation to the adoption of the 2023 A Share Incentive Scheme, being RMB28.58 per A Share.

The Grant Price was determined in accordance with the price references above mentioned. This was also determined with a view to stabilize talents and effectively incentivize employees under different cycles and business environments which may allow the Company to gain advantage in the competitive industry that it operates in. The Board has also taken into consideration the level of difficulty of the performance targets which participants must achieve for the Restricted A Share(s) to be attributed, and considers that this is in balance with the discount in the Grant Price.

As a result of the implementation of the 2022 Profit Distribution Plan and 2023 Profit Distribution, and pursuant to the Management Measures and the 2023 A Share Incentive Scheme, on August 27, 2024, the Board has resolved to adjust the grant price of Restricted A Shares granted under the 2023 A Share Incentive Scheme from RMB28.58 per A Share to RMB18.65 per A Share.

(v) Granting of Restricted A Shares during the Reporting Period

No Restricted A Shares were granted under the 2023 A Share Incentive Scheme during the Reporting Period, and no further share incentives shall be available for grant under the 2023 A Share Incentives Scheme.

(vi) Vesting and Forfeiture of Restricted A Shares during the Reporting Period

The Company did not vest or forfeit any Restricted Shares during the Reporting Period.

(vii) Particulars of movement of unvested awards during the Reporting Period

The granted Restricted A Shares shall be vested over a four-year period, with 25%, 25%, 25% and 25% of total shares vesting on the first trading date following each anniversary date after the vesting commencement date upon meeting certain performance conditions, and shall last until the last trading dates by the next anniversary date.

Set out below are details of the unvested awards and the movements of the number of granted awards under the 2023 A Share Incentive Scheme during the Reporting Period:

Category of grantee	Date of grant	Grant Price ⁽¹⁾	Number of unvested and not registered awards as at January 1, 2025	Number of awards vested during the Reporting Period	Number of awards lapsed during the Reporting Period	Number of unvested and not registered awards as at June 30, 2025
Employees	July 7, 2023	RMB18.65	1,545,826	0	0	1,545,826

Note:

- (1) The grant price was adjusted from RMB28.58 to RMB18.65 as a result of the implementation of the 2022 Profit Distribution and the 2023 Profit Distribution. Please refer to section under “(3) 2023 A Share Incentive Scheme – (iv) Grant price and the basis of determining the grant price” above for further details. Employees shall pay for the grant price of the vested Restricted A Shares based on the amount vested at the time of each vesting.

(viii) Remaining validity period of the 2023 A Share Incentive Scheme

The 2023 A Share Incentive Scheme shall be valid until the date on which all Restricted A Shares have been attributed or forfeited, and such period shall not exceed 72 months. As such, as of June 30, 2025, the remaining life of the 2023 A Share Incentive Scheme is 48 months.

(ix) Others

As at June 30, 2025, the number of unvested and not registered awards is 1,545,826.

(4) *First H Share Award and Trust Scheme*

The Shareholders have resolved to adopt the First H Share Award and Trust Scheme during the extraordinary general meeting of the Shareholders on December 11, 2020. The source of the award shares under the First H Share Award and Trust Scheme shall be H Shares to be acquired by the trustee through on-market transactions at the prevailing market price in accordance with the instructions of the Company and the relevant provisions of the relevant scheme rules.

The Shareholders have resolved to amend the First H Share Award and Trust Scheme during the annual general meeting of the Shareholders on June 20, 2025. The amendments include, among others, the increase of the scheme limit of the First H Share Award and Trust Scheme from 17,865,000 H Shares to 35,563,910 H Shares.

(i) Purpose of First H Share Award and Trust Scheme

1. to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company;
2. to deepen the reform on the Company's remuneration system and to develop and constantly improve the interests balance mechanism among the Shareholders, the operational and executive management; and
3. to (a) recognize the contributions of the leadership of the Company including the Directors and long standing employees of the Company; (b) encourage, motivate and retain the leadership of the Company and long standing employees whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (c) provide additional incentive for the leadership of the Company and long standing employee by aligning the interests of the leadership of the Company to that of the Shareholders and the Group as a whole.

(ii) Category of grantees and participants of the First H Share Award and Trust Scheme

Eligible employees who may participate in the First H Share Award and Trust Scheme include any PRC or non-PRC employee, Director or consultant of any members of the Group.

None of the Directors, supervisors, members of senior management, shareholders who individually or collectively hold more than 5% of the Shares of the Company, de facto controllers, or the spouses, parents or children of such de facto controllers of the Company, or their respective associates has been the grantee of any awards granted pursuant to the First H Share Award and Trust Scheme.

(iii) Maximum entitlements of each participant and maximum number of H Shares to be granted by the Company under the First H Share Award and Trust Scheme

None of the grants made under the First H Share Award and Trust Scheme was subject to approval by the shareholders of the Company. The grants made under the First H Share Award and Trust Scheme would not result in the awards granted and to be granted to each individual grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% of the Shares in issue.

Pursuant to the First H Share Award and Trust Scheme, the maximum number of H Shares that can be purchased on the market by the trustee appointed by the Company for the purpose of servicing the First H Share Award and Trust Scheme was 17,865,000 H Shares, and was adjusted to 35,563,910 H Shares on June 20, 2025, representing approximately 12% of the number of the Company's H Shares in issue (excluding any treasury H Shares) and approximately 2% of the total issued shares of the Company as of June 30, 2025.

The Company shall not make any further grant of award which will result in the aggregate number of H Shares underlying all grants made pursuant to the First H Share Award and Trust Scheme to exceed the scheme limit without Shareholders' approval. Award shares that have been forfeited in accordance with the First H Share Award and Trust Scheme shall not be added to the scheme limit, nor shall such forfeited shares be added to the total number of H shares granted under the First H Share Award and Trust Scheme. As of June 30, 2025, there are 21,160,485 H Shares to be granted under the First H Share Award, which represents approximately 7.19% of the Company's total number of issued H Shares (excluding treasury H Shares) as of the same date.

(iv) Particulars of movement of unvested awards during the Reporting Period

All of the relevant granted H Shares shall be vested either 1) over a four-year period, with 25%, 25%, 25% and 25%.

Set out below are details of the movements of the number of unvested awards under the First H Share Award and Trust Scheme during the Reporting Period:

Category of grantee	Date of grant	Grant Price	Number of unvested awards as at January 1, 2025	Awards vested during the Reporting Period	Awards forfeited during the Reporting Period	Awards canceled during the Reporting Period	Number of unvested awards as at June 30, 2025
Employees	August 29, 2023	N/A	1,331,114	0	0	0	1,331,114
Employees	May 31, 2022	N/A	5,305,908	2,605,597	94,652	0	2,605,659
Employees	April 1, 2022	N/A	537,499	231,832	73,764	0	231,903
Employees	December 14, 2020	N/A	321,255	279,456	41,799	0	0
Total			<u>7,495,776</u>	<u>3,116,885</u>	<u>210,215</u>	<u>0</u>	<u>4,168,676</u>

None of the grantees is a director or connected person of the Company or one of its five highest paid individuals during the Reporting Period, and none of the abovementioned grants was subject to approval by the shareholders of the Company.

(v) Remaining validity period of the First H Share Award and Trust Scheme

The First H Share Award and Trust Scheme shall be valid and effective for a term commencing on the date on which the Shareholders and the Board approved the First H Share Award and Trust Scheme (the “Adoption Date”), and ending on the business day immediately prior to the 10th anniversary of the Adoption Date, and after which no further awards will be granted, and thereafter for so long as there are any non-vested award shares granted hereunder prior to the expiration of the First H Share Award and Trust Scheme, in order to give effect to the vesting of such award shares or otherwise as may be required in accordance with the provisions of the rules of the First H Share Award and Trust Scheme. As such, as of June 30, 2025, the remaining life of the First H Share Award and Trust Scheme is 64 months.

(vi) Particulars of movement of unvested awards after the Reporting Period

1. On July 2, 2025, the Management Committee resolved to approve the following grants under First H Share Award and Trust Scheme:
 - (a) A total of 5,396,470 H Shares was granted to 546 eligible employees pursuant to the 2025 First H Shares Employee Share Awards of the First H Share Award and Trust Scheme, which shall be vested over a four-year period, with 25%, 25%, 25% and 25% of total shares vesting on the first trading date after each anniversary date after the respective vesting commencement date upon meeting certain vesting conditions, and shall last until the last trading dates by the next anniversary date;
 - (b) A total of 2,103,398 H Shares was granted to 241 eligible employees pursuant to the 2025 Second H Shares Employee Share Awards of the First H Share Award and Trust Scheme, which shall be vested over a two-year period with 50% and 50% of total shares vesting on the first trading date after each anniversary date after the respective vesting commencement date upon meeting certain vesting conditions, and shall last until the last trading dates by the next anniversary date; and
 - (c) A total of 3,217,500 H Shares was granted to 25 eligible employees pursuant to the 2025 Third H Shares Employee Share Awards of the First H Share Award and Trust Scheme, which shall be vested over an one-year period with 100% of total shares vesting on the first trading date after the anniversary date after the vesting commencement date upon meeting certain vesting conditions, and shall last until the last trading dates by the next anniversary date.
2. Having considered the change in market situation arising from the weakened funding environment in the biotech industry in the past few years and the accumulative nature of the revenue growth target to the base year, the Management Committee is of the view that the Company-related performance indicators no longer align with actual circumstances. In order to better incentivize eligible employees, on July 2, 2025, the Management Committee resolved, pursuant to the First H Share Award and Trust Scheme, to forfeit 1,331,114 unvested H Shares that were granted on August 29, 2023. These forfeited H Shares have been returned to and are held by the trustee as returned shares pursuant to the terms of the First H Share Award and Trust Scheme.

Set out below are details of the movements of the number of unvested awards under the First H Share Award and Trust Scheme during the Reporting Period and up to the date of this announcement:

Category of grantee	Date of grant	Grant Price	Number of unvested awards as at January 1, 2025	Awards vested during the Reporting Period and up to the date of this announcement	Awards forfeited during the Reporting Period and up to the date of this announcement	Awards canceled during the Reporting Period and up to the date of this announcement	Number of unvested awards as at the date of this announcement
Employees	July 2, 2025	N/A	0	0	0	0	5,396,470
Employees	July 2, 2025	N/A	0	0	0	0	2,103,398
Employees	July 2, 2025	N/A	0	0	0	0	3,217,500
Employees	August 29, 2023	N/A	1,331,114	0	1,331,114	0	0
Employees	May 31, 2022	N/A	5,305,908	2,605,597	94,652	0	2,605,659
Employees	April 1, 2022	N/A	537,499	231,832	73,764	0	231,903
Employees	December 14, 2020	N/A	321,255	279,456	41,799	0	0
Total			<u>7,495,776</u>	<u>3,116,885</u>	<u>1,541,329</u>	<u>0</u>	<u>13,554,930</u>

None of the grantees is a director or connected person of the Company or one of its five highest paid individuals during the Reporting Period and up to the date of this announcement, and none of the abovementioned grants was subject to approval by the shareholders of the Company.

(5) 2025 H Share Award and Trust Scheme

The Shareholders have resolved to adopt the 2025 H Share Award and Trust Scheme during the annual general meeting of the Shareholders on June 20, 2025. The source of the award shares under the 2025 H Share Award and Trust Scheme shall be treasury H Shares repurchased in accordance with the instructions of the Company and the relevant provisions of the relevant scheme rules.

As of June 30, 2025, 7,263,300 H Shares had been repurchased and held as treasury H Shares by Company, which are designated for utilization under the 2025 H Share Award and Trust Scheme. As of June 30, 2025, the Company had not made any grants under the 2025 H Share Award and Trust Scheme.

14. Miscellaneous

(1) 2024 Profit Distribution

On June 20, 2025, the 2024 Profit Distribution of the Company was approved at the annual general meeting of the Company. Pursuant to the 2024 Profit Distribution, the Company has paid a cash dividend of RMB0.2 per Share (inclusive of tax) to the Shareholders whose names appeared on the H shares register of members of the Company on July 14, 2025 and Shareholders whose names appear on the A shares register of members of the Company on July 3, 2025. For further details, please refer to the Company's circular dated May 29, 2025 and cash dividend announcement dated June 20, 2025.

(2) Acquisition of Controlling Interest in Aistarfish Technology

During the Reporting Period, Beijing Kangsida Health Management Co., Ltd., a subsidiary of the Company acquired approximately 51.39% equity interest in Aistarfish Technology for a consideration of approximately RMB185 million. The transaction was completed in February 2025, upon which Aistarfish Technology became a subsidiary of the Group. Aistarfish Technology is a leading enterprise in the field of digital case management for cancer patients in China, possessing proprietary digital and artificial intelligence (AI) technology platforms. By integrating Aistarfish Technology's high-quality, compliant patient data and AI technology platform, and leveraging its technological and data expertise in the oncology sector, the Group aims to combine these strengths with its own established professional service capabilities and scale advantages. This integration will enable the Group to expand the provision of high-quality, personalized case management services, accelerate the digital and intelligent upgrade of Pharmaron's innovative drug R&D service capabilities and systems, and better support partners in enhancing drug development efficiency.

(3) Acquisition of Real-World Evidence and Health Economics Research Businesses

In July 2025, the Company's controlling subsidiary, Aistarfish Technology, invested an aggregate of RMB35 million through acquisition and capital injection to acquire businesses related to real-world evidence (RWE) research and health economics research. This acquisition intends to capture the growth opportunities in China's RWE service market and, through deep collaboration with Aistarfish Technology, promote the integration of the Group's data and AI capabilities, business scenarios, and strategic value. On one hand, the integration of data governance and processing capabilities with Aistarfish Technology's data collection and AI application strengths is expected to enhance the deep-value mining of medical data, laying a foundation for the development of commercializable databases and application products. On the other hand, by leveraging Aistarfish Technology's advantages in patient recruitment, education, and management, together with RWE and health economics research businesses, the Group aims to establish a comprehensive service system covering pharmaceutical R&D, market access, and marketing, thereby building core competitiveness in the field of medical data and creating greater value for partners.

(4) Establishment of Strategic Cooperation with Zhejiang University

During the Reporting Period, the Company entered into a strategic cooperation with Zhejiang University and formalized the cooperation through the signing of a comprehensive strategic cooperation agreement in July 2025. The parties will focus on a high level integration across industry, academia, research, and application, fully leveraging their respective strengths and resources to jointly establish a "Joint Research Center for Artificial Intelligence and Life Sciences". This collaboration aims to accelerate innovative applications and breakthroughs of AI technologies in the field of life sciences, promote translational research, and collaboratively cultivate interdisciplinary talent, thereby advancing high-quality development of the life sciences industry.

(5) Participation in Equity Investment Fund

During the Reporting Period, the Company entered into a partnership agreement and committed a capital contribution of RMB100 million as a limited partner to participate in Ningbo Yongkang Equity Investment Partnership (Limited Partnership), with Shanghai Hongfu Private Fund Management Co., Ltd. acting as the fund manager. In April 2025, Ningbo Yongkang Equity Investment Partnership (Limited Partnership) completed the registration with the Asset Management Association of China and obtained the Private Investment Fund Filing Certificate. This investment will enable the Company to fully leverage the investment and industry insight capabilities of professional investment institutions, enhance its investment capacity, seize quality opportunities in industry development, and promote the high-quality development of the pharmaceutical industry in Ningbo (Ningbo, Zhejiang Province).

(6) Participation in Overseas Equity Investment Fund

During the Reporting Period, the Company's wholly-owned subsidiary, Pharmaron UK Limited, entered into a partnership agreement and committed a capital contribution of USD30 million as a limited partner to participate in BLC Healthcare USD Fund I L.P., an overseas fund primarily investing in the global biopharmaceutical and life health sectors. While ensuring the stable development of its principal business, Pharmaron UK Limited, through participation in the investment fund and by leveraging the expertise and experience of such professional investment institution, seeks to enhance its investment capacity, seize opportunities in industry development, and promote the advancement of the healthcare sector.

(7) Change of Non-Executive Director

Following the voluntary resignation of Mr. HU Baifeng, a former non-executive Director of the Company and a former member of the strategy committee of the Board (the "Strategy Committee"), which was tendered on April 25, 2025 and became effective on June 20, 2025. On April 25, 2025, the Board also resolved to nominate Ms. WAN Xuan (萬璇) as a candidate to stand for election as a non-executive Director of the third session of the Board and a member of the Strategy Committee. For further details, please refer to the Company's announcements dated April 27, 2025 and April 29, 2025.

On June 20, 2025, the Shareholders resolved to elect Ms. WAN Xuan as a non-executive Director and a member of the Strategy Committee. For further details, please refer to the Company's circular dated May 29, 2025 and the Company's announcement dated June 20, 2025.

(8) Amendments to the Articles of Association

In view of the increase in the registered capital of the Company, and in order to (i) conform to the latest applicable laws of the People's Republic of China and recent updates to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and (ii) incorporate certain housekeeping amendments, on June 20, 2025, the Shareholders resolved to amend the Articles of Association. For further details, please refer to the Company's announcements dated March 26, 2025 and June 20, 2025, the Company's circular dated May 29, 2025 and the latest Articles of Association dated June 20, 2025.

OTHER INFORMATION

A. Employee Remuneration and Relations

As at June 30, 2025, the Group had a total of 22,908 employees, as compared to 21,370 employees as at December 31, 2024. The Group provides employees with competitive remuneration and benefits, and the Group's remuneration policies are formulated according to the assessment of individual performance and are periodically reviewed. The Group provides employees with opportunities to work on cutting-edge drug development projects with world-class scientists, as well as offer opportunities to continue academic learning in the Group's Pharmaron College.

B. Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, the Company repurchased a total of 542,000 H Shares on the Stock Exchange for an aggregate consideration of approximately HKD7.3 million (exclusive of expenses). The repurchase is conducted to safeguard the value of the Company, Shareholders and enhance investor's confidence. As at June 30, 2025, the Company held a total of 7,263,300 repurchased H Shares as treasury shares, comprising 542,000 H Shares repurchased during the Reporting Period and 6,721,300 H Shares repurchased in December 2024. These 7,263,300 treasury H shares have been designated for use under the "2025 H Share Award and Trust Scheme", which was adopted and approved by the shareholders of the Company at the annual general meeting held on June 20, 2025, to award employees.

Details of the H Shares repurchased during the Reporting Period are as follows:

Month of repurchase	No. of H Shares repurchased	Highest price paid per share (HKD)	Lowest price paid per share (HKD)	Aggregate consideration (HKD)
January 2025	542,000	13.44	13.32	7,250,100
Total	542,000			7,250,100

Note:

The same has been disclosed in the Company's 2024 annual report published on April 29, 2025. As at June 30, 2025, the Company held a total of 7,263,300 treasury H Shares which falls within the meaning of "treasury shares" under the Listing Rules, which have been be utilized as share incentives pursuant to the 2025 H Share Award and Trust Scheme of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares) during the six months ended June 30, 2025.

C. Material Events after the Reporting Period

Save as disclosed in this announcement, there are no material events affecting the Company after the Reporting Period and up to the date of this announcement.

D. Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its code of conduct for Directors' securities transactions. Having made specific enquiry with the Directors, all of the Directors confirmed that they have complied with the required standards as set out in the Model Code during the Reporting Period.

E. Compliance with the Corporate Governance Code

During the Reporting Period, the Company has complied with all the code provisions set forth in the Corporate Governance Code contained in Part 2 of Appendix C1 of the Listing Rules, with the exception that the roles of the chairman of the Board and the chief executive of our Company have not been segregated as required by code provision C.2.1 of Part 2 of the Corporate Governance Code. In view of Dr. LOU Boliang's experience, personal profile and his roles in our Company and that Dr. LOU has assumed the role of chief executive officer of our Company since our commencement of business, the Board considers it beneficial to the business prospect and operational efficiency of our Company that Dr. LOU assumes the roles of the chairman of the Board as well as the chief executive officer of our Company. The Board shall review the structure from time to time to ensure that the structure facilitates the execution of the Group's business strategies and maximizes effectiveness of its operation.

F. Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Audit Committee comprises three members, namely, Mr. YU Jian, Mr. TSANG Kwan Hung Benson and Ms. LI Lihua, who are all independent non-executive Directors of the Company. Mr. YU is the chairman of the Audit Committee, who possesses suitable professional qualifications.

The Audit Committee has reviewed the Company's unaudited interim condensed consolidated financial information of the Group for the Reporting Period and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed internal control and financial reporting matters.

G. Publication of the Interim Results Announcement and Interim Report

The interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the Company's website (www.pharmaron.com). The Group's 2025 interim report which contain all financial and other relevant information of the Company as required by the Listing Rules will be dispatched to Shareholders and published on the aforementioned websites in due course.

APPRECIATION

Lastly, I would like to thank all the staff and the management team for their hard work during the Reporting Period. On behalf of the Group, I would also like to express heartfelt gratitude to all of our users and business partners, and wish for their continuous support in the future. We will keep working closely with our Shareholders and employees to steer the Group to a more modernized and sophisticated level of operation, through which we aspire to open to a new chapter in the Group's growth and development.

DEFINITIONS

“2021 A Share Incentive Scheme”	the 2021 Restricted A Share Incentive Scheme of the Company
“2021 Capitalization of Reserve”	the issue of 5 Capitalization Shares for every 10 Shares by way of capitalization of reserve which was approved by the Shareholders at the 2021 annual general meeting of the Company held on May 31, 2022
“2021 Profit Distribution”	the distribution of the final dividends in respect of the year ended December 31, 2021, which was approved by the Shareholders at the 2021 annual general meeting of the Company held on May 31, 2022
“2021 Profit Distribution Plan”	the 2021 Profit Distribution and 2021 Capitalization of Reserve
“2022 A Share Incentive Scheme”	the 2022 Restricted A Share Incentive Scheme of the Company
“2022 Capitalization of Reserve”	the issue of 5 Capitalization Shares for every 10 Shares by way of capitalization of reserve which was approved by the Shareholders at the 2022 annual general meeting of the Company held on June 21, 2023
“2022 Profit Distribution”	the distribution of the final dividends in respect of the year ended December 31, 2022, which was approved by the Shareholders at the 2022 annual general meeting of the Company held on June 21, 2023
“2022 Profit Distribution Plan”	the 2022 Profit Distribution and 2022 Capitalization of Reserve
“2023 A Share Incentive Scheme”	the 2023 Restricted A Share Incentive Scheme of the Company
“2023 Profit Distribution”	the distribution of the final dividends in respect of the year ended December 31, 2023, which was approved by the Shareholders at the 2023 annual general meeting of the Company held on June 6, 2024

“2024 Profit Distribution”	the distribution of the final dividends in respect of the year ended December 31, 2024, which was approved by the Shareholders at the 2024 annual general meeting of the Company held on June 20, 2025
“2025 H Share Award and Trust Scheme”	The 2025 H Share Award and Trust Scheme of the Company
“ADC”	Antibody-drug Conjugate
“Aistarfish Technology”	Zhejiang Aistarfish Technology Co., Ltd. (浙江海心智惠科技有限公司), a limited liability company incorporated in PRC on January 26, 2018, which is held as to 51.39% by Beijing Kangsida Health Management Co., Ltd., a holding subsidiary of the Company
“AMS”	accelerator mass spectrometry
“Antibodies”	An immunoglobulin that specifically binds to a corresponding antigen
“API”	Active Pharmaceutical Ingredient, the component of a drug product that is intended to furnish pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment, or prevention of disease, or to affect the structure or any function of the body
“A Share(s)”	domestic shares of our Company, with a nominal value of RMB1.00 each, which are listed for trading on the Shenzhen Stock Exchange and traded in RMB
“Audit Committee”	the audit committee of the Board
“Bioanalysis”	A sub-discipline of analytical sciences covering the quantitative analysis of xenobiotics (drugs, their metabolites, and biomolecules at unusual locations or concentrations) and biotoxins (macromolecules, proteins, DNA, biologics, metabolites) in biological systems
“Bioconjugation”	a chemical method that involves creating a stable link, typically covalent, between two molecules, at least one of which is of biological origin or a derivative of a biomolecule. This technology is widely used in fields such as drug development, biomedical research, and clinical diagnosis
“Board”	the board of Directors of the Company
“CDMO”	contract development and manufacturing organization(s), a CMO that, in addition to comprehensive drug manufacturing services, also provide process development and other drug development services in connection with its manufacturing services

“CMC”	chemistry, manufacturing and controls
“Company” or “Pharmaron”	Pharmaron Beijing Co., Ltd. (康龍化成(北京)新藥技術股份有限公司), a joint stock limited company incorporated under the laws of the PRC on July 1, 2004, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300759) and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3759)
“Commercialization”	The stage of drug development when a new drug is approved and marketed
“Convertible Bonds”	the (i) US\$300.0 million zero coupon convertible bonds due 2026 (debt stock code: 40725) and the (ii) RMB1,916.0 million zero coupon US\$-settled convertible bonds due 2026 (debt stock code: 40733) issued by the Company on June 18, 2021
“CRO”	Contract Research Organization
“Directors”	directors of the Company
“DMPK/ADME”	drug metabolism and pharmacokinetics/Absorption, Distribution, Metabolism and Excretion
“DNA”	a molecule that carries most of the genetic instructions used in the development, functioning and reproduction of all known living organisms and many viruses
“Enzyme catalysis”	the chemical reaction process mediated by enzymes as catalysts
“ESG”	Environmental, Social and Governance
“FDA”	the Food and Drug Administration of the U.S.
“First H Share Award and Trust Scheme”	The First H Share Award and Trust Scheme of the Company
“GLP”	Good Laboratory Practice
“GMP”	Good Manufacturing Practice
“Group”, “we”, “our” or “us”	the Company and its subsidiaries from time to time
“High Potency Compounds”	compounds with high pharmacological activity that can produce significant biological effects at extremely low doses
“H Share(s)”	overseas-listed foreign shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are listed for trading on the Hong Kong Stock Exchange and traded in HK dollars

“H Shareholder(s)”	holder(s) of H Share(s)
“IND”	Investigational new drug
“Linkers”	A component of an ADC that links antibodies to toxic molecules
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Management Committee”	the management committee of the First H Share Award and Trust Scheme to which the Board has delegated its authority to administer the First H Share Award and Trust Scheme
“Management Measures”	the Management Measures for Share Incentives of Listed Companies
“Molecular glue”	a class of small molecule compounds that can induce protein-protein interactions
“Model Code”	the Model Code for Securities Transactions by Directors of the Listing Issuers
“N/A”	Not applicable
“Oligonucleotides”	A compound in which nucleotides are linked by phosphodiester bonds
“Peptide”	A compound of amino acids linked by peptide bonds
“Pharmacovigilance”	Scientific research and activities related to the detection, evaluation, understanding and prevention of adverse reactions or any other problems that may be related to drugs
“Pharmaron Clinical”	Pharmaron (Chengdu) Clinical Services Co., Ltd. (康龍化成(成都)臨床研究服務有限公司), a company incorporated in PRC on May 27, 2021, which is held as to 81.5759% by the Company
“Preclinical”	Of or relating to the preclinical stage of drug research
“PROTAC”	Proteolysis-Targeting Chimera, a heterobifunctional molecule composed of two ligands connected by a Linker. One ligand can bind to the target protein, and the other ligand can target the E3 ligase. It is an emerging therapeutic strategy and drug research and development technology
“PRC”	the People’s Republic of China
“R&D”	research and development
“Reporting Period”	the six months ended June 30, 2025

“Restricted A Shares”	the restricted A Shares granted by our Company under the respective 2021 A Share Incentive Scheme, 2022 A Share Incentive Scheme and 2023 A Share Incentive Scheme
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	the holder(s) of the Share(s)
“Shanghai Jiying”	Shanghai Jiying Intelligent Technology Co., Ltd. (上海機穎智慧科技有限公司), a limited liability company incorporated in PRC on March 28, 2018, which is held as to 78.5% by the Company
“Shenzhen Listing Rules”	the Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange
“Supervisors”	supervisors of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“U.K.”	the United Kingdom
“U.S.”	the United States
“US\$” or “USD”	United States dollars, the lawful currency of the United States
“%”	per cent.

By order of the Board
Pharmaron Beijing Co., Ltd.
康龍化成(北京)新藥技術股份有限公司
Dr. Lou Boliang
Chairman

Beijing, the PRC
August 21, 2025

As at the date of this announcement, the Board of Directors comprises Dr. Lou Boliang, Mr. Lou Xiaoqiang and Ms. Zheng Bei as executive Directors; Mr. Li Jiaqing and Ms. Wan Xuan as non-executive Directors; Ms. Li Lihua, Mr. Tsang Kwan Hung Benson and Mr. Yu Jian as independent non-executive Directors.