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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

FINANCIAL SUMMARY AND HIGHLIGHTS

	Year ended December 31,		
	2025	2024	Change
	RMB'000	*RMB'000*	*%*
Revenue	**14,095,079**	12,275,775	14.8
Gross profit	**4,857,334**	4,149,255	17.1
Profit attributable to owners of the parent	**1,663,899**	1,793,351	(7.2)
Non-IFRSs adjusted net profit attributable to owners of the parent	**1,816,129**	1,606,852	13.0
Net cash flows generated from operating activities	**3,221,047**	2,576,656	25.0

- During the Reporting Period, the Group recorded aggregate revenue of approximately RMB14,095.1 million, representing an increase of approximately RMB1,819.3 million, or 14.8%, as compared to the year ended December 31, 2024.

- During the Reporting Period, the profit attributable to owners of the parent was approximately RMB1,663.9 million, representing a decrease of approximately 7.2% as compared to the year ended December 31, 2024.

- During the Reporting Period, the net cash flows generated from operating activities was approximately RMB3,221.0 million, representing an increase of approximately 25.0% as compared to the year ended December 31, 2024.

- The Board proposed to declare a final dividend of RMB2.0 (inclusive of tax) per 10 shares or an aggregate of approximately RMB366.0 million (based on the 1,830,020,328 shares outstanding of the Company as of the date of this announcement) for the year ended December 31, 2025.

The Board is pleased to announce the consolidated annual results of the Group for the year ended December 31, 2025 with the comparative figures for the year ended December 31, 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
REVENUE	*5*	**14,095,079**	12,275,775
Cost of sales		**(9,237,745)**	(8,126,520)
Gross profit		**4,857,334**	4,149,255
Other income and gains	*6*	**223,712**	884,520
Other expenses	*6*	**(22,650)**	(67,763)
Selling and distribution expenses		**(306,457)**	(258,431)
Administrative expenses		**(1,854,513)**	(1,663,598)
Research and development costs		**(576,020)**	(469,260)
Impairment losses on financial and contract assets, net of reversal		**(80,279)**	(42,947)
Impairment losses of goodwill		**–**	(73,539)
Finance costs	*7*	**(192,805)**	(243,718)
Share of losses of associates		**(135,612)**	(123,256)
Profit before tax	*8*	**1,912,710**	2,091,263
Income tax expense	*9*	**(357,524)**	(377,104)
Profit for the year		**1,555,186**	1,714,159
Attributable to:			
Owners of the parent		**1,663,899**	1,793,351
Non-controlling interests		**(108,713)**	(79,192)
		1,555,186	1,714,159
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		***RMB***	*RMB*
Basic			
For profit for the year	*11*	**0.9443**	1.0133
Diluted			
For profit for the year	*11*	**0.9393**	1.0113

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	RMB'000	*RMB'000*
Profit for the year	**1,555,186**	1,714,159
OTHER COMPREHENSIVE INCOME		
Other comprehensive gain/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**59,558**	37,123
Other comprehensive loss attributable to profit or loss under the equity method	**(57)**	–
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments arising during the year	**52,592**	(170,311)
Reclassification adjustments for loss/(gain) included in the consolidated statement of profit or loss	**(25,740)**	125,573
Income tax effect	**(4,028)**	6,711
Net other comprehensive gain/(loss) that may be reclassified to profit or loss in subsequent periods	**82,325**	(904)
Other comprehensive gain/(loss) for the year, net of tax	**82,325**	(904)
Total comprehensive income for the year	**1,637,511**	1,713,255
Attributable to:		
Owners of the parent	**1,743,454**	1,790,423
Non-controlling interests	**(105,943)**	(77,168)
	1,637,511	1,713,255

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**12,124,897**	10,944,152
Right-of-use assets		**852,287**	922,592
Goodwill		**3,585,974**	2,760,736
Other intangible assets		**634,539**	225,319
Investments in associates		**639,861**	648,983
Equity investments at fair value through profit or loss		**518,451**	234,059
Biological assets		**172,574**	175,001
Deferred tax assets		**262,907**	192,684
Other non-current assets		**524,126**	215,693
Total non-current assets		**19,315,616**	16,319,219
CURRENT ASSETS			
Inventories		**641,158**	486,811
Contract costs		**422,816**	211,572
Trade and bills receivable	*12*	**2,721,913**	2,413,629
Contract assets		**465,832**	457,811
Biological assets		**408,331**	418,282
Prepayments, other receivables, and other assets		**1,364,012**	809,831
Financial assets at fair value through profit or loss		**714,073**	1,115,265
Derivative financial instruments		**22,550**	5,063
Pledged deposits		**174,792**	66,844
Cash and cash equivalents		**842,690**	1,623,072
Total current assets		**7,778,167**	7,608,180
CURRENT LIABILITIES			
Interest-bearing bank borrowings		**4,766,489**	1,047,309
Trade payables	*13*	**606,590**	477,089
Other payables and accruals		**1,774,415**	1,507,999
Contract liabilities		**960,613**	834,858
Lease liabilities		**122,698**	149,508
Derivative financial instruments		**–**	47,165
Tax payable		**133,198**	160,078
Total current liabilities		**8,364,003**	4,224,006
NET CURRENT ASSETS		**(585,836)**	3,384,174
TOTAL ASSETS LESS CURRENT LIABILITIES		**18,729,780**	19,703,393

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AS AT DECEMBER 31, 2025

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**1,771,806**	4,377,368
Deferred tax liabilities		**397,151**	291,867
Deferred income		**442,865**	409,978
Lease liabilities		**379,423**	401,307
Total non-current liabilities		**2,991,245**	5,480,520
NET ASSETS		**15,738,535**	14,222,873
EQUITY			
Share capital		**1,778,843**	1,778,196
Treasury shares		**(304,892)**	(416,271)
Reserves		**13,590,208**	12,257,410
Equity attributable to owners of the parent		**15,064,159**	13,619,335
Non-controlling interests		**674,376**	603,538
Total equity		**15,738,535**	14,222,873

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 was listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "HKSE") (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 services 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.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) as issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have 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, financial assets and financial liabilities at fair value through profit or loss which have been measured at fair value. The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended December 31, 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. the contractual arrangement with the other vote holders of the investee;

b. rights arising from other contractual arrangements; and

c. the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of overseas subsidiaries, branches, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

3. ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosure*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards – *Volume 11*	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[1]

[1] Effective for annual periods beginning on or after 1 January 2026

[2] Effective for annual/reporting periods beginning on or after 1 January 2027

[3] No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements.* While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements. Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 Financial Reporting in Hyperinflationary Economies, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

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.

Year ended December 31, 2025	Laboratory services *RMB'000*	CMC services *RMB'000*	Clinical development services *RMB'000*	Biologics and CGT services *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue	**8,158,885**	**3,482,932**	**1,956,669**	**474,691**	**21,902**	**14,095,079**
Segment results	**3,643,498**	**1,178,760**	**223,202**	**(191,580)**	**3,454**	**4,857,334**
Unallocated amounts:						
Other income and gains						**223,712**
Other expenses						**(22,650)**
Selling and distribution expenses						**(306,457)**
Administrative expenses						**(1,854,513)**
Research and development costs						**(576,020)**
Impairment losses on financial and contract assets, net of reversal						**(80,279)**
Finance costs						**(192,805)**
Share of losses of associates						**(135,612)**
Group's profit before tax						**1,912,710**

Year ended December 31, 2024	Laboratory services *RMB'000*	CMC services *RMB'000*	Clinical development services *RMB'000*	Biologics and CGT services *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue	7,046,875	2,988,773	1,826,208	407,519	6,400	12,275,775
Segment results	3,128,352	988,432	234,183	(204,322)	2,610	4,149,255
Unallocated amounts:						
Other income and gains						884,520
Other expenses						(67,763)
Selling and distribution expenses						(258,431)
Administrative expenses						(1,663,598)
Research and development costs						(469,260)
Impairment losses on financial and contract assets, net of reversal						(42,947)
Impairment losses of goodwill						(73,539)
Finance costs						(243,718)
Share of losses of associates						(123,256)
Group's profit before tax						2,091,263

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

Geographical information

(a) Revenue

	2025 ***RMB'000***	2024 *RMB'000*
North America	**8,713,835**	7,852,729
Europe	**2,894,931**	2,271,934
Chinese Mainland	**2,137,182**	1,847,332
Asia (except Chinese Mainland)	**298,440**	264,275
Others	**50,691**	39,505
	14,095,079	12,275,775

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

(b) Non-current assets

	2025	2024
	RMB'000	*RMB'000*
Chinese Mainland	**13,709,042**	11,237,927
Europe	**2,830,317**	2,599,672
North America	**1,982,220**	2,039,131
Others	**12,679**	15,746
	18,534,258	15,892,476

The non-current asset 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.

Information about major customers

No revenue from sales to a single customer amounted to 10% or more of the Group's revenue during each Reporting Period.

5. REVENUE

An analysis of revenue is as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers	**14,095,079**	12,275,775
	14,095,079	12,275,775

Revenue from contracts with customers

(a) Disaggregated revenue information

Segments	**2025**	2024
	RMB'000	*RMB'000*
Types of services		
Laboratory services	**8,158,885**	7,046,875
CMC (small molecule CDMO) services	**3,482,932**	2,988,773
Clinical development services	**1,956,669**	1,826,208
Biologics and CGT services	**474,691**	407,519
Others	**21,902**	6,400
Total revenue from contracts with customers	**14,095,079**	12,275,775
Timing of revenue recognition		
Services transferred at a point of time	**7,749,202**	6,599,158
Services transferred over time	**6,345,877**	5,676,617
Total revenue from contracts with customers	**14,095,079**	12,275,775

(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.

For 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, for 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

	2025	2024
	RMB'000	*RMB'000*
Other income		
Interest income	**39,391**	73,631
Government grants and subsidies related to		
– Assets	**28,158**	22,160
– Income	**51,670**	62,082
	119,219	157,873
Other gains		
Foreign exchange gains, net	**2,648**	31,428
Gains on fair value change of biological assets	**12,787**	–
Gains on equity investments at fair value through profit or loss	**48,781**	572,388
Gains on termination of lease contracts	**26**	8,723
Gains on financial assets at fair value through profit or loss	**32,817**	23,108
Gains on financial assets at amortised cost	**–**	1,583
Gains on repurchase of convertible bonds	**–**	88,593
Gains of derivative financial instruments	**5,259**	–
Others	**2,175**	824
	104,493	726,647
	223,712	884,520
Other expenses		
Losses on disposal of property, plant and equipment	**(4,712)**	(34,099)
Losses on derivative financial instruments	**–**	(14,211)
Losses on fair value change of equity investments at fair value through profit or loss	**–**	(1,576)
Losses on fair value change of biological assets	**–**	(3,020)
Others	**(17,938)**	(14,857)
	(22,650)	(67,763)

7. FINANCE COSTS

	2025	2024
	RMB'000	*RMB'000*
Interest expenses on bank borrowings	**195,341**	199,164
Interest expenses on convertible bond – debt component	**–**	34,387
Interest expenses on lease liabilities	**22,754**	27,791
Total interests	**218,095**	261,342
Less: Interest capitalised	**(25,290)**	(17,624)
	192,805	243,718

8. PROFIT BEFORE TAX

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

	2025	2024
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**1,050,467**	926,184
Depreciation of right-of-use assets	**165,621**	179,432
Amortisation of other intangible assets	**53,532**	39,796
Staff costs* (including directors' and chief executive's remuneration):		
Salaries and other benefits	**4,889,774**	4,383,974
Pension scheme contributions, social welfare and other welfare**	**1,578,021**	1,386,825
Share-based compensation expenses	**81,586**	91,108
Gains on financial assets at fair value through profit or loss	**(32,817)**	(23,108)
Losses on fair value change of equity investments at fair value through profit or loss	**–**	1,576
(Gains)/losses on fair value change of biological assets	**(12,787)**	3,020
Gains on financial assets at amortised cost	**–**	(1,583)
Gains on repurchase of convertible bonds	**–**	(88,593)
Gains on equity investments at fair value through profit or loss	**(48,781)**	(572,388)
Impairment losses on inventories, net of reversal	**19,231**	18,783
Impairment losses on financial and contract assets, net of reversal	**80,279**	42,947
Impairment losses of goodwill	**–**	73,539
Foreign exchange gains, net	**(2,648)**	(31,428)
(Gains)/losses on derivative financial instruments	**(5,259)**	14,211
Auditor's remuneration	**4,270**	4,275

* The staff costs for the year are included in "Cost of sales", "Administrative expenses", "Selling and distribution expenses" and "Research and development costs" in the 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.

9. INCOME TAX EXPENSE

	2025	2024
	RMB'000	*RMB'000*
Current tax	**380,489**	410,448
Deferred tax	**(22,965)**	(33,344)
	357,524	377,104

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25% unless subject to tax exemption set out below.

The Company was accredited as a "High and New Technology Enterprise" in 2017 which was subsequently renewed in 2023 and as an "Advanced Technology Enterprise" in 2015 which was subsequently renewed in 2023, and therefore, the Company was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. These qualifications are subject to review by the relevant tax authority in the PRC for every three years.

Pharmaron (Xi'an) Technology Development Co., Ltd. was accredited as an "Advanced Technology Enterprise" in 2025. The result of the application has been publicly announced, while the certificate has not yet been obtained. It is expected to be recognized as an "Advanced Technology Enterprise", therefore, Pharmaron (Xi'an) Technology Development Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025.

Pharmaron (Beijing) TSP Service Co., Ltd. was accredited as an "Advanced Technology Enterprise" in 2015 with the qualification was renewed in 2023 and as an "High and New Technology Enterprise" in 2020 with the qualification renewed in 2023, therefore Pharmaron (Beijing) TSP Service Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. These qualifications are subject to review by the relevant tax authority in the PRC for every three years.

Pharmaron (Ningbo) Bioscience Services Co., Ltd. was accredited as a "High and New Technology Enterprise" in 2024, therefore, Pharmaron (Ningbo) Bioscience Services Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. These qualifications are subject to review by the relevant tax authority in the PRC for every three years.

Pharmaron (Tianjin) Process Development and Manufacturing Co., Ltd. was accredited as a "High and New Technology Enterprise" in 2020 and the qualification was subsequently renewed in 2023, therefore, Pharmaron (Tianjin) Process Development and Manufacturing Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Beijing LinkStart Med-Tech Co., Ltd. was accredited as a "High and New Technology Enterprise" in 2020 and the qualification was subsequently renewed in 2023, therefore, Beijing LinkStart Med-Tech Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

RAMED (Beijing) Medical Technology Co., Ltd. was accredited as a "High and New Technology Enterprise" in 2020 and the qualification was subsequently renewed in 2023, therefore, RAMED (Beijing) Medical Technology Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Pharmaron Shanghai Co., Ltd. was accredited as an "Advanced Technology Enterprise" in 2023, therefore, Pharmaron Shanghai Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Pharmaron (Beijing) Technology Development Co., Ltd. was accredited as an "Advanced Technology Enterprise" in 2023, therefore, Pharmaron (Beijing) Technology Development Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Pharmaron (Ningbo) Technology Development Co., Ltd. was accredited as an "Advanced Technology Enterprise" in 2025, therefore, Pharmaron (Ningbo) Technology Development Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Pharmaron CRI (Ningbo) Co., Ltd. was accredited as a "High and New Technology Enterprise" in 2024, therefore, Pharmaron CRI (Ningbo) Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Pharmaron Qingdao Co., Ltd. was accredited as an "Advanced Technology Enterprise" in 2024, therefore, Pharmaron Qingdao Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Pharmaron (Chengdu) Clinical Services Co., Ltd. was accredited as a "High and New Technology Enterprise" in 2025, therefore, Pharmaron (Chengdu) Clinical Services Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Pharmaron (Beijing) Pharmaceutical Technology Co., Ltd. was accredited as a "High and New Technology Enterprise" in 2025, therefore, Pharmaron (Beijing) Pharmaceutical Technology Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Pharmaron (Beijing) Biologics Co., Ltd. was accredited as an "Advanced Technology Enterprise" in 2025, therefore, Pharmaron (Beijing) Biologics Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Pharmaron Shaoxing Co., Ltd. was accredited as a "High and New Technology Enterprise" in 2025, therefore, Pharmaron Shaoxing Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Aistarfish Technology Co., Ltd. was accredited as a "High and New Technology Enterprise" in 2023, therefore, Aistarfish Technology Co., Ltd. was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Biortus Discovery Co. Ltd was accredited as a "High and New Technology Enterprise" in 2025, therefore, Biortus Discovery Co. Ltd was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Biortus Biosciences Co. Ltd was accredited as a "High and New Technology Enterprise" in 2023, therefore, Biortus Biosciences Co. Ltd was entitled to a preferential EIT rate of 15% for the year ended December 31, 2025. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

The Group entities incorporated in the U.S. were subject to the federal corporate tax at a rate of 21% for the year ended December 31, 2025.

The Group entities incorporated in the U.K. were subject to tax at a rate of 19% for the year ended December 31, 2025.

The Group entities incorporated in Japan were subject to the national corporate tax at a rate of 23.2% and the local corporate tax at a rate of 2.4% for the year ended December 31, 2025.

The Group entities incorporated in Hong Kong were subject to Hong Kong profits tax at a rate of 16.5% on the estimated assessable profits for the year ended December 31, 2025.

10. DIVIDENDS

	2025	2024
	RMB'000	*RMB'000*
Proposed final – RMB0.20 (2024 approved final: RMB0.20) per ordinary share	**366,004**	352,662

On June 20, 2025, the Company's shareholders approved the 2024 Profit Distribution at the annual general meeting, pursuant to which a final dividend of RMB2.0 (inclusive of tax) per 10 shares in respect of the year ended December 31, 2024 was declared to both holders of A Shares and H Shares and the 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 at December 31, 2025, all A Shares and H Shares dividends have been paid.

The Board proposed to declare a final cash dividend of RMB2.0 (inclusive of tax) per 10 shares or an aggregate of approximately RMB366,004,000 (inclusive of tax) for the year ended December 31, 2025.

The proposed final dividend for the year ended December 31, 2025 is subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting.

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

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,761,987,868 (2024: 1,769,742,721) in issue during the year, as adjusted to reflect the rights issue during the year.

The weighted average number of ordinary shares used in the calculation of diluted earnings per share is based on the number of ordinary shares used in the basic earnings per share calculation adjusted for the dilutive effect of share options and restricted A Shares issued by the Company. For the year ended December 31, 2025, the calculation of the diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the dilutive impact of the Company's share options and restricted A Shares.

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

	2025	2024
	RMB'000	*RMB'000*
Earnings:		
Profit attributable to ordinary equity holders of the parent	**1,663,899**	1,793,351

	2025	2024
Number of shares ('000):		
Weighted average number of ordinary shares outstanding during the year, used in the basic earnings per share calculation	**1,761,988**	1,769,743
Effect of diluted potential ordinary shares:		
Effect of restricted shares units and share awards issued by the Company	**9,367**	3,613
Weighted average number of ordinary shares outstanding during the year, used in the diluted earnings per share calculation	**1,771,355**	1,773,356

12. TRADE AND BILLS RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**2,846,081**	2,492,541
Bills receivable	**14,807**	4,603
Allowance for impairment	**(138,975)**	(83,515)
	2,721,913	2,413,629

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to various diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. The balances of trade receivables are non-interest-bearing.

Included in the trade receivables were amounts due from related parties of RMB79,643,000 as at December 31, 2025 (2024: RMB75,356,000), which was repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of gross carrying amount of the trade and bills receivables as at the end of each Reporting Period, based on the invoice date, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**2,678,109**	2,371,741
1 year to 2 years	**116,345**	88,762
More than 2 years	**66,434**	36,641
	2,860,888	2,497,144

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	2025	2024
	RMB'000	*RMB'000*
At beginning of year	**83,515**	74,461
Impairment losses, net	**77,032**	40,783
Write-offs	**(21,534)**	(31,890)
Exchange realignment	**(38)**	161
	138,975	83,515

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade and bills receivables.

An impairment analysis is performed at the end of each Reporting Period using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each Reporting Period about past events, current conditions, and forecasts of future economic conditions. Generally, trade and bills receivables are written off if past due for more than two years and are not subject to enforcement activity.

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

	2025		
	Expected credit loss rate	**Gross carrying amount**	**Expected credit losses**
		RMB'000	***RMB'000***
Within 1 year	**0.99%**	**2,678,109**	**26,545**
1 to 2 years	**39.53%**	**116,345**	**45,996**
Over 2 years	**100.00%**	**66,434**	**66,434**
		2,860,888	**138,975**

	2024		
	Expected credit loss rate	Gross carrying amount	Expected credit losses
		RMB'000	*RMB'000*
Within 1 year	0.79%	2,371,741	18,816
1 to 2 years	31.61%	88,762	28,058
Over 2 years	100.00%	36,641	36,641
		2,497,144	83,515

13. 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 each Reporting Period, based on the invoice date, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**599,085**	472,489
Over 1 year	**7,505**	4,600
	606,590	477,089

The amount of trade payables due to a related party was RMB26,000 as at December 31, 2025 (2024: RMB nil).

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 28 R&D centers and manufacturing facilities across China, the U.K., the U.S. and Singapore, and keeps strengthening the integration of its service offerings both vertically and horizontally, continuously investing in building new service capabilities and improving management efficiency to meet the needs of the market and customers. Vertically, the Company is strengthening the seamless integration of the same discipline across different pharmaceutical R&D stages. Horizontally, the Company is strengthening the integration of different disciplines at the same pharmaceutical R&D stages, improving the science and technology of each discipline, expanding the service offerings, and promoting the interdisciplinary collaborations. The Company has built a fully-integrated service platform for small molecule drugs, biologics and CGT products, 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.

2. Operating Models

Our principal business is categorized into four business segments: laboratory services, CMC (small molecule CDMO) services, clinical development services, and Biologics and CGT services, mainly covering the following services:

(1) Laboratory services

Laboratory services of the Company include laboratory chemistry and bioscience services, covering small molecule drugs, oligonucleotides, peptides, antibodies, antibody-drug conjugates (ADC) and CGT products, etc.

Laboratory chemistry is the root of our business, making it the core in the development of the Company. Laboratory chemistry services include medicinal chemistry, synthetic chemistry, chemistry for new modalities, analytical and purification chemistry, and computer-aided drug design (CADD). Laboratory chemistry provides customers with chemistry services such as design and synthesis of compound library, discovery of hit and lead compounds, design and/or synthesis and optimization of lead compounds, synthesis of new modalities (nucleosides/nucleotides, lipids, saccharides, peptides, and conjugates), and chiral and non-chiral separation and purification.

Bioscience services include *in vitro* and *in vivo* DMPK/ADME, *in vitro* biology and *in vivo* pharmacology, safety assessment and other services. Bioscience services provide customers with drug discovery services such as target validation, structural biology, structure activity relationship studies, candidate compound identification, and druggability studies.

(2) CMC (small molecule CDMO) services

Our experienced CMC (small molecule CDMO) services team offers customers process development and manufacturing, material science/pre-formulation, formulation development and manufacturing, and analytical development services, covering a broad range of products including small molecule drugs, oligonucleotides, peptides, linkers and payloads. The process development and manufacturing team provides such services as discovery and development of efficient and green synthetic routes, optimization of existing synthetic routes, and process scale-up to support preclinical and other stages of clinical development and commercial manufacturing needs; the material science/ pre-formulation team provides services for crystal screening, process development, and early formulation development; the formulation development team designs, modifies, and prepares oral formulations to satisfy preclinical, clinical, and commercial needs; and the analytical development team provides comprehensive analytical support for process development and manufacturing of APIs and pharmaceutical products.

The CMC (small molecule CDMO) services of the Company mainly provide pharmaceutical companies with chemical and formulation process development and manufacturing services with capabilities and capacities to cover the needs in all clinical and commercial stages. The cGMP API and drug product manufacturing facilities of the Company have had the qualification to manufacture products to support clinical trials in global markets, including U.S., China and EU. Our quality assurance system follows the guidelines of the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH Guidelines) and supports the development and manufacture of APIs and pharmaceuticals meeting the regulatory requirements from FDA, NMPA and EMA, and can also support the preparation of complete regulatory data packages and documentation for regulatory filings and cGMP audits in U.S., EU, and Asia.

(3) Clinical development services

Our clinical development services include overseas and domestic clinical development services.

The overseas clinical development services include radio-labelled science services and early stage clinical trial services. The radio-labelled science services of the Company help customers synthesize ^{14}C and tritium ^{3}H radio-labelled compounds and use for DMPK/ADME studies of various compounds in human, so as to accelerate their clinical development process. Through the independent early clinical R&D center with 96 beds in Maryland, U.S., the Company provides customers with clinical research services including comprehensive FIH studies, vaccine development/infectious challenge studies, comprehensive ^{14}C drug absorption, distribution and excretion trial, TQT/cardiac safety, and cross-ethnic bridging studies. The Company strengthened its clinical operations, biostatistics, pharmacovigilance, and FDA regulatory submission services in the U.S.. These efforts will better assist Chinese customers in developing their products overseas and overseas customers in developing their products in China.

Domestic clinical development services include clinical research services and site management services, covering different service needs of clinical research. Among which, clinical research services mainly include: regulatory affairs and product registration, medical affairs, medical monitoring, clinical operations, data management and biostatistics, bioanalysis, pharmacovigilance, quantitative pharmacology, etc.; site management services include CRC services, hospital research and selection, SSU (Study Start Up) rapid start-up, healthy and patient volunteer recruitment and management, quality assurance and its training, post-marketing studies, etc. The Company comprehensively promoted the application of digital technologies and AI tools across multiple business units, including site management, clinical operations, regulatory affairs, medical affairs, data management, biostatistics, pharmacovigilance, medical device R&D, and patient management, to enhance the quality and efficiency of its clinical services, as well as its digital products development and delivery capabilities.

The Company's bioanalytical platforms in China and U.S. are able to support the bioanalysis of clinical trials of small molecules and biologics around the world. In addition, with the collaboration among the domestic and overseas clinical development services and the preclinical service offerings, it allows the Company to simultaneously submit IND applications for customers' drug candidates to regulatory agencies in China, U.S. and EU.

(4) Biologics and CGT services

Biologics and CGT services include biologics discovery, development and manufacturing services (CDMO), CGT lab services and Gene Therapy CDMO services.

Biologics discovery services include biologics plasmid design, cell screening, target biologics expression and purification, analytical method development, and analysis of products, primarily serving various needs for cells and proteins, including mAbs, at the early stage of research and development.

Biologics development and manufacturing services (CDMO) provide customers with development services include cell line development, upstream and downstream process development, formulation development and fill-and-finish process development, supported by analytics with method development, as well as drug substance and product manufacturing services armed with 200L to 2,000L production capacity to support projects from pilot to commercial stage production.

Biologics and CGT lab services include analytical method development and validation for various proteins, cells, and DNA and RNA products. The analytical platform also provides services in evaluation of activity, toxicity, tissue distribution and viral shedding, as well as quantitative analysis of gene and cell products, in compliance with GLP/GCP/GMP regulations during the preclinical and clinical development and marketing stages. In addition, the Company's U.S. laboratory services provide customers with discovery and development services in biologics, CGT products and medical devices in the areas of ophthalmology.

Gene therapy CDMO services include plasmid synthesis containing therapeutic genes, cell line development, cell bank establishment, plasmid and cell production process development, formulation process development, manufacturing of products, analytical method development and validation, product-related impurities identification and analysis, stability evaluation, product analysis and GMP batch release, etc., covering the entire gene therapy CDMO process, to support the needs for preclinical safety evaluation, Phase I, II and III clinical trials, and post-marketing product life cycle management. The facility has been licensed by MHRA, the U.K. pharmaceutical administration authority, for the manufacture of biologics and CGT products.

B. Financial Review

1. Overall Operation Results

In 2025, the Company remained steadfast in implementing its core strategy of developing an "End-to-end, Fully-integrated, Globalized, 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, and its overall business has maintained a stable and sustainable growth momentum. During the Reporting Period, the Company recognized revenue of RMB14,095.1 million, representing an increase of 14.8% compared to the same period of last year. In the same period, its non-IFRSs adjusted net profit attributable to owners of the parent reached RMB1,816.1 million, representing an increase of 13.0% compared to the same period of last year. With core business maintaining positive momentum, the Company obtained the profit attributable to owners of the parent of RMB1,663.9 million, representing a decrease of 7.2% 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 RMB3,221.0 million, representing a year-on-year increase of 25.0%. After deducting the capital expenditures allocated to support its business growth, the Company's free cash flow was RMB552.0 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 the advantages of 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. In terms of strategic customer development, the Company gained deeper insights into customer needs and achieved notable results, with particularly strong performance among large global pharmaceutical companies. Meanwhile, the Company continued to expand its customer base, empowering customers' innovative drug R&D projects with cutting-edge technologies. While maintaining its industry leadership in small molecule R&D services, the Company also achieved rapid development in new modality projects. For the China market, with the rapid globalization of China-originated innovative drugs, the Company actively implemented market strategies that are better tailored to the local landscape, and achieved rapid growth. In 2025, the Company's newly signed purchase orders increased by more than 14% year-on-year. According to new orders and business trends, the Company expects revenue to increase by 12% to 18% year-on-year in 2026.

During the Reporting Period, the Company served over 3,300 global customers, of which customers using the continuous services of multiple business segments of the Company contributed revenue of RMB10,914.7 million, accounting for 77.4% of the Company's revenue. During the Reporting Period, the Company added over 950 new customers, contributing revenue of RMB580.7 million, accounting for 4.1% of the Company's revenue. The existing customer contributed revenue of RMB13,514.4 million, representing a year-on-year increase of 16.3%, accounting for 95.9% of the Company's revenue. Categorized by customer types, during the Reporting Period, the revenue from the global top 20 pharmaceutical companies was RMB2,831.3 million, with an increase of 29.4% compared to same period of last year, accounting for 20.1% of its total revenue; the revenue from other customers was RMB11,263.8 million, with an increase of 11.7% compared to same period of last year, accounting for 79.9% of its total revenue. Categorized by regions where the customers are located, during the Reporting Period, the revenue from customers in North America was RMB8,713.8 million, with an increase of 11.0% compared to same period of last year, accounting for 61.8% of its total revenue; the revenue from customers in EU (including the U.K.) was RMB2,894.9 million, with an increase of 27.4% compared to same period of last year, accounting for 20.5% of its total revenue; the revenue from customers in China Mainland was RMB2,137.2 million, with an increase of 15.7% compared to same period of last year, accounting for 15.2% of its total revenue; and the revenue from customers in other regions was RMB349.2 million, with an increase of 14.9% compared to same period of last year, accounting for 2.5% of revenue of its total revenue. In addition, we had extensive technical cooperation with clients and made joint publications from research results, including 58 articles published in peer-reviewed international scientific journals, such as *J. Med. Chem., Nat. Chem. and Org. Process Res. Dev.,* 30 granted or submitted domestic and international patent applications (15 of which Pharmaron invented and owns the IP rights) in 2025.

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 December 31, 2025, the total number of employees reached 25,088, including 22,874 R&D, production technology and clinical services staff, accounting for 91.18% 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 2025, the delivered revenue of the overseas subsidiaries was RMB1,749.1 million, representing an increase of 13.8% over the same period of last year, accounting for 12.4% of its total revenue.

In 2025, AI technologies continued to advance from concept to application in the field of innovative drug R&D. The Company actively embraced technological development and transformation, continued to make progress in the digitalization and AI technologies adoption of its service platform. During the Reporting Period, the Company made significant investments in automation and AI technologies to further strengthen its service capabilities across various business units, aiming to improve experimental throughput, enhance service efficiency, reduce operational errors, and provide customers with faster, more accurate, and more reliable R&D data. Meanwhile, the Company signed collaboration agreements with renowned domestic and international universities to accelerate the application and adoption of promising digital healthcare, biopharmaceutical, and life sciences technologies. These collaborations aim to jointly advance the high-quality development of the healthcare industry.

In 2025, the Company continued to deepen its practices in environmental, social, and governance (ESG) and fully implemented its sustainable development strategy. Pharmaron officially joined the United Nations Global Compact (UNGC), committing to the ten principles on human rights, labor, environment, and anti-corruption, and actively integrating into the global sustainable development agenda. In response to regulatory requirements and to enhance management efficiency, the Company systematically conducted a double materiality analysis for the first time, shifting its ESG work from "passive disclosure" to "active governance" and deeply embedding sustainability into its operations and strategic decision-making. In the environmental field, the Company steadily advanced its decarbonization initiatives aligned with the Science-Based Targets initiative (SBTi), continuously optimized its energy mix, expanded the procurement and use of green electricity, and actively explored sustainable steam and thermal energy solutions. Concurrently, the Company actively explored the Life Cycle Assessment (LCA) methodology and launched pilot projects to systematically build the capabilities in product carbon footprint assessment. Our assessment of climate risk and biodiversity was also further deepened. On the social responsibility front, the Company continued to promote sustainable supply chain development, improved supply chain management processes. We actively deepened collaboration with key value chain partners such as raw material suppliers, conducted training on sustainable supply chains for suppliers, jointly explored emission reduction potential and innovative solutions, and worked together to drive the green transformation of the supply chain. In terms of governance, the Company's management systems were further strengthened. During the year, we successfully obtained expanded certifications for the ISO 27001 Information Security Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 22301 Business Continuity Management System. In 2025, the Company's EcoVadis sustainability rating was elevated to Silver, and we were selected for the S&P Global Sustainability Yearbook (Global Edition) for the second consecutive year, demonstrating strong capital market recognition of the Company's sustainability performance.

2. Operation results of each business segment

(1) Laboratory services

During the Reporting Period, the laboratory services segment recognized revenue of RMB8,158.9 million, with a year-on-year growth of 15.8%; a gross margin of 44.7% in 2025, with an increase of 0.3 percentage points over last year; and the Company's newly signed purchase orders for laboratory services increased by approximately 12% over last year. In 2025, the Company expanded its strategic customer base, achieved breakthrough progress in large-scale collaboration projects, and leveraged its expertise and technological capabilities to drive rapid growth in R&D services for new drug modalities. During the Reporting Period, the proportion of bioscience services in laboratory services revenue exceeded 56%. As of December 31, 2025, the Company had 11,776 employees engaged in laboratory services. The Company has over 7,100 laboratory chemists and technicians in laboratory chemistry services, being one of the world's leading laboratory chemistry groups in terms of size and expertise. The Company continued to contribute to the global innovative drug R&D, and laboratory services team participated in 887 global innovative drug discovery projects during the Reporting Period.

During the Reporting Period, the Company's bioscience team continued to enhance its service capabilities. Through its in-depth understanding and efficient management of service projects, the Company achieved seamless cross-platform collaborations, providing customers with multi-dimensional experimental data to more accurately evaluate the efficacy and safety of drug candidates. The Company further integrated AI and automation technologies into core R&D processes to continuously optimize the drug DMTA (Design, Make, Test, Analyse) cycle and accelerate the development of new assays, enabling efficient responses to customer needs. In parallel, the Company systematically advanced the development of its "Smart Lab" initiative, aiming to further improve its service productivity. In terms of cutting-edge technology deployment, the Company strengthened its capabilities in New Approach Methodologies (NAM), expanded its portfolio of organoid and organ-on-a-chip models, and supported customers in optimizing analytical strategies and translational pathways from preclinical to clinical stages. In addition to its long-established expertise in small molecule services, the Company 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. From early-stage screening to IND filings, its end-to-end services provide customers with extensive, efficient, and reliable solutions. In the fourth quarter of 2025, the Company acquired a controlling stake in Biortus, significantly enhancing its structural biology platform and further improving its integrated drug discovery services capabilities.

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. Building on this foundation, the Company continued to extend its laboratory chemistry services into new modalities, including peptides, oligonucleotides, ADCs, etc, and achieved rapid growth. Through seamless collaborations among laboratory services teams in China, the U.K. and the U.S., the Company provided customers with more flexible and comprehensive support, addressing diverse needs across different R&D stages, improving R&D efficiency, and helping accelerate projects from preclinical to clinical stage globally. During the Reporting Period, the Company promoted the application of AI technologies in laboratory chemistry, including AI-assisted synthesis route design and optimization, AI-enabled high-throughput experimentation (HTE), and green synthesis route development to enhance chemical reaction success rates. It also explored automated synthesis technologies to conduct multi-step chemical reactions, aiming to deliver compounds with greater efficiency and reduced manual intervention, and has achieved initial progress. Moving forward, the Company will continue to invest in AI and automation to further improve its productivity.

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 III 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 segment recognized revenue of RMB3,482.9 million, with a year-on-year growth of 16.5%; and a gross margin of 33.8%, with an increase of 0.7 percentage points over last year. The Company made significant progress in large-scale manufacturing, delivering projects with guaranteed quality and quantity, which laid a solid foundation for their future transitions to commercial productions. During the Reporting Period, the Company's newly signed purchase orders for CMC (Small Molecule CDMO) services increased by approximately 13% year-on-year, driven by an expanding project pipeline and the continued progression of existing projects into later stages. The growth rate moderated compared to the first three quarters, primarily due to the timing of large-scale manufacturing orders, which were completed in the first quarter of 2026.

As of December 31, 2025, the Company had 5,448 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% of CMC (small molecule CDMO) services revenue came from the Company's existing customers of drug discovery services. In terms of process development, over 2,700 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 technologies. 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. During the Reporting Period, the Company's CMC (Small Molecule CDMO) services pipeline reached 1,102 molecules or intermediates, including 34 projects in process validation and commercialization stage, 47 projects in Phase III clinical trials, 271 projects in Phase I-II clinical trials, and 750 projects in preclinical stage.

During the Reporting Period, the Company achieved significant progress in commercial manufacturing. Its manufacturing facilities in Ningbo and Shaoxing successfully passed FDA pre-approval inspections (PAI) for the first time. In the fourth quarter of 2025, an innovative API project manufactured by the Company for a customer was successfully approved for commercialization in the U.S., marking the Company's first commercial API manufacturing project supplying the U.S. market. In formulation CDMO services, the Company's operations in China and the U.K. both delivered steady growth. The Company's commercial drug product manufacturing facility at its Beijing Campus II has been completed. In the first quarter of 2026, it signed a partnership agreement with a major multinational pharmaceutical company to provide commercial drug product manufacturing services for its first submitted oral, small molecule GLP-1 receptor agonist medicine.

During the Reporting Period, the Company continued to strengthen green technologies including flow chemistry, biocatalysis, electrochemistry, and photochemistry, and applied them to various aspects of R&D and manufacturing, driving notable progress. The Company started to explore the application of AI and machine learning in process chemistry R&D and manufacturing, safety evaluation, quality management, production equipment maintenance and engineering design to improve its service efficiency. Building upon its expertise in linkers and payloads production, the Company further strengthened its GMP bioconjugation capabilities for ADCs at its Ningbo campus. Among them, the GMP bioconjugation facility for early-stage clinical trial material production began operation, enabling the Company to provide integrated ADC manufacturing services for Phase I/II clinical trial supplies. Meanwhile, the Company will continue to advance the construction of bioconjugation capabilities for mid-to-late-stage clinical trial material and commercial production and ADC formulation manufacturing capacity, providing customers with integrated services for ADC drugs from R&D to commercial manufacturing. In addition, the Company continued to advance the construction of Campus II in Shaoxing, with certain production workshops for small molecule intermediates and APIs gradually commissioned to support the medium to long-term growth needs of its CMC (small molecule CDMO) business. In complex peptide CDMO services, the Company is further expanding its capacities, offering customers more comprehensive services. In addition to the existing peptide GMP pilot plant, its new, larger-scale solid-phase synthesis facility for peptide APIs is expected to be completed in 2026.

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 system. 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 175 QA audits (including 142 API audits and 33 formulation audits), and passed all the audits. Among them, 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) 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, and received the Establishment Inspection Report (EIR) in September 2025. 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 recognized revenue of RMB1,956.7 million, with a year-on-year growth of 7.1%; and a gross margin of 11.4%, with a decrease of 1.4 percentage points over last year. Amid the bottoming-out and consolidation of China's clinical research service industry, Pharmaron Clinical achieved countercyclical growth in service projects and revenue through its further enhanced brand influence and customer recognition. Its overseas clinical business continued to deepen its expertise in specialized areas such as first-in-human (FIH) studies, radiolabeled science services, clinical bioanalytical testing and ^{14}C microtracer services, achieving steady growth.

During the Reporting Period, the Company's clinical CRO team provided services to 1,397 ongoing projects, including 125 projects in Phase III clinical trials, 539 projects in Phase I/II clinical trials, and 733 other clinical trial projects (including Phase IV clinical trials, investigator-initiated trials and real-world evidence studies). The Company's clinical research site management services team provided services to over 1,900 ongoing projects. Its CRC team covered nearly 700 hospitals and clinical trial centers in over 150 cities in China for clinical research site management services. Amid intensifying market competition, the Company strengthened its core competitiveness by utilizing AI and digital tools to enhance operational efficiency, leading to continued growth in project volume and customer base. Through dual regulatory filing services in China and the U.S., the Company has expanded its presence in the U.S. market, laying a solid foundation for future growth.

As of December 31, 2025, the Company had 4,889 employees in clinical development services, including more than 400 employees overseas. 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.

Pharmaron Clinical is committed to building a digital and intelligent clinical R&D service platform, providing customers with efficient and differentiated services. During the Reporting Period, the Company comprehensively promoted the application of digital technologies and AI tools across multiple business units, including site management, clinical operations, regulatory affairs, medical affairs, data management, biostatistics, pharmacovigilance, medical device R&D, and patient management, to enhance the quality and efficiency of its clinical services, as well as its digital products development and delivery capabilities.

In terms of deepening its end-to-end healthcare service platform and AI/data empowerment capabilities, in February 2025, the Company completed the acquisition of a controlling stake in Aistarfish Technology. It subsequently optimized its organizational structure by completing an equity restructuring of Aistarfish Technology and Kangsida, and established a dedicated business unit at the group level to further advance its strategy of providing comprehensive healthcare services. Aistarfish has accumulated extensive patient management service experience and oncology medical knowledge and established a leading AI patient management platform that connects "Cancer patients – Physicians & Hospitals – Out-of-Hospital Support". Aistarfish has made progress in expanding hospital collaborations, broadening coverage of cancer types, and exploring commercialization pathways, paving a way to enhance the scope and quality of patient services in the future. Additionally, through collaborations with the Company's clinical and preclinical business units, Aistarfish is actively building high-quality real-world data and multi-omics cohorts for precise patient populations, aiming to enhance the efficiency of innovative drug R&D processes for the Company's customers and post-market research efforts.

(4) Biologics and CGT Services

During the Reporting Period, the Biologics and CGT Services segment recognized revenue of RMB474.7 million, with a year-on-year growth of 16.5%; and a gross margin of -40.4% in 2025, with an increase of 9.7 percentage points over last year. The Company further strengthen its technical capabilities in its laboratory protein production and biologics CDMO, while steadily expanding its project pipeline. In parallel, its U.S. laboratories maintained steady growth with its competitive advantages in cell and gene therapy bioanalysis, ophthalmology and preclinical testing. Its gene therapy CDMO services in Liverpool, U.K., achieved record annual revenue, driven by the successful delivery of integrated projects.

As of December 31, 2025, the Company had 761 employees. During the Reporting Period, the Company provided analytical release testing services to 25 CGT products at various stages, including 2 potency assays for commercial manufacture and 14 potency assays for clinical studies. For safety assessment services, the Company has 17 GLP and non-GLP toxicology studies for CGT products either had been completed or were in progress. In terms of gene therapy CDMO services, the Company had 19 projects across different service categories and R&D stages, including 1 Phase III clinical project, 9 Phase I/II clinical projects and 9 preclinical projects.

During the Reporting Period, the Company's biologics discovery services achieved rapid growth. The Company continued to strengthen its capabilities in proteins, antibodies and complex large molecules generation and screening. Through the acquisition of Biortus, it further expanded its expertise in complex target protein production and analysis, providing customers with more comprehensive early-stage biologics 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. While continuing repeat batch production for a key project, the Company will also enhance its cell line development capabilities to win more early-stage projects, initiating several DNA-to-IND antibody projects.

In terms of CGT product R&D services, the Company continued to enhance its analytical testing capabilities in the U.S. for advanced modalities, including release testing services for CAR-T cell therapies (including *in vivo* CAR-T cell therapies and allogeneic CAR-T cell therapies) and bioanalytical services for drug therapies delivered via lipid nanoparticle (LNP) technology, with revenue beginning to take shape. The Company's laboratories and facilities in Liverpool, the U.K. offer customers a scalable and approvable multiple AAV product in 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 Liverpool facility won its first GMP manufacturing order for a monoclonal antibody, further diversifying its project portfolio.

3. Profit for the Reporting Period

The profit attributable to owners of the parent in the Reporting Period was approximately RMB1,663.9 million, decreased by 7.2% as compared to approximately RMB1,793.4 million for the year ended December 31, 2024.

4. Basic and Diluted Earnings Per Share

The basic earnings per share for the Reporting Period was approximately RMB0.9443, decreased by 6.8% as compared to approximately RMB1.0133 for the year ended December 31, 2024. The diluted earnings per share for the Reporting Period was approximately RMB0.9393, decreased by 7.1% as compared to approximately RMB1.0113 for the year ended December 31, 2024.

5. 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.

	Year ended December 31, 2025	Year ended December 31, 2024
	RMB'000	*RMB'000*
Profit attributable to owners of the parent	**1,663,899**	1,793,351
Add:		
Share-based compensation expenses	**70,648**	83,385
Convertible Bonds related gains	**–**	(6,136)
Foreign exchange related (gains)/losses	**(9,908)**	33,927
Realized and unrealized losses/(gains) from equity investments	**86,493**	(407,060)
Amortization of intangible assets from acquisitions	**4,997**	–
Non-financial assets impairment	**–**	65,369
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	**1,816,129**	1,606,852

6. Cash Flows

During the Reporting Period, the net cash flows generated from operating activities was approximately RMB3,221.0 million, representing an increase of approximately 25.0% as compared to the year ended December 31, 2024.

During the Reporting Period, net cash flows used in investing activities of the Group amounted to approximately RMB4,374.4 million, representing an increase of approximately RMB2,350.1 million or 116.1% as compared to the year ended December 31, 2024. The increase was mainly due to: 1) increased net cash payments for acquisition of subsidiaries; 2) increased net cash payments for capital injection in associates and other equity investments; 3) increased cash payments for purchases of property, plant and equipment.

During the Reporting Period, net cash flows generated from financing activities of the Group amounted to approximately RMB377.0 million, representing an increase of approximately RMB5,173.7 million or 107.9% as compared to the year ended December 31, 2024. The increase was mainly due to: 1) decreased cash repayment of bank loans; 2) increased proceeds from bank loans compared to the year ended December 31, 2024; 3) decreased repurchases of H Shares and A Shares of the Company during the Reporting Period.

7. Liquidity and Financial Resources

The Group has maintained a stable financial position during the Reporting Period. As at December 31, 2025, the Group's cash and cash equivalents amounted to approximately RMB842.7 million. For the Reporting Period, net cash flows generated from operating activities of the Group amounted to approximately RMB3,221.0 million.

The Group recorded total current assets of approximately RMB7,778.2 million as at December 31, 2025 (December 31, 2024: approximately RMB7,608.2 million) and total current liabilities of approximately RMB8,364.0 million as at December 31, 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 0.9 as at December 31, 2025 (December 31, 2024: approximately 1.8).

8. Borrowings and Gearing Ratio

As at December 31, 2025, the Group aggregated interest-bearing bank borrowings of approximately RMB6,538.3 million. Among the total borrowings, approximately RMB4,766.5 million will be due within one year and approximately RMB1,771.8 million will be due after one year.

As at December 31, 2025, the gearing ratio, calculated as total liabilities over total assets, was 41.9%, as compared with 40.6% as at December 31, 2024.

9. Pledge of Assets

As at December 31, 2025, the Group mortgaged property, plant and equipment with a net carrying amount of approximately RMB971.3 million (December 31, 2024: approximately RMB867.7 million); and the mortgaged right-of-use assets had a net carrying amount of approximately RMB122.7 million (December 31, 2024: approximately RMB125.5 million).

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

Besides, as at December 31, 2025, the Group pledged deposits of approximately RMB174.8 million (December 31, 2024: approximately RMB66.8 million).

10. Final Dividend

On June 20, 2025, the 2024 Profit Distribution of the Company was approved at the annual general meeting of the Company. For further details of dividends paid pursuant to the 2024 Profit Distribution, please refer to paragraph numbered "13. Miscellaneous – (9) 2024 Profit Distribution" below under the section headed "B. Financial Review".

The Board proposed to declare a final cash dividend of RMB2.0 (inclusive of tax) per 10 shares or an aggregate of approximately RMB366.0 million for the year ended December 31, 2025.

The aforesaid proposal is subject to the consideration and approval at the AGM. If the distribution proposal is approved at the AGM, it is expected that the final dividend for the year ended December 31, 2025 will be distributed to the shareholders by the end of August 2026.

Details regarding the closure of the register of members of the Company and declaration and payment of dividends will be announced separately in due course.

11. Contingent Liabilities

As at December 31, 2025, the Group did not have any material contingent liabilities.

12. Share Incentive Schemes

12A. A 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 0.10% of the Company's total number of issued Shares as of December 31, 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 Shares to be vested, 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 has 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 has 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 has 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.

As a result of the implementation of the 2024 Profit Distribution and pursuant to the Management Measures and the 2021 A Share Incentive Scheme, on August 21, 2025, the Board has resolved to adjust the grant price of Restricted A Shares granted under the 2021 A Share Incentive Scheme from RMB30.59 per A Share to RMB30.39 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 Cancellation/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 cancelled/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.

During the Reporting Period, one grantee who was granted Restricted A Shares under the 2021 A Share Incentive Scheme resigned for personal reasons. As a result, this employee no longer qualifies as an eligible employee under the 2021 A Share Incentive Scheme, and 42,189 unvested Restricted A Shares previously granted to this employee have been cancelled/forfeited. Please refer to the overseas regulatory announcement of the Company dated August 21, 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 during the year of 2025[2]	Number of awards cancelled/ forfeited during the year of 2025	Number of unvested and not registered awards as at December 31, 2025
Employees	July 27, 2021	RMB30.39	742,980	24,459	389,190	329,331

Note:

(1) The grant price was adjusted from RMB30.59 to RMB30.39 as a result of the implementation of the 2024 Profit Distribution. Please refer to section under "12A. (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 RMB24.85.

(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 vested or forfeited, and such period shall not exceed 60 months from the grant date. As such, as of December 31, 2025, the remaining life of the 2021 A Share Incentive Scheme is 6 months.

(ix) Others

In January 2026, the Company conducted the registration of vesting of Restricted A Shares. Restricted A Shares were vested to a total of 44 eligible employees, and the total number of Restricted A Shares vested was 81,643. The Restricted A Shares vested were circulated on January 29, 2026.

In the process of payment of funds and share registration, a total of 247,688 Restricted A Shares that could be vested to 133 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 27, 2026 for further details.

As at the date of this announcement, all awards granted under the 2021 A Share Incentive Scheme have been vested or cancelled/forfeited.

(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 entitlements 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 December 31, 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 shares to be vested, 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 has 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 has 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 has 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.

As a result of the implementation of the 2024 Profit Distribution, and pursuant to the Management Measures and the 2022 A Share Incentive Scheme, on August 21, 2025, the Board has resolved to adjust the grant price of Restricted A Shares granted under the 2022 A Share Incentive Scheme from RMB25.35 per A Share to RMB25.15 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 Cancellation/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 cancelled/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.

During the Reporting Period, ten grantees who were granted Restricted A Shares under the 2022 A Share Incentive Scheme resigned for personal reasons. As a result, they no longer qualify as eligible employees under the 2022 A Share Incentive Scheme, and a total of 44,104 unvested Restricted A Shares previously granted to them have been cancelled/forfeited. Please refer to the overseas regulatory announcement of the Company dated August 21, 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 during the year of 2025[2]	Number of awards cancelled/ forfeited during the year of 2025	Number of unvested and not registered awards as at December 31, 2025
Employees	July 28, 2022	RMB25.15	2,110,711	385,057	361,736	1,363,918

Note:

(1) The grant price was adjusted from RMB25.35 to RMB25.15 as a result of the implementation of the 2024 Profit Distribution. Please refer to section under "12A. (2) 2022 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 RMB24.85.

(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 vested or forfeited under the 2022 A Share Incentive Scheme, and such period shall not exceed 60 months. As such, as of December 31, 2025, the remaining life of the 2022 A Share Incentive Scheme is 18 months.

(ix) Others

In January 2026, the Company conducted the registration of vesting of Restricted A Shares. Restricted A Shares were vested to a total of 276 eligible employees, and the total number of Restricted A Shares vested was 565,698. The Restricted A Shares vested were circulated on January 29, 2026.

In the process of payment of funds and share registration, a total of 116,068 Restricted A Shares that could be vested to 65 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 27, 2026 for further details.

(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 December 31, 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 December 31, 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 Shares to be vested, 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.

As a result of the implementation of the 2024 Profit Distribution, and pursuant to the Management Measures and the 2023 A Share Incentive Scheme, on August 21, 2025, the Board has resolved to adjust the grant price of Restricted A Shares granted under the 2023 A Share Incentive Scheme from RMB18.65 per A Share to RMB18.45 per A Share.

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

No awards 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 Incentive Scheme.

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

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

During the Reporting Period, (i) ten grantees who were granted a total of 179,553 Restricted A Shares under the 2023 A Share Incentive Scheme resigned for personal reasons, and (ii) 455,327 Restricted A Shares were cancelled/forfeited due to failure to satisfy the Company's performance indicator prescribed by the 2023 A Share Incentive Scheme. As a result, a total of 634,880 unvested Restricted A Shares previously granted have been cancelled/forfeited. Please refer to the overseas regulatory announcement of the Company dated August 21, 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 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 year of 2025	Number of awards cancelled/ forfeited during the year of 2025	Number of unvested and not registered awards as at December 31, 2025
Employees	July 7, 2023	RMB18.45	1,545,826	0	634,880	910,946

(1) The grant price was adjusted from RMB18.65 to RMB18.45 as a result of the implementation of 2024 Profit Distribution. Please refer to section under "12A. (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 vested or forfeited, and such period shall not exceed 72 months. As such, as of December 31, 2025, the remaining life of the 2023 A Share Incentive Scheme is 42 months.

(4) Concluding statement

The total number of Restricted A Shares that may be issued in respect of awards granted under all A Share incentive schemes of the Company during the year ended December 31, 2025 divided by the weighted average number of A Shares in issue for the year ended December 31, 2025 was 0.18%.

12B. H Share Award and Trust Schemes

(1) 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, and have further resolved to amend the First H Share Award and Trust Scheme during the 2024 annual general meeting of the Shareholders on June 20, 2025. 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.

(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 employee is 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 December 31, 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 December 31, 2025, there are 10,443,117 H Shares to be granted under the First H Share Award, which represents approximately 3.55% of the number of the Company's H Shares in issue (excluding any treasury H Shares) as of the same date.

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

Unless otherwise approved by the Board or the Delegatee, all granted H Shares shall be vested in four equal annual tranches of 25% each upon the corresponding anniversary of the grant date.

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 a 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.

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	Number of awards granted during the Reporting Period	Number of awards vested during the Reporting Period	Number of awards forfeited during the Reporting Period	Number of awards canceled during the Reporting Period	Number of unvested awards as at December 31, 2025
Employees	July 2, 2025[(1)]	N/A	0	5,396,470	0	0	0	5,396,470
Employees	July 2, 2025[(1)]	N/A	0	2,103,398	0	0	0	2,103,398
Employees	July 2, 2025[(1)]	N/A	0	3,217,500	0	0	0	3,217,500
Employees	August 29,2023	N/A	1,331,114	0	0	1,331,114	0	0
Employees	May 31,2022	N/A	5,305,908	0	2,605,597	94,652	0	2,605,659
Employees	April 1,2022	N/A	537,499	0	231,832	73,764	0	231,903
Employees	December 14, 2020	N/A	321,255	0	279,456	41,799	0	0
Total			**7,495,776**	**10,717,368**	**3,116,885**	**1,541,329**	**0**	**13,554,930**

Note:

(1) The closing price of the H Shares immediately before the date on which the Awards were granted was HKD16.58.

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 December 31, 2025, the remaining life of the First H Share Award and Trust Scheme is 58 months.

(vi) Others

For the 12 months ended December 31, 2025, the Group had recorded share-based compensation expenses of RMB77,647,000 (the 12 months ended December 31, 2024: RMB64,745,000) in relation to the First H Share Award and Trust Scheme.

(2) 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 December 31, 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 December 31, 2025 and up to the date of this announcement, the Company had not made any grants under the 2025 H Share Award and Trust Scheme.

(3) Summary

The total number of existing H Shares that may be vested in respect of awards granted under both H Share award and trust schemes of the Company during the year ended December 31, 2025 was 13,554,930, which represents approximately 0.76% of the total share capital of the Company as of December 31, 2025.

13. Miscellaneous

(1) Change in Board Composition

a. Change of Non-Executive Director

Reference is made to the announcements of the Company dated April 27, 2025 and April 29, 2025 in relation to the voluntary resignation of Mr. Hu Baifeng ("**Mr. Hu**") from his position as a non-executive Director and a member of the strategy committee of the Board due to reallocation of his primary work responsibilities.

On June 20, 2025, Ms. Wan Xuan ("**Ms. Wan**") was elected as a non-executive Director and a member of the strategy committee of the third session of the Board. Upon Ms. Wan's election, Mr. Hu ceased to perform his duties as a non-executive Director and a member of the strategy committee of the Board. Please refer to the circular of the Company dated May 29, 2025 and the poll results announcement of the Company dated June 20, 2025 for further details.

b. Change of Independent Non-Executive Director

Reference is made to the announcement of the Company dated October 28, 2025 in relation to the voluntary resignation of Mr. Tsang Kwan Hung Benson ("**Mr. Tsang**") from his position as an independent non-executive Director, and a

member of the audit committee, the remuneration and appraisal committee and the nomination committee of the Board, pursuant to Article 13 of the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》).

On December 18, 2025, Prof. Tsang King Fung ("**Prof. Tsang**") was elected as an independent non-executive Director, and a member of the audit committee, the remuneration and appraisal committee and the nomination committee of the third session of the Board. Upon Prof. Tsang's election, Mr. Tsang ceased to perform his duties as an independent non-executive Director, and a member of the audit committee, the remuneration and appraisal committee and the nomination committee of the Board. Please refer to the circular of the Company dated November 27, 2025 and the poll results announcement of the Company dated December 18, 2025 for further details.

c. Election of Employee Representative Director

On December 18, 2025, Mr. Li Shing Chung Gilbert was elected as the employee representative Director of the third session of the Board at an employee representative's meeting convened on the same day. Please refer to the announcement of the Company dated December 18, 2025 for further details.

(2) Acquisition of Controlling Interest in Aistarfish Technology

In February 2025, Kangsida, a subsidiary of the Company acquired approximately 51.39% equity interest in Aistarfish Technology for a consideration of approximately RMB185 million. 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) Equity Restructuring of Aistarfish Technology and Kangsida

With a view to further streamlining the Company's business segments, optimising its equity structure and enhancing R&D efficiency and service quality, during the Reporting Period, the Company and its controlling subsidiaries, Pharmaron Clinical, LinkStart, Kangsida and Aistarfish Technology, entered into a series of restructuring agreements to carry out a series of equity adjustments in Aistarfish Technology and Kangsida, to the effect that the Company directly held 70.44% of the equity interest in Aistarfish Technology, which in turn fully held Kangsida. In February 2026, the Company has completed the aforementioned equity restructuring.

(5) Connected Transaction – Acquisition of 82.54% Interest in Biortus

On October 28, 2025, the Company entered into a series of equity transfer agreements with various parties (including connected persons of the Company), pursuant to which the Company agreed to acquire 82.54% of the equity interest in Biortus at a total consideration of approximately RMB1,346 million. This acquisition constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

Biortus is a joint stock limited company incorporated in the PRC with a registered capital of RMB52,333,424 and is principally engaged in provision of CRO services for new drug R&D related to structural biology, with strength and comparative advantage in cryo-electron microscopy analysis. It was founded in 2009 and undertook a series of equity financing since its inception, its shareholders includes professional institutional investors. Please refer to the announcements of the Company dated October 28, 2025 and November 17, 2025 for further details.

(6) Additional Investment in PharmaGend

In August 2025, the Board resolved to approve an additional investment of US$10.5 million in its subsidiary, PharmaGend. In January 2026, the Company completed the payment of the additional investment amount.

Following this capital increase, the Company's cumulative investment in PharmaGend reached US$38.5 million, representing a 32.38% equity interest. Please refer to the overseas regulatory announcements of the Company dated August 21, 2025 and January 9, 2026 for further details.

(7) Establishment of Strategic Cooperation with Zhejiang University

In July 2025, the Company entered into a strategic cooperation with Zhejiang University and formalized the cooperation through the signing of a comprehensive strategic cooperation agreement. 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.

(8) Establishment of Strategic Cooperation with City University of Hong Kong

In October 2025, the Company's wholly-owned subsidiary, Pharmaron (Hong Kong) International Limited, entered into a cooperation framework agreement with City University of Hong Kong. The collaboration aims to leverage City University of Hong Kong's academic strengths and the Company's industry resources to jointly cultivate talent, promote innovation in digital medicine, and facilitate knowledge sharing, thereby accelerating the translation of more promising digital healthcare, biopharmaceutical, and life and health technology solutions. The collaboration will also support the practical application of City University of Hong Kong's research outcomes, creating long-term social and economic benefits for Hong Kong and Chinese Mainland.

(9) 2024 Profit Distribution

On June 20, 2025, the 2024 Profit Distribution of the Company was approved at the 2024 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 H Shareholders whose names appear on the H Shares register of members of the Company on July 14, 2025 and the A Shareholders whose names appear on the A Shares register of members of the Company on July 3, 2025. Please refer to the circular of the Company dated May 29, 2025 for further details.

(10) Adoption of the 2025 H Share Award and Trust Scheme

On June 20, 2025, the adoption of the 2025 H Share Award and Trust Scheme was approved at the 2024 annual general meeting of the Company. The 2025 H Share Award and Trust Scheme will utilize up to 7,263,300 H Shares (representing the amount of treasury H Shares held by the Company) as share incentives. Please refer to the circular of the Company dated May 29, 2025 for further details.

As at December 31, 2025, the Company had not identified any Selected Participant to the 2025 H Share Award and Trust Scheme.

(11) Participation in Equity Investment Fund

To fully leverage the investment and industry insight capabilities of professional investment institutions, enhance the Company's investment capacity, seize quality opportunities in industry development, and promote the high-quality development of the pharmaceutical industry, in March 2025, 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) ("**Ningbo Yongkang**"), with Shanghai Hongfu Private Fund Management Co., Ltd. acting as the fund manager.

In April 2025, Ningbo Yongkang completed the registration with the Asset Management Association of China and obtained the Private Investment Fund Filing Certificate. To further leverage the investment screening and assessment capabilities of professional investment institutions within the industry, in January 2026, the Company made an additional investment of RMB50 million in Ningbo Yongkang using its own funds. Following this additional investment, the Company's total committed capital contribution to Ningbo Yongkang reached RMB150 million.

(12) Participation in Overseas Equity Investment Fund

In May 2025, 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.

(13) Amendments to the Articles of Association

On June 20, 2025, the Shareholders resolved to approve the amendments to the articles of association of the Company ("**Articles of Association**") in connection with (i) the increase in the registered capital of the Company, (ii) the latest amendments to the applicable regulatory provisions of the PRC and the recent updates to the Listing Rules, and (iii) certain housekeeping amendments. Please refer to the announcements of the Company dated March 26, 2025 and June 20, 2025 for further details.

On December 18, 2025, the Shareholders resolved to approve the amendments to the Articles of Association to reflect the latest amendments to the Company Law and other applicable regulatory provisions of the PRC. Please refer to the announcements of the Company dated October 28, 2025 and December 18, 2025 for further details.

C. Core Competitiveness Analysis

The Company provides customers with fully-integrated services covering drug research, development and manufacturing services for innovative pharmaceutical products throughout the research and development cycle. With this end-to-end and fully-integrated business model, we gain significant competitive advantages in deepening customer collaboration, establishing core technical expertise and professional team building which enable us to better support our customers' innovative R&D programs.

1. Industry-leading fully-integrated pharmaceutical R&D services platform with strong capabilities and provides comprehensive service offerings for customers across the globe

The Company is committed to building a R&D and manufacturing service platform across multiple therapeutic modalities (including small molecule, Biologics and CGT products) throughout drug discovery, preclinical and clinical development process. The Company has a well-established and fully integrated R&D and manufacturing service platform for small molecule drugs, and is rapidly expanding into emerging drug modalities such as peptides, oligonucleotides, and ADCs. In addition, the Company has built an integrated service platform for biologics and CGT products. The Company is in an industry-leading position in drug discovery, preclinical and early clinical-stage research, and has expanded its capabilities downstream to late clinical-stage development and commercial manufacturing. In the process of expanding its R&D service offerings, the Company has successfully transformed from a single laboratory chemistry service provider to an end-to-end, multiple modalities capable pharmaceutical R&D service platform with business operations in China, U.S. and U.K..

The Company has established comprehensive expertise in different R&D stages, so as to assist customers in accelerating their R&D programs and cater to a full spectrum of customers' needs. With our professional project management capabilities, we are able to utilize our full integrated services platform to cater for the customers' needs. Vertically, the Company is strengthening the seamless integration of the same discipline across different pharmaceutical R&D stages. Horizontally, the Company is strengthening the integration of different disciplines at the same pharmaceutical R&D stages, improving the science and technology of each discipline, expanding the services offering, and promoting the interdisciplinary collaborations. With the integration and collaboration between our discovery and development service platforms, we have accumulated a profound understanding of the unique scientific challenges involved in our customers' new pharmaceutical R&D projects, which will facilitate us to move projects forward more efficiently and in turn maximize the benefits of our customers. The Company's profound industry knowledge, strong execution capability and end-to-end solutions will shorten the drug discovery and development cycle and reduce the associated risks for our customers.

As a fully-integrated pharmaceutical R&D service provider, the Company's comprehensive pharmaceutical R&D services platform has the following six core competences:

(1) Comprehensive chemistry platform throughout the entire drug R&D and commercial stages

As a fully-integrated service provider for the research, development and manufacturing of small molecule pharmaceutical products, the Company's expertise and advantage in chemistry technology is crucial throughout the whole drug R&D process.

With the comprehensive chemical technology platform covering compound design (including CADD), design and synthesis of a compound library, medicinal chemistry, synthetic chemistry, analytical chemistry, early process chemistry, process chemistry, GMP API manufacturing, and formulation development and manufacturing, the Company can satisfy customers' demand for pharmaceutical R&D and manufacturing in each stage of the pharmaceutical R&D process, including laboratory synthesis process at the drug discovery stage, scale up process development from preclinical to clinical stage as well as GMP manufacturing up to commercial stage, which fully cater to the diversified needs of different types of customers. By providing R&D services for the compound synthesis process, and formulation development services, the Company is able to provide customers with fully-integrated pharmaceutical R&D and manufacturing solutions from initial compounds to finished dosages.

(2) DMPK/ADME service platform throughout the entire drug R&D process

The Company provides DMPK/ADME services covering the whole R&D process from drug discovery to development. The early DMPK/ADME studies are of great importance as they can provide a key basis for our customers to determine their late-stage drug development strategy. Radioisotope analysis technology is critical as an important drug metabolism analysis technology during the clinical stage. The Company is able to provide customers with integrated radioisotope synthesis and DMPK services, which cover radioisotope compound synthesis and human ADME studies using regular isotope analysis technology or high sensitivity AMS technology. In addition, the Company has established a comprehensive global service network for ADME/DMPK studies, and further strengthen its leading position in discovery and development DMPK services.

(3) Comprehensive integrated platform from drug discovery to POC ("proof of concept")

From inception, the Company has committed to the establishment of integrated services platform from drug discovery to proof of concept stage, which covers compound design, compound library synthesis, synthetic and medicinal chemistry, biology, DMPK, pharmacology, toxicology, drug safety assessment, radiolabelled chemistry and DMPK, clinical pharmacology, clinical bioanalysis, clinical data statistics, chemical process development and API manufacturing and formulation and drug product manufacturing. In October 2025, the Company entered into an agreement to acquire a controlling interest in Biortus, further strengthening its capabilities in structural biology, complex target protein production and analysis services.

With this comprehensive integrated services platform, the Company has undertaken many integrated research projects, and achieved a considerable number of milestones. In addition, the Company can also provide a customized service package at a particular stage of drug R&D process, such as an integrated service package for IND enabling which includes preclinical safety assessment, early process development and manufacturing, pharmacology, DMPK and clinical proposal. With this comprehensive IND enabling solutions and the ability to support IND filing for different jurisdictions, it provides flexibility to the customers, accelerates their drug development process and reduces their overall R&D costs.

(4) Fully-integrated clinical development services in China

As a significant component of the Company's fully-integrated service platform, domestic clinical development platform covers various functions, including regulatory and registration services, medical affairs, medical monitoring, clinical operations, data management and biostatistics, bioanalysis, pharmacovigilance, quantitative pharmacology, site management services, healthy and patient volunteer recruitment and management, and quality assurance, which provides customers with complete, efficient, end-to-end Phase I, II, III and IV clinical development services. Through internal capability building, organic growth and external acquisitions over the years and our effort in integrating different functions and processes and optimizing the team and organization structure. The Company has built a sizeable and highly competitive clinical development services platform in China, offering high-quality clinical development services of new small molecule drugs, biologics and medical devices for domestic and oversea customers. In 2025, Pharmaron Clinical completed the acquisition of Aistarfish Technology, a leading company in AI and digital case management for cancer patients in China. This acquisition represents a crucial step in the Company's development towards a "data and AI-enabled service provider". Leveraging Aistarfish Technology's technological and data accumulation in oncology, its proprietary digital and AI platforms with independent intellectual property rights, its case management system that strictly complies with international data privacy regulations (such as the Personal Information Protection Law, GDPR, and HIPAA), its strategic cooperation with the Chinese Society of Clinical Oncology (CSCO), and its real-world data (RWD) network covering more than 30 provinces across China, Pharmaron Clinical has established unified multi-modal data standards. It integrates disease characteristics such as genomics and imaging to achieve cross-disease data integration. By optimizing patient screening and stratification through algorithms, it enhances the efficiency of innovative drug research and development throughout the entire process. In addition, combined with Pharmaron's global network, it provides real-world research (RWS) services that meet the standards of the FDA and EMA for global pharmaceutical companies.

Leveraging on the technical capabilities and established reputation of our preclinical R&D platform, the clinical R&D services platform collaborates with the preclinical and business development teams to get involved in clinical study planning discussion with customers as early as possible, so as to provide more comprehensive customer services and at the same time, and generate business opportunity for the clinical development services. Also, the medical affair, regulatory affairs, bioanalytical, quantitative pharmacology and biostatistics departments of the clinical development services work closely with the preclinical R&D team for planning of IND-enabling. These high-quality interactions between preclinical and clinical teams accelerate projects progressing in high-quality from preclinical to clinical stage, allowing our customers to fully enjoy the benefits of the Company's fully integrated services platform.

Together with the Company's U.S. clinical pharmacology center, data management and biostatistical, bioanalytical and clinical CRO operation and project management teams who are well versed with clinical development process and culture in both China and U.S., we are able to provide a faster and convenient gateway for domestic customers to present their R&D program globally.

(5) An integrated platform for "laboratory testing-IND enabling-process development and manufacturing" of gene therapy products

The Company has built a comprehensive R&D and manufacturing service platform for biologics from discovery to process development and manufacturing (CDMO). Together with the bioscience services under its laboratory services segment, the Company provides customers with end-to-end biologics services from "laboratory services-IND enabling process development and manufacturing", including cell screening, biologics generation and purification, analytical assay development and product characterization to support early stage R&D projects.

In recent years, through acquisition and integration of related resources and platforms, the Company has initially built an integrated services platform of "laboratory testing-IND enabling-process development and manufacturing" for gene therapy products, including a comprehensive and industry leading analytical platform for biologics and CGT products that are in compliance with ICH guidelines of GLP/GCP/GMP in the U.S., and an integrated platform for the development and GMP manufacturing of gene therapy products in the U.K.. By combining both the analytics and CMC platforms in gene therapy products with our safety assessment center which has been inspected and/or certified for GLP compliance by NMPA, FDA and OECD regulatory authorities, the Company offers customers a complete preclinical IND enabling solution for CGT products, as well as clinical testing material manufacturing and clinical sample analysis services for CGT products.

(6) Building an end-to-end service platform for new drug modalities

With a strategic focus on new drug modalities including ADC, peptide, and oligonucleotide, the Company continuously strengthens and expands its laboratory and manufacturing service capabilities to build an end-to-end platform. Leveraging its deep expertise in small molecule R&D services and strategic expansion into biologics, the Company has established a fully integrated ADC discovery service line, including antibody preparation, payload synthesis, linker synthesis, bioconjugation and biological testing. In 2025, the Company's newly built bioconjugation suite passed GMP qualification, and can provide integrated ADC production services for phase I/II clinical trials. Building on this milestone, the Company is further strengthening its bioconjugation and ADC formulation capabilities, aiming to offer customers fully integrated ADC CDMO services from development to commercial production. For peptide, the Company is expanding its manufacturing capabilities beyond laboratory synthesis and early-stage production to offer more comprehensive CDMO services. Its new solid-phase manufacturing suite for peptide APIs is on track for completion in 2026.

2. Global operations, profound experience in pharmaceutical R&D and state-of-the art technologies to provide customized solutions for customers

The Company operates globally through our 28 operating facilities, clinical and manufacturing facilities in China, U.K., U.S. and Singapore, of which 12 operating facilities are located overseas. The Company's profound experience in global pharmaceutical R&D, together with its global operations and world-class technical capabilities offers our customers a unique value proposition and customized solutions that combines our technical expertise in different geographic locations and efficient services with seamless integration.

Through our global operation, the Company has established a services network and strategic presence in global life science hubs which enhances the customer communication and our understanding of customer needs. Further, by carrying out our R&D services under different jurisdictions, it provides flexibility to customize our services solutions that best suit our customers' geographic and strategic needs. For example, the clinical pharmacology team in U.S. has worked seamlessly with our Chinese team to help customers in China for the preparation and filing of IND application and conducted the first-in-human (FIH) studies in U.S.. In addition, the Company's experience in regulatory filings in various jurisdictions and its service model of providing customers with total solution enable our customers to file IND applications for their drug candidates in China, U.S., or EU in parallel, which makes the IND applications of our customers more flexible and efficient.

On the other hand, it is the Company's core strategy for each international acquisition to effectively integrate with our global services platform and brought in the world class talent and facilities into our integrated services platform to further strengthen our overall services capabilities and increase the efficiency of our services. These strategies complement each other to effectively improve the Company's international operation capability and bring high value-added services to customers.

Currently, the Company has established an integrated CMC (small molecule CDMO) services platform across China, the U.K. and the U.S.. Leveraging its global capacities, the Company is able to offer its global customers more flexible, scalable, and environmentally sustainable end-to-end API production services. In addition, through its associated company PharmaGend located in Singapore, the Company has further enhanced its global deployment in late-stage and commercial drug product CDMO services. PharmaGend has passed inspections from the Food and Drug Administration of the U.S. (FDA) and the Health Sciences Authority (HSA) of Singapore, as well as the Qualified Person (QP) audit by Swissmedic (the Swiss drug regulatory authority). This represented a milestone of the Company's global drug product CDMO services and further strengthened its global services network.

By adhering to the long-standing growth strategy of building an "End-to-End, Fully-integrated, Globalized and Multiple Modalities Capable" platform with global footprints, it facilitates cross-regional and multiple regulatory jurisdictional collaboration for cross-disciplinary and cross-R&D stages projects. Meanwhile, with efficient project management and cross-cultural communication, it facilitates the collaborations among teams, regions and disciplines to maximize the interests of our customers.

3. Committed to utilizing innovative technologies to meet evolving R&D needs and increase efficiency

Since inception, the Company has continually put great emphasis on technology and innovation to fuel sustained business growth and meet evolving R&D needs. The Company develops new technologies through multiple measures such as internal research and development, collaboration with academic and professional institutions, customer collaboration and acquisitions. In 2025, the Company made significant investments in automation and artificial intelligence (AI) technologies to further strengthen its service capabilities. The Company actively explored automated synthesis technologies to conduct multi-step chemical reactions, aiming to deliver compounds with greater efficiency and reduced manual intervention, and has achieved initial progress. In addition, the Company continued to promote the application of AI technologies, deeply integrating AI into synthesis route design, drug discovery, mechanism of action studies, toxicity prediction and data processing. By synergizing AI with automation, the Company increased experimental throughput, enhanced service efficiency, and minimized operational errors, thereby providing customers with faster, more accurate, and more reliable R&D data.

In terms of deepening its end-to-end healthcare service platform and AI/data empowerment capabilities, in February 2025, the Company completed the acquisition of a controlling stake in Aistarfish Technology Co., Ltd. Leveraging on its self-developed AI technology platform, Aistarfish has accumulated extensive patient management service experience and oncology medical knowledge and established a leading AI patient management platform that connects "Cancer patients – Physicians & Hospitals – Out-of-Hospital Support". Following the acquisition, Aistarfish has made progress in expanding hospital collaborations, broadening coverage of cancer types, and exploring commercialization pathways, paving a way to enhance the scope and quality of patient services in the future. Additionally, through collaborations with the Company's clinical and preclinical business units, Aistarfish is actively building high-quality real-world data and multi-omics cohorts for precise patient populations, aiming to enhance the efficiency of innovative drug R&D processes for the Company's customers and post-market research efforts.

In terms of industry-academia-research collaborative innovation, 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 October 2025, the Company and City University of Hong Kong signed a Collaborative Framework Agreement to foster talent incubation, digital medicine innovation and knowledge sharing. By leveraging academic and industry resources, the collaboration aims to transform innovative solutions in smart healthcare, biomedicine, and life and health technology into practical applications, contributing to the long-term social and economic advancement of Hong Kong and the Chinese Mainland.

4. Dedicated, stable and visionary management teams, experienced talent pools with progressive corporate culture

The Company's management team is led by Dr. LOU Boliang, our chairman and chief executive officer. With over 30 years of experience in the pharmaceutical industry, he is highly respected in the industry for his excellent leadership that contributes to the Company's rapid development. The Company's senior management team has been with us for more than 15 years. The Company has more than 100 senior scientific and technical leaders, 4 of whom were named as National Talents and 17 of who were named as Provincial-level Talents (including municipalities directly under the Central Government). Members of our highly skilled, experienced and international management team possess diverse expertise and extensive knowledge, and have significantly contributed to the growth of the Company's institutional knowledge base. The Company focuses on its homegrown scientific team consisting of selected, young and promising scientists, which enables us to form a cohesive and vibrant mid-level management team composed of over 4,600 technical managers and high-calibre scientific research talents across all scientific disciplines of the Company. In addition, the Company's visionary management team has established a highly experienced and skilled talent pool with strong execution efficiency. As of December 31, 2025, the Company had 22,874 R&D, production technology and clinical services staff in China, U.K. and U.S.. The highly professional technical team ensures the Company's continuous provision of high-quality R&D services for customers. The open platform for talent development ensures that the Company will continuously attract talents from around the globe.

The Company is committed to its corporate philosophy of "Employee First and Customer Centric" which puts strong emphasis on employee training and improves all mechanisms so as to integrate their career development into the Company's overall development strategy. In order to develop and train our talents, the Company provides training to our employees through our inhouse training system including the "Pharmaron College", visiting scholar programs at renowned laboratories and institutions and holds various seminars, forums and academic symposiums regularly, through which our team members acquire updates on the most advanced technology and techniques of the industry. In addition, the Company has developed training programs with the world renowned universities and research institutes for high-calibre scientific research talent. The above measures have greatly improved the scientific research capabilities and cohesion of the Company and its employees. Furthermore, the Company respects and values every single customer so as to ensure R&D quality by tackling each technical challenges and complete every single task with integrity and scientific rigor.

Our dedicated, stable and visionary management team, experienced talent pool and outstanding corporate culture lay a solid foundation for the Company's long-term success.

5. Reputable, loyal and expanding customer base that contributes to our sustainable growth and business collaboration

The Company has a large, diverse and loyal customer base including the global top 20 pharmaceutical companies and numerous reputable biotech companies. In 2025, the Company introduced over 950 new customers, with over 95% of revenue contributed by the Company's large, diverse and loyal repeat customers. The Company's fully-integrated solution and deep understanding of customers' needs allow it to provide customized pharmaceutical R&D services for customers according to their needs. With further progress made in the existing customers' projects, the loyal and growing customer base will enable the Company to develop new services in drug development and at the early clinical stage.

The Company benefits from its strategic partnership with specific customers. Through knowhow sharing and training provided during its deep collaboration with these customers, the Company is able to further improve technical capabilities and enhance service excellence, thereby creating a virtuous cycle. With our strong technical expertise, advanced infrastructure, profound industry knowledge, strong execution capability and quality customer services, the Company is able to become our customers' strategic partner and help them form their drug development or R&D outsourcing strategies, which in turn reinforces our close relationships with such customers. In addition to our strong scientific capabilities, the Company puts emphasis on areas like environmental protection, health, safety and intellectual property protection. The Company takes such measures as establishing the intellectual property protection system and building the information system to ensure that our customers' intellectual properties are well protected, and is widely recognized and trusted by customers in this respect. The Company's high-quality services enable it to accumulate a good reputation among our existing customers, and to further expand our customer base by acquiring new customers through word-of mouth referrals.

OUTLOOK FOR 2026

1. 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 midsized 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 midsized 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.

2. Outlook and strategy of the Company's future development

The Company adheres to its core growth strategy to build and improve its "End-to-end, Fully-integrated, Globalized, and Multiple Modalities Capable" drug R&D services platform that is fully-integrated with the highest international standard. In addition to continuously strengthen its leading position in the small molecule integrated R&D services, the Company has rapidly expanded its service capabilities for new drug modalities including ADC, peptide and oligonucleotide drugs. The Company has initially completed the establishment and integration of service platforms for clinical development services, biologics and CGT product CDMO services. For the small molecule integrated R&D service platform, through continued expanding and training our talent pools, investing in cutting-edge technologies, upgrading our service capabilities and strengthening the management capabilities for global multidisciplinary collaborations, the Company will further improve the fully-integrated services platform and provide customers with tailored, more flexible and efficient solutions. To cater to the specific needs of domestic and oversea customers, the Company establishes multi-disciplinary and collaborative services teams for customers in a timely manner to address customers' R&D needs, so as to help customers successfully and efficiently advance their pharmaceutical R&D programs. For the new therapeutic modalities such as biologics and CGT products, the Company will leverage its existing strengths to actively expand its customer base, gradually enhance its business scale and operational management efficiency, giving into play the role of a global end-to-end and integrated service platform for biologics and CGT products as the pillar of the Company's overall business. In the clinical development services segment, the Company will further promote the cooperation between teams in China and the U.S., while enhancing its integrated clinical services platform. With its profound disciplinary expertise and high customer recognition, the Company will further consolidate and build an end-to-end platform for new drug modalities, with a focus on manufacturing service capabilities. The Company is committed to becoming a global leader in pharmaceutical R&D services across multiple therapeutic modalities.

The Company will adhere to its business development strategy and continue to expand its domestic and overseas market shares. In overseas market, with years of proven track record, the Company has a large and loyal customer base with solid relationships. By continuously optimizing and upgrading the technical service platform, the Company is committed to providing customers with high-quality services and continuously improving and expanding its service offerings. Also, with the Company's excellent reputation and brand influence in the industry, it is actively attracting more new customers. For the domestic market, with the rapid globalization of China-originated innovative drugs, the Company will place greater emphasis on the domestic market and implement market strategies that are better tailored to the local landscape.

3. Main operational plan of the Company for 2026

In 2025, amidst the industry's transformation and diverse challenges, the Company implemented the strategies set at the beginning of the year, reinforcing its "Customer Centric" corporate culture and enhancing synergies across multi-therapeutic platforms, which contributed to rapid performance growth. In 2026, the Company will continue to advance its core strategy of developing an "End-to-end, Fully-integrated, Globalized, and Multiple Modalities Capable" platform with global footprints to provide customers with better services and gain market share. The Company will focus on the following tasks:

(1) Strengthen the fully integrated service platform for multiple-therapeutic modalities

a. Strengthening its leading position in small molecules while further enhancing service capabilities for new modalities

With over two decades of development, the Company has established an end-to-end small molecule R&D and manufacturing service platform covering the entire process from drug discovery to preclinical and clinical development and commercial manufacturing. In 2026, the Company will continue to make efforts in strengthening its leading position in small molecule R&D services and enhancing its competitiveness globally. In addition, the Company is committed to seizing the momentous opportunity presented by the rise of new modalities. It will further expand its service offerings for complex peptides, oligonucleotides, antibodies, ADCs and CGT products, from laboratory services to complete end-to-end platforms, thereby driving the diversification of its business.

b. Continue to improve the CMC (small molecule CDMO) services capabilities

In 2025, the Company achieved significant progress in large-scale manufacturing, with key projects completed on time and in high quality, supporting a potential future transition to commercial production. In 2026, the Company will continue to drive the collaboration across China, the U.K. and the U.S., and further integrate green technologies, such as flow chemistry and enzyme catalysis into every stage of R&D and production. In addition, the Company will continue to advance capacity expansion at Shaoxing Campus II to enhance its service capabilities for late-stage and commercial productions. Leveraging its strengths in process development, rich pipeline from early-stage projects, global operations, application of new technologies and a hybrid business model, the Company aims to secure more late-stage and commercial production projects.

c. Continue to strengthen the integrated clinical development service platform enabled by digital and AI technologies

In 2025, Pharmaron Clinical further enhanced its brand influence and customer recognition, supported by solid progress in digital and AI technologies adoption. In 2026, the Company will accelerate the expansion of Aistarfish Technology's hospital collaborations, broaden its coverage of cancer types, and advance its commercialization pathways, aiming to pave a way to enhance the scope and quality of patient services in the future. Additionally, through collaborations with the Company's clinical and preclinical business units, Aistarfish is actively building high-quality real-world data and multi-omics cohorts for precise patient populations, with the goal of enhancing the efficiency of innovative drug R&D processes for the Company's customers and post-market research efforts. Furthermore, Pharmaron Clinical will continue to advance the integration of clinical data resources with AI technologies, actively drive the development of digital products for clinical operations, and leverage advanced tools including automation and machine learning to empower multiple business segments of clinical research and improve work efficiency and quality of services.

d. Continue improving the biologics and CGT services platform

For the biologics R&D services, the Company has continuously strengthened its technical capabilities in laboratory protein production and biologic CDMO. Through the acquisition of a controlling stake in Biortus, it gained specialized expertise in the production and analysis of complex target proteins, offering customers more comprehensive early-stage R&D services. Going forward, while continuing repeat batch production for a key project, the Company will also enhance its cell line development capabilities to gain more early-stage projects, and gradually build a rich biologics CDMO pipeline.

For cell and gene therapy services, the Company will leverage its technical expertise in laboratory testing from U.S. operations to expand its customer base and project pipeline in line with industry trends. The Company's laboratories and manufacturing facilities in the U.K. will continue to support gene therapy CDMO projects while broadening service offerings to include other complex drug modalities to drive greater business diversification.

(2) Further enhance synergistic effect by project management

The Company's core competitiveness stems from the synergistic effects of its "End-to-end, Fully-integrated, Globalized, and Multiple Modalities Capable" platform with global footprints. In 2026, the Company will continue to enhance cross-site, cross-region, cross-department and cross-discipline collaborations to seamlessly integrate across all stages from research and development to commercialization. The Company will also continue to synergize across dimensions by managing projects "transparently, expeditiously, professionally and efficiently" to further strengthen its competitive advantage.

(3) Improve the Company's global business development and marketing capabilities, with a focus on customer relationship management

In 2026, the Company's business development (BD) team, marketing team and its scientists and technicians will work together to better serve its customers. From domestic to overseas, from preclinical to clinical, BD and marketing teams will build an integrated, multi-dimensional, and powerful network. Through this vertically and horizontally interconnected collaboration network, the Company will deliver more efficient and cost-effective services to customers. Leveraging its scientific and technical expertise, the Company is committed to providing high quality services to its customers and maintaining its loyal customer base. For domestic market, the Company will adopt a China market strategy to better expand its domestic customer base.

While enhancing its business and market development capabilities, the Company will place even greater emphasis on customer relationship management, striving to deepen its relationship and collaborations with customers. The Company's business units and operations units will work closely with the BD team to deliver consistent and reliable services, streamline communication mechanisms, identify customer needs, maintain and effectively develop customer relationships, thereby deepening and broadening the scope of collaborations.

(4) Continue to strengthen the Company's talent pool to support its long-term and sustainable growth

Talents are the foundation of innovation and the key to strengthening the Company's core competitiveness. It is its long-standing human resources strategy to build an inclusive and open development platform to attract and train its talent pool. As of December 31, 2025, the total number of employees of the Company was 25,088, representing an increase of 3,718 compared with the previous year. In 2026, the Company will continue to attract high-calibre R&D talents and AI technology professionals globally, improve the Company's benefits system to maximize the retention of talents in key positions, and further expand and enhance its multi-dimensional and comprehensive training system. The Company provides tailor-made trainings according to business needs to different level managers, and implements talent development program that develops both technical competence and comprehensive qualities in parallel, enabling employees and the Company to grow together and supporting its long-term development.

(5) Systematically upgrade risk management capabilities

In 2026, with a systematic and end-to-end approach, the Company will further strengthen its risk management capabilities and build a solid safeguard for resilient operations and high-quality growth. Its risk management system covers three key areas: production safety (including laboratory and plant safety), information security and intellectual property protection, serving as the cornerstone for business sustainability. In production safety, the Company will reinforce end-to-end risk control in laboratories, bolster hazard identification and emergency response capabilities in production processes, and rigorously implement safety standards and operational protocols to prevent safety incidents. For information security, the Company will continue to strengthen its data security, cybersecurity, and information system protection mechanisms to ensure the secure and stable operation of core data and business systems. In intellectual property, the Company will strengthen the life-cycle management of R&D outcomes, technical know-how and trade secrets, and establish a robust IP risk prevention and control system to safeguard the Company's core competitive advantages. The Company is committed to fostering a culture of "Prevention, Engagement, and Continuous Improvement" in risk management. Through ongoing training, regular communication, and scenario-based drills, it will enhance risk awareness and emergency response capabilities across its workforce, embedding safety principles into every aspect of its operations. By refining systems, optimizing processes, and clarifying accountability, the Company will forge a strong "safety moat", providing a solid foundation for long-term, sustainable, high-quality growth.

(6) Embrace technology and AI era

AI is profoundly reshaping the paradigm of innovative drug R&D, serving as a key driver for improving efficiency, streamlining project execution, and strengthening core competitiveness. In 2025, the Company strategically deployed AI-enabled technology platforms in multiple areas, adding new impetus to its integrated R&D services. This marks only the beginning of its AI transformation. In 2026, the Company will further integrate AI technologies to empower its end-to-end service platform. On the one hand, it will leverage real-world R&D scenarios to develop AI capabilities internally. On the other hand, it will adopt commercial AI technologies and tools and collaborate externally to build high-quality AI models for drug R&D services. By deeply embedding AI technologies into its "End-to-end, Fully-integrated, Globalized, and Multiple Modalities Capable" platform, the Company aims to enhance the productivity and quality across the entire R&D value chain. This will propel the platform into a smart, efficient, and scalable "2.0 era," delivering more competitive R&D solutions to global partners and positioning the Company for continued growth amidst the wave of biopharmaceutical innovation.

4. Potential risks

(1) Risk of declining demand in pharmaceutical R&D service market

The Company is an industry leading, fully-integrated pharmaceutical R&D service platform with global operations to accelerate drug innovation for our customers. In the medium and long term, the global pharmaceutical industry is expected to keep growing driven by such factors as an aging population, higher disposable income and increased medical expenditure. However, due to the volatility of the global biotech funding environment, changes of the R&D budgets of multinational pharmaceutical companies and other factors, the growth rate of the pharmaceutical R&D outsourcing industry may fall behind our projections, which will have an adverse impact on the Company's business performance and prospects.

The Company will continue to implement its strategies, improve its scientific research capabilities and service quality and enhance its market competitiveness.

(2) Risk of losing scientific and technological talents and senior management members

The Company has established a talent team with extensive experience and strong execution capability, which possesses the ability to provide customers with high-quality services in a timely manner and keep up with the cutting-edge technology and latest development of pharmaceutical R&D. However, there is a limited supply of qualified R&D personnel with requisite experience and expertise and such qualified personnel are also highly-sought after by large pharmaceutical companies, biotech start-ups and scientific research institutes. If the Company fails to maintain competitiveness in attracting and retaining excellent scientific and technological personnel in the future, it may not be able to provide customers with high-quality services, which could have a material adverse impact on its business.

The Company will optimize and improve the human resource management system, further strengthen efforts in various aspects such as attraction, assessment, training and incentives, and constantly improve the long-term incentive mechanism (including equity incentives) for all kinds of talent, striving to establish a talent team with first-class caliber that can adapt to international competition.

(3) Risks regarding intellectual property protection

Protection of intellectual property rights associated with customers' R&D services is critical to all of our customers. The service agreements and confidentiality agreements signed between the Company and our customers typically require the Company to exercise all reasonable precautions to protect the integrity and confidentiality of our customers' information. Any unauthorized disclosure of our customers' intellectual property or confidential information could subject the Company to liability for breach of contract and result in significant damage to our reputation, which could have a material adverse impact on the Company's business and operating results.

The Company will continuously improve the existing confidentiality policy, software and hardware, and continue to carry out internal training for employees to enhance their awareness of confidentiality and intellectual property protection.

(4) Risks regarding policies and regulation

There are strict laws, regulations and industry standards in many countries or regions to which drugs are intended to be ultimately sold (such as China, U.S., U.K. and several EU countries) to regulate drug development and manufacturing. The pharmaceutical regulatory authorities of these countries (e.g., FDA or NMPA) also conduct planned or unplanned facility inspections over drug development and manufacturing agencies (e.g., our customers and us) to ensure that relevant facilities meet regulatory requirements. During the past periods, the Company has passed the inspection of relevant regulatory authorities on drug discovery, development and manufacturing processes and facilities in all major aspects. If the Company fails to continuously meet the requirements of regulatory policies or fails to pass the on-site inspection by regulatory authorities in the future, it may be disqualified or subject to other administrative penalties, resulting in the termination of cooperation by our customers.

In addition, the operation of the Company is subject to national and regional laws on environmental protection, health and safety, including but not limited to the use of hazardous chemicals that are flammable, explosive and toxic and the treatment of pollutants (waste gas, waste water, waste residue or other pollutants). If the relevant environmental protection policies become more stringent in the future, the Company's costs for environmental compliance will rise.

The Company will monitor the trend of applicable policies and regulations to ensure its continuous fulfilment of regulatory policy requirements.

(5) Risk of failure to obtain the licenses required for carrying out businesses

The Company is subject to a number of laws and regulations on pharmaceutical R&D and manufacturing. These laws and regulations require that the Company obtain a number of approvals, licenses and permits from different competent authorities to operate our business, some of which are subject to regular renewal. If the Company fails to obtain the approval, license and permit required for its operations, it will have to suspend its operation as ordered by the relevant regulatory authorities.

The Company has obtained all required operational certifications and will maintain close monitor of evolving regulatory frameworks to ensure timely renewal of relevant credentials.

(6) Risk of international policy changes

Geopolitical factors have created significant uncertainty in recent years. We are a pharmaceutical R&D service platform with well-established global operations and a substantial portion of our customers are pharmaceutical and biotechnology companies outside of China. The demand for our services by these customers may be impacted by the trade policies promulgated by respective local governments against Chinese pharmaceutical R&D service providers as a result of the rise in trade protectionism and unilateralism in recent years. In the event the trade tension between China and other major countries continue to escalate, or any such countries impose restrictions or limitations or enact new legislation on pharmaceutical R&D outsourcing, our business and results of operations may be adversely affected.

We have continued to expand our service capabilities in overseas markets from 2015 with an aim to mitigate any potential impact such policy changes may have on our business.

(7) Risks regarding exchange rates

The Company's exchange currency risk mainly relates to USD, GBP and EUR. During the Reporting Period, the Company's income from overseas customers took up a much higher portion than that from domestic customers, and a considerable portion of our income came from sales denominated in USD. However, most of the Company's personnel and operating facilities are located in China, and the relevant operating costs and expenses are denominated in RMB. In recent years, as affected by China's political and economic conditions, trade tensions between U.S. and China, international economic and political developments, as well as the decision of the Chinese government to further promote the reform of the RMB exchange rate system and enhance the flexibility of RMB exchange rates, the exchange rates between RMB and USD and other currencies fluctuate.

The Company has reduced and will continue to reduce such risk through hedging transactions.

(8) Risks regarding market competition

The global pharmaceutical R&D service market for innovative drugs is highly competitive. The Company is committed to becoming a multi-therapy drug R&D service company that boasts the capabilities of laboratory services, CMC (small molecule CDMO) services, clinical development services and Biologics and CGT services. Therefore, the Company expects to compete with domestic and international competitors at specific stages of pharmaceutical R&D. At the same time, the Company also competes with the discovery, trial, development and commercial manufacturing departments within pharmaceutical companies. As more competitors enter the market, level of competition is expected to escalate. The Company is confronted with market competition in terms of service quality, breadth of integrated service, timeliness of delivery, R&D service strength, intellectual property protection, depth of customer relationship, price, etc.

Moving forward, the Company will further enhance its fully-integrated CRO+CDMO drug R&D and manufacturing service platform through strengthening its talent team and quality of services. Leveraging its industry leadership and hard earned reputation, the Company will further expand its customer base and enhance its competitive resilience in the dynamic market conditions.

(9) Risks regarding technological innovation

With the continuous market development and innovation of R&D technologies, advanced technologies are vital for the Company to maintain its leading position in the industry. The Company shall keep up with the development direction of new technologies and processes to maintain our leading position in the industry.

The Company will continue to invest a large amount of human and capital resources to cultivate and development new technologies and upgrade our service platform. If target companies with new technologies appeal to us, the Company will consider acquisitions to inject new service capabilities into our platform.

(10) Risks regarding service quality

Service quality and customer satisfaction are one of the important factors for the Company to maintain performance growth. The Company's pharmaceutical research, development and production services mainly provide customers with experimental data and samples, which serve as an important basis for customers to carry out subsequent R&D and manufacturing. Meanwhile, our customers have the right to review the standard operating procedures and records of the Company's services, and check the facilities used to provide services to them. If the Company fails to maintain high service quality, or the experimental data or samples we provide are defective, or service facilities of the Company fail to pass customers' review, the Company may face liquidated damages and suffer loss of customers due to reputation damage, which will have an adverse impact on the Company's business.

The Company will consistently advance quality management initiatives through systematic refinement of quality control protocols, and continuously deliver high quality services and products to its customers.

(11) Artificial Intelligence (AI) technology implementation risks

The Company actively explores AI applications in pharmaceutical R&D services, including using AI to improve productivity in drug discovery and development services and empower multiple business segments in clinical CRO services. However, it also faces potential risks. Data risk is a core challenge, as biases in the quality of training data may lead to inaccurate model predictions. Privacy breaches and ethical controversies also require heightened vigilance and stronger safeguards. Additionally, regulatory lag and unclear intellectual property rights could potentially hinder the translation of innovation into practice.

To mitigate these challenges, the Company will continuously upgrade high quality, diversified biomedical databases to optimize high quality AI model, strengthen experimental validation to enhance output reliability, improve data sharing and privacy protection mechanism and deeply integrate AI with traditional bioscience technologies to ensure the sustainability of AI enabled drug research and development services.

OTHER INFORMATION

A. Employee Remuneration and Relations

As at December 31, 2025, the Group had a total of 25,088 employees, as compared to 21,370 employees as of 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

Repurchase of H Shares

During the Reporting Period, the Company repurchased 542,000 H Shares on the Stock Exchange for an aggregate consideration of approximately HKD7.3 million (exclusive of expenses). As at December 31, 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. In accordance with the Articles of Association, such treasury H Shares would not receive the proposed final dividend for the year ended December 31, 2025.

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

Month of repurchase	**Number of H Shares repurchased**	**Highest price paid per H Share** *(HKD)*	**Lowest price paid per H Share** *(HKD)*	**Aggregate consideration** *(HKD)*
January 2025	542,000	13.44	13.32	7,250,100
Total	**542,000**			**7,250,100**

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

C. Material Events after the Reporting Period

Placing of New H Shares under General Issuance Mandate

On January 14, 2026 (after trading hours), the Company entered into a placing agreement (the "**Placing Agreement**") with Goldman Sachs (Asia) L.L.C. and The Hongkong and Shanghai Banking Corporation Limited (together as the "**Placing Agents**"), pursuant to which, the Company has agreed to appoint the Placing Agents, and the Placing Agents have severally (and not jointly nor jointly and severally) agreed to act as the agents of the Company and to use their best efforts to procure certain placees to subscribe for a total of 58,440,762 new H Shares at the price of HK$22.82 per H Share upon the terms and subject to the conditions set out in the Placing Agreement (the "**Placing**"). Based on the nominal value of RMB1.00 per Placing Share, the aggregate nominal value of the 58,440,762 Placing Shares is RMB58,440,762.

The Placing Price is HK$22.82 per Placing Share and represents a discount of approximately 8.50% to the closing price of HK$24.94 per H Share as quoted on the Hong Kong Stock Exchange on January 14, 2026 (being the last trading day on which the Placing Agreement was signed).

The Board is of the view that the Company is a leading, fully integrated, end-to-end pharmaceutical R&D and manufacturing services platform with a global footprint, committed to further consolidating its service capabilities and accelerating global drug innovation. The Placing will further enhance the Company's financial strength, enabling it to capture industry opportunities and support its capacity investment and business expansion. The Placing will also introduce a cohort of sophisticated international institutional investors to the Company, further broaden its Shareholder base, and is expected to significantly improve the trading liquidity of the Company's H Shares, thereby strengthening the Company's international capital operations capability. In addition, the Placing will further optimize the Company's capital structure by financing the repayment of a portion of its existing debts. The Placing will support the Company in continuing to maintain its leadership position in pharmaceutical R&D services, which aligns with the Company's long-term development strategy. Therefore, the Directors believe that the Placing is in the overall interests of the Company and its Shareholders as a whole.

On January 22, 2026, the Placing was completed upon satisfaction of all conditions prescribed in the Placing Agreement. An aggregate of 58,440,762 new H Shares have been successfully placed by the Placing Agents to no less than six independent placees at the price of HK$22.82 per H Share pursuant to the terms and conditions of the Placing Agreement. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the placees, together with their respective ultimate beneficial owners, are third parties independent of, and not connected with, the Company and the connected persons of the Company.

The aggregate gross proceeds from the Placing are expected to be approximately HK$1,333.6 million. The net proceeds from the Placing, after deducting relevant costs and expenses (including commission, levies and transactional fees), are expected to be approximately HK$1,318.7 million (on this basis the net price per Placing Share will be approximately HK$22.56), and will be utilized in the following manner:

(a) approximately 70% will be used for the Company's project development to enhance the capabilities and production capacity of its laboratory services, drug process development and manufacturing facilities;

(b) approximately 10% will be used to repay bank loans and other borrowings, in order to optimize the Company's capital structure; and

(c) approximately 20% will be used to supplement the working capital and for other general corporate purposes.

Please refer to the announcements of the Company dated January 15, 2026 and January 22, 2026 for further details.

Save as disclosed above, 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

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its code of conduct for Directors' and Supervisors' securities transactions. Having made specific enquiries with the Directors and Supervisors, all of the Directors and Supervisors 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

Save as disclosed below, the Company has complied with all the code provisions set forth in the Corporate Governance Code in Appendix C1 to the Listing Rules during the Reporting Period:

The roles of the chairman of the Board and the chief executive officer of the 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 the Company and that Dr. LOU has assumed the role of chief executive officer of the Company since our commencement of business, the Board considers it beneficial to the business prospect and operational efficiency of the Company that Dr. LOU assumes the roles of the chairman of the Board as well as the chief executive officer of the 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 paragraph D.3 of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Audit Committee comprises three members, namely, Mr. YU Jian, Prof. TSANG King Fung 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 audited 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 the auditing, internal control and financial reporting matters.

G. Scope of Work of Ernst & Young

The figures above in respect of this annual results announcement for the year ended December 31, 2025 have been agreed with the Company's auditor, Ernst & Young, certified public accountants ("Ernst & Young"), to be consistent with the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

H. Annual General Meeting

At the 19th meeting of the 3rd session of the Board, the Board (i) approved the convening of the AGM; and (ii) authorized the chairman of the Board or his authorized representatives to approve the documents to be issued for the AGM, and to determine other matters relating to the AGM, including but not limited to the time and place of the AGM. The notice and circular for the AGM will be dispatched in due course.

I. Publication of the Annual Results Announcement and Annual Report

The annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (www.pharmaron.com). The Group's 2025 annual report which includes all the financial and other related information of the Company required by the Listing Rules will be dispatched to shareholders and will be 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. I would also like to express heartfelt gratitude to all of our users and business partners on behalf of the Group, 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 a new chapter in the Group's development.

"^{14}C"	Carbon-14 (^{14}C), or radiocarbon, a radioactive isotope of carbon with an atomic nucleus containing 6 protons and 8 neutrons
"^{3}H"	Tritium or Hydrogen-3, a radioactive isotope of hydrogen, whose nucleus contains one proton and two neutrons
"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
"2025 H Share Award and Trust Scheme"	The 2025 H Share Award and Trust Scheme of the Company
"ADC"	Antibody-drug Conjugate
"AGM"	the annual general meeting of the Company to be held for the purpose of, among others, approving the audited financial statements for the year ended December 31, 2025
"Aistarfish Technology"	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 70.44% by the Company as of the date of this announcement
"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 the 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
"Award"	An award granted by a Delegatee to a Selected Participant, pursuant to the First H Share Award and Trust Scheme or the 2025 H Share Award and Trust Scheme
"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
"Biological testing"	an experimental method for detecting and evaluating the biological activity, toxicity, safety, or function of substances, drugs, and chemicals through biological systems (such as cells, microorganisms, tissues, animal models, or human samples). Its core goal is to use biological reactions to quantitatively or qualitatively analyze the mechanism of action, efficacy, and potential risks of the test substance, and it is widely used in drug research and development, environmental monitoring, clinical diagnosis, and basic scientific research
"Biortus"	Biortus Biosciences Co., Ltd.* (無錫佰翱得生物科學股份有限公司), a joint stock limited company incorporated under the laws of the PRC on March 6, 2009, which is held as to 82.54% by the Company
"Board"	the board of Directors of the Company
"CADD"	computer-aided drug design, the use of computers (or workstations) to aid in the creation, modification, analysis, or optimization of novel compounds or biologics
"Campus II in Beijing"	Located in Beijing Economic-Technological Development Area, it is mainly engaged in CMC (small molecule CDMO) services
"Campus III in Beijing"	Located in Beijing Economic-Technological Development Area, it is mainly engaged in laboratory services and CMC (small molecule CDMO) services
"Campus in Xi'an"	Located in Xixian New District, Shanxi Province, it is mainly engaged in laboratory services
"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
"cGMP" or "GMP"	current Good Manufacturing Practice
"CGT"	Cell and Gene Therapy

"China" or "PRC"	the People's Republic of China
"Clinical research"	The clinical research of innovative drugs is divided into four stages from I to IV. The work involves the whole process of clinical trial, including the preparation before the trial, the selection of clinical trial research institutions and investigators, assisting the sponsor to prepare for the deliberation of the ethics committee, and working with the sponsor and investigators to design and implement the clinical trial protocol
"CMC"	chemistry, manufacturing and controls. It covers the development and manufacture of chemical and pharmaceutical formulation processes. As a core regulatory requirement in new drug approval, CMC encompasses a full range of drug production-related activities, including process R&D and scale-up studies, dosage form development, and quality control system research
"CMO"	Contract Manufacturing Organization
"Commercialization"	The stage of drug development when a new drug is approved and marketed
"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)
"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, which had been fully redeemed, canceled and were withdrawn from listing on the Stock Exchange on July 11, 2024 and June 26, 2024, respectively
"CRC"	Clinical Research Coordinator
"CRO"	Contract Research Organization, a company focused on providing pharmaceutical research and development services to companies in the pharmaceutical markets
"Crystal screening"	Adopt high-throughput screening technology to obtain various types of solid forms that may exist in the drug, characterize the physicochemical properties of various forms using a variety of solid-state analytical techniques, and adopt multidisciplinary and comprehensive means to assess the biopharmaceutical performance of the advantageous forms, in order to screen out the advantageous crystalline forms of the drug that are suitable for production, high bioavailability, and conducive to the preparation of the drug

"Data Management and Statistical Analysis"	the business of data management and statistical analysis
"Delegatee"	the management committee of the First H Share Award and Trust Scheme or the 2025 H Share Award and Trust Scheme person(s) or board committee(s) to which the Board has delegated its authority
"Directors"	directors of the Company
"DMPK/ADME"	drug metabolism and pharmacokinetics/Absorption, Distribution, Metabolism and Excretion. It refers to experimental studies on the dynamic changes of drugs *in vivo* and *in vitro* in animals, illustrating the dynamic changes and characteristics of drug ADME processes including 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
"Druggability"	Preliminary pharmacodynamic studies, early evaluation of pharmacokinetic properties and safety, with potential for development as a drug
"Eligible Employee(s)"	includes any PRC or non-PRC employee, Director or consultant of any members of the Group; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the First H Share Award and Trust Scheme or the 2025 H Share Award and Trust Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Delegatee, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the First H Share Award and Trust Scheme or the 2025 H Share Award and Trust Scheme and such individual shall therefore be excluded from the term "Eligible Employee"
"EMA"	European Medicines Agency, an EU agency for the evaluation of medicinal products
"Enzyme catalysis"	the chemical reaction process mediated by enzymes as catalysts
"ESG"	Environmental, Social and Governance
"EU"	European Union

"FDA"	the Food and Drug Administration of the U.S.
"FIH"	first-in-human
"First H Share Award and Trust Scheme"	The First H Share Award and Trust Scheme of the Company
"GCP"	Good Clinical Practice
"GLP"	Good Laboratory Practice
"GMP"	Good Manufacturing Practice
"Group", "we", "our" or "us"	the Company and its subsidiaries
"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 the Company, with a nominal value of RMB1.00 each, which are listed for trading on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"H Shareholder(s)"	holder(s) of H Share(s)
"IND application"	investigational new drug. It refers to an application for an experimental drug that allows a pharmaceutical company to conduct clinical trials prior to obtaining approval for marketing
"Kangsida"	Beijing Kangsida Health Management Co., Ltd.(北京康斯達健康管理有限公司), a company incorporated in PRC on April 15, 2014, which is indirectly held as to 70.44% by the Company as of the date of this announcement
"Lead compound"	A compound with certain strength and selective activity against a certain target or model, which generally has a novel chemical structure, and its physical and chemical properties, pharmacokinetic properties and safety meet certain requirements, so it has the property of analogy and exploitability. Generally, lead compounds can not be directly used as drugs, and their chemical structures need to be optimized to achieve the best configuration of the above properties. The quality of lead compounds directly affects the speed and success rate of new drug research and development

"Linkers"	A component of an ADC that links antibodies to toxic molecules
"LinkStart"	Beijing LinkStart Med-Tech Co., Ltd.(北京聯斯達醫藥科技發展有限公司), a company incorporated in PRC on July 19, 2012, which is held as to 82.33% by the Company
"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 or the 2025 H Share Award and Trust Scheme to which the Board has delegated its authority to administer the First H Share Award and Trust Scheme or the 2025 H Share Award and Trust Scheme
"Management Measures"	the Management Measures for Share Incentives of Listed Companies
"MHRA"	U.K. Medicines and Healthcare products Regulatory Agency
"Model Code"	the Model Code for Securities Transactions by Directors of the Listing Issuers
"NMPA"	National Medical Product Administration (國家藥品監督管理局) (formerly known as China Food and Drug Administration), the authority responsible for approving drug and biologic products in China
"OECD"	the Organization for Economic Cooperation and Development
"Oligonucleotides"	A compound in which nucleotides are linked by phosphodiester bonds
"Peptide"	A compound of amino acids linked by peptide bonds
"Pharmacology"	It is an experimental content to study the activity, biological effect and efficacy of drugs, as well as the relationship between bioavailability, tissue distribution and efficacy through *in vitro* tests and animal tests, and to explore the mechanism and target of drug action, so as to carry out pharmacodynamic evaluation and pharmacological research
"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

"PharmaGend"	PharmaGend Global Medical Services Pte. Ltd., an associate company of the Company, which is held as to 32.38% by the Company, formerly known as Rxilient Biohub Pte. Ltd. as of the date of this announcement
"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 82.33% by the Company as of the date of this announcement
"Plasmid"	Double-stranded circular DNA, a common vector used in genetic engineering
"Preclinical"	Of or relating to the preclinical stage of drug research
"R&D"	research and development
"Reporting Period"	the year ended December 31, 2025
"Restricted A Shares"	the restricted A Shares granted by the 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
"Selected Participants"	any Eligible Employee who, in accordance with the First H Share Award and Trust Scheme or the 2025 H Share Award and Trust Scheme, is approved for participation in, and has been granted any Award under the respective schemes
"Share(s)"	A Share(s) and H Share(s)
"Shareholder(s)"	the holder(s) of the Share(s)
"Shenzhen Listing Rules"	the Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange
"Supervisors"	supervisors of the Company
"SSU"	Study Start up, the start-up specialist of a clinical project
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Structure-activity relationship"	The relationship between the chemical structure of drugs or other physiologically active substances and their physiological activities is one of the main research contents of medicinal chemistry

"Synthetic process"	A single or multi-step unitary reaction process that converts a specific raw material to a desired product. Synthesis routes are generally discussed in relation to specific products
"TQT/cardiac"	This study means observing and describing all ECG changes of the subject in an all-round manner at the early stage of a clinical trial on the drug and measuring the extension of the QT/QTc interval to determine whether the drug will impact the heart repolarization and the extent of impact, judge the risk of malignant arrhythmia it will trigger, and provide the data support in deciding whether to enter the next drug research and development stage
"Target spot"	Biological macromolecules, such as some proteins and nucleic acids, which have pharmacodynamic functions *in vivo* and can be acted on by drugs. Those genes encoding target proteins are also known as target genes. The prior identification of target molecules associated with specific diseases is the basis of modern new drug development
"U.K."	the United Kingdom
"U.S."	the United States
"US$" or "USD"	United States dollars, the lawful currency of the United States
"Warhead molecule"	the active ingredient in targeted therapeutic drugs that is responsible for exerting the main therapeutic effect
"%"	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
March 30, 2026

As at the date of this announcement, the Board of Directors of the Company comprises Dr. LOU Boliang, Mr. LOU Xiaoqiang and Ms. ZHENG Bei as executive Directors, Mr. Li Shing Chung Gilbert as employee representative Director, Mr. LI Jiaqing and Ms. Wan Xuan as non-executive Directors, and Ms. LI Lihua, Prof. Tsang King Fung and Mr. YU Jian as independent non-executive Directors.