康龙化成
PHARMARON

Pharmaron Beijing Co., Ltd.

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

Stock Code: 3759

2026
INTERIM REPORT

PREMIER R&D SERVICE PROVIDER FOR THE LIFE SCIENCES INDUSTRY

About Pharmaron

Pharmaron (Stock Code: 300759.SZ/3759.HK) is a premier R&D service provider for the life sciences industry. Founded in 2004, Pharmaron has invested in its people and facilities and established a broad spectrum of research, development and manufacturing service capabilities throughout the entire drug discovery, preclinical and clinical development process across multiple therapeutic modalities, including small molecules, biologics and CGT products. With more than 27,000 employees, and operations in China, U.S., and U.K., Pharmaron has an excellent track record in the delivery of R&D solutions to its partners in North America, Europe, Japan and China.

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EXECUTIVE DIRECTORS

Dr. LOU Boliang (樓柏良) *(Chairman)*
Mr. LOU Xiaoqiang (樓小強)
Ms. ZHENG Bei (鄭北)

EMPLOYEE REPRESENTATIVE DIRECTOR

Mr. LI Shing Chung Gilbert (李承宗)

NON-EXECUTIVE DIRECTORS

Mr. LI Jiaqing (李家慶) *(ceased on June 12, 2026)*
Ms. WAN Xuan (萬璇)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. YU Jian (余堅) *(ceased on June 12, 2026)*
Ms. LI Lihua (李麗華)
Prof. TSANG King Fung (曾勁峰)
Ms. SHEN Rong (沈蓉) *(appointed on June 12, 2026)*

AUDIT COMMITTEE

Ms. SHEN Rong (沈蓉) *(Chairperson)*
(appointed on June 15, 2026)
Ms. LI Lihua (李麗華)
Prof. TSANG King Fung (曾勁峰)
Mr. YU Jian (余堅) *(Chairman) (ceased on June 15, 2026)*

REMUNERATION AND APPRAISAL COMMITTEE

Ms. LI Lihua (李麗華) *(Chairperson)*
Dr. LOU Boliang (樓柏良)
Mr. LOU Xiaoqiang (樓小強)
Prof. TSANG King Fung (曾勁峰)
Ms. SHEN Rong (沈蓉) *(appointed on June 15, 2026)*
Mr. YU Jian (余堅) *(ceased on June 15, 2026)*

NOMINATION COMMITTEE

Ms. LI Lihua (李麗華) *(Chairperson)*
Dr. LOU Boliang (樓柏良)
Ms. ZHENG Bei (鄭北)
Prof. TSANG King Fung (曾勁峰)
Ms. SHEN Rong (沈蓉) *(appointed on June 15, 2026)*
Mr. YU Jian (余堅) *(ceased on June 15, 2026)*

STRATEGY COMMITTEE

Dr. LOU Boliang (樓柏良) *(Chairperson)*
Mr. LOU Xiaoqiang (樓小強)
Mr. LI Shing Chung Gilbert (李承宗)
(appointed on June 15, 2026)
Mr. LI Jiaqing (李家慶) *(ceased on June 15, 2026)*
Ms. WAN Xuan (萬璇)

COMPANY SECRETARY

Mr. YIM Lok Kwan (嚴洛鈞) *(ceased on March 30, 2026)*
Ms. MAK Po Man Cherie *(麥寶文) (appointed on March 30, 2026)*

AUTHORIZED REPRESENTATIVES

Mr. LOU Xiaoqiang (樓小強)
(ceased on August 20, 2026)
Mr. LI Shing Chung Gilbert (李承宗)
(appointed on August 20, 2026)
Mr. YIM Lok Kwan (嚴洛鈞) *(ceased on March 30, 2026)*
Ms. MAK Po Man Cherie (麥寶文)
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COMPANY WEBSITE

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Financial Highlights

	Six months ended June 30,		
	2026 RMB'000	2025 RMB'000	Change %
Revenue	**7,595,424**	6,440,951	17.9
Gross profit	**2,474,869**	2,172,201	13.9
Profit attributable to owners of the parent	**750,194**	701,396	7.0
Non-IFRSs adjusted net profit attributable to owners of the parent	**909,013**	755,701	20.3
Net cash flows generated from operating activities	**1,084,645**	1,408,277	(23.0)

- During the Reporting Period, the Group recorded aggregate revenue of approximately RMB7,595.4 million, representing an increase of approximately RMB1,154.5 million, or 17.9%, as compared to the six months ended June 30, 2025.

- During the Reporting Period, the profit attributable to owners of the parent was approximately RMB750.2 million, representing an increase of approximately 7.0% as compared to the six months ended June 30, 2025.

- During the Reporting Period, the net cash flows generated from operating activities were approximately RMB1,084.6 million, representing a decrease of approximately 23.0% as compared to the six months ended June 30, 2025.

- The Board resolved not to declare any interim dividend for the six months ended June 30, 2026.

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 its 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 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 its global footprints to provide customers with interdisciplinary and global service solutions, making full use of the Company's global scientific research talent network and meeting customers' regional strategic needs.

In recent years, the proportion of new drug modalities and hybrid-modalities, including oligonucleotides, peptides, and bioconjugates, in both global and Chinese innovative drug pipelines has surged, emerging as a key growth driver of the industry. To better capitalize on this trend, the Company will fully leverage the comprehensive strengths of its "end-to-end, fully integrated and multiple modalities capable" service platform to foster cross-business synergy, accelerate project delivery, and respond more effectively to customer needs. Accordingly, effective from the second quarter of 2026, the Company has consolidated its operations into three major platforms – Laboratory Services, CDMO Services, and Clinical Development Services – covering the following service offerings:

(1) Laboratory services

Laboratory services include laboratory chemistry and bioscience services, covering multiple drug modalities, such as small molecule drugs, biologics, oligonucleotides, peptides, antibodies, bioconjugates (ADC and XDC) and CGT products.

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, computer-aided drug design (CADD), and early-stage process chemistry. 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 laboratory protein production and characterization, structural biology, *in vitro* and *in vivo* DMPK/ADME, *in vitro* biology and *in vivo* pharmacology, safety assessment and bioanalytical services. Bioscience services provide customers with drug discovery services such as target validation, structural analysis, structure activity relationship studies, candidate compound identification, and druggability studies.

(2) CDMO services

CDMO services include API process development and manufacturing, material science/pre-formulation, formulation development and manufacturing, and analytical development services, covering a broad range of products including small molecules, biologics, oligonucleotides, peptides, bioconjugates (including ADC and XDC), and gene therapy products.

Small molecule services include process development and cGMP manufacturing of APIs and drug products from pilot to commercial production. 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 clinical development, as well as commercial API manufacturing; 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 cGMP API and drug product manufacturing facilities of the Company are qualified to manufacture products to support clinical trials in global markets, including the U.S., China and the 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 of 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.

Biologics CDMO services include cell line development, upstream and downstream process development, formulation development and fill-and-finish process development, bioconjugation, supported by analytics with method development. Regarding manufacturing capabilities, the Company provides drug substance and product manufacturing services armed with 200L to 2,000L production capacity to support projects from pilot to commercial stage production. In addition, it also provides integrated ADC manufacturing services for early-stage clinical trial supplies.

Gene therapy CDMO services include plasmid synthesis encoding 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, covering the entire gene therapy CDMO process. The facility has been licensed by MHRA, the U.K. pharmaceutical administration authority, for the manufacture of biologics and CGT products.

(3) Clinical development services

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, patient management and real-world study, 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.

B. FINANCIAL REVIEW

1. Overall Operation Results

In the first half of 2026, 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 business has maintained a solid growth momentum. During the Reporting Period, the Company recognized revenue of RMB7,595.4 million, representing a year-on-year increase of 17.9%. The Company obtained the net profit attributable to owners of the parent of RMB750.2 million, representing a year-on-year increase of 7.0%. In the same period, its non-IFRSs adjusted net profit attributable to owners of the parent reached RMB909.0 million, representing a year-on-year increase of 20.3%.

The Company continued to adhere to the "Customer Centric" corporate philosophy, leveraging its end-to-end and fully-integrated services platform, adhering to 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 the first half of 2026, driven by the continued expansion of the Company's strategic customer portfolio and the progression of its CDMO project pipeline toward later stages, the Company's newly signed purchase orders increased by more than 30% year-on-year. According to new orders and business trends, the Company expects revenue to increase by 15% to 20% year-on-year in 2026.[1]

[1] Such expectations are based on certain assumptions regarding the Company's business operations and on factors beyond the Company's control, and are subject to significant risks and uncertainties. As a result, actual results may differ materially from those anticipated.

As of the end of the Reporting Period, on a rolling twelve-month basis, the Company served over 3,400 global customers, with its customer coverage further expanding. During the Reporting Period, the Company added over 470 new customers, contributing revenue of RMB137.6 million, accounting for 1.8% of the Company's revenue. Its existing customers contributed revenue of RMB7,457.8 million, representing a year-on-year increase of 18.1%, accounting for 98.2% of the Company's revenue. During the Reporting Period, customers utilizing the continuous services of multiple business segments of the Company contributed revenue of RMB5,590.8 million, accounting for 73.6% of the Company's revenue. Categorized by customer types, during the Reporting Period, the revenue from the global top 20 pharmaceutical companies was RMB1,541.0 million, with a year-on-year increase of 32.0%, accounting for 20.3% of its total revenue; the revenue from other customers was RMB6,054.4 million, with a year-on-year increase of 14.8%, accounting for 79.7% of its total revenue. Categorized by regions where the customers are located, during the Reporting Period, the revenue from customers in North America was RMB4,675.2 million, with a year-on-year increase of 14.8%, accounting for 61.6% of its total revenue; the revenue from customers in EU (including the U.K.) was RMB1,307.9 million, with a year-on-year increase of 6.0%, accounting for 17.2% of its total revenue; the revenue from customers in China Mainland was RMB1,381.1 million, with a year-on-year increase of 41.9%, accounting for 18.2% of its total revenue; and the revenue from customers in other regions was RMB231.2 million, with a year-on-year increase of 43.6%, accounting for 3.0% of its total revenue.

The Company continued to bring in high-level domestic and overseas talents and enhance its global capabilities and capacities to support its growing business. As of June 30, 2026, the total number of employees reached 27,316, including 24,953 R&D, production technology and clinical services staff, accounting for 91.3% of the total number of employees in the Company. With the expansion of its global footprint, the Company owns 11 operating facilities and has more than 1,700 employees in the U.K. and the U.S.. In the first half of 2026, the delivered revenue of the overseas subsidiaries was RMB786.6 million, representing a year-on-year decrease of 1.9%, accounting for 10.4% of its total revenue.

The Company actively embraced technological development and transformation, committed to empowering its customers' R&D innovations through the application of cutting-edge technologies. During the Reporting Period, the Company continued to strengthen its laboratory service and CDMO service capabilities in new therapeutic modalities, including induced proximity therapeutics, peptides, oligonucleotides, bispecific and multispecific antibodies, bioconjugates, and cell and gene therapy products. The Company also enhanced the development of its New Approach Methodologies (NAM) technology platforms and further expanded AI and automation technology adoption across various business units. In July 2026, the Company collaborated with Logical Qubit, a superconducting quantum computing company, and Zhejiang University to jointly explore the application of quantum computing in drug discovery, aiming to advance computer-aided drug design and enhance R&D service efficiency. In August 2026, the Company entered into a strategic partnership with AI² Robotics, an AGI-native general-purpose robotics company, to jointly explore the development of innovative and intelligent laboratories. The partnership aims to integrate embodied intelligent robots into real-world R&D and manufacturing workflows to support the intelligent transformation of the life sciences industry.

In the first half of 2026, the Company continued to advance the development of its management systems in key areas including environmental management, labor and human rights, business ethics, and sustainable procurement. Through policy enhancement, indicator optimization, and strategy implementation, the Company further strengthened its ESG governance framework. In environmental management, the Company continued to strengthen environmental management systems across its sites and actively promoted third-party certifications. In line with its commitment to the Science Based Targets initiative (SBTi), the Company continued to advance greenhouse gas emissions accounting and the identification of decarbonization pathways, while promoting a green and low-carbon transition through renewable energy substitution, equipment upgrades and retrofits, application of low-carbon technologies, and collaborative emissions reduction across the supply chain. The Company continued to promote renewable electricity procurement and optimize its energy structure. In 2025, renewable electricity accounted for 42.0% of the Company's total electricity consumption. During the first half of 2026, the Company further increased its use of renewable electricity and targets 100% renewable electricity for the Group's operational electricity consumption by 2030. Meanwhile, the Company continued to improve energy efficiency, expand the use of renewable energy, and advance emissions reduction management in accordance with its science-based target pathway, while reaffirming its commitment to achieving net-zero emissions by 2050. During the Reporting Period, the Company further strengthened its capabilities in product carbon footprint (PCF) and life cycle assessment (LCA), and initiated life cycle carbon emissions assessments for key products. These efforts help identify environmental impacts and emissions reduction opportunities across the full product life cycle, providing a scientific basis to support customers' low-carbon transition needs and the Company's green innovation initiatives. In terms of management system development, the Company continued to incorporate key areas such as environmental management, occupational health and safety, animal welfare, information security, and data protection into its global management system framework. During the Reporting Period, AAALAC accreditation coverage across animal research sites increased from 67% to 89%. In the areas of information security, data protection, and responsible innovation, the Company continued to advance the development of its ISO 27001 management system and expects to achieve full certification coverage across all major operating sites in 2026. During the Reporting Period, the Company established an AI Strategy Committee to further strengthen AI-related governance and oversight. In sustainable procurement, the Company integrated requirements relating to environmental protection, labor and human rights, occupational health and safety, business ethics, information security, quality management, and compliance throughout the supplier management process. With reference to the principles of the Pharmaceutical Supply Chain Initiative (PSCI) and industry best practices, the Company continued to enhance its closed-loop supply chain ESG management mechanism. The Company also officially joined the PSCI Supplier Partnership, further integrating into the international responsible supply chain management system.

2. Operation results of each business segment[2]

(1) Laboratory services

During the Reporting Period, the laboratory services segment recognized revenue of RMB4,633.5 million, with a year-on-year growth of 13.7%; and a gross margin of 40.7% in the first half of 2026, with a decrease of 1.7 percentage points year-on-year, mainly resulted from the appreciation of RMB against the U.S. dollar during the Reporting Period. During the Reporting Period, the Company's newly signed purchase orders for laboratory services increased by more than 20% year-on-year. In the first half of 2026, 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 therapeutic modalities. During the Reporting Period, the proportion of bioscience services in laboratory services revenue exceeded 60%. As of June 30, 2026, the Company had 12,528 employees engaged in laboratory services, representing an increase of 432 employees as compared with the end of last year. The Company has over 7,200 laboratory chemists and technicians in laboratory chemistry services, being one of the world's leading groups in terms of size and expertise. The Company continued to contribute to global innovative drug R&D, provided customers with more flexible and comprehensive laboratory services through seamless collaborations among laboratory services teams in China, the U.K. and the U.S., meeting customers' diverse needs across different R&D stages, improving R&D efficiency, and helping customers rapidly advance R&D projects from preclinical R&D to clinical stage across multiple countries and regions. The Company's laboratory services team participated in 811 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, including automated data collection and processing for cryo-electron microscopy (Cryo-EM), AI-driven enzyme and protein design, and continuous optimization of the drug DMTA (Design, Make, Test, Analyse) cycle. These efforts accelerate the development of new assays and enable efficient responses to customer needs. 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, explored the application of virtual screening and modelling, 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 continued to strengthen its R&D service capabilities for new therapeutic modalities, including induced proximity therapeutics, peptides, oligonucleotides, antibodies, proteins, bioconjugates, and CGT products. From early-stage screening to IND filings, its end-to-end services provide customers with extensive, efficient, and reliable solutions.

[2] Effective from the second quarter of 2026, the Company adjusted its financial reporting segments by consolidating its original Laboratory Services, CMC (Small Molecule CDMO) Services, Clinical Development Services, and Biologics and CGT Services segments into Laboratory Services, CDMO Services and Clinical Development services, and retrospectively restated the comparative period data. Accordingly, the revenue, gross profit margin and workforce movement data disclosed in this section are presented on a basis comparable with the retrospectively restated figures.

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 complex modalities, including induced proximity therapeutics, peptides, oligonucleotides, bioconjugates, etc, and achieved rapid growth. During the Reporting Period, the Company continued to promote the application of AI technologies in laboratory chemistry and gradually developed a human-machine collaboration model under which AI generates solution recommendations while chemists retain responsibility for critical scientific decision-making. Application scenarios include AI-assisted synthesis route design and optimization, AI-enabled high-throughput experimentation (HTE), AI-assisted reaction condition screening and problem analysis, and green synthesis route development to enhance chemical reaction success rates. It also explored the application of automation technologies in synthetic reactions, compound library generations, compound separations and purifications, aiming to deliver compounds with greater efficiency and reduced manual intervention, and achieved initial progress. Moving forward, the Company will continue to invest in AI and automation to further improve its productivity.

To meet the mid-to-long-term development needs, the Company continued to expand its capacity during the Reporting Period. Campus III in Beijing was gradually put into operation, while the construction of Campuses III and IV in Ningbo progressed steadily.

(2) CDMO Services

During the Reporting Period, the CDMO Services segment recognized revenue of RMB1,884.1 million, with a year-on-year growth of 32.8%; and a gross margin of 25.6%, with an increase of 2.7 percentage points year-on-year. The Company continued to make significant progress in the large-scale manufacturing for small molecule CDMO projects, contributing to rapid revenue growth and continuous improvement of the gross profit margin. During the Reporting Period, the Company's newly signed purchase orders for CDMO services increased by more than 50% year-on-year, driven by an expanding project pipeline and the continued progression of existing projects into later stages. As of June 30, 2026, the Company had 6,839 employees in CDMO services, representing an increase of 950 employees as compared with the end of last year. With the seamless integration of the Company's fully integrated R&D service platform and the coordination of different service segments, during the Reporting Period, approximately 85% of CDMO services revenue came from the Company's existing customers of drug discovery services.

In terms of Small Molecule CDMO services, the Company has a team of process development chemists with industry-leading scale and experience in both China and the U.K., providing customized services to global customers with state-of-the-art technologies. Its manufacturing facilities in China, the U.K. and the U.S. offer customers flexible, efficient and cost-effective integrated solutions from preclinical to commercial production, covering intermediates, APIs and formulations. During the Reporting Period, the Company's CDMO services pipeline reached 782 molecules or intermediates, including 45 projects in process validation and commercialization stages, 51 projects in Phase III clinical trials, 238 projects in Phase I-II clinical trials, and 448 projects in the preclinical stage. Its Small Molecule CDMO project pipeline continued to expand and progress toward later stages. During the Reporting Period, the Company 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. Its facility at Campus I in Ningbo successfully passed the first pre-approval inspection (PAI) for the Company's innovative drug API CDMO project for the China market, further demonstrating the Company's sound quality management system and commercial production capabilities.

In terms of biologic CDMO services, the Company continued to provide GMP production services to a global pharmaceutical company for an innovative bispecific antibody intended for use in clinical trials, and further expanded its biologic CDMO pipeline, including monoclonal antibodies, bispecific antibodies, multispecific antibodies, and fusion proteins. Its number of customers and projects continued to increase. During the Reporting Period, building upon its expertise in biologics production, linkers and small molecule synthesis, and bioconjugation capabilities, the Company continued to expand its bioconjugates CDMO business, made encouraging progress, and secured multiple integrated project orders.

In terms of gene therapy CDMO services, during the Reporting Period, the Company's laboratories and factories in Liverpool, the U.K. supported 15 projects across different service categories and R&D stages, including 9 Phase I/II clinical projects and 6 preclinical projects. Building on this foundation, the Company further expanded its services to other therapeutic modalities, including protein production services, thereby further diversifying its project portfolio.

During the Reporting Period, the Company continued to strengthen its CDMO capabilities and capacities. It expanded the application of technologies including flow chemistry, biocatalysis, electrochemistry, and photochemistry, and high-throughput screening across various stages of R&D and manufacturing, achieving notable progress. As the demand for late-stage clinical and commercial-stage Small Molecule CDMO projects continues to grow, the Company is accelerating the construction of Phase II of Campus I in Shaoxing, and plans to build additional Small Molecule CDMO capacity in Shaoxing and Hangzhou to meet the rapidly growing customer needs. In complex peptide CDMO services, the Company is further expanding its capacities, offering customers more comprehensive services. Beyond its existing peptide GMP pilot plant, a new, larger-scale solid-phase synthesis facility for peptide APIs is expected to be completed in 2026. Meanwhile, the Company is also actively exploring advanced liquid-phase peptide synthesis technologies to further enhance its service offerings. In bioconjugate CDMO services, the Company will continue to advance the construction of bioconjugation facilities for mid-to-late-stage clinical trial materials and commercial production, providing customers with integrated services from R&D to commercial manufacturing.

(3) Clinical Development Services

During the Reporting Period, the clinical development services segment recognized revenue of RMB1,068.5 million, with a year-on-year growth of 13.8%; and a gross margin of 9.8%, with a decrease of 2.5 percentage points year-on-year. The Company continued to enhance its service efficiency through refined operations and the application of digital and intelligent tools. Leveraging dual regulatory filing services in China and the U.S., the Company expanded its presence in the U.S. market. During the Reporting Period, the Company's newly signed purchase orders for clinical development services increased by more than 30% year-on-year.

During the Reporting Period, the Company's clinical CRO team provided services to 1,357 ongoing projects, including 132 projects in Phase III clinical trials, 589 projects in Phase I/II clinical trials, and 636 other clinical trial projects (including Phase IV clinical trials, investigator-initiated trials and real-world studies). The Company's clinical research site management services (SMO) team provided services to over 2,200 ongoing projects. Its CRC team covered over 700 hospitals and clinical trial centers in over 150 cities in China for clinical research site management services.

As of June 30, 2026, the Company had 5,586 employees in clinical development services, representing an increase of 697 employees compared to the end of last year, including more than 400 overseas employees. 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 Chinese 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 established the Clinical AI Innovation Center and continued to deepen the application of AI and digital tools in clinical development services. Leveraging its proprietary AI platform, the Company expanded the application of AI, automation and other technologies across business functions including pharmacovigilance, biostatistics, regulatory affairs, medical writing and data management. These initiatives reduced costs, improved efficiency, and enhanced the quality of services.

During the Reporting Period, the Company continued to strengthen its end-to-end healthcare service platform by promoting integration between its clinical and preclinical businesses and data and AI technologies. Leveraging its proprietary AI technology platform, the Company's controlling subsidiary Aistarfish Technology expanded its integrated in-hospital and out-of-hospital cancer patient management services, and continued to strengthen AI capabilities in patient management and RWS services. During the Reporting Period, multiple research findings were presented at leading domestic and international academic conferences, further enhancing its expertise in AI healthcare technology and academic influence. On the business front, Aistarfish Technology achieved meaningful scale in orders for real-world patient management and RWS services, and partnered with top-tier domestic hospitals for RWS collaborations. Additionally, through collaborations with the Company's clinical and preclinical business units, Aistarfish Technology 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.

3. Industry competition and development

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

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

The pharmaceutical R&D and manufacturing outsourcing services market is expected to maintain a rapid growth, and the market share of the fully-integrated R&D services platform that serve global customers is expected to continue to increase. The innovative drug R&D industry features large investments, high risks and long R&D cycles, and the fully-integrated R&D services platform can help to improve the overall R&D efficiency of the customers by reducing costs and R&D risks. First of all, as a result of increasing R&D costs and patent cliffs, as well as the internal R&D talent and capacity limitations, large pharmaceutical companies gradually turn to pharmaceutical R&D and manufacturing outsourcing services with an aim to reduce their overall R&D costs and improve their R&D efficiency. It is expected that the large pharmaceutical companies will continue to increase the proportion of R&D outsourcing in the overall R&D investment. Secondly, small and 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.

4. Profit in the Reporting Period

The profit attributable to owners of the parent in the Reporting Period was approximately RMB750.2 million, increased by 7.0% as compared to approximately RMB701.4 million for the six months ended June 30, 2025.

5. Basic and Diluted Earnings Per Share

The basic earnings per share was RMB0.4138, increased by 3.9% as compared to RMB0.3984 for the six months ended June 30, 2025. The diluted earnings per share was RMB0.4113, increased by 3.4% as compared to RMB0.3978 for the six months ended June 30, 2025.

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

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

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

	Six months ended June 30, 2026 RMB'000 (unaudited)	Six months ended June 30, 2025 RMB'000 (unaudited)
Profit attributable to owners of the parent	**750,194**	701,396
Add:		
Share-based compensation expenses	**37,482**	25,735
Foreign exchange related losses	**103,574**	22,755
Amortization of intangible assets from acquisitions	**14,496**	1,074
Realized and unrealized (gains)/losses from equity investments	**(30,784)**	4,741
One-off reorganization-related expenses	**34,051**	–
Non-IFRSs adjusted net profit attributable to owners of the parent	**909,013**	755,701

7. Cash Flows

During the Reporting Period, net cash flows generated from operating activities of the Group amounted to approximately RMB1,084.6 million, representing a decrease of approximately RMB323.6 million or 23.0% as compared to the six months ended June 30, 2025.

During the Reporting Period, net cash flows used in investing activities of the Group amounted to approximately RMB1,295.6 million, representing a decrease of approximately RMB441.7 million or 25.4% as compared to the six months ended June 30, 2025.

During the Reporting Period, net cash flows generated from financing activities of the Group amounted to approximately RMB864.5 million, representing an increase of RMB965.6 million or 955.7% as compared to the six months ended June 30, 2025. The increase was mainly due to the cash inflows from the placing of new H Shares during the Reporting Period.

8. Liquidity and Financial Resources

The Group has maintained a sound financial position during the Reporting Period. As at June 30, 2026, the Group's cash and cash equivalents amounted to approximately RMB1,457.6 million. During the Reporting Period, net cash flows generated from operating activities of the Group amounted to approximately RMB1,084.6 million.

The Group recorded total current assets of approximately RMB8,869.9 million as at June 30, 2026 (December 31, 2025: approximately RMB7,778.2 million) and total current liabilities of approximately RMB8,722.5 million as at June 30, 2026 (December 31, 2025: approximately RMB8,364.0 million). The current ratio (calculated by dividing the current assets by the current liabilities) of the Group was approximately 1.0 as at June 30, 2026 (December 31, 2025: approximately 0.9).

9. Borrowings and Gearing Ratio

As at June 30, 2026, the Group aggregated interest-bearing bank borrowings of RMB6,474.4 million. Among the total borrowings, RMB4,553.9 million will be due within one year and RMB1,920.5 million will be due after one year.

As at June 30, 2026, the Group's gearing ratio, calculated as total liabilities over total assets, was 41.1%, as compared with 41.9% as at December 31, 2025.

10. Pledge of Assets

As at June 30, 2026, the Group mortgaged property, plant and equipment with a net carrying amount of approximately RMB306.4 million (December 31, 2025: approximately RMB971.3 million); and the mortgaged right-of-use assets had a net carrying amount of approximately RMB66.7 million (December 31, 2025: approximately RMB122.7 million).

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

Besides, as at June 30, 2026, the Group pledged deposits of approximately RMB118.6 million (December 31, 2025: approximately RMB174.8 million) to issue letters of credit, environmental protection, construction guarantee and others.

11. Contingent Liabilities

As at June 30, 2026, the Group did not have any material contingent liabilities.

12. Miscellaneous

(1) Appointment of Directors of the Fourth Session of the Board

On June 12, 2026, the Shareholders approved the Board's proposal to reduce the size of the Board from nine directors to eight. The restructured Board comprise three executive Directors, one employee representative Director, one non-executive Director and three independent non-executive Directors. The Shareholders also resolved to approve: (i) the respective appointments of Dr. LOU Boliang, Mr. LOU Xiaoqiang and Ms. ZHENG Bei as executive Directors of the fourth session of the Board; (ii) the appointment of Ms. WAN Xuan as non-executive Director of the fourth session of the Board; and (iii) the respective appointments of Ms. LI Lihua, Prof. TSANG King Fung and Ms. SHEN Rong as independent non-executive Directors of the fourth session of the Board. Separately, Mr. LI Shing Chung Gilbert was elected as the employee representative Director of the fourth session of the Board at the employee representatives' meeting held on June 5, 2026.

The term of office of each of the Directors of the fourth session of the Board will be three years commencing from the conclusion of the annual general meeting of the Company held on June 12, 2026. For details, please refer to the announcements of the Company dated April 28, 2026, June 5, 2026 and June 12, 2026, and the circular of the Company dated May 21, 2026.

(2) 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**"), pursuant to which a total of 58,440,762 new H Shares (nominal value RMB1.00 each, aggregate nominal value RMB58,440,762) were placed 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**").

The Placing Price of HK$22.82 represented 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 Placing will further a) enhance the Company's financial strength, enabling it to capture industry opportunities and support its capacity investment and business expansion, b) broaden the Company's Shareholder base, c) improve the trading liquidity of the Company's H Shares, and d) optimize the Company's capital structure by financing the repayment of a portion of its existing debts.

On January 22, 2026, the Placing was completed and the 58,440,762 new H Shares were placed to no less than six independent placees. The net price to the Company per Placing Share was approximately HK$22.57.

The aggregate gross proceeds from the Placing were approximately RMB1,197.9 million. The net proceeds from the Placing, after deducting relevant costs and expenses (including commission, levies and transactional fees), were approximately RMB1,184.5 million, and will be utilised in the following manner:

(1) 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;

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

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

The Company's utilisation of the net proceeds during the Reporting Period is set out below under the section headed "Supplementary Information – Purchase, Sale or Redemption of the Company's Listed Securities".

For further details about the Placing, please refer to the Company's announcements dated January 15, 2026 and January 22, 2026.

(3) Issue of Convertible Bonds under General Issuance Mandate

On August 26, 2026 (after trading hours), the Company entered into a subscription agreement (the "Subscription Agreement"), pursuant to which the Company agreed to issue USD settled zero coupon convertible bonds due 2027 in an aggregate principal amount of RMB2,180 million upon the terms and subject to the conditions set out in the Subscription Agreement (the "Issue of Convertible Bonds").

The initial conversion price of HK$36.08 per H Share (subject to adjustments) represents a premium of approximately 16.76% to the closing price of HK$30.90 per H Share as quoted on the Hong Kong Stock Exchange on August 26, 2026 (being the last trading day on which the Subscription Agreement was signed).

The Board considers that the Issue of Convertible Bonds represents an opportunity to obtain a pool of readily available funds that can better support business expansion of the Company in the long run. The Board currently intends to use the funds as mentioned below and considers it will facilitate the overall development and expansion of the Group.

On September 2, 2026, the Issue of Convertible Bonds was completed and the convertible bonds were offered to no less than six independent subscribers (all being independent individual, corporate and/or institutional investors). The net price per H Share upon conversion was approximately HK$36.39 based on the initial conversion price (subject to adjustments).

The aggregate gross proceeds from the Issue of Convertible Bonds were approximately US$330.8 million. The net proceeds from the Issue of Convertible Bonds, after deducting relevant costs and expenses (including commission, levies and transactional fees), were approximately US$327.2 million, and will be utilised in the following manner:

(1) approximately 70% will be used for supporting the expansion and development of the Group's laboratory services and CDMO services;

(2) approximately 20% will be used for refinancing certain existing indebtedness of the Group and optimize its capital structure; and

(3) approximately 10% will be used for general corporate purposes and as working capital.

For further details about the Issue of Convertible Bonds, please refer to the Company's announcements dated August 26, 2026 and September 2, 2026.

(4) Investment Agreement with Hangzhou Qiantang Investment Service Center

In order to further expand the Group's production capacity for innovative drug commercial manufacturing and CDMO services, continuously strengthen its integrated service capability for new drug modality projects, in May 2026, the Company entered into an Investment Agreement with Hangzhou Qiantang Investment Service Center (杭州市錢塘區招商服務中心), under which the Company plans to invest approximately RMB2.0 billion (the total project investment amount shall be subject to the final actual investment amount) to construct a new drug commercialization production and CDMO R&D production service facility in Qiantang District, Hangzhou, Zhejiang Province, the PRC. This investment will support the efficient conversion of CDMO service project pipelines towards late-stage clinical trial and commercialization stages, cultivate new growth drivers for the Company's sustainable development, and comprehensively enhance the Company's overall competitive advantages and market position. For further details, please refer to the Company's announcement dated May 27, 2026.

(5) Investment in the Construction of Campus II in Shaoxing

In order to further expand the Group's production capacity for high-end pharmaceutical intermediates and APIs (active pharmaceutical ingredients), consolidate its core business foundation and enhance service capabilities, in May 2026, the Company plans to construct Campus II in Shaoxing through its wholly-owned subsidiary Pharmaron (Shaoxing) API Manufacturing Co., Ltd. (康龍化成(紹興)新藥生產有限公司), to construct a project with an annual production capacity of 200 tonnes of pharmaceutical intermediates and APIs in Shaoxing City Hangzhou Bay Shangyu Economic and Technological Development Zone (紹興市杭州灣上虞經濟技術開發區).

The total investment in the project is expected to be approximately RMB3.0 billion, subject to the final actual investment amount. This investment will, through the use of advanced technical equipment, further expand the Company's production capacity for high-end pharmaceutical intermediates and APIs, including intermediates and APIs for drugs treating obesity and diabetes, oncology therapies and other products, strengthen the application capability of green manufacturing technologies, and enhance the Company's CDMO service capability from pre-clinical R&D to commercial manufacturing. For further details, please refer to the Company's announcement dated May 27, 2026.

(6) Entered into a Commercial Scale Manufacturing Collaboration Agreement for Formulation with a Large International Pharmaceutical Company

In March 2026, the Company and a large international pharmaceutical company jointly announced the entry into a commercial scale manufacturing collaboration agreement in respect of formulation of its first oral small-molecule GLP-1 receptor agonist filed for regulatory registration, which represented an important milestone in the Company's formulation CDMO business. The Company will leverage its platform advantages and is committed to providing efficient and reliable manufacturing services to help bring its innovative therapies to patients in China as soon as possible.

(7) Strategic Cooperation Agreement with Logical Qubit

In July 2026, the Company entered into a strategic cooperation agreement with Logical Qubit, through which the parties will explore cooperation models between quantum computing cloud platforms and pharmaceutical companies, including through the establishment of a joint laboratory, so as to drive the iterative upgrading of the pharmaceutical industry's R&D systems, technical standards and data systems towards a "Quantum-ready" state, and to lead the technological innovation of the industry. The Company will also work with Logical Qubit and Zhejiang University (浙江大學) to jointly explore the application of quantum computing in the field of drug discovery, with the aim of accelerating the process of computer-aided drug design and improving R&D service efficiency.

(8) Strategic Cooperation Agreement with AI² Robotics

In August 2026, the Company entered into a strategic cooperation agreement with AI² Robotics, an AGI-native general-purpose intelligent robotics company. The parties will establish an interdisciplinary joint research mechanism focused on the deep integration of embodied intelligence technologies into the life sciences and pharmaceutical R&D sectors. Through this collaboration, the parties will jointly explore the development of innovative and intelligent laboratories. The partnership aims to integrate embodied intelligent robots into real-world R&D and manufacturing workflows to support the intelligent transformation of the life sciences industry. As the relevant cooperation is still at an exploratory stage, the effectiveness of the technological applications and their impact on the Company are subject to uncertainties. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

(9) Additional Subscription of Investment Fund Units

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 January 2026 and May 2026, the Company made additional investments of RMB50 million and RMB283 million respectively in Ningbo Yongkang Equity Investment Partnership (Limited Partnership) (寧波甬康股權投資合夥企業(有限合夥)) ("**Ningbo Yongkang**") using its own funds. Following the completion of the above additional investments, the Company's aggregate subscribed capital contribution to Ningbo Yongkang amounts to RMB433 million.

(10) 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 completed the aforementioned equity restructuring.

(11) Changes in Accounting Policies

On April 28, 2026, the Audit Committee reviewed and approved the changes in accounting policies, in order to reflect the latest requirements of Interpretation No. 19 of Accounting Standards for Business Enterprises (Cai Kuai [2025] No. 32) issued in December 2025. For details, please refer to the announcement of the Company dated April 28, 2026.

On August 10, 2026 and August 20, 2026, respectively, the Audit Committee and the Board reviewed and approved the changes in accounting policies, according to the relevant requirements of Accounting Standards for Business Enterprises No. 35 – Segment Reporting, Interpretation No. 3 of the Accounting Standards for Business Enterprises, and the Company's business development and internal management needs. For details, please refer to the announcement of the Company dated August 20, 2026.

(12) Changes of Company Secretary, Authorised Representative and Process Agent

On March 30, 2026, Ms. MAK Po Man Cherie was appointed as the company secretary, the authorised representative and the process agent of the Company upon the resignation of Mr. YIM Lok Kwan. For details, please refer to the announcement of the Company dated March 30, 2026.

On August 20, 2026, Mr. LI Shing Chung Gilbert was appointed as the authorised representative of the Company in place of Mr. LOU Xiaoqiang. For details, please refer to the announcement of the Company dated August 20, 2026.

(13) 2025 Profit Distribution

On June 12, 2026, the 2025 Profit Distribution of the Company was approved at the annual general meeting of the Company. Pursuant to the 2025 Profit Distribution, the Company has paid a cash dividend of RMB0.2 per Share (inclusive of tax) to the Shareholders whose names appeared on the H Shares register of members of the Company on July 15, 2026 and Shareholders whose names appeared on the A shares register of members of the Company on July 6, 2026. For further details, please refer to the Company's circular dated May 21, 2026 and cash dividend announcement dated June 12, 2026.

(14) Amendments to the Articles of Association

On March 30, 2026, the Board resolved and approved to amend the Articles of Association to reflect the increase in the registered capital of the Company. For details, please refer to the announcement of the Company dated March 30, 2026.

On April 28, 2026, the Board resolved and approved to amend the Articles of Association to reflect the change in Board composition. For details, please refer to the announcement of the Company dated April 28, 2026.

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, biologics, bioconjugate drugs 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, the U.K. and the U.S.

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 disciplines 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 three core competences:

(1) Comprehensive integrated platform from drug discovery to IND application (Investigational New Drug)

From inception, the Company has been dedicated to establishing a fully integrated service platform from drug discovery to IND application, thereby assisting customers to accelerate their drug development process and reduce their overall R&D costs.

In laboratory chemistry services, the Company built a comprehensive chemistry platform for medicinal chemistry, synthetic chemistry, chemistry for new modalities, analytical and purification chemistry, computer-aided drug design (CADD), and early process chemistry. 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, which fully cater to the diversified needs of different types of customers.

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

With this comprehensive 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, for example, an integrated IND-enabling service package that includes preclinical safety assessment, early process development and manufacturing, pharmacology, DMPK and a scientifically sound and well-regulated clinical trial protocol. Leveraging its comprehensive IND enabling solutions, the Company offers customers IND filing support across multiple jurisdictions, thereby providing flexibility in regulatory strategy.

(2) A comprehensive CDMO platform from R&D to commercialization, supporting multiple drug modalities

Leveraging its deep expertise in small molecule R&D services and strategic expansion into biologics, the Company is committed to building a comprehensive CDMO service platform that spans the entire lifecycle from drug R&D to commercialization, addressing customers' process development and manufacturing needs across various drug modalities.

In small molecule CDMO services, the Company's experienced team offers customers comprehensive, end-to-end services, including process development and manufacturing of APIs, material science/pre-formulation, formulation development and manufacturing, and analytical development to satisfy preclinical, clinical, and commercial needs. The cGMP API and drug product manufacturing facilities of the Company are qualified to manufacture products to support clinical trials in global markets, including the U.S., China and the 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 of 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. For peptide drugs, 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 the second half of 2026.

In biologics CDMO services, the Company offers customers cell line development, upstream and downstream process development, formulation development and fill-and-finish process development, and bioconjugation services, supported by analytics with method development. Regarding manufacturing capabilities, the Company provides drug substance and product manufacturing services armed with 200L to 2,000L production capacity to support projects from pilot to commercial stage production. In addition, building upon its expertise in linkers and payloads productions, the Company has established an integrated service platform for bioconjugate drugs, encompassing the entire chain of "antibody preparation – warhead molecule synthesis – linker synthesis – bioconjugation – bioanalysis", which provides integrated bioconjugate manufacturing services for early-stage clinical trial supplies. Meanwhile, the Company is strengthening its bioconjugation manufacturing capabilities for mid-to-late-stage clinical materials and commercial-scale production, including drug product formulation, offering customers fully integrated services from R&D through to commercialization.

In gene therapy CDMO services, the Company offers customers plasmid synthesis encoding 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, covering the entire gene therapy CDMO process.

(3) Fully-integrated clinical development services in China

The Company has built a sizeable and highly competitive clinical development services platform in China, offering customers complete, efficient, end-to-end Phase I, II, III and IV clinical development services. Its clinical development services include clinical site management, patient recruitment, regulatory affairs, medical affairs, clinical operations, pharmacovigilance, bioanalysis and clinical laboratory testing, quantitative pharmacology, data management and biostatistics, project management, and quality assurance. In addition, the clinical development service team collaborates with the preclinical and business development teams to get involved in clinical study planning discussions with customers as early as possible, to help customers accelerate the transition of their programs from preclinical R&D to clinical studies with high quality.

To support China customers in developing their innovative drug pipelines globally, the Company leverages its U.S.-based clinical pharmacology center, data management and biostatistics capabilities, bioanalytical platform, clinical CRO operations, and management teams well versed in the clinical development processes and cultural nuances of both China and the U.S. It offers a more efficient and convenient gateway for China customers to bring their R&D pipelines to global markets.

In addition, through its controlling subsidiary Aistarfish Technology's technological and data expertise 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, the Company 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. Moreover, combined with Pharmaron's global network, it provides real-world study (RWS) services that meet the standards of the FDA and EMA for global pharmaceutical companies.

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, the U.K., the 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 end-to-end solutions enable our customers to file IND applications for their drug candidates in China, the U.S., or the 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 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 on 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. During the Reporting Period, the Company continued to increase 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. These technologies aim to deliver compounds with greater efficiency and reduced manual intervention, and have 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.

During the Reporting Period, the Company continued to strengthen its end-to-end healthcare service platform by promoting integration between its clinical and preclinical businesses and data and AI technologies. Leveraging its proprietary AI technology platform, the Company's controlling subsidiary Aistarfish Technology expanded integrated in-hospital and out-of-hospital cancer patient management services, and continued to strengthen AI capabilities in patient management and RWS services. During the Reporting Period, multiple research findings were presented at leading domestic and international academic conferences, further enhancing its expertise in AI healthcare technology and academic influence. On the business front, Aistarfish achieved meaningful scale in orders for real-world patient management and RWS services, and partnered with top-tier domestic hospitals for RWS collaborations. 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 2026, the Company partnered with Logical Qubit and Zhejiang University to leverage the parallel computing power of quantum computing, aiming to achieve non-classical search in the chemical-biology space. This collaboration enables systematic and comprehensive exploration of high-potential drug candidates, accelerates the advancement of computer-aided drug design (CADD), and enhances the efficiency of R&D services.

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 also has extensive work experience in the industry. The Company has more than 100 senior scientific and technical leaders, 4 of whom were named as National Talents and 17 of whom 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 nearly 5,000 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 June 30, 2026, the Company had 24,953 R&D, production technology and clinical services staff in China, the U.K. and the 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 challenge 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 the first half of 2026, the Company introduced over 470 new customers, with over 98% 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 know-how 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 an 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.

D. OUTLOOK FOR THE SECOND HALF OF 2026

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

The Company's outlook and strategy, as well as its operation plans and outlook for the second half of 2026 has already been dis closed in the Company's 2025 annual report. There have been no material changes to the Company's outlook, strategies and operational plans.

2. Risks Faced by the Company and Corresponding Mitigation Measures

(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 monitoring 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, CDMO services and clinical development 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 develop 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.

E. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

1. Environment

(1) Management Systems

The Company has formulated the group-level Pharmaron Environmental and Sustainability Policy, which sets out its environmental management commitments across compliance and reporting, training and awareness raising, energy management, waste reduction, and biodiversity protection.

The Company continued to strengthen environmental management systems across its operating sites, actively promoted third-party certification, and incorporated key areas, including environmental management, occupational health and safety, animal welfare, information security, and data protection, into the development of its global management systems. During the first half of 2026, the Company continued to advance ISO 14001 Environmental Management System certification for Beijing Technology and Pharmaron Ningbo Campus III. Based on the current implementation plan, certification work at certain sites is progressing steadily and is expected to be completed in the second half of 2026, which is expected to further increase ISO 14001 certification coverage across major operational sites[3].

The Company continued to enhance its environmental oversight mechanisms. Through internal environmental management system audits, as well as external environmental inspections by government regulators, customers, and third-party organizations, the Company promoted the continuous improvement of environmental management practices across its sites and ensured that its operations complied with applicable environmental protection requirements.

(2) Energy Conservation, Emissions Reduction and Green Production

As an important part of the Company's commitment to the Science Based Targets initiative (SBTi), the Company continued to advance greenhouse gas accounting and identify emissions reduction pathways. It promoted a green and low-carbon transition through renewable energy substitution, equipment upgrades and retrofits, the application of low-carbon technologies, and collaborative emissions reduction across the supply chain.

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[3] Major operational sites: Pharmaron Beijing Co., Ltd., Pharmaron (Beijing) Technology Development Co., Ltd., Pharmaron Shaoxing Co., Ltd., Pharmaron (Ningbo) Technology Development Co., Ltd., Pharmaron (Ningbo) TSP Services Co., Ltd., Pharmaron (Tianjin) Process Development and Manufacturing Co., Ltd., Pharmaron (Xi'an) Technology Development Co., Ltd., Pharmaron (UK) Limited; Pharmaron Biologics (UK) Ltd; Pharmaron Manufacturing Services (UK) Ltd.

The Company continued to promote renewable electricity procurement and optimize its energy structure. Renewable electricity as a proportion of total electricity consumption increased from 25.75% in 2024 to 42.02% in 2025, while renewable electricity consumption for the same periods was 83,239.2 thousand kWh and 153,386.56 thousand kWh, respectively. In line with the implementation pathway for its science-based targets, the Company continued to increase renewable electricity consumption in the first half of 2026, and targets 100% renewable electricity for the Group's operational electricity consumption by 2030. Considering the current objective limitations in the availability, applicability, and commercial feasibility of renewable energy sources other than electricity, the Company will, at this stage, prioritize renewable electricity substitution and continue to refine its overall energy transition strategy in light of business development, changes in the energy market, and technological progress.

The Company continued to improve energy efficiency. From 2023 to 2025, comprehensive energy consumption per RMB10,000 of revenue was 0.069 tonnes, 0.066 tonnes, and 0.061 tonnes of standard coal, respectively, representing a cumulative decrease of 11.6% over the three-year period. In the first half of 2026, the Company continued its efforts to reduce comprehensive energy consumption per RMB10,000 of revenue and established a medium- to long-term target. The Company targets a 30% reduction in comprehensive energy consumption per RMB10,000 of revenue by 2030, using 2023 as the baseline year.

The Company has advanced greenhouse gas emissions reduction management in accordance with its science-based target pathway and has committed to achieving net-zero emissions by 2050. To pursue this target, the Company will prioritize emissions reductions through its own decarbonization measures, including improving energy efficiency, optimizing the energy mix, expanding the use of renewable electricity, promoting green operations, and strengthening collaborative emissions reduction across the value chain. For residual emissions that are difficult to eliminate, the Company will, based on prudent assessment, consider using eligible carbon credits or other neutralization measures only to the minimum extent necessary. The Company will continue to improve its net-zero implementation pathway, interim targets, and related disclosures.

The Company continued to improve its waste management system. Waste generated from production and operations is classified, stored, transferred, and disposed of in compliance with applicable laws and regulations, with priority given to reduction, reuse, and resource recovery. For hazardous waste and other waste that may have adverse impacts on human health or the environment, the Company engages qualified third-party organizations for lawful disposal and continuously strengthens internal management, process monitoring, and compliance review. The Company will continue to improve its waste management plans, disposal pathways, and related performance disclosures based on subsequent confirmation of data and qualification information.

The Company continued to increase investment in low-carbon transition, focusing on renewable electricity procurement, energy-saving technical retrofits, energy efficiency improvement, and environmental management-related expenditure. The Company will continue to improve the statistical scope and disclosure approach for low-carbon transition investment, gradually enhance the completeness and comparability of relevant information, and consider quantitative investment targets when management maturity allows.

2. Social

(1) Diversity, Equity and Inclusion

The Company upholds the principles of diversity, equity, and inclusion in employment. It continuously advances fair employment, employee development, and employee care, and protects employees' lawful rights and interests in accordance with the applicable laws and regulations of the countries and regions where it operates and the Company's management policies.

(2) Employee Communication and Employee Care

The Company continued to improve employee feedback, communication, and care mechanisms, and used diversified channels to identify and respond to employee concerns in a timely manner. The Company regularly conducts employee satisfaction surveys to systematically collect feedback on career development, management mechanisms, team atmosphere, and working environment, and identifies areas for improvement accordingly. In the most recent employee satisfaction survey conducted in 2024, the employee participation rate was 91% and the satisfaction score was 82, reflecting employees' high level of recognition of the Company's development environment and management mechanisms. The Company continued to listen to employees through day-to-day communication, employee feedback channels, grievance and escalation mechanisms, and compliance reporting channels. Employees with concerns about working conditions, discrimination, harassment, or other human resources matters may report such concerns to their line managers, department heads, the Human Resources Department, or the Compliance Department. Matters requiring formal acceptance may be submitted through the reporting mailbox, reporting hotline, and other channels, and will be accepted, investigated, responded to, and protected by relevant functions in accordance with applicable procedures. The Company keeps relevant information strictly confidential and prohibits any form of retaliation.

The Company complies with applicable labor laws and regulations in the jurisdictions where it operates and provides employees with leave and benefits arrangements that meet legal requirements and Company policies. In mainland China, female employees are legally entitled to maternity leave, with the standard leave period being 158 days, and male employees are legally entitled to paternity leave, with the standard leave period being 15 days. The Company will continue to improve employee support arrangements relating to parenting, caregiving, leave, and work-life balance in accordance with local regulatory requirements and employees' actual needs.

The Company continued to improve employee feedback, grievance, and escalation mechanisms, and encourages employees to express views and raise concerns through accessible, fair, and confidential channels. In addition to day-to-day communication channels, the Company has clearly defined employee grievance and escalation procedures in its Code of Conduct and relevant internal policies. Depending on the nature of the matter, employees may submit grievances or seek assistance through their direct managers, the Human Resources Department, the Compliance Department, the Legal Department, or other formal channels provided by the Company. If employees consider it inappropriate to raise an issue through ordinary management channels, or if a matter requires further escalation, they may also report it to higher-level management or designated functions. Matters requiring formal acceptance will be handled, investigated, responded to, and protected in accordance with applicable procedures. The Company keeps grievance and reporting information strictly confidential and prohibits any form of retaliation.

(3) Employee Training and Talent Development

The Company provides diversified training to support employees' career growth and long-term development, and continuously improves its training management platform to promote systematic management of training courses, learning resources, and development opportunities.

The Company continued to advance the development of managers and key talent. Based on position requirements and organizational development needs, the Company carried out leadership development programs to enhance management capabilities, cross-team collaboration, talent development capabilities, and business leadership. The Company designs differentiated development programs for employees in different management positions. Through leadership courses, job rotations, mentoring, and practical projects, the Company continued to improve its talent development system and strengthen organizational capabilities. In 2025, the Company organized leadership training programs in China with a total of 5,770 training participations, including key development programs for management employees at different levels, achieving 100% coverage of core management personnel.

In employee development, the Company continued to promote the standardization and systematization of its talent development framework. Employee development plans have covered contract employees and, taking into account the employment structure and business development needs, the Company will gradually extend coverage to part-time employees in the future to further enhance the inclusiveness and completeness of its talent development mechanism. The Company will continue to improve relevant statistical scopes and effectiveness tracking mechanisms, and will gradually supplement quantitative indicators such as coverage rates, completion rates, and internal promotion based on data maturity, so as to continuously enhance the implementation effectiveness and value contribution of leadership development programs.

The Company continued to support youth development and talent cultivation in the life and health sector. In 2026, the Company supported study and practice activities under the public welfare program College Student Growth Navigation Program, providing university students with learning opportunities such as company visits, laboratory open days, industry exchanges, and career development sharing. These activities helped students gain an in-depth understanding of the life and health industry, scientific innovation, and research career development pathways. During the activity, students visited the R&D laboratories and production facilities of Pharmaron Beijing Co., Ltd., and engaged in exchanges with Company employees and alumni representatives, further broadening their professional horizons and enhancing their understanding of the life sciences industry.

(4) Occupational Health and Safety

The Company has established a comprehensive health and safety management system, continued to advance the development of its occupational health and safety management system, and regards improving ISO 45001 Occupational Health and Safety Management System certification coverage across major operational sites as an important management measure.

The Company regards occupational health and safety as an important component of operational management and continues to advance its EHS management objectives of zero accidents, no employee harm, pollution prevention, and sustainable development. The Company's occupational health and safety policy is reviewed and approved by the Board of Directors, and is implemented through mechanisms including management target decomposition, daily supervision and inspection, training and communication, risk identification and assessment, internal and external audits, management review, occupational health and safety management system certification and continuous improvement, as well as emergency preparedness and response. The Company encourages employees and employee representatives to participate in safety management-related communication, risk identification, hazard reporting, and continuous improvement, and reports key occupational health and safety matters to management and governance bodies in accordance with established governance mechanisms. The Company will continue to improve the objectives, implementation measures, and performance disclosure scope for occupational health and safety, and promote the parallel enhancement of occupational health and safety management and business development.

During the first half of 2026, the Company continued to advance ISO 45001 Occupational Health and Safety Management System certification for Beijing Technology, Pharmaron Ningbo Campus III, and the Pharmaron UK Cramlington Site. Through these ongoing certification efforts, the Company continued to enhance management system certification coverage across its major operational sites.

3. Governance

(1) ESG Governance and Risk Management

The Company has established an ESG governance structure centered on the Board of Directors and has included ESG issues, including climate change, in the regular agenda of the Board of Directors and its Strategy Committee. The Company has formed a three-tier ESG governance structure comprising the governance level, management level, and execution level. The governance level consists of the Board of Directors and the Strategy Committee. With the direct participation of the Chief Financial Officer, the employee representative director, and Mr. LI Shing Chung Gilbert, a member of the Board Strategy Committee, the governance level oversees and guides ESG and climate-related work from the highest level of the Company. At the management level, the Company has established the Compliance and ESG Committee, which leads the implementation of ESG strategy, including resource allocation, performance tracking, and cross-functional coordination, ensuring that ESG issues are integrated into daily operations and receive ongoing attention and guidance at the Board level. The execution level comprises relevant functional departments and primary subsidiaries, which implement specific ESG measures according to their respective responsibilities. These governance arrangements effectively ensure that ESG issues are fully led and implemented at the Company's highest decision-making level, further consolidating and enhancing the Company's sustainable development management capabilities.

The Company continued to improve its materiality issue identification, assessment, and management mechanisms, and uses the results of materiality analysis as an important input for enterprise risk management and sustainable development management. Taking into account stakeholder concerns, regulatory requirements, industry trends, the focus areas of rating agencies, and the Company's operational conditions, the Company regularly identifies and assesses ESG-related risks and opportunities, and uses the results to support ESG strategy formulation, annual priority setting, risk identification and response, and disclosure optimization. For ESG-related matters that may have a material impact on the Company's operations, reputation, compliance, or long-term value creation, the Company will submit such matters to the Compliance and ESG Committee, the Strategy Committee, and/or the Board of Directors for review or reporting in accordance with established governance mechanisms, thereby promoting coordination between materiality issue management and enterprise risk management processes.

The Company continued to improve its risk management and internal control system based on the three lines of defense model. It carries out risk identification, assessment, response, and monitoring for major operational, compliance, financial, and sustainability issues, and continuously optimizes management processes in response to business development and changes in the external environment. To further enhance the effectiveness of risk governance, the Company continued to strengthen risk management training, implementation of risk responsibilities, and tracking of risk management performance. In combination with internal audit, internal control assessment, and independent assessment mechanisms, the Company conducts an independent assessment or external review of the effectiveness of its risk management processes at least once every three years, with relevant findings incorporated into subsequent rectification and continuous improvement plans. The Company will continue to enhance the systematic nature, forward-looking capability, and execution of its risk management mechanisms in light of governance arrangements and actual progress.

(2) Business Ethics and Compliance

The Company integrates ethics and integrity into every aspect of its operations, continues to improve mechanisms related to business ethics, anti-corruption, information security, intellectual property protection, whistleblowing investigations, and internal audit, and reinforces a culture of responsible business conduct.

The Company has established multi-channel reporting and investigation mechanisms, encouraging employees and relevant parties to report any reasonable suspicion of violations of Company policies, the Code of Conduct, or laws and regulations. At the headquarters level, reporting mailboxes and hotlines have been established, and the Headquarters Compliance Department/ Investigation Office is responsible for handling reports, coordinating investigations, and following up on related matters. For entities outside China, the Company has established local reporting channels in accordance with local laws and regulations. In the United Kingdom and the United States, relevant reporting hotlines are maintained by third parties to further enhance the independence, accessibility, and credibility of the reporting channels. The Company keeps reporting information strictly confidential, prohibits any form of retaliation, and may engage external organizations to assist with verification or investigation when necessary.

The Company adheres to the principles of legal compliance, openness and transparency, neutrality, and prudence in handling matters related to public policy. Under the Company's Code of Conduct, employees are prohibited from participating in any form of political activity in the name of the Company. The Company strictly complies with applicable laws and regulations and anti-corruption requirements, and prohibits dishonest influence over decision-making processes or the use of political donations to influence legislation for commercial benefit. The Company's climate-related policies are aligned with the goals of the Paris Agreement. The Company does not engage in lobbying activities that conflict with its environmental and climate commitments or the goals of the Paris Agreement, and will continue to maintain prudence, transparency, and consistency in external communications.

The Company complies with applicable tax laws and regulations in the jurisdictions where it operates, adheres to tax governance principles of lawful tax payment, true recordkeeping, accurate filing, and standardized management, and incorporates tax compliance requirements into its financial management and internal control system.

(3) Information Security, Data Protection and Responsible Innovation

The Company continued to enhance its capabilities in information security, data protection, and privacy management, and strengthened the protection of customer data, employee personal information, research data, and other sensitive information through management system certification, policy development, training, and technical measures.

The Company actively promotes the development, introduction, deployment, and use of artificial intelligence and other emerging technologies in a lawful, ethical, prudent, and responsible manner, applying them to business scenarios such as drug R&D services, scientific innovation, quality improvement, risk identification, and operational efficiency enhancement. At the same time, the Company attaches great importance to potential risks related to data protection, confidentiality, intellectual property, bias, transparency, security, and compliance arising from the use of artificial intelligence. Accordingly, the Company requires the development and use of artificial intelligence to follow principles such as strict data minimization, authorized access, encryption protection, desensitization or de-identification, human review, and necessary compliance review. Relevant requirements and rules of use have been clearly set out in the Pharmaron Code of Conduct approved by the Board of Directors. For artificial intelligence applications that may involve customer data, personal information, research data, or other sensitive information, the Company conducts such activities only within the scope permitted by lawful and compliant bases, contractual arrangements, customer authorization, or other applicable legal bases, and avoids using relevant information for processing beyond its original purpose without authorization. If relevant data is used for analysis, system optimization, artificial intelligence-assisted tools, or other secondary purposes, the Company will adopt protective measures such as data minimization, access control, encryption, desensitization or de-identification, and retain necessary human review and compliance review processes to strictly control the boundaries of artificial intelligence use. The Company regards artificial intelligence as a tool for improving efficiency and assisting analysis, and it must not replace necessary scientific judgment, quality review, compliance review, or other professional responsibilities. For major matters that may affect research conclusions, customer deliverables, quality, safety, compliance, or the rights and interests of relevant parties, the Company continued to improve mechanisms for human review, risk identification, result review, and supervision to ensure that the use of artificial intelligence always meets business quality, compliance, and ethical requirements.

In addition, to strengthen governance and decision-making in the field of artificial intelligence, the Company established an AI Strategy Committee in the first half of 2026. As the Company's highest decision-making and supervisory body for artificial intelligence governance, the committee is responsible for formulating the Company's AI strategic planning, approving the establishment of AI-related organizational structures, appointing key AI-related management positions, approving AI-related budgets, and supervising the implementation of the AI strategy. This governance arrangement is intended to strengthen strategic guidance and supervision over the development and application of artificial intelligence, effectively coordinate the Company's resources, and ensure that the development, deployment, and use of artificial intelligence technologies continue to empower business innovation and operational efficiency improvement while meeting compliance and ethical requirements.

At the same time, the Company is accelerating the development of its ISO 27001 system and expects to achieve full certification coverage across all major operational sites in 2026.

(4) Sustainable Procurement

The Company not only sets strict requirements for its own operations but also extends sustainability requirements to supply chain partners. Based on the Business Partner Code of Conduct, the Company continued to integrate requirements relating to the environment, labor and human rights, occupational health and safety, business ethics, information security, quality management, and compliance into the entire supplier management process, and promoted the joint enhancement of responsible business conduct and sustainable development by supply chain partners and the Company.

Under the ESG governance structure described above, supply chain ESG, as an important component of Compliance and ESG management, is included within the coordinated management scope of the Compliance and ESG Committee, with the Board of Directors and its Strategy Committee serving as the highest decision-making and supervisory bodies for supply chain ESG management. The Procurement Department leads supplier admission, due diligence, tiered management, training empowerment, and rectification follow-up, and collaborates with Quality, EHS, Legal and Compliance, and relevant business departments to identify, assess, improve, and close out supplier-related risks. For important progress, significant risks, or matters requiring escalation in relation to supply chain ESG, the Company will report to or submit such matters for review by the governance level in accordance with established ESG governance mechanisms, ensuring that supply chain ESG management is coordinated with the Company's compliance management, quality management, risk management, and sustainable development objectives.

In supplier admission and day-to-day management, the Company continued to incorporate sustainability requirements into the procurement process, requiring suppliers to sign sustainable procurement terms covering environmental, labor and human rights, occupational health and safety, business ethics, information security, and compliance issues. Through due diligence questionnaires, business partner due diligence, and procurement management processes, the Company identifies suppliers' sustainability risks in environmental and operational efficiency areas. In sustainable procurement management, the Company emphasizes embedding environmental protection principles throughout the global procurement process, collaborates with supplier partners to promote resource conservation, carbon reduction, circular economy, and green value-chain development, and incorporates requirements for reduced energy consumption, improved energy efficiency, and related improvements into supplier sustainability terms to promote the continuous improvement of overall operational efficiency across the supply chain.

The Company conducts supplier management with reference to the principles of the Pharmaceutical Supply Chain Initiative (PSCI) and industry best practices and has established a closed-loop supply chain ESG management mechanism covering assessment, rectification, capability building, and continuous improvement. Through questionnaire assessments, on-site or desk-based audits, and other methods, the Company identifies supplier risks in areas such as business ethics, labor and human rights, occupational health and safety, environmental protection, product quality, and information security, and promotes rectification and follow-up for issues identified to form closed-loop management.

In supplier capability building, the Company supports suppliers in improving their ESG management capabilities through training, communication, and experience sharing. Based on supplier risk level, procurement importance, and industry practices, the Company shares ESG management requirements, industry policy trends, customer expectations, peer or industry benchmarking information, and best-practice cases with suppliers, and explores more targeted technical support and capability-building solutions to help suppliers continuously improve in areas such as quality management, compliance management, environmental performance, labor and human rights, and occupational health and safety. The Company provides sustainable supply chain training to all suppliers, promoting the continuous improvement of sustainability across the supply chain.

With respect to climate change, the Company encourages and expects key suppliers to commit to the Science Based Targets initiative (SBTi), set greenhouse gas emissions reduction targets aligned with SBTi, and advance supply chain emissions reduction through ongoing communication and capability building. The Company has set a long-term target to cover at least 76% of supply chain greenhouse gas emissions and will gradually increase the coverage of suppliers with SBTi emissions reduction targets within its supply chain, in order to align with international best practices.

The Company continued to strengthen industry benchmarking and external collaboration in supply chain management. In 2026, the Company officially joined the Pharmaceutical Supply Chain Initiative (PSCI) Supplier Partnership, further integrating into the international responsible supply chain management system. In line with PSCI principles and industry best practices, the Company continued to improve supply chain management requirements around core topics such as business ethics, labor and human rights, occupational health and safety, environmental protection, and management systems.

At the same time, the Company actively participates in industry exchange activities, shares supply chain management experience, and collaborates with value-chain partners, gradually enhancing its supply chain risk identification capabilities and management standards and promoting the resilience and sustainable development of the supply chain. The Company will continue to leverage the PSCI platform and industry cooperation networks to strengthen communication and collaboration with global pharmaceutical value-chain partners and promote the formation of a more transparent and responsible supply chain ecosystem.

(5) Product and Service Quality Management

The Company continued to improve its quality management system, advancing quality management in areas such as product and service quality, closed-loop customer complaint management, key quality incident control, quality training, and quality certification, while continuously strengthening its quality culture.

The Company attaches importance to integrating quality awareness and product quality-related requirements into employee training and daily management. The Company provides quality-related training of varying depth to all employees based on different positions, communicating basic requirements such as quality responsibility, integrity and compliance, data integrity, and customer responsibility. At the same time, for positions and target employees directly related to quality management, production operations, experimental research, customer delivery, and other product and service quality matters, the Company conducts specialized training aligned with job responsibilities, covering quality systems, closed-loop customer complaints, data integrity, GxP/ISO requirements, and quality risk management. Building on the existing annual quality training mechanism, the Company continued to improve its quality training system and continuously optimized training content and methods based on regulatory updates, findings from internal and external audits, customer feedback, and quality incident trends, thereby enhancing the relevance and effectiveness of quality training and promoting the implementation of quality culture in daily operations.

In customer complaint management, the Company has established a closed-loop customer complaint management mechanism to ensure timely response, investigation, and continuous follow-up of complaints. After a customer complaint is received, the Company will provide preliminary feedback within two working days and, in principle, complete the investigation within 30 calendar days, promptly providing the customer with investigation conclusions and necessary corrective and preventive actions, and continuously tracking implementation. The Company uses the customer complaint closure rate as an important quality performance indicator, with an annual target of 100%, and reviews this target annually. From 2023 to 2025, the Company's customer complaint closure rate was 100% in each year.

(6) Animal Welfare Management

Pharmaron consistently upholds high standards of ethical responsibility and humane care for laboratory animals, placing animal welfare at the core of scientific research practices. The Company requires all employees, whether or not they are directly involved in animal-related work, to jointly maintain the highest standards of animal welfare.

In the first half of 2026, AAALAC accreditation coverage for animal research sites increased from 67% to 89%. The Company's target is to achieve 100% AAALAC accreditation coverage for animal research sites.

Supplementary Information

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended June 30, 2026.

SUPPLEMENTAL DISCLOSURE REGARDING DEFINED CONTRIBUTION SCHEMES

As disclosed in the annual report of the Company issued on April 28, 2026, the employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. Employee benefits to all eligible employees of the overseas subsidiaries are made in accordance with the rules set forth in the collective labor agreement, and recorded as an expense in the period they are due as a charge to profit or loss.

Pursuant to the relevant laws and regulations, the Company is not in a position to forfeit contributions to the central pension scheme and thus there are no forfeited contributions.

CORPORATE GOVERNANCE PRACTICES

The Board strives to maintain a high standard of corporate governance and believes that effective and reasonable corporate governance practices are essential to the development of the Group and at the same time protect and enhance shareholders' rights.

The Company's corporate governance practices are based on the principles and code provisions set out in the Appendix C1 Corporate Governance Code (the "CG Code") to the Listing Rules.

Save as disclosed herein, the Company has complied with the code provisions as set out in the CG Code during the Reporting Period.

Pursuant to Code Provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive officer shall be separate and performed by different individuals. During the Reporting Period and up to the date of this interim report, there is no distinction between the positions of chairman and chief executive officer of the Company, and Dr. LOU Boliang ("Dr. LOU") currently holds both positions. Dr. LOU is responsible for the overall management, strategic planning and corporate development of the Group.

In view of Dr. LOU's experience, personal profile and his roles in our Company as mentioned above and that Dr. LOU has assumed the role of chief executive officer of our Company since our commencement of business, the Board considers it beneficial to the business prospect and operational efficiency of our Company that upon Listing, Dr. LOU acts as the chairman of the Board and continues to act as the chief executive officer of our Company. While this will constitute a deviation from Code Provision C.2.1 of Part 2 of the CG Code as set out in Appendix C1 to the Listing Rules, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) decision to be made by our Board requires approval by at least a majority of our Directors; (ii) Dr. LOU and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Company accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Company are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Company in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Pursuant to Code B.13 of the Model Code, directors have also requested that any employee of the Company or director or employee of a subsidiary of the Company who may obtain inside information about the securities of the Company as a result of serving or being employed by the Company or a subsidiary shall not trade in securities of the Company as prohibited by the Model Code (just as a director).

EMPLOYEE REMUNERATION AND RELATIONS

As at June 30, 2026, the Group had a total of 27,316 employees, as compared to 25,088 employees as at December 31, 2025. 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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES AND USE OF PROCEEDS

On January 22, 2026, the Company successfully placed an aggregate of 58,440,762 new H Shares to no less than six independent placees at the price of HK$22.82 per H Share. The net proceeds from the Placing amounted to approximately RMB1,184.5 million. As at June 30, 2026, the unutilized net proceeds amounted to RMB341.4 million. The net proceeds from the Placing have been and will be applied in accordance with the intended use set out in the announcement of the Company dated January 15, 2026, entitled "Placing of New H Shares under General Issuance Mandate". The table below sets out the proposed and actual use of the net proceeds from the Placing as at June 30, 2026:

Use of proceeds	Percentage of allocation of net proceeds	Allocation of net proceeds (RMB million)	Utilized amount as at June 30, 2026 (RMB million)	Unutilized net proceeds as at June 30, 2026 (RMB million)	Expected timeline for utilizing the net proceeds
The Company's project development to enhance the capabilities and production capacity of its laboratory services, drug process development and manufacturing facilities	70%	829.2	487.8	341.4	Expected to be fully utilized by December 31, 2026
Repaying bank loans and other borrowings, in order to optimise the Company's capital structure	10%	118.5	118.5	–	Fully utilised by 30 June 2026
Supplementing the working capital and for other general corporate purposes	20%	236.8	236.8	–	Fully utilised by 30 June 2026
Total	**100%**	**1,184.5**	**843.1**	**341.4**	

Note: Any discrepancies in the table between the total and the sum of the amounts listed are due to rounding.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares) during the six months ended June 30, 2026.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

During the Reporting Period, save for the section "B. FINANCIAL REVIEW – 12. Miscellaneous (4) and (5)" as set out above, the Group has no significant investment, or plan authorized by the Board for other material investments or additions of capital assets during the Reporting Period. For further details, please refer to the Company's announcement dated May 27, 2026.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group has no material acquisitions or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CHANGES IN INFORMATION OF THE DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY

Save as disclosed in the section headed "Management Discussion and Analysis" under the sub-section headed "12. Miscellaneous - (1) Appointment of Directors of the Fourth Session of the Board" in this report, during the Reporting Period, there was no change of the information of Directors and chief executives of the Company during the Reporting Period which is required to be disclosed pursuant to Rules 13.51B(1) and 13.51B(2) of the Listing Rules.

REVIEW OF INTERIM FINANCIAL INFORMATION

Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules.

From January 1, 2026 to June 12, 2026, the Audit Committee comprised three members, namely, Mr. YU Jian, Ms. LI Lihua and Prof. TSANG King Fung, all of whom are independent non-executive Directors of the Company. Mr. YU served as the chairman of the Audit Committee, who possesses suitable professional qualifications.

From June 12, 2026 up to the date of this interim report, the Audit Committee comprises three members, namely, Ms. LI Lihua, Prof. TSANG King Fung and Ms. SHEN Rong, all of whom are independent non-executive Directors of the Company. Ms. SHEN is the chairperson of the Audit Committee, who possesses suitable professional qualifications.

The Audit Committee has reviewed the Company's interim 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.

This interim financial information has not been audited or reviewed by the independent auditors of the Company.

INTERESTS AND SHORT POSITION OF THE DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at June 30, 2026, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or as recorded in the registered maintained by the Company under section 352 of the SFO, or as notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Long Position in Shares

Name	Class of Shares	Nature of Interest	Number of Shares	Approximate percentage of its class of Shares	Percentage in total number of Shares
Dr. LOU Boliang	A Shares	Interests held jointly with another person; interests of controlled corporation	323,212,550	21.88%	17.59%
Mr. LOU Xiaoqiang	A Shares	Beneficial owner; interests held jointly with another person; interests of controlled corporation; interests of spouse	323,212,550	21.88%	17.59%
Ms. ZHENG Bei	A Shares	Beneficial owner; Interests held jointly with another person; interests of controlled corporation; interests of spouse	323,212,550	21.88%	17.59%
Ms. LI Lihua	A Shares	Beneficial owner	75,000	0.005%	0.004%

Notes:

1. As of June 30, 2026, Pharmaron Holdings Limited directly held 180,496,500 A Shares, and is held as to 76.76% by Dr. LOU Boliang, both directly and through his wholly-owned corporation.

   As of June 30, 2026, Mr. LOU Xiaoqiang directly held 60,540,050 A Shares and Ningbo Longtaikang Investment Management Co., Ltd. directly held 40,135,026 A Shares. Ningbo Longtaikang Investment Management Co., Ltd.is wholly-owned by Mr. LOU Xiaoqiang.

As of June 30, 2026, Ms. ZHENG Bei directly held 15,750,000 A Shares and Beihai Duotai Venture Capital Co., Ltd., and is wholly owned by Ms. ZHENG Bei, directly held 21,956,986 A Shares.

As of June 30, 2026, Anyi Longtai Zhongxin Enterprise Management Partnership (Limited Partnership) directly held 4,333,988 A Shares, the general partner of which is Ms. ZHENG Bei.

Dr. LOU Boliang, Mr. LOU Xiaoqiang and Ms. ZHENG Bei have entered into a voting rights agreement on October 19, 2018 (which formalizes their pre-existing voting arrangement), pursuant to which they have agreed to reach consensus on any proposal presented to the Board and the general meeting of the shareholders of the Company for voting (the "Voting Agreement"). Pursuant to the Voting Agreement, Dr. LOU Boliang, Mr. LOU Xiaoqiang and Ms. ZHENG Bei are concert parties and they are deemed to be interested in each other's interests in our Company under the SFO.

As disclosed above, as of June 30, 2026, the aggregate interests of Dr. LOU Boliang, Mr. LOU Xiaoqiang and Ms. ZHENG Bei in the Company are 323,212,550 A Shares.

2. Mr. LOU Xiaoqiang and Ms. ZHENG Bei are spouses.

3. As of June 30, 2026, the total number of issued A Shares and H Shares were 1,477,305,741 and 359,977,887, respectively.

Save as disclosed above, as of June 30, 2026, to the knowledge of the Board, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As of June 30, 2026, according to the register kept by the Company pursuant to Section 336 of the SFO and so far is known to, or can be ascertained after reasonable enquiry by the Directors, the following person/entity had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or be directly and indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meetings of the Company:

Interests in the Shares of the Company

Name	Nationality/ Place of registration	Class of Shares	Nature of Interest	Number of Shares	Approximate percentage in the respective class of share capital	Percentage in total number of Shares
Dr. LOU Boliang[2]	U.S.	A Shares	Interests held jointly with another person; interests of controlled corporation	323,212,550	21.88%	17.59%
Mr. LOU Xiaoqiang[2]	China	A Shares	Beneficial owner; interests held jointly with another person; interests of controlled corporation; interests of spouse	323,212,550	21.88%	17.59%
Ms. ZHENG Bei[2]	China	A Shares	Beneficial owner; Interests held jointly with another person; interests of controlled corporation; interests of spouse	323,212,550	21.88%	17.59%
CITIC Securities Co. Ltd. (中信証券股份有限公司) ("CITIC Securities")[3]	China	A Shares	Interest of controlled corporation	203,997,333 (L)	13.81%	11.10%
JPMorgan Chase & Co.[4]	U.S.	H Shares	Interest of controlled corporation	22,641,167 (L)	6.29%	1.23%
				8,758,600 (S)	2.43%	0.48%
				5,590,822 (P)	1.55%	0.30%
Citigroup Inc.[5]	U.S.	H Shares	Interest of controlled corporation	33,612,498 (L)	9.34%	1.83%
				1,896,100 (S)	0.53%	0.10%
				31,131,523 (P)	8.65%	1.69%
Norges Bank	Norway	H Shares	Beneficial owner	27,923,024 (L)	7.76%	1.52%
Ariel Investments, LLC	U.S.	H Shares	Investment manager	21,306,700 (L)	5.92%	1.16%
Zhang Wei (張威)		H Shares	Interest of controlled corporation	18,127,100 (L)	5.04%	0.99%

Notes:

1. The letter "L", "S" and "P" stand for long position, short position and lending pool, respectively (if applicable).

2. For details of the interests held by Dr. LOU Boliang, Mr. LOU Xiaoqiang and Ms. ZHENG Bei, please refer to the notes to the section headed "Interests and Short Position of the Directors and Chief Executives of the Company in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporation – Long Position in Shares" above.

3. Shenzhen Xinzhong Kangcheng Investment Partnership (Limited Liability Partnership) (深圳市信中康成投資合夥企業(有限合夥)) ("Shenzhen Xinzhong Kangcheng") directly held 203,997,333 A Shares. To the best knowledge of our Company, the general partner of Shenzhen Xinzhong Kangcheng is CITIC Buyout Fund Management Company Limited (中信併購基金管理有限公司) ("CITIC Fund"). Shenzhen Xinzhong Kangcheng is held as to 50.16% by CITIC Buyout Investment Fund (Shenzhen) (Limited Partnership) (中信併購投資基金(深圳)合夥企業(有限合夥)) ("CITIC Fund Shenzhen") as a limited partner, the general partner of which is CITIC Fund. CITIC Fund is wholly-owned by CITIC Goldstone Investment Co., Ltd (中信金石投資有限公司), which is in turn wholly-owned by CITIC Securities Co. Ltd. ("CITIC Securities"), a company listed on the Hong Kong Stock Exchange (stock code: 6030).

4. According to the disclosure of interest notice filed by JP Morgan Chase & Co. with a relevant event date of June 30, 2026, the following interest in H Shares were held by:

Name of controlled corporation	Name of controlling person	% control	Direct interest (Y/N)	Number of shares
JPMorgan Asset Management (Taiwan) Limited	JPMorgan Asset Management (Asia) Inc.	100.00	Y	61,800 (L) 0 (S)
J.P. Morgan Securities LLC	J.P. Morgan Broker-Dealer Holdings Inc.	100.00	Y	5,951,410 (L) 2,940 (S)
JPMORGAN ASSET MANAGEMENT (UK) LIMITED	JPMORGAN ASSET MANAGEMENT INTERNATIONAL LIMITED	100.00	Y	282,600 (L) 0 (S)
J.P. Morgan Investment Management Inc.	JPMorgan Asset Management Holdings Inc.	100.00	Y	61,000 (L) 0 (S)
J.P. Morgan Prime Inc.	J.P. Morgan Securities LLC	100.00	Y	45,360 (L) 45,360 (S)
JPMorgan Asset Management (Singapore) Limited	JPMorgan Asset Management (Asia) Inc.	100.00	Y	160,000 (L) 0 (S)
JPMorgan Asset Management (Japan) Limited	JPMorgan Asset Management (Asia) Inc.	100.00	Y	305,300 (L) 0 (S)
JPMorgan Chase Bank, National Association	JPMorgan Chase & Co.	100.00	Y	5,590,822 (L) 0 (S)
JPMorgan Asset Management (Asia Pacific) Limited	JPMorgan Asset Management (Asia) Inc.	100.00	Y	1,087,300 (L) 0 (S)
J.P. MORGAN SECURITIES PLC	J.P. MORGAN CAPITAL HOLDINGS LIMITED	100.00	Y	9,095,575 (L) 8,710,300 (S)
JPMorgan Asset Management (Asia) Inc.	JPMorgan Asset Management Holdings Inc.	100.00	N	1,614,400 (L) 0 (S)
JPMorgan Asset Management Holdings Inc.	JPMorgan Chase Holdings LLC	100.00	N	1,958,000 (L) 0 (S)
JPMorgan Chase Holdings LLC	JPMorgan Chase & Co.	100.00	N	7,954,770 (L) 48,300 (S)
J.P. Morgan Broker-Dealer Holdings Inc.	JPMorgan Chase Holdings LLC	100.00	N	5,996,770 (L) 48,300 (S)
JPMORGAN ASSET MANAGEMENT INTERNATIONAL LIMITED	JPMorgan Asset Management Holdings Inc.	100.00	N	282,600 (L) 0 (S)
J.P. Morgan Securities LLC	J.P. Morgan Broker-Dealer Holdings Inc.	100.00	N	45,360 (L) 45,360 (S)
J.P. MORGAN CAPITAL HOLDINGS LIMITED	J.P. Morgan International Finance Limited	100.00	N	9,095,575 (L) 8,710,300 (S)
J.P. Morgan International Finance Limited	JPMorgan Chase Bank, National Association	100.00	N	9,095,575 (L) 8,710,300 (S)
JPMorgan Chase Bank, National Association	JPMorgan Chase & Co.	100.00	N	9,095,575 (L) 8,710,300 (S)

The capacity under which the interests are held are as follow:

Capacity in which interest is held	Number of H Shares
Beneficial owner	9,143,875 (L) 8,758,600 (S)
Investment manager	1,958,000 (L)
Person having a security interest in shares	5,948,470 (L)
Approved lending agent	5,590,822 (L)

Additionally, 276,800 H Shares (long position) and 6,117,875 H Shares (short position) were held through cash settled unlisted derivatives. 79,358 H Shares (long position) and 158,716 H shares (short position) were held through physically settled unlisted derivatives.

5. According to the disclosure of interest notice filed by Citigroup Inc. with a relevant event date of June 30, 2026, the following interest in H Shares were held by:

Name of controlled corporation	Name of controlling person	% control	Direct interest (Y/N)	Number of shares
Citicorp LLC	Citigroup Inc.	100.00	N	31,131,523 (L) 0 (S)
Citibank, N.A.	Citicorp LLC	100.00	Y	31,131,523 (L) 0 (S)
Citigroup Global Markets Holdings Inc.	Citigroup Inc.	100.00	N	2,480,975 (L) 1,896,100 (S)
Citigroup Financial Products Inc.	Citigroup Global Markets Holdings Inc.	100.00	N	2,480,975 (L) 1,896,100 (S)
Citigroup Global Markets Holdings Bahamas Limited	Citigroup Financial Products Inc.	90.00	N	2,480,975 (L) 1,896,100 (S)
Citigroup Global Markets Limited	Citigroup Global Markets Holdings Bahamas Limited	100.00	Y	2,480,975 (L) 1,896,100 (S)

The capacity under which the interests are held are as follow:

Capacity in which interest is held	Number of H Shares
Person having a security interest in shares	139,607 (L)
Interest of corporation controlled by you	2,341,368 (L) 1,896,100 (S)
Approved lending agent	31,131,523 (L)

Additionally, 1,021,400 H Shares (short position) were held through cash settled unlisted derivatives.

6. As of June 30, 2026, the total number of issued A Shares and H Shares were 1,477,305,741 and 359,977,887, respectively.

SHARE INCENTIVE SCHEMES

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, members of senior management, non-PRC employees, 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 any respective associates of the Directors, 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 0.09% of the Company's total number of issued Shares as of June 30, 2026. The total number of Shares to be granted to any participants under all the fully effective share incentive schemes of the Company shall not exceed 1% of the total share capital of the Company.

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

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

1. 50% of the average trading price of the Company's shares on the trading day immediately preceding the date of the announcement on the adoption of the 2021 A Share Incentive Scheme amongst other things, being RMB92.57 per A Share;

2. 50% of the average trading price of the Company's shares for the 20 trading days immediately preceding the date of the announcement on the adoption of the 2021 A Share Incentive Scheme amongst other things, being RMB89.86 per A Share;

3. 50% of the average trading price of the Company's shares for the 60 trading days immediately preceding the date of the announcement on the adoption of the 2021 A Share Incentive Scheme amongst other things, being RMB77.47 per A Share; and

4. 50% of any one of the average trading price of the Company's shares for the 120 trading days immediately preceding the date of the announcement on the adoption of the 2021 A Share Incentive Scheme amongst other things, being RMB70.47 per A Share.

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

As a result of the implementation of the 2020 Profit Distribution and pursuant to the Management Measures and the 2021 A Share Incentive Scheme, on July 27, 2021, the Board resolved to adjust the grant price of Restricted A Shares granted under the 2021 A Share Incentive Scheme from RMB70.47 per A Share to RMB70.17 per A Share.

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

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

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

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 Forfeiture of Restricted A Shares during the Reporting Period

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 interim report, all awards granted under the 2021 A Share Incentive Scheme have been vested or cancelled/forfeited.

(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, 2026	Number of awards vested on January 27, 2026[2]	Number of awards cancelled/ forfeited on January 27, 2026	Number of unvested and not registered awards as at June 30, 2026
Employees	July 27, 2021	RMB30.39	329,331	81,643	247,688	0

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 "(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 date on which the awards were vested was RMB29.85.

(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. Accordingly, the 2021 A Share Incentive Scheme expired on June 30, 2026.

(ix) Others

As at June 30, 2026, the number of unvested and not registered awards is nil.

(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, 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, substantial shareholders has been the grantee of any awards granted pursuant to the 2022 A Share Incentive Scheme.

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

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

Pursuant to the Management Measures and the 2022 A Share Incentive Scheme, the maximum number of Restricted A Shares to be issued by the Company was 2,203,200 A Shares (as adjusted after the implementation of the 2021 Capitalization of Reserve), and was further adjusted to 3,304,800 A Shares (as adjusted after the implementation of the 2022 Capitalization of Reserve), representing approximately 0.18% of the Company's total number of issued Shares as of June 30, 2026. The total number of Shares to be granted to any participants under all the fully effective share incentive schemes of the Company shall not exceed 1% of the total share capital of the Company.

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

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

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

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

The grant price was determined in accordance with the price references abovementioned. This was also determined with a view to stabilize talents and effectively incentivize employees under different cycles and business environments which may allow the Company to gain advantage in the competitive industry that it operates in. The Board has also taken into consideration the level of difficulty of the performance targets which participants must achieve for the restricted share(s) to be 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 resolved to adjust the grant price of Restricted A Shares granted under the 2022 A Share Incentive Scheme from RMB58.38 per A Share to RMB38.62 per A Share.

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

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

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.

As a result of the implementation of the 2025 Profit Distribution, and pursuant to the Management Measures and the 2022 A Share Incentive Scheme, on August 20, 2026, the Board resolved to adjust the grant price of Restricted A Shares granted under the 2022 A Share Incentive Scheme from RMB25.15 per A Share to RMB24.95 per A Share.

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

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

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

In January 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.

(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, 2026	Number of awards vested on January 27, 2026[2]	Number of awards cancelled/ forfeited on January 27, 2026	Number of unvested and not registered awards as at June 30, 2026
Employees	July 28, 2022	RMB24.95	1,363,918	565,698	116,068	682,152

Note:

(1) The grant price was adjusted from RMB25.15 to RMB24.95 as a result of the implementation of the 2025 Profit Distribution. Please refer to "(2) 2022 A Share Incentive Scheme – (iv) Grant price and the basis of determining the grant price" for further details. Employees shall pay for the subscription funds for the Restricted A Shares based on the grant price at the time of each vesting.

(2) The weighted average closing price of the A Shares immediately before the date on which the awards were vested was RMB29.85.

(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 June 30, 2026, the remaining life of the 2022 A Share Incentive Scheme is 12 months.

(ix) Others

As at June 30, 2026, the number of unvested and not registered awards is 682,152.

Upon resignation of ten employees due to personal reasons, on August 20, 2026, the Board resolved to forfeit a total of 22,389 Restricted A Shares that had been granted to them pursuant to the 2022 A Share Incentive Scheme. Set out below are details of the movements of the number of unvested and not registered awards under the 2022 A Share Incentive Scheme between July 1, 2026 and the date of this interim report:

Category of grantee	Date of grant	Grant Price	Number of unvested and not registered awards as at July 1, 2026	Number of awards vested between July 1, 2026 and the date of this interim report	Number of awards lapsed between July 1, 2026 and the date of this interim report	Number of unvested and not registered awards as at the date of this interim report
Employees	July 28, 2022	RMB24.95	682,152	0	22,389	659,763

(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, chief executive, members of senior management, non-PRC employees, 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, substantial shareholders has been the grantee of any awards granted pursuant to the 2023 A Share Incentive Scheme.

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

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

The maximum number of Restricted A Shares to be granted under the First Grant pursuant to the 2023 A Share Incentive Scheme would be 1,479,300 A Shares, representing approximately 90% of the A Shares available under the 2023 A Share Incentive Scheme, with the remaining 10%, being 164,400 A Shares reserved for further award grants. However, as a result of change of eligibility of four proposed participants, and the voluntary waivers of Restricted A Shares by nine proposed participants, the number of Restricted A Shares to be issued by the Company under the First Grant was adjusted from 1,479,300 A Shares to 1,444,500 A Shares, and was further adjusted to 2,166,750 A Shares (as adjusted after the implementation of the 2022 Capitalization of Reserve), representing approximately 0.12% of the Company's total number of issued Shares as of June 30, 2026. The number of Restricted A Shares to be issued by the Company under the Reserved Grant was adjusted from 164,400 A Shares to 246,600 A Shares (as adjusted after the implementation of the 2022 Capitalization of Reserve), representing approximately 0.01% of the Company's total number of issued Shares as of June 30, 2026. The total number of Shares to be granted to any participants under all the fully effective share incentive schemes of the Company shall not exceed 1% of the total share capital of the Company.

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

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

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

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

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

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

As a result of the implementation of the 2025 Profit Distribution, and pursuant to the Management Measures and the 2023 A Share Incentive Scheme, on August 20, 2026, the Board has resolved to adjust the grant price of Restricted A Shares granted under the 2023 A Share Incentive Scheme from RMB18.45 per A Share to RMB18.25 per A Share.

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

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

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

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

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

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

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

Category of grantee	Date of grant	Grant Price[1]	Number of unvested and not registered awards as at January 1, 2026	Number of awards vested during the Reporting Period	Number of awards cancelled/ forfeited during the Reporting Period	Number of unvested and not registered awards as at June 30, 2026
Employees	July 7, 2023	RMB18.25	910,946	0	0	910,946

Note:

(1) The grant price was adjusted from RMB18.45 to RMB18.25 as a result of the implementation of the 2025 Profit Distribution. Please refer to section under "(3) 2023 A Share Incentive Scheme – (iv) Grant price and the basis of determining the grant price" above for further details. Employees shall pay for the grant price of the vested Restricted A Shares based on the amount vested at the time of each vesting.

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

The 2023 A Share Incentive Scheme shall be valid until the date on which all Restricted A Shares have been vested or forfeited, and such period shall not exceed 72 months. As such, as of June 30, 2026, the remaining life of the 2023 A Share Incentive Scheme is 36 months.

(ix) Others

As at June 30, 2026, the number of unvested and not registered awards is 910,946.

On August 20, 2026, the Board resolved to forfeit a total of 489,197 Restricted A Shares pursuant to the 2023 A Share Incentive Scheme, among which: 1) 67,730 Restricted A Shares were forfeited upon resignation of ten employees due to personal reasons; and 2) 421,467 Restricted A Shares under the third attribution were forfeited due to failure to meet the company-level performance evaluation indicator upon the end of the third attribution period. Set out below are details of the movements of the number of unvested and not registered awards under the 2023 A Share Incentive Scheme between July 1, 2026 and the date of this interim report:

Category of grantee	Date of grant	Grant Price	Number of unvested and not registered awards as at July 1, 2026	Number of awards vested between July 1, 2026 and the date of this interim report	Number of awards lapsed between July 1, 2026 and the date of this interim report	Number of unvested and not registered awards as at the date of this interim report
Employees	July 7, 2023	RMB18.25	910,946	0	489,197	421,749

(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 six months ended June 30, 2026 divided by the weighted average number of A Shares in issue for the six months ended June 30, 2026 was 0.1%.

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

None of the Directors, chief executive, 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 10.1% of the number of the Company's H Shares in issue (excluding any treasury H Shares) and approximately 1.9% of the total issued shares of the Company as of June 30, 2026.

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 Share granted under the First H Share Award and Trust Scheme.

(iv) Granting of H Shares during the Reporting Period

No H Shares were granted under the First H Share Award and Trust Scheme during the Reporting Period. As of June 30, 2026, there are 11,949,647 H Shares to be granted under the First H Share Award and Trust Scheme, which represents approximately 3.4% of the Company's total number of issued H Shares (excluding treasury H Shares) as of the same date.

(v) Vesting and Forfeiture of H Shares during the Reporting Period

On April 8, 2026, the Company vested a total of 222,054 H Shares to 31 eligible employees. A total of 9,849 H Shares that could be vested to 3 former employees were forfeited due to their resignations.

On June 3, 2026, the Company vested a total of 2,440,092 H Shares to 96 eligible employees. A total of 165,567 H Shares that could be vested to 11 former employees were forfeited due to their resignations.

Save as disclosed above, the Company did not vest or forfeit any H Shares granted under the First H Share Award and Trust Scheme during the Reporting Period.

(vi) 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.

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, 2026	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 cancelled during the Reporting Period	Number of unvested awards as at June 30, 2026
Employees	July 2, 2025[1]	N/A	5,396,470	0	0	0	0	5,396,470
Employees	July 2, 2025[2]	N/A	2,103,398	0	0	0	0	2,103,398
Employees	July 2, 2025[3]	N/A	3,217,500	0	0	0	0	3,217,500
Employees	May 31, 2022	N/A	2,605,659	0	2,440,092	165,567	0	0
Employees	April 1, 2022	N/A	231,903	0	222,054	9,849	0	0
Total			**13,554,930**	**0**	**2,662,146**	**175,416**	**0**	**10,717,368**

Notes:

(1) The 2025 First H Shares Employee Share Awards 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.

(2) The 2025 Second H Shares Employee Share Awards 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.

(3) The 2025 Third H Shares Employee Share Awards 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.

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.

(vii) 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 (being December 11, 2020), and ending on the business day immediately prior to the 10th anniversary of the Adoption Date, and after which no further awards will be granted, and thereafter for so long as there are any non-vested award shares granted hereunder prior to the expiration of the First H Share Award and Trust Scheme, in order to give effect to the vesting of such award shares or otherwise as may be required in accordance with the provisions of the rules of the First H Share Award and Trust Scheme. As such, as of June 30, 2026, the remaining life of the First H Share Award and Trust Scheme is 52 months.

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

On July 2, 2026, the Management Committee resolved to, subject to the relevant grantee's consent, cancel 5,396,470 H Share awards granted to 546 eligible employees pursuant to the 2025 First H Shares Employee Share Awards of the First H Share Award and Trust Scheme on July 2, 2025. This cancellation was due to a change in foreign exchange administrative policies. The Company has made a replacement grant under the 2025 H Share Award and Trust Scheme on substantially similar terms. Please refer to the Company's announcement dated July 2, 2026 and the section headed "(2) 2025 H Share Award and Trust Scheme – (vi) Particulars of movement of unvested awards after the Reporting Period" below for further details.

On July 31, 2026, the Company vested a total of 978,180 H Shares to 223 eligible employees pursuant to the 2025 Second H Shares Employee Share Awards of the First H Share Award and Trust Scheme. A total of 147,001 H Shares that could be vested to 18 former employees were forfeited due to their resignations.

On July 31, 2026, the Company vested a total of 3,217,500 H Shares to 25 eligible employees pursuant to the 2025 Third H Shares Employee Share Awards of the First H Share Award and Trust Scheme.

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

Category of grantee	Date of grant	Grant Price	Number of unvested awards as at July 1, 2026	Number of Awards granted from July 1, 2026 and up to the date of this interim report	Number of Awards vested from July 1, 2026 and up to the date of this interim report	Number of Awards forfeited from July 1, 2026 and up to the date of this interim report	Number of Awards cancelled from July 1, 2026 and up to the date of this interim report	Number of unvested awards as at the date of this interim report
Employees	July 2, 2025	N/A	5,396,470	0	0	0	5,396,470	0
Employees	July 2, 2025	N/A	2,103,398	0	978,180	147,001	0	978,217
Employees	July 2, 2025	N/A	3,217,500	0	3,217,500	0	0	0
Employees	May 31, 2022	N/A	0	0	0	0	0	0
Employees	April 1, 2022	N/A	0	0	0	0	0	0
Total			**10,717,368**	**0**	**4,195,680**	**147,001**	**5,396,470**	**978,217**

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

(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.

(i) Purpose of 2025 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 2025 H Share Award and Trust Scheme

Eligible employees who may participate in the 2025 H Share Award and Trust Scheme include any PRC or non-PRC employee (including consultant), Director (excluding any independent non-executive Director) of any members of the Group.

None of the Directors, chief executive, 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 2025 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 2025 H Share Award and Trust Scheme

None of the grants made under the 2025 H Share Award and Trust Scheme was subject to approval by the shareholders of the Company. The grants made under the 2025 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 (excluding the number of treasury H Shares).

Pursuant to the 2025 H Share Award and Trust Scheme, the maximum number of H Shares issued or to be issued in connection with this Scheme shall not exceed 7,263,300 H Shares, representing approximately 2.1% of the number of the Company's H Shares in issue (excluding any treasury H Shares) and approximately 0.4% of the total issued shares of the Company as of June 30, 2026.

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 2025 H Share Award and Trust Scheme to exceed the scheme limit without Shareholders' approval. Award shares that have been forfeited in accordance with the 2025 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 2025 H Share Award and Trust Scheme.

(iv) Granting of H Shares during the Reporting Period

As of June 30, 2026, 7,263,300 H Shares had been repurchased and held as treasury H Shares by the Company, which are designated for utilization under the 2025 H Share Award and Trust Scheme. As of June 30, 2026, the Company had not made any grants under the 2025 H Share Award and Trust Scheme.

(v) Remaining validity period of the 2025 H Share Award and Trust Scheme

The 2025 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 2025 H Share Award and Trust Scheme (being June 20, 2025), and ending on the business day immediately prior to the 10th anniversary of such 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 2025 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 2025 H Share Award and Trust Scheme. As such, as of June 30, 2026, the remaining life of the 2025 H Share Award and Trust Scheme is 108 months.

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

On July 2, 2026, the Management Committee resolved to grant an aggregate of 5,396,470 H Share awards to 546 eligible employees pursuant to the 2025 H Share Award and Trust Scheme. This grant replaces the 2025 First H Shares Employee Share Awards of the First H Share Award and Trust Scheme which were cancelled on the same date due to a change in foreign exchange administrative policies, and was made on substantially similar terms. To reflect the original vesting schedule of the 2025 First H Shares Employee Share Awards of the First H Share Award and Trust Scheme, the vesting period of the first tranche of this new grant began on July 2, 2026. Please refer to the Company's announcement dated July 2, 2026 and the section headed "(1) First H Share Award and Trust Scheme – (viii) Particulars of movement of unvested awards after the Reporting Period" above for further details.

On July 31, 2026, the Company vested a total of 1,294,505 H Shares to 523 eligible employees pursuant to the 2025 H Share Award and Trust Scheme. A total of 217,653 H Shares that could be vested to 23 former employees were lapsed due to their resignations.

Category of grantee	Date of grant	Grant Price	Number of unvested awards as at the date of grant	Number of Awards granted from July 1, 2026 and up to the date of this interim report	Number of Awards vested from July 1, 2026 and up to the date of this interim report	Number of Awards lapsed from July 1, 2026 and up to the date of this interim report	Number of Awards cancelled from July 1, 2026 and up to the date of this interim report	Number of unvested awards as at the date of this interim report
Employees	July 2, 2026[1]	N/A	0	5,396,470	1,294,505	217,653	0	3,884,312
Total			**0**	**5,396,470**	**1,294,505**	**217,653**	**0**	**3,884,312**

Note:

(1) The closing price of the H Shares immediately before the date on which the Awards were granted was HKD18.25.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

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

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended June 30, 2026

	Notes	Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
REVENUE	4	**7,595,424**	6,440,951
Cost of sales		**(5,120,555)**	(4,268,750)
Gross profit		**2,474,869**	2,172,201
Other income and gains	5	**131,820**	105,153
Other expenses	5	**(123,830)**	(58,387)
Selling and distribution expenses		**(169,426)**	(142,944)
Administrative expenses		**(994,811)**	(848,836)
Research and development costs		**(295,830)**	(250,460)
Impairment losses on financial and contract assets	6	**(16,970)**	(37,143)
Finance costs		**(99,968)**	(94,171)
Share of gains/(losses) of associates		**20,324**	(32,657)
Profit before tax	6	**926,178**	812,756
Income tax expense	7	**(214,475)**	(160,126)
Profit for the period		**711,703**	652,630
Attributable to:			
Owners of the parent		**750,194**	701,396
Non-controlling interests		**(38,491)**	(48,766)
		711,703	652,630
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		**RMB**	RMB
Basic			
For profit for the period	9	**0.4138**	0.3984
Diluted			
For profit for the period	9	**0.4113**	0.3978

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period	**711,703**	652,630
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(182,863)**	268,923
Share of other comprehensive loss of associates	**(87)**	–
Fair value (losses)/gains on:		
Hedging instruments designated in cash flow hedges	**(6,982)**	21,679
Income tax effect	**1,105**	(3,252)
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(188,827)**	287,350
Other comprehensive (loss)/income for the period, net of tax	**(188,827)**	287,350
Total comprehensive income for the period	**522,876**	939,980
Attributable to:		
Owners of the parent	**571,677**	977,454
Non-controlling interests	**(48,801)**	(37,474)
	522,876	939,980

Interim Condensed Consolidated Statement of Financial Position

June 30, 2026

	Notes	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	**12,654,577**	12,124,897
Right-of-use assets		**929,579**	852,287
Goodwill	11	**3,507,639**	3,585,974
Other intangible assets		**620,757**	634,539
Investments in associates		**790,785**	639,861
Equity investments at fair value through profit or loss		**697,466**	518,451
Biological assets	15	**172,625**	172,574
Deferred tax assets		**268,762**	262,907
Other non-current assets		**434,248**	524,126
Total non-current assets		**20,076,438**	19,315,616
CURRENT ASSETS			
Inventories		**803,299**	641,158
Contract costs		**713,333**	422,816
Trade and bills receivable	12	**2,864,935**	2,721,913
Contract assets	13	**524,562**	465,832
Biological assets	15	**418,145**	408,331
Prepayments, other receivables and other assets	14	**1,091,829**	1,364,012
Financial assets at fair value through profit or loss		**876,199**	714,073
Derivative financial instruments	16	**1,449**	22,550
Pledged deposits		**118,555**	174,792
Cash and cash equivalents		**1,457,570**	842,690
Total current assets		**8,869,876**	7,778,167
CURRENT LIABILITIES			
Interest-bearing bank borrowings	17	**4,553,914**	4,766,489
Trade payables	18	**761,255**	606,590
Other payables and accruals	19	**2,028,015**	1,774,415
Derivative financial instruments	16	**4,668**	–
Contract liabilities		**1,168,125**	960,613
Lease liabilities		**126,676**	122,698
Tax payable		**79,826**	133,198
Total current liabilities		**8,722,479**	8,364,003
NET CURRENT ASSETS		**147,397**	(585,836)
TOTAL ASSETS LESS CURRENT LIABILITIES		**20,223,835**	18,729,780

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	Notes	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	17	**1,920,499**	1,771,806
Deferred tax liabilities		**453,664**	397,151
Deferred income		**446,167**	442,865
Lease liabilities		**352,713**	379,423
Total non-current liabilities		**3,173,043**	2,991,245
NET ASSETS		**17,050,792**	15,738,535
EQUITY			
Share capital	20	**1,837,284**	1,778,843
Treasury shares		**(227,552)**	(304,892)
Reserves		**14,739,042**	13,590,208
Equity attributable to owners of the parent		**16,348,774**	15,064,159
Non-controlling interests		**702,018**	674,376
Total equity		**17,050,792**	15,738,535

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026

	Attributable to owners of the parent												
	Share capital (note 20) RMB'000	Treasury shares RMB'000	Share premium* RMB'000	Share-based payment reserve* (note 21) RMB'000	Capital reserve* RMB'000	Statutory reserve* RMB'000	Cash flow hedge reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Contributed surplus* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at January 1, 2026 (audited)	1,778,843	(304,892)	4,751,593	154,313	44,324	889,421	5,035	66,820	(57)	7,678,759	15,064,159	674,376	15,738,535
Profit for the period (unaudited)	-	-	-	-	-	-	-	-	-	750,194	750,194	(38,491)	711,703
Other comprehensive loss for the period:													
Cash flow hedges, net of tax (unaudited)	-	-	-	-	-	-	(5,877)	-	-	-	(5,877)	-	(5,877)
Share of other comprehensive loss of associates (unaudited)	-	-	-	-	-	-	-	-	(87)	-	(87)	-	(87)
Exchange differences on translation of foreign operations (unaudited)	-	-	-	-	-	-	-	(172,553)	-	-	(172,553)	(10,310)	(182,863)
Total comprehensive income/(loss) for the period (unaudited)	-	-	-	-	-	-	(5,877)	(172,553)	(87)	750,194	571,677	(48,801)	522,876
Placing of new H shares (unaudited)	58,441	-	1,126,094	-	-	-	-	-	-	-	1,184,535	-	1,184,535
Repurchase of H shares (unaudited)	-	(3,450)	-	-	-	-	-	-	-	-	(3,450)	-	(3,450)
H shares vested (unaudited)	-	80,790	(2,134)	(78,656)	-	-	-	-	-	-	-	-	-
Transaction with non-controlling interests (unaudited)	-	-	(146,417)	-	-	-	-	-	-	-	(146,417)	75,661	(70,756)
Dividends declared (unaudited)	-	-	-	-	-	-	-	-	-	(364,962)	(364,962)	-	(364,962)
Recognition of share-based payments (unaudited)	-	-	-	42,285	-	-	-	-	-	-	42,285	782	43,067
Effect of changes in an associate's capital reserve (unaudited)	-	-	-	-	947	-	-	-	-	-	947	-	947
As at June 30, 2026 (unaudited)	1,837,284	(227,552)	5,729,136	117,942	45,271	889,421	(842)	(105,733)	(144)	8,063,991	16,348,774	702,018	17,050,792

* These reserve accounts comprise the consolidated reserves of RMB14,739,042,000 in the interim condensed consolidated statement of financial position as at June 30, 2026.

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	Attributable to owners of the parent											
	Share capital (note 20) RMB'000	Treasury shares RMB'000	Share premium* RMB'000	Share-based payment reserve* (note 21) RMB'000	Capital reserve* RMB'000	Statutory reserve* RMB'000	Cash flow hedge reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at January 1, 2025 (audited)	1,778,196	(416,271)	4,742,476	203,538	62,210	814,215	(17,789)	10,032	6,442,728	13,619,335	603,538	14,222,873
Profit for the period (unaudited)	–	–	–	–	–	–	–	–	701,396	701,396	(48,766)	652,630
Other comprehensive income for the period:												
Cash flow hedge, net of tax (unaudited)	–	–	–	–	–	–	18,427	–	–	18,427	–	18,427
Exchange differences on translation of foreign operations (unaudited)	–	–	–	–	–	–	–	257,631	–	257,631	11,292	268,923
Total comprehensive income for the period (unaudited)	–	–	–	–	–	–	18,427	257,631	701,396	977,454	(37,474)	939,980
Repurchase of H Shares (unaudited)	–	(6,713)	–	–	–	–	–	–	–	(6,713)	–	(6,713)
H Shares vested (unaudited)	–	118,092	(24,831)	(93,261)	–	–	–	–	–	–	–	–
Acquisition of subsidiaries (unaudited)	–	–	–	–	–	–	–	–	–	–	36,118	36,118
Dividends declared (unaudited)	–	–	–	–	–	–	–	–	(352,662)	(352,662)	–	(352,662)
Recognition of share-based payments (unaudited)	–	–	–	28,537	–	–	–	–	–	28,537	922	29,459
As at June 30, 2025 (unaudited)	1,778,196	(304,892)	4,717,645	138,814	62,210	814,215	638	267,663	6,791,462	14,265,951	603,104	14,869,055

* These reserve accounts comprise the consolidated reserves of RMB12,792,647,000 in the interim condensed consolidated statement of financial position as at June 30, 2025.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026

	Notes	Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Cash flows from operating activities			
Profit before tax		**926,178**	812,756
Adjustments for:			
Depreciation of property, plant and equipment	6	**598,248**	503,117
Depreciation of right-of-use assets	6	**78,392**	82,101
Amortisation of other intangible assets	6	**45,756**	24,208
Impairment losses on inventories, net of reversal	6	**1,303**	263
Impairment losses on financial and contract assets, net of reversal	6	**16,970**	37,143
Gains on termination of lease contracts	5	**(4,693)**	(26)
Gains on financial assets at fair value through profit or loss	5	**(1,876)**	(16,134)
(Gains)/losses on derivative financial instruments	5	**(879)**	28
Gains on equity investment at fair value through profit or loss	5	**(49,228)**	(33,048)
(Gains)/losses on fair value change of biological assets	5	**(9,948)**	13,277
(Gains)/losses on disposal of property, plant and equipment	5	**(601)**	3,388
Finance costs		**99,968**	94,171
Foreign exchange losses		**118,412**	28,467
Gains on financial assets at amortised cost		**(9,904)**	(7,595)
Share of (gains)/losses of associates		**(20,324)**	32,657
Share-based compensation expenses	6	**43,067**	29,459
		1,830,841	1,604,232

	Notes	Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Increase in inventories		**(169,776)**	(58,433)
(Increase)/decrease in biological assets		**(4,230)**	23,601
Increase in contract costs		**(291,453)**	(156,635)
Increase in trade and bills receivable		**(227,954)**	(173,054)
(Increase)/decrease in prepayments, other receivables and other assets		**(263,606)**	53,538
(Increase)/decrease in contract assets		**(64,158)**	26,319
Decrease/(increase) in other non-current assets		**7,509**	(3,258)
Increase in trade payables		**156,445**	50,662
Increase/(decrease) in accruals and other payables		**71,542**	(16,653)
Increase in deferred income		**6,243**	5,099
Increase in contract liabilities		**230,039**	235,586
Cash flows generated from operations		**1,281,442**	1,591,004
Income tax paid		**(196,797)**	(182,727)
Net cash flows generated from operating activities		**1,084,645**	1,408,277
Cash flows from investing activities			
Purchases of property, plant and equipment		**(1,334,692)**	(1,146,486)
Proceeds from disposal of property, plant and equipment		**2,242**	386
Proceeds from disposal of financial assets at fair value through profit or loss and financial assets at amortised cost		**2,865,524**	1,897,854
Additions of other intangible assets		**(33,632)**	(7,661)
Purchase of equity investments at fair value through profit or loss		**(135,723)**	(197,436)
Net cash flow on acquisition of subsidiaries		**–**	(150,753)
Proceeds from disposal of equity investments		**5,781**	–
Settlement of derivative financial instrument		**4,207**	4,210
Purchase of financial assets at fair value through profit or loss and financial assets at amortised cost		**(2,436,448)**	(2,034,013)
Payment for acquisitions in prior periods		**(19,173)**	–
Capital injection in associates		**(213,696)**	(103,427)
Net cash flows used in investing activities		**(1,295,610)**	(1,737,326)

	Notes	Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Cash flows from financing activities			
Interest on bank loans and other borrowings paid		**(102,838)**	(82,973)
Proceeds from bank loans and other borrowings		**844,220**	450,433
Repayments of bank loans and other borrowings		**(919,139)**	(354,715)
Payments of lease liabilities		**(93,343)**	(103,453)
Proceeds from issue of new H Shares		**1,185,807**	–
Repurchase of H shares		**(3,450)**	(6,713)
Directly attributable new H Shares issue costs		**(970)**	–
Purchases of non-controlling shareholders		**(35,756)**	–
Payments of dividends		**(9,998)**	(3,610)
Net cash generated from/(used in) financing activities		**864,533**	(101,031)
Net increase/(decrease) in cash and cash equivalents		**653,568**	(430,080)
Cash and cash equivalents at beginning of period		**842,690**	1,622,962
Effect of foreign exchange rate changes, net		**(38,922)**	15,191
Cash and cash equivalents at end of period		**1,457,336**	1,208,073

1. GENERAL INFORMATION

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

The Company is a leading fully-integrated pharmaceutical R&D service platform with global operations that accelerate drug innovation for its 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 three major categories: laboratory services, CDMO services, and clinical development services.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2026 has been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2025 which have been prepared in accordance with International Financial Reporting Standards (IFRSs).

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7

Amendments to IFRS 9 and IFRS 7

Annual Improvements to IFRS Accounting Standards – Volume 11

Amendments to the Classification and Measurement of Financial Instruments

Contracts Referencing Nature-dependent Electricity

Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

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

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments 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. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

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. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

In response to the Group's business development and management needs, the Group has reorganised its business units into laboratory services, CDMO services, clinical development services and other segments based on their services. This change only affects the presentation of segment reporting and has no impact on financial statement data. Prior year segment disclosures have been re-presented to conform with the current year's presentation. The four reportable business segments are as below:

- The laboratory services segment includes laboratory chemistry and bioscience services, covering the synthesis and preparation, *in vitro* biology, *in vivo* pharmacology, DMPK and safety assessment for innovative drug projects across diverse molecular modalities, including small molecule drugs, biologics, oligonucleotides, peptides, antibodies, bioconjugates (ADC and XDC) and CGT products, etc.;

- The CDMO services segment includes API process development and manufacturing, materials science/ pre-formulation, formulation development and manufacturing, and analytical development services, covering a broad range of products including small molecules, biologics, oligonucleotides, peptides, bioconjugates (including ADC and XDC), and gene therapy products;

- 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 "Others" segment.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

Six months ended June 30, 2026 (unaudited)	Laboratory services RMB'000	CDMO services RMB'000	Clinical development services RMB'000	Others RMB'000	Total RMB'000
Segment revenue	4,633,511	1,884,103	1,068,521	9,289	7,595,424
Segment results	1,887,893	481,667	104,344	965	2,474,869
Unallocated amount:					
Other income and gains					131,820
Other expenses					(123,830)
Selling and distribution expenses					(169,426)
Administrative expenses					(994,811)
Research and development costs					(295,830)
Impairment losses on financial and contract assets					(16,970)
Finance costs					(99,968)
Share of losses of associates					20,324
Group's profit before tax					926,178

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

Six months ended June 30, 2025 (unaudited)	Laboratory services RMB'000	CDMO services RMB'000	Clinical development services RMB'000	Others RMB'000	Total RMB'000
Segment revenue	4,074,627	1,419,018	939,327	7,979	6,440,951
Segment results	1,727,479	324,509	115,767	4,446	2,172,201
Unallocated amount:					
Other income and gains					105,153
Other expenses					(58,387)
Selling and distribution expenses					(142,944)
Administrative expenses					(848,836)
Research and development costs					(250,460)
Impairment losses on financial and contract assets					(37,143)
Finance costs					(94,171)
Share of losses of associates					(32,657)
Group's profit before tax					812,756

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

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
North America	**4,675,209**	4,072,640
Chinese mainland	**1,381,084**	973,047
Europe	**1,307,854**	1,234,167
Asia (except Chinese mainland)	**202,421**	135,344
Others	**28,856**	25,753
Total	**7,595,424**	6,440,951

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

(b) Non-current assets

	June 30,	December 31,
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(audited)
Chinese mainland	**14,453,839**	13,597,240
Europe	**2,625,536**	2,830,317
North America	**1,886,256**	1,982,220
Others	**144,579**	124,481
Total	**19,110,210**	18,534,258

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

4. REVENUE

An analysis of revenue is as follows:

	Six months ended June 30,	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Revenue from contracts with customers	**7,595,424**	6,440,951
Total	**7,595,424**	6,440,951

Revenue from contracts with customers

(a) Disaggregated revenue information

Segments	Six months ended June 30,	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Type of services		
Laboratory services	**4,633,511**	4,074,627
CDMO services	**1,884,103**	1,419,018
Clinical development services	**1,068,521**	939,327
Others	**9,289**	7,979
Total	**7,595,424**	6,440,951
Timing of revenue recognition		
Services transferred at a point of time	**4,074,120**	3,434,909
Services transferred over time	**3,521,304**	3,006,042
Total	**7,595,424**	6,440,951

(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.

5. OTHER INCOME AND GAINS AND OTHER EXPENSES

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Other income		
Interest income	**23,011**	17,462
Government grants and subsidies related to		
– Assets (i)	**13,898**	14,369
– Income (ii)	**26,955**	23,605
Subtotal	**63,864**	55,436
Other gains		
Gains on fair value change of biological assets	**9,948**	–
Gains on disposal of property, plant and equipment	**601**	–
Gains on equity investment at fair value through profit or loss	**49,228**	33,048
Gains on financial assets at fair value through profit or loss	**1,876**	16,134
Gains on derivative financial instruments	**879**	–
Gains on termination of lease contracts	**4,693**	26
Others	**731**	509
Subtotal	**67,956**	49,717
Total	**131,820**	105,153
Other expenses		
Foreign exchange loss, net	**(116,895)**	(31,972)
Losses on disposal of biological assets	**(2,952)**	(8,184)
Losses on disposal of property, plant and equipment	**–**	(3,388)
Losses on derivative financial instruments	**–**	(28)
Losses on fair value change of biological assets	**–**	(13,277)
Others	**(3,983)**	(1,538)
Total	**(123,830)**	(58,387)

5. OTHER INCOME AND GAINS AND OTHER EXPENSES (CONTINUED)

(i) The Group has received certain government grants related to assets to invest in laboratory equipment and plant. The grants related to assets were recognised in profit and loss over the useful lives of relevant assets.

(ii) The government grants and subsidies related to income have been received to compensate for the Group's research and development expenditures. Some of the grants related to income have future related costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions. These grants related to income are recognised in the statement of profit or loss on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Other government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

6. PROFIT BEFORE TAX

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

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	**598,248**	503,117
Depreciation of right-of-use assets	**78,392**	82,101
Amortization of other intangible assets	**45,756**	24,208
Staff cost* (including directors' and chief executive's remuneration):		
Salaries and other benefits	**2,718,922**	2,336,016
Pension scheme contribution, social welfare and other welfare**	**857,489**	757,673
Share-based compensation expenses	**43,067**	29,459
Gains on financial assets at fair value through profit or loss	**(1,876)**	(16,134)
Gains on equity investment at fair value through profit or loss	**(49,228)**	(33,048)
(Gains)/losses on fair value change of biological assets	**(9,948)**	13,277
(Gains)/losses on derivative financial instruments	**(879)**	28
Losses on disposal of biological assets	**2,952**	8,184
Impairment losses on inventories, net of reversal	**1,303**	263
Impairment losses on financial and contract assets, net of reversal	**16,970**	37,143
Foreign exchange losses, net	**116,895**	31,972
Auditor's remuneration	**2,425**	2,425

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

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

7. INCOME TAX EXPENSE

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax	**163,437**	177,788
Deferred tax	**51,038**	(17,662)
Total	**214,475**	160,126

8. DIVIDENDS

On June 12, 2026, the Company's shareholders approved the 2025 Profit Distribution at the annual general meeting as a final dividend of RMB0.2 (inclusive of tax) per share in respect of the year ended December 31, 2025 was declared to both holders of A Shares and H Shares and aggregate dividend amounted to RMB364,962,000 (inclusive of tax), excluding the dividend amount in the trust account relating to the First H Share Award and Trust Scheme. As of the date of this interim report, all dividends have been paid.

The directors of the Company have determined that no dividend will be proposed or declared in respect of the current interim period (Six months ended June 30, 2025: Nil).

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

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

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings:		
Profit attributable to ordinary equity holders of the parent	**750,194**	701,396

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

	Six months ended June 30,	
	2026 (unaudited)	2025 (unaudited)
Number of shares ('000):		
Weighted average number of ordinary shares outstanding during the period, used in the basic earnings per share calculation	**1,812,730**	1,760,452
Effect of diluted potential ordinary shares:		
Effect of restricted shares units and share awards issued by the Company	**11,224**	2,937
Weighted average number of ordinary shares outstanding during the period, used in the diluted earnings per share calculation	**1,823,954**	1,763,389

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2026, the Group acquired assets with a cost of RMB1,227,797,000 (Six months ended June 30, 2025: RMB902,511,000), and disposed of assets with a net carrying amount of RMB1,702,000 (Six months ended June 30, 2025: RMB1,086,000).

11. GOODWILL

	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Cost	**3,580,286**	3,662,006
Accumulated impairment	**(72,647)**	(76,032)
Net carrying amount	**3,507,639**	3,585,974
Opening carrying amount, net of accumulated impairment	**3,585,974**	2,760,736
Acquisition of subsidiaries	**–**	810,554
Exchange realignment	**(78,335)**	14,684
Total	**3,507,639**	3,585,974

12. TRADE AND BILLS RECEIVABLE

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

	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Within 1 year	**2,787,769**	2,651,564
1 year to 2 years	**77,166**	70,349
Total	**2,864,935**	2,721,913

Included in trade and bills receivables are amounts due from related parties of RMB86,347,000 as at June 30, 2026 (December 31, 2025: RMB79,643,000) which are repayable on credit terms similar to those offered to the major customers of the Group.

13. CONTRACT ASSETS

	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Contract assets	**537,896**	477,426
Allowance for impairment	**(13,334)**	(11,594)
Total	**524,562**	465,832

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Financial assets at amortised cost	**370,127**	885,649
Prepayments	**171,898**	18,917
Deposits and other receivables	**42,670**	38,163
Prepaid expenses	**149,638**	125,643
Tax recoverable	**356,717**	281,735
Others	**779**	13,905
Total	**1,091,829**	1,364,012

As at each end of the reporting period, other receivables of the Group are considered to be of low credit risk and thus the Group has assessed that the ECL for other receivables is immaterial under the 12-month expected loss method.

15. BIOLOGICAL ASSETS

(a) Nature of the Group's agricultural activities

The biological assets of the Group are mainly cynomolgous and macaque non-human primates for experiment, which are classified as current assets, and cynomolgous and macaque non-human primates for breeding, which are classified as non-current assets of the Group.

The Group is exposed to the following operational risks:

(i) Regulatory and environmental risks

The Group is subject to laws and regulations in the location in which it operates breeding. The Group has established environmental policies and procedures aiming at complying with local environmental regulations and legislations. The management performs regular reviews to identify environmental risks to ensure that the systems in place are adequate to manage these risks.

(ii) Climate, disease and other natural risks

The Group's biological assets are exposed to the risk of damage from climatic changes, diseases and other natural forces. The Group has extensive processes in place aiming at monitoring and mitigating those risks, including regular inspections, disease controls, surveys and insurance.

(b) Fair value of biological assets

The values of the Group's biological assets at the end of the reporting period were as follows:

	Non-human primates for breeding RMB'000	Non-human primates for experiment RMB'000	Total RMB'000
At 1 January 2026 (audited)	172,574	408,331	580,905
Breeding costs	–	10,445	10,445
Purchases	–	106,628	106,628
Gains arising from changes in fair value less costs to sell of biological assets	2,036	7,912	9,948
Transfer	2,329	(2,329)	–
Decrease due to disposal	(4,314)	(346)	(4,660)
Decrease due to sales	–	(1,876)	(1,876)
Decrease due to experiments	–	(110,620)	(110,620)
At June 30, 2026 (unaudited)	172,625	418,145	590,770

At June 30, 2026, no biological assets of the Group were pledged.

Analysed for reporting purposes as:

	June 30, 2026 RMB'000 (unaudited)
Current	418,145
Non-current	172,625
Total	590,770

16. DERIVATIVE FINANCIAL INSTRUMENTS

	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Current assets		
Derivatives under hedge accounting		
Cash flow hedges -Foreign currency forward contracts	**1,449**	22,550
Current liabilities		
Derivatives under hedge accounting		
Cash flow hedges -Foreign currency forward contracts	**4,668**	–

Cash flow hedges – Foreign currency risk

Foreign currency forward contracts are designated as hedging instruments in cash flow hedges of foreign exchange rate risk arising from forecast sales in USD. The balances of foreign currency forward contracts vary with the level of expected foreign currency sales and changes in foreign currency forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the foreign currency forward contracts are identical to the hedged risk components. The cash flow hedges were assessed to be highly effective.

16. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges – Foreign currency risk (continued)

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the forecasted sales and the hedging instruments;
- Changes to the forecasted amounts of cash flows of hedged items and hedging instruments.

The Group holds the following foreign currency forward contracts:

	Less than 6 months USD'000
As at June 30, 2026 (unaudited)	
Foreign currency risk	
– Foreign currency forward contracts	320,000
Average forward rates (USD/RMB)	6.7619

The impacts of the hedging instruments on the consolidated statement of financial position are as follows:

	Notional amount	Carrying amount		Line item in the statement of financial position
	USD'000	assets RMB'000	liabilities RMB'000	
As at June 30, 2026 (unaudited)				
Foreign currency risk				
– Foreign currency forward contracts	320,000	1,449	4,668	Derivative financial instruments assets/liabilities

	Cash flow hedge reserve RMB'000
As at June 30, 2026 (unaudited)	
Foreign currency risk	
– Foreign currency forward contracts	(842)

16. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges – Foreign currency risk (continued)

The effects of the cash flow hedge on the consolidated statement of profit or loss and the consolidated statement of comprehensive income are as follows:

	Total hedging loss recognised in other comprehensive income			Line item in the statement of profit or loss
	Gross amount RMB'000	Tax effect RMB'000	Total RMB'000	
Six months ended June 30, 2026 (unaudited)				
Foreign currency risk – Foreign currency forward contracts	27,670	(3,575)	24,095	Revenue/ Other Expenses

	Amount reclassified from other comprehensive income to profit or loss			Line item in the statement of profit or loss
	Gross amount RMB'000	Tax effect RMB'000	Total RMB'000	
Six months ended June 30, 2026 (unaudited)				
Foreign currency risk – Foreign currency forward contracts	(11,017)	1,298	(9,719)	Revenue
Foreign currency risk – Foreign currency forward contracts	(23,635)	3,382	(20,253)	Other Expenses

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	June 30, 2026			December 31, 2025		
	Effective interest rate (%)	Maturity	RMB'000 (unaudited)	Effective interest rate (%)	Maturity	RMB'000 (audited)
Current						
Bank loans – secured (a)	2.35-2.85	2026-2027	276,299	2.35-2.85	2026	273,074
Bank loans – unsecured	1.20-3.93	2026-2027	4,277,615	1.80-3.53	2026	4,493,415
Subtotal			4,553,914			4,766,489
Non-current						
Bank loans – secured (a)	2.35-2.85	2027-2032	1,174,587	2.35-2.85	2027~2032	1,290,658
Bank loans – unsecured	2.75-2.95	2027-2035	745,912	2.95	2027~2032	481,148
Subtotal			1,920,499			1,771,806
Total			6,474,413			6,538,295

Analysed into:

	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Bank loans and other borrowings repayable:		
Within one year	4,553,914	4,766,489
In the second year	377,066	351,759
In the third to fifth years, inclusive	1,127,227	1,106,201
Beyond five years	416,206	313,846
Total	6,474,413	6,538,295

(a) As at June 30, 2026, the bank loans with the amount of RMB1,450,886,000 (December 31, 2025: RMB1,563,732,000) are secured by mortgage over certain long-term assets (property, plant and equipment and right-of-use assets) and a pledge over shares of subsidiary. The relevant pledge registration formalities had not yet been completed.

18. TRADE PAYABLES

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

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

Analysed into:

	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Within 1 year	**754,693**	599,085
Over 1 year	**6,562**	7,505
Total	**761,255**	606,590

The amount of trade payables due to a related party was RMB22,000 as at June 30, 2026 (December 31, 2025: RMB26,000).

19. OTHER PAYABLES AND ACCRUALS

	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Staff payroll and welfare payables	**833,012**	913,951
Payables for acquisition of plant and equipment	**537,394**	495,183
Accrued expenses	**126,615**	126,292
Dividend payable	**364,962**	9,998
Other tax payable	**60,643**	73,986
Payable for equity investments	**44,067**	102,042
Others	**61,322**	52,963
Total	**2,028,015**	1,774,415

20. SHARE CAPITAL

	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Issued and fully paid:	**1,837,284**	1,778,843

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

	Number of shares in issue	Share capital RMB'000
At 1 January 2025 (audited)	1,778,195,525	1,778,196
Restricted A shares vested	647,341	647
At 31 December 2025 and 1 January 2026 (audited)	**1,778,842,866**	**1,778,843**
Placing of new H Shares	**58,440,762**	**58,441**
At 30 June 2026 (unaudited)	**1,837,283,628**	**1,837,284**

On January 22, 2026, the Company successfully placed an aggregate of 58,440,762 new H Shares to no less than six independent placees at the price of HK$22.82 per H Share.

21. SHARE OPTION SCHEME

2022 A Share Incentive Scheme

On May 31, 2022, the Shareholders have resolved to adopt the 2022 A Share Incentive Scheme, pursuant to which, the maximum number of restricted A shares to be issued by the Company is 1,548,800 A shares, representing approximately 0.20% of the Company's total number of issued shares at the time of the adoption of the scheme. The granted Restricted A Shares shall be vested over a four-year period, with 25%, 25%, 25% and 25% of total shares vesting on each anniversary date after the vesting commencement date, respectively, upon meeting certain performance conditions.

As a result of the implementation of the 2025 Profit Distribution and pursuant to the Management Measures for Share Incentives of Listed Companies and the 2022 A Share Incentive Scheme, on 20 August 2026, the Board has resolved to adjust the grant price of Restricted A Shares granted under the 2022 A Share Incentive Scheme from RMB25.15 per A Share to RMB24.95 per A Share.

For the six months ended June 30, 2026, the Group has recorded share-based compensation expenses of RMB2,468,000 (Six months ended June 30, 2025: RMB5,277,000) in relation to the 2022 A Share Incentive Scheme.

2023 A Share Incentive Scheme

On June 21, 2023, the Shareholders have resolved to adopt the 2023 A Share Incentive Scheme, pursuant to which, the maximum number of restricted A shares to be issued by the Company is 1,470,300 A shares, representing approximately 0.20% of the Company's total number of issued shares at the time of the adoption of the scheme. The granted Restricted A Shares shall be vested over a four-year period, with 25%, 25%, 25% and 25% of total shares vesting on each anniversary date after the vesting commencement date, respectively, upon meeting certain performance conditions.

As a result of the implementation of the 2025 Profit Distribution, and pursuant to the Management Measures and the 2023 A Share Incentive Scheme, on 20 August 2026, the Board has resolved to adjust the grant price of Restricted A Shares granted under the 2023 A Share Incentive Scheme from RMB18.45 per A Share to RMB18.25 per A Share.

For the six months ended June 30, 2026, the Group wrote off share-based compensation expenses of RMB4,734,000 (Six months ended June 30, 2025: recorded RMB1,241,000) in relation to the 2023 A Share Incentive Scheme.

21. SHARE OPTION SCHEME (CONTINUED)

The First H Share Award and Trust Scheme

The Company adopted an H share award and trust scheme (the "H Share Scheme"), which is the Employee Share Award Plan (the "ESAP"), for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the H Share Scheme include any individual, being a Director, senior management, key operating team member, employee.

The H Share Scheme was approved in the 2020 Third Extraordinary General Meeting of the Company on 11 December 2020 and will remain in force for 10 years from that date. The proposal to increase the authorised limit under the H Share Scheme (from 17,865,000 shares to 35,563,910 shares) was approved by the board of directors on 26 March 2025 and the shareholders of the Company at the 2024 Annual General Meeting on 20 June 2025.

Set out below are details of the grants under the H Share Scheme:

(1) On April 1, 2022, the 2022 First Grant of the H Share Scheme was approved by the management committee to grant 44 eligible participants 751,110 H shares, in consideration of Capitalization of Reserve, and the grant date was April 1, 2022. These granted shares will be vested over a four-year period, with 25%, 25%, 25% and 25% of total shares vesting on each anniversary date after the vesting commencement date, respectively, upon meeting certain vesting conditions. For the six months ended June 30, 2026, the Group recorded share-based compensation expenses of RMB138,000 (Six months ended June 30, 2025: wrote off RMB322,000) in relation to the 2022 First Grant Plan.

(2) On May 31, 2022, the 2022 Second Grant of the H Share Scheme was approved by the management committee to grant 131 eligible participants 7,588,450 H shares, in consideration of Capitalization of Reserve, and the grant date was May 31, 2022. These granted shares will be vested over a four-year period, with 25%, 25%, 25% and 25% of total shares vesting on each anniversary date after the vesting commencement date, respectively, upon meeting certain vesting conditions. For the six months ended June 30, 2026, the Group recorded share-based compensation expenses of RMB3,126,000 (Six months ended June 30, 2025: RMB19,452,000) in relation to the 2022 Second Grant.

21. SHARE OPTION SCHEME (CONTINUED)

The First H Share Award and Trust Scheme (continued)

(3) On 2 July 2025, the management committee has further resolved to grant awards of a total of 5,396,470 H Shares to 546 eligible employees. All of the relevant granted H Shares shall be vested over a four-year period, with 25%, 25%, 25% and 25% of total shares vesting on each anniversary date after the respective vesting commencement date upon meeting certain vesting conditions. For the six months ended June 30, 2026, the Group recorded share-based compensation expenses of RMB14,514,000 in relation to the 2025 First Grant.

(4) On 2 July 2025, the management committee has further resolved to grant awards of a total of 2,103,398 H Shares to 241 eligible employees. All of the relevant granted H Shares shall be vested over a two-year period, with 50% and 50% of total shares vesting on each anniversary date after the respective vesting commencement date upon meeting certain vesting conditions. For the six months ended June 30, 2026, the Group recorded share-based compensation expenses of RMB8,524,000 in relation to the 2025 Second Grant.

(5) On 2 July 2025, the management committee has further resolved to grant awards of a total of 3,217,500 H Shares to 25 eligible employees. All of the relevant granted H Shares shall be vested over a one-year period, with 100% of total shares vesting on the anniversary date after the vesting commencement date upon meeting certain vesting conditions. For the six months ended June 30, 2026, the Group recorded share-based compensation expenses of RMB19,030,000 in relation to the 2025 Third Grant.

Share Based Incentive of Subsidiaries

Certain subsidiaries of the Group, whose revenue, profits or total assets accounted for less than 75% of the Group in any of the three preceding financial years, granted share-based incentives to eligible employees to attract and motivate personnel and promote the success of the subsidiaries. The Group recognised no share-based compensation expenses during the six months ended June 30, 2026 (Six months ended June 30, 2025: RMB454,000).

22. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	June 30, 2026 RMB'000 (unaudited)	December 31, 2025 RMB'000 (audited)
Property, plant and equipment	**935,201**	932,239
Capital contributions payable to associates	**399,388**	345,222
Total	**1,334,589**	1,277,461

23. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the six months ended June 30, 2026 and 2025, respectively:

(a) Transactions with related parties:

		Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Associate			
Provision of pharmaceutical R&D service	(i)	**2,335**	2,892
Rental income	(ii)	**99**	59
Entities controlled by the close family members of the directors			
Provision of pharmaceutical R&D service	(i)	**466**	386
Rental fee paid	(iii)	**1,250**	1,250
Sewage treatment fee		**94**	159
Property management fee		**129**	129
Entities in which the directors act as key management personnel			
Provision of pharmaceutical R&D service	(i)	**13,311**	18,008
Purchase of raw materials	(iv)	**325**	268

Notes:

(i) The R&D service fees were made according to the price list for similar nature and quantity of services provided to other clients.

(ii) The rental income from related parties was in relation to an office rented to Kangjun Investment Management (Beijing) Co., Ltd.

(iii) The Group rented office from Ningbo Kanghui Technology Development Co., Ltd. with a six-month rental fee of RMB1,250,000 paid.

(iv) The purchases from related parties were made according to the published prices and conditions similar offered by the related parties to their major customers.

(b) Compensation of key management personnel of the Group:

	Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Salaries and other benefits	**5,739**	6,247

23. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Other transactions with related parties:

In April and May 2026, the Company increased capital by RMB56,000,000 and RMB84,000,000 respectively (RMB28,000,000, RMB22,400,000 and RMB18,200,000 respectively in January, September and November 2025), in cash to a related party, Ningbo Yongxin Kangjun Venture Capital Partnership (Limited Partnership), raising the Company's equity interest to 28.87%.

24. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at June 30, 2026 and December 31, 2025 are as follows:

June 30, 2026 (unaudited)		Financial assets at fair value through profit or loss		
Financial assets	Financial assets at amortised cost RMB'000	Equity investments at fair value through profit or loss RMB'000	Mandatorily designated as such RMB'000	Total RMB'000
Equity investments at fair value through profit or loss	–	697,466	–	697,466
Financial assets at fair value through profit or loss	–	–	876,199	876,199
Trade and bills receivable	2,864,935	–	–	2,864,935
Derivative financial instruments	–	–	1,449	1,449
Financial assets included in other non-current assets	54,116	–	–	54,116
Financial assets included in prepayments, other receivables and other assets	412,797	–	–	412,797
Pledged deposits	118,555	–	–	118,555
Cash and cash equivalents	1,457,570	–	–	1,457,570
Total	4,907,973	697,466	877,648	6,483,087

Financial liabilities	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables	–	761,255	761,255
Financial liabilities included in other payables and accruals	–	1,104,727	1,104,727
Interest-bearing bank borrowings	–	6,474,413	6,474,413
Lease liabilities	–	479,389	479,389
Derivative financial instruments	4,668	–	4,668
Total	4,668	8,819,784	8,824,452

24. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at June 30, 2026 and December 31, 2025 are as follows: (continued)

December 31, 2025 (audited)		Financial assets at fair value through profit or loss		
Financial assets	Financial assets at amortised cost RMB'000	Equity investments at fair value through profit or loss RMB'000	Mandatorily designated as such RMB'000	Total RMB'000
Equity investments at fair value through profit or loss	–	518,451	–	518,451
Financial assets at fair value through profit or loss	–	–	714,073	714,073
Trade and bills receivable	2,721,913	–	–	2,721,913
Derivative financial instruments	–	–	22,550	22,550
Financial assets included in other non-current assets	58,850	–	–	58,850
Financial assets included in prepayments, other receivables and other assets	923,812	–	–	923,812
Pledged deposits	174,792	–	–	174,792
Cash and cash equivalents	842,690	–	–	842,690
Total	4,722,057	518,451	736,623	5,977,131

Financial liabilities	Financial liabilities at amortised cost RMB'000
Trade payables	606,590
Financial liabilities included in other payables and accruals	762,842
Interest-bearing bank borrowings	6,538,295
Lease liabilities	502,121
Total	8,409,848

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments approximate to their fair values.

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, other receivables and other assets, current interest-bearing bank and other borrowings, trade payables, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at the end of each reporting period were assessed to be insignificant.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value management of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the board of directors for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of the financial assets and liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The following methods and assumptions were used to estimate the fair values:

For the fair value of the unlisted equity investments at fair value through profit or loss, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

The Group invests in wealth management products issued by banks. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group enters into derivative financial instruments including foreign currency forward contracts and are measured using valuation techniques similar to forward pricing, using present value calculations. The models incorporate various market unobservable inputs.

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Below is material unobservable inputs to the valuation of financial instruments together with a relationship of unobservable inputs to fair value as at June 30, 2026 and December 31, 2025:

	Valuation technique	Significant unobservable inputs (level 3)	Relationship of unobservable inputs to fair value
Equity investments at fair value through profit or loss-unlisted	Price of Last Round Method	Latest Transaction Price	The most recent financing price serves as a key input for fair value measurement, with higher prices generally indicating higher fair value
Fund investment at fair value through profit or loss-unlisted	Net Asset value of underlying investments	Net asset value	The higher net asset value, the higher the fair value

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

	Significant Observable inputs (level 1) RMB'000 (unaudited)	Significant observable inputs (level 2) RMB'000 (unaudited)	Significant unobservable inputs (level 3) RMB'000 (unaudited)	Total RMB'000 (unaudited)
As at June 30, 2026				
Equity investments at fair value through profit or loss	–	–	697,466	697,466
Derivative financial instruments – foreign currency forward contracts	–	1,449	–	1,449
Financial assets at fair value through profit or loss	–	876,199	–	876,199
Total	–	877,648	697,466	1,575,114

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

Assets measured at fair value (continued)

	Significant observable inputs (level 1) RMB'000 (audited)	Significant observable inputs (level 2) RMB'000 (audited)	Significant unobservable inputs (level 3) RMB'000 (audited)	Total RMB'000 (audited)
As at December 31, 2025				
Equity investments at fair value through profit or loss	–	–	518,451	518,451
Derivative financial instruments – foreign currency forward contracts	–	22,550	–	22,550
Financial assets at fair value through profit or loss	–	714,073	–	714,073
Total	–	736,623	518,451	1,255,074

The movements in fair value measurements within Level 3 during the year are as follows:

Equity investments at fair value through profit or loss	**As at June 30, 2026 RMB'000 (unaudited)**	As at December 31, 2025 RMB'000 (audited)
At 1 January	**518,451**	234,059
Purchase	**135,723**	241,500
Dividend	**(87)**	(4,518)
Gains arising from changes in fair value	**49,040**	47,542
Exchange realignment	**(5,661)**	(132)
Total	**697,466**	518,451

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

Liabilities measured at fair value

	Significant observable inputs (level 1) RMB'000 (unaudited)	Significant observable inputs (level 2) RMB'000 (unaudited)	Significant unobservable inputs (level 3) RMB'000 (unaudited)	Total RMB'000 (unaudited)
As at June 30, 2026				
Derivative financial instruments (liabilities)	–	4,668	–	4,668

The Group did not have any financial liabilities measured at fair value as at December 31, 2025.

26. EVENTS AFTER THE REPORTING PERIOD

There are no material events affecting the Company after the reporting period and up to the date of this interim report.

Definitions

"^{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
"2020 Profit Distribution"	the distribution of the final dividends in respect of the year ended December 31, 2020, which was approved by the Shareholders at the 2020 annual general meeting of the Company held on May 28, 2021
"2021 A Share Incentive Scheme"	the 2021 Restricted A Share Incentive Scheme of the Company
"2021 Capitalization of Reserve"	the issue of 5 Capitalization Shares for every 10 Shares by way of capitalization of reserve which was approved by the Shareholders at the 2021 annual general meeting of the Company held on May 31, 2022
"2021 Profit Distribution"	the distribution of the final dividends in respect of the year ended December 31, 2021, which was approved by the Shareholders at the 2021 annual general meeting of the Company held on May 31, 2022
"2021 Profit Distribution Plan"	the 2021 Profit Distribution and 2021 Capitalization of Reserve
"2022 A Share Incentive Scheme"	the 2022 Restricted A Share Incentive Scheme of the Company
"2022 Capitalization of Reserve"	the issue of 5 Capitalization Shares for every 10 Shares by way of capitalization of reserve which was approved by the Shareholders at the 2022 annual general meeting of the Company held on June 21, 2023
"2022 Profit Distribution"	the distribution of the final dividends in respect of the year ended December 31, 2022, which was approved by the Shareholders at the 2022 annual general meeting of the Company held on June 21, 2023
"2022 Profit Distribution Plan"	the 2022 Profit Distribution and 2022 Capitalization of Reserve
"2023 A Share Incentive Scheme"	the 2023 Restricted A Share Incentive Scheme of the Company
"2023 Profit Distribution"	the distribution of the final dividends in respect of the year ended December 31, 2023, which was approved by the Shareholders at the 2023 annual general meeting of the Company held on June 6, 2024
"2024 Profit Distribution"	the distribution of the final dividends in respect of the year ended December 31, 2024, which was approved by the Shareholders at the 2024 annual general meeting of the Company held on June 20, 2025
"2025 H Share Award and Trust Scheme"	The 2025 H Share Award and Trust Scheme of the Company
"A Share(s)"	domestic shares of our Company, with a nominal value of RMB1.00 each, which are listed for trading on the Shenzhen Stock Exchange and traded in RMB

"ADC"	Antibody-drug Conjugate
"AI² Robotics"	AI Squared Robotics (Shenzhen) Co., Ltd (智平方(深圳)科技股份有限公司), established in 2023, is committed to the research and development of general-purpose embodied intelligent terminals
"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 interim report
"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
"Audit Committee"	the audit committee of the Board
"Bioanalysis"	A sub-discipline of analytical sciences covering the quantitative analysis of xenobiotics (drugs, their metabolites, and biomolecules at unusual locations or concentrations) and biotics (macromolecules, proteins, DNA, biologics, metabolites) in biological systems
"Biocatalysis"	the chemical reaction process mediated by enzymes as catalysts
"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
"Biostatistics"	the business of data management and biostatistics
"Bispecific Antibodies"	Bispecific Antibody (BsAb) refers to an engineered antibody capable of simultaneously binding to two distinct targets or epitopes
"Board"	the board of Directors of the Company
"Campus I in Ningbo"	Located in Qianwan New Area, Ningbo City, Zhejiang Province, it is mainly engaged in laboratory services and CDMO services
"Campus I in Shaoxing"	Located in Shangyu Area, Shaoxing City, Zhejiang Province, it is mainly engaged in CDMO services
"Campus II in Shaoxing"	Located in Shangyu Area, Shaoxing City, Zhejiang Province, it is mainly engaged in CDMO services
"Campus III in Beijing"	Located in Beijing Economic-Technological Development Area, it is mainly engaged in laboratory services and CDMO services

"Campus III in Ningbo"	Located in Qianwan New Area, Ningbo City, Zhejiang Province, it is mainly engaged in laboratory services
"Campus IV in Ningbo"	Located in Qianwan New Area, Ningbo City, Zhejiang Province, it is mainly engaged in laboratory services
"CDMO"	Contract Development and Manufacturing Organization (CDMO) services refer to services provided to innovative drug developers, including the development, design and optimization of pharmaceutical manufacturing processes, as well as customized manufacturing services ranging from kilogram-scale to tonne-scale production for pre-clinical development, clinical development and commercialization
"cGMP"	Current Good Manufacturing Practice
"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
"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)
"CRC"	Clinical Research Coordinator
"CRO"	Contract Research Organization
"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
"De facto controllers"	LOU Boliang, LOU Xiaoqiang, ZHENG Bei
"Directors"	directors of the Company
"Druggability"	Preliminary pharmacodynamic studies, early evaluation of pharmacokinetic properties and safety, with potential for development as a drug

"EMA"	European Medicines Agency, an EU agency for the evaluation of medicinal products
"ESG"	Environmental, Social and Governance
"FDA"	the Food and Drug Administration of the U.S.
"FIH"	Including Phase I clinical studies that evaluate the pharmacokinetics, safety and tolerability of investigational drugs in humans
"First H Share Award and Trust Scheme"	The First H Share Award and Trust Scheme of the Company
"GDPR"	The General Data Protection Regulation (GDPR), being a data protection regulation enacted by the European Union, which aims to regulate the processing of personal data and strengthen the protection of personal privacy rights
"GLP-1"	Glucagon-Like Peptide-1 (GLP-1) refers to an important gut hormone involved in blood glucose regulation, appetite control, and energy metabolism
"GLP-1 receptor agonist"	GLP-1 receptor agonist refers to a class of drugs that activate the GLP-1 receptor to modulate blood glucose metabolism and appetite, primarily indicated for the treatment of metabolic diseases such as diabetes and obesity
"GMP"	Good Manufacturing Practice refers to a series of quality, hygiene and safety management measures implemented in the pharmaceutical production process, covering the entire drug production process, from raw materials, personnel, facilities and equipment, and production processes to packaging and transportation
"Group", "we", "our" or "us"	the Company and its subsidiaries from time to time
"H Share(s)"	overseas-listed foreign shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are listed for trading on the Hong Kong Stock Exchange and traded in HK dollars
"HIPAA"	The Health Insurance Portability and Accountability Act (HIPAA), being a healthcare data protection law enacted by the United States, which regulates the collection, use, storage, transmission and disclosure of Protected Health Information (PHI)
"Hit and lead compound"	Compounds identified through screening during the drug discovery phase that are capable of interacting with specific target(s) and demonstrating preliminary pharmacological activity serve as an important foundation for the discovery and optimisation of lead compounds

"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
"Induced Proximity Therapeutics"	Induced Proximity Therapeutics refers to a class of innovative drugs that induce proximity interactions between a target protein and a specific functional protein, thereby achieving degradation or functional modulation of the target protein
"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 interim report
"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
"Linker"	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 84.44% by the Company
"Listing Rules"	the Rules Governing the Listing of Securities of the Stock Exchange
"Logical Qubit"	Hangzhou Logical Qubit Technology Co., Ltd.(杭州邏輯比特科技有限公司), which was established in 2022 and is principally engaged in the design, fabrication and control of superconducting quantum processor
"Management Committee"	the management committee of the First H Share Award and Trust Scheme and 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 and 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 Listed Issuers
"Monoclonal antibodies"	Monoclonal Antibody (mAb) refers to an engineered antibody capable of specifically recognising and binding to a specific epitope

"Multispecific Antibodies"	Multispecific Antibody refers to an engineered antibody capable of simultaneously binding to two or more distinct targets or epitopes
"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
"Oligonucleotides"	A compound in which nucleotides are linked by phosphodiester bonds
"Peptide"	A compound of amino acids linked by peptide bonds
"Pharmacovigilance"	Scientific research and activities related to the detection, evaluation, understanding and prevention of adverse reactions or any other problems that may be related to drugs
"Pharmaron Clinical"	Pharmaron (Chengdu) Clinical Services Co., Ltd. (康龍化成(成都)臨床研究服務有限公司), a company incorporated in PRC on May 27, 2021, which is held as to 84.44% by the Company
"Plasmid"	Double-stranded circular DNA, a common vector used in genetic engineering
"PRC"	the People's Republic of China
"Preclinical"	Of or relating to the preclinical stage of drug research
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2026
"Restricted A Shares"	the restricted A Shares granted by our Company under the respective 2021 A Share Incentive Scheme, 2022 A Share Incentive Scheme and 2023 A Share Incentive Scheme
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	A Share(s) and H Share(s)
"Shareholder(s)"	the holder(s) of the Share(s)
"Shenzhen Listing Rules"	the Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange
"Solid-phase synthesis"	Solid-Phase Synthesis refers to a chemical synthesis technique that utilizes an insoluble solid support as the reaction support, progressively constructing the target molecule through iterative cycles of reaction steps such as coupling and deprotection.
"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
"Target"	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
"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
"U.K."	the United Kingdom
"U.S."	the United States
"US$" or "USD"	United States dollars, the lawful currency of the United States
"XDC"	Broadly defined drug conjugate (X-Drug Conjugate) refer to a class of drugs formed by conjugating a payload with a targeting molecule via a linker, which include antibody-drug conjugate (ADC), antibody-oligonucleotide conjugate (AOC), peptide-drug conjugate (PDC), and radionuclide drug conjugate (RDC), among others
"%"	per cent.

Pharmaron Beijing Co., Ltd.

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