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

2025 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 22,000 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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Corporate Information

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTORS

Mr. HU Baifeng (胡柏風) *(ceased on June 20, 2025)*
Mr. LI Jiaqing (李家慶)
Ms. WAN Xuan (萬璇) *(appointed on June 20, 2025)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. TSANG Kwan Hung Benson (曾坤鴻)
Mr. YU Jian (余堅)
Ms. LI Lihua (李麗華)

SUPERVISORS

Dr. YANG Kexin (楊珂新) *(Chairperson)*
Ms. FENG Shu (馮書)
Ms. ZHANG Lan (張嵐)

AUDIT COMMITTEE

Mr. YU Jian (余堅) *(Chairperson)*
Mr. TSANG Kwan Hung Benson (曾坤鴻)
Ms. LI Lihua (李麗華)

REMUNERATION AND APPRAISAL COMMITTEE

Ms. LI Lihua (李麗華) *(Chairperson)*
Dr. LOU Boliang (樓柏良)
Mr. LOU Xiaoqiang (樓小強)
Mr. TSANG Kwan Hung Benson (曾坤鴻)
Mr. YU Jian (余堅)

NOMINATION COMMITTEE

Ms. LI Lihua (李麗華) *(Chairperson)*
Dr. LOU Boliang (樓柏良)
Ms. ZHENG Bei (鄭北)
Mr. TSANG Kwan Hung Benson (曾坤鴻)
Mr. YU Jian (余堅)

STRATEGY COMMITTEE

Dr. LOU Boliang (樓柏良) *(Chairperson)*
Mr. LOU Xiaoqiang (樓小強)
Mr. HU Baifeng (胡柏風) *(ceased on June 20, 2025)*
Mr. LI Jiaqing (李家慶)
Ms. WAN Xuan (萬璇) *(appointed on June 20, 2025)*

COMPANY SECRETARY

Mr. YIM Lok Kwan (嚴洛鈞)

AUTHORIZED REPRESENTATIVES

Mr. LOU Xiaoqiang (樓小強)
Mr. YIM Lok Kwan (嚴洛鈞)

AUDITOR

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

LEGAL ADVISERS

As to Hong Kong law:
O'Melveny & Myers
31st Floor, AIA Central
1 Connaught Road Central
Hong Kong

As to PRC law:
Zhong Lun Law Firm
22-24/F & 27-31/F, South Tower of
CP Center, 20 Jin He East Avenue
Chaoyang District
Beijing
PRC

REGISTERED OFFICE IN THE PRC

8th Floor, Block 1
6 Tai-He Road
Beijing Economic Technological Development Area
Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

H SHARE REGISTRAR AND TRANSFER OFFICE

TRICOR INVESTOR SERVICES LIMITED
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

3759. HK/300759.SZ

COMPANY WEBSITE

www.pharmaron.com

Financial Highlights

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

- During the Reporting Period, the Group recorded aggregate revenue of approximately RMB6,441.0 million, representing an increase of approximately RMB836.5 million, or 14.9%, as compared to the six months ended June 30, 2024.

- During the Reporting Period, the profit attributable to owners of the parent was approximately RMB701.4 million, representing a decrease of approximately 37.0%, as compared to the six months ended June 30, 2024.

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

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

A. BUSINESS REVIEW

1. Principal Business

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

B. FINANCIAL REVIEW

1. Overall Operation Results

In the first half of 2025, the Company realized revenue of RMB6,441.0 million, representing an increase of 14.9% compared to the same period of last year; among them, in the second quarter of 2025, the Company realized revenue of RMB3,342.1 million, representing an increase of 7.9% over the first quarter of 2025. During the Reporting Period, the Company obtained the non-IFRSs adjusted net profit attributable to owners of the parent of RMB755.7 million, representing an increase of 9.5% compared to the same period of last year. In the second quarter of 2025, the Company obtained the non-IFRSs

adjusted net profit attributable to owners of the parent of RMB406.3 million, maintaining rapid growth both year-on-year and quarter-on-quarter. With core business maintaining positive momentum, the Company obtained the profit attributable to owners of the parent of RMB701.4 million, representing a decrease of 37.0% over the same period of last year, mainly due to the impact of investment income generated from the disposal of equity interests in PROTEOLOGIX, INC. in the same period of last year. During the Reporting Period, the net cash flow generated from operating activities of the Company amounted to RMB1,408.3 million, representing a year-on-year increase of 28.1%. After deducting the capital expenditures allocated to support its business growth, the Company's free cash flow was RMB254.1 million.

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

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

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

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

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

2. Operation results of each business segment

(1) Laboratory services

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

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

Laboratory chemistry is the core driver of small molecule drug discovery services. The Company leveraged its years of accumulated expertise to continuously expand its service scope and enrich its service offerings. Maintaining focus on cutting-edge technologies and emerging therapeutic targets in drug discovery, the Company had developed specialized laboratory chemistry capabilities including AI-assisted synthesis route design and flow chemistry, to accelerate synthesis of novel drug molecules. The Company had developed specialized laboratory chemistry capabilities for advanced modalities, including PROTACs, molecular glues, peptides, oligonucleotides, ADCs, etc,

and achieved rapid development. In addition, the Company provided customers with more flexible and comprehensive laboratory services through seamless collaborations among laboratory services teams in China, the U.K. and the U.S., fulfilling the diverse needs in different R&D stages from customers, improving R&D efficiency, and helping customers rapidly advance R&D projects from preclinical R&D to clinical stage globally. Furthermore, the Company initiated the application of AI tools in laboratory chemistry services and will continue to invest in AI and automation to further improve its productivity.

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

(2) CMC (small molecule CDMO) services

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

As of June 30, 2025, the Company had 4,811 employees in CMC (small molecule CDMO) services. With the seamless integration of the Company's fully integrated R&D service platform and the coordination of different service segments, approximately 84.0% of CMC (small molecule CDMO) services revenue came from the Company's existing customers of drug discovery services. In terms of process development, more than 2,500 process development chemists of the Company in China and more than 200 process development chemists of the Company in the U.K. worked closely together to provide customized services for global customers with state-of-the-art technology. In terms of manufacturing, the Company's manufacturing facilities in China, the U.K. and the U.S. provided customers with flexible, efficient and cost-effective integrated solutions from pilot to commercial production, covering intermediates, APIs and formulations. The Company continued to invest in end-to-end continuous flow synthesis, continuous hydrogenation reactions, continuous flow ozonolysis, biocatalysis, electrochemistry, photochemistry, high-throughput experimentation (HTE), and high potency API manufacturing, and made remarkable progress. Building upon its

expertise in linkers and payloads production, the Company is further strengthening its GMP bioconjugation capabilities, and its bioconjugation facility for clinical trial materials is expected to commence operation in the second half of 2025. In addition, the Company continued to advance the construction of the Campus II in Shaoxing to meet the medium-and long-term development needs of CMC (small molecule CDMO services. During the Reporting Period, the Company's CMC (small molecule CDMO) services pipeline reached 641 molecules or intermediates, including 23 projects in process validation and commercialization stage, 21 projects in Phase III clinical trials, 188 projects in Phase I-II clinical trials, and 409 projects in preclinical stage.

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

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

(3) Clinical development services

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

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

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

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

(4) Biologics and CGT services

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

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

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

3. Industry competition and development

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

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

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

that the large pharmaceutical companies will continue to increase the proportion of R&D outsourcing in the overall R&D investment. Secondly, small and 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 RMB701.4 million, decreased by 37.0% as compared to approximately RMB1,113.4 million for the six months ended June 30, 2024. The decrease was mainly due to the impact of investment income generated from the disposal of equity interests in PROTEOLOGIX, INC. in the same period of last year, as mentioned above.

5. Basic and Diluted Earnings Per Share

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

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

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

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

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

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

7. Cash Flows

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

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

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

8. Liquidity and Financial Resources

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

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

9. Borrowings and Gearing Ratio

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

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

10. Pledge of Assets

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

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

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

11. Contingent Liabilities

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

12. Miscellaneous

(1) 2024 Profit Distribution

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

(2) Acquisition of Controlling Interest in Aistarfish Technology

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

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

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

(4) Establishment of Strategic Cooperation with Zhejiang University

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

(5) Participation in Equity Investment Fund

During the Reporting Period, the Company entered into a partnership agreement and committed a capital contribution of RMB100 million as a limited partner to participate in Ningbo Yongkang Equity Investment Partnership (Limited Partnership), with Shanghai Hongfu Private Fund Management Co., Ltd. acting as the fund manager. In April 2025, Ningbo Yongkang Equity

Investment Partnership (Limited Partnership) completed the registration with the Asset Management Association of China and obtained the Private Investment Fund Filing Certificate. This investment will enable the Company to fully leverage the investment and industry insight capabilities of professional investment institutions, enhance its investment capacity, seize quality opportunities in industry development, and promote the high-quality development of the pharmaceutical industry in Ningbo (Ningbo, Zhejiang Province).

(6) Participation in Overseas Equity Investment Fund

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

(7) Change of Non-Executive Director

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

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

(8) Amendments to the Articles of Association

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

C. CORE COMPETITIVENESS ANALYSIS

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

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

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

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

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

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

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

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

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

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

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

From inception, the Company has committed to the establishment of integrated services platform from drug discovery to proof of concept stage, which covers compound design, compound library synthesis, synthetic and medicinal chemistry, biology, DMPK, pharmacology, toxicology, drug safety assessment, radiolabelled chemistry and DMPK, clinical pharmacology, clinical bioanalysis, clinical data statistics, chemical process development and API manufacturing and formulation and drug product manufacturing.

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

(4) Fully-integrated clinical development services in China

As a significant component of the Company's fully-integrated service platform, domestic clinical development platform covers various functions, including regulatory and registration services, medical affairs, medical monitoring, clinical operations, data management and biostatistics, bioanalysis, pharmacovigilance, quantitative pharmacology, site management services, healthy and patient volunteer recruitment and management, and quality assurance, which provides customers with complete, efficient, end-to-end Phase I, II, III and IV clinical development services. Through internal capability building, organic growth and external acquisitions over the years and our effort in integrating different functions and processes and optimizing the team and organization structure. The Company has built a sizeable and highly competitive clinical development services platform in China, offering high-quality clinical development services of new small molecule drugs, biologics and medical devices for domestic and oversea customers. In 2025, Pharmaron Clinical completed the acquisition of Aistarfish Technology, a leading company in AI and digital case management for cancer patients in China. This acquisition represents a crucial step in the Company's development towards a "data and AI-enabled service provider". Leveraging Aistarfish Technology's technological and data accumulation in oncology, its proprietary digital and AI platforms with independent intellectual property rights, its case management system that strictly complies with international

data privacy regulations (such as the Personal Information Protection Law, GDPR, and HIPAA), its strategic cooperation with the Chinese Society of Clinical Oncology (CSCO), and its real-world data (RWD) network covering more than 30 provinces across China, Pharmaron Clinical has established unified multi-modal data standards. It integrates disease characteristics such as genomics and imaging to achieve cross-disease data integration. By optimizing patient screening and stratification through algorithms, it enhances the efficiency of innovative drug research and development throughout the entire process. In addition, combined with Pharmaron's global network, it provides real-world research (RWS) services that meet the standards of the FDA and EMA for global pharmaceutical companies.

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

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

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

The Company has built a comprehensive R&D and manufacturing service platform for biologics from discovery to process development and manufacturing (CDMO). Together with the bioscience services under its laboratory services segment, the Company provides customers with end-to-end biologics services from "laboratory services-IND enabling process development and manufacturing", including cell screening, biologics generation and purification, analytical assay development and product characterization to support early stage R&D projects. In the first half of 2024, the Company's biologics development and manufacturing service platform located in the Campus II in Ningbo began operation. It provides customers with development services including cell line development, upstream and downstream process development, formulation development, fill-and-finish process development, and analytical method development, as well as drug substance and drug product manufacturing services from 200L to 2,000L production capacity to support projects from pilot to commercial production.

In recent years, through acquisition and integration of related resources and platforms, the Company has initially built an integrated services platform of "laboratory testing – IND enabling – process development and manufacturing" for gene therapy products, including a comprehensive and industry leading analytical platform for biologics and CGT products that are in compliance with ICH guidelines of GLP/GCP/GMP in the U.S., and an integrated platform for the development

and GMP manufacturing of gene therapy products in the U.K.. By combining both the analytics and CMC platforms in gene therapy products with our safety assessment center which has been inspected and/or certified for GLP compliance by NMPA, FDA and OECD regulatory authorities, the Company offers customers a complete preclinical IND enabling solution for CGT products, as well as clinical testing material manufacturing and clinical sample analysis services for CGT products.

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

Since 2024, the proportion of new drug modalities, including peptides, ADCs, bispecific antibodies and oligonucleotide drugs, among the new drugs approved by FDA has significantly increased, leading to a rapid growth in demands for corresponding R&D and manufacturing services. Leveraging its deep expertise in small molecule R&D services and strategic expansion into biologics, the Company has initially established a fully integrated ADC discovery service line, including antibody preparation, payload synthesis, linker synthesis, bioconjugation and biological testing that has achieved rapid business growth. The Company's peptide discovery services continued to advance based on a comprehensive synthesis platform consisting of automated synthesis, analysis and purification. In addition, the Company's service capabilities for oligonucleotide drugs (including siRNA, ASO, etc.) have adopted many cutting edge technologies. Moving forward, the Company will continue to strengthen its laboratory and manufacturing service capabilities for new drug modalities, such as ADCs, peptides, oligonucleotide drugs, and build a comprehensive end-to-end service platform for multiple therapeutic modalities. With a more open-minded and proactive attitude, the Company will promote and practice cross-platform collaborations and adopt novel technologies for new drug modalities to improve productivity. With its profound disciplinary expertise and high customer recognition, the Company is committed to further consolidating and building laboratory services for new drug modalities while building manufacturing capabilities to create an end-to-end platform.

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 21 operating facilities, clinical and manufacturing facilities in China, U.K., and U.S., of which 11 operating facilities are located overseas. The Company's profound experience in global pharmaceutical R&D, together with its global operations and world-class technical capabilities offers our customers a unique value proposition and customized solutions that combines our technical expertise in different geographic locations and efficient services with seamless integration.

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

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

Currently, the Company has established an integrated CMC (small molecule CDMO) services platform across China, the U.K. and the U.S.. Leveraging its global capacities, the Company is able to offer its global customers more flexible, scalable, and environmentally sustainable end-to-end API production services. In addition, through its associated company PharmaGend located in Singapore, the Company has further enhanced its global deployment in late-stage and commercial drug product CDMO services. PharmaGend has passed inspections from the U.S. Food and Drug Administration (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 "end-to-end, fully-integrated, globalized and multiple-therapeutic modalities" services platform, it facilitates cross-regional and multiple regulatory jurisdictional collaboration for cross-disciplinary and cross-R&D stages projects. Meanwhile, with efficient project management and cross-cultural communication, it facilitates the collaborations among teams, regions and disciplines to maximize the interests of our customers.

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

Since inception, the Company has continually put great emphasis on technology and innovation to fuel the constant grow of the business and satisfy the evolving R&D needs. The Company develops new technologies through multiple measures such as internal research and development, collaboration with academic and professional institutions, customer collaboration and acquisitions. In recent years, the Company has been strategically developing new technologies and capabilities in full-automation, artificial intelligence (AI), and green chemistry to further strengthen the integrated services platform. The Company has newly established a series of fully automated synthesis platforms and fully automated laboratory testing platforms to facilitate a comprehensive technological upgrade. The Company further explores the application of AI in drug discovery, including utilizing AI technology to predict the growth trends of immortalized cells in vitro, utilizing AI technology to predict drug mechanisms of action (MOAs) in vitro, applying of AI technology for reaction condition prediction and route design, and leveraging AI to enhance the ability to analyze biology big data so as to improve the efficiency of drug discovery services. At the same time, the Company has deployed AI tools across multiple clinical CRO service workflows to enhance its efficiency. In addition, the Company is committed to utilizing advanced technologies such as flow chemistry, biocatalysis, electrochemistry and continuous flow hydrogenation to practice green chemistry concept.

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

The Company's management team is led by Dr. LOU Boliang, our chairman and chief executive officer. With over 30 years of experience in the pharmaceutical industry, he is highly respected in the industry for his excellent leadership that contributes to the Company's rapid development. The Company's senior management team has been with us for more than 15 years. The Company has more than 100

senior scientific and technical leaders, 4 of whom were named as National Talents and 31 of who were named as Municipal-level Talents, and 282 of who were named as District-level Talents. 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 3,700 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, 2025, the Company had 20,684 R&D, production technology and clinical services staff in China, U.K. and U.S.. The highly professional technical team ensures the Company's continuous provision of high-quality R&D services for customers. The open platform for talent development ensures that the Company will continuously attract talents from around the globe.

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

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

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

The Company has a large, diverse and loyal customer base including the global top 20 pharmaceutical companies and numerous reputable biotech companies. In the first half of 2025, the Company introduced over 480 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 knowhow sharing and training provided during its deep collaboration with these customers, the Company is able to further improve technical capabilities and enhance service excellence, thereby creating a virtuous cycle. With our strong technical expertise, advanced infrastructure, profound industry knowledge, strong execution capability and quality customer services, the Company is able to become our customers' strategic partner and help them form their drug development or R&D outsourcing strategies, which

in turn reinforces our close relationships with such customers. In addition to our strong scientific capabilities, the Company puts emphasis on areas like environmental protection, health, safety and intellectual property protection. The Company takes such measures as establishing the intellectual property protection system and building the information system to ensure that our customers' intellectual properties are well protected, and is widely recognized and trusted by customers in this respect. The Company's high-quality services enable it to accumulate a good reputation among our existing customers, and to further expand our customer base by acquiring new customers through word-of mouth referrals.

D. OUTLOOK FOR THE SECOND HALF OF 2025

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 2025 has already been dis closed in the Company's 2024 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 monitor of evolving regulatory frameworks to ensure timely renewal of relevant credentials.

(6) Risk of international policy changes

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

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

(7) Risks regarding exchange rates

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

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

(8) Risks regarding market competition

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

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

(9) Risks regarding technological innovation

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

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

(10) Risks regarding service quality

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

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

(11) Artificial Intelligence (AI) technology implementation risks

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

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

E. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

1. Environment

(1) Management System

We established the *Pharmaron Environmental and Sustainability Policy* at group-level, outlining our commitments to environmental stewardship, covering areas such as compliance and reporting, training and awareness enhancement, energy management, waste reduction and biodiversity protection.

We continuously strengthen our site-level environmental management system and actively advance third-party certification work. We achieved year-on-year growth in the coverage of ISO 14001 Environmental Management Systems certification at our major operational sites[1] have over the past three years. To further strengthen our environmental management capabilities, the company aims to achieve 100% coverage of ISO 14001 certification across all major operational sites[1] by 2030. Currently, Pharmaron Ningbo Tech and Pharmaron Xi'an Tech are in the process of obtaining ISO 14001 certification, with completion expected by the end of 2025.

Year	Percentage of major operational sites with ISO 14001 certification (%)
2022	10
2023	30
2024	30

Apart from obtaining certifications, we continuously improve our environmental management oversight mechanism by conducting multi-level environmental audits to progressively enhance management effectiveness. In addition to organizing regular internal environmental management system review, our sites also undergo and successfully pass external environmental audits conducted by stakeholders such as government regulators, clients, and international accredited third-party organizations. These rigorous review mechanisms effectively drive the continuous optimization of environmental management practices across all our sites, ensuring full compliance with the highest environmental standards throughout our operations.

Year	Frequency of internal audit (times)	Frequency of external audit in major operational sites (times)
2024	2	83

[1] 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.

(2) Energy Conservation, Emissions Reduction, and Green Production

As a key implementation of our Science-Based Targets initiative (SBTi), we conduct quarterly greenhouse gas (GHG) emissions inventory review across all sites. Aligned with SBTi requirements and using 2023 as the baseline year, our coverage exceeds 95%. We have identified a series of emission reduction pathways, including renewable energy substitution, equipment retrofitting and upgrades, and adoption of low-carbon technologies, which set up a quantitative basis for achieving SBT

Building on the basis of 100% compliant waste disposal, we are committed to reducing industrial hazardous waste. Our target is to reduce the intensity of hazardous waste (tonnes per RMB10,000 of revenue) by 10% by 2035, with 2023 as the baseline year.

Year	Intensity of hazardous waste (tonnes/ RMB10,000)[2]
2023	0.020
2024	0.024

For solvents recycling, we have also set a recycling target, aiming to achieve a 10% recovery of solvents annually by 2035.

To continuously optimize water utilization, we have set a target to reduce water intensity (tonnes per RMB10,000 of revenue) by 30% by 2035, using 2023 as the baseline year. In 2024, we achieved a 4% reduction in water intensity compared to 2023.

Year	Water Intensity (tonnes/ RMB10,000)
2023	1.55
2024	1.48

[2] In 2024, the generation and treatment of hazardous waste increased, primarily due to the following factors: an increase in the handling of radioactive waste resulting from changes in industry projects, a significant expansion in production load and capacity, growth in production activities, and routine chemical waste cleanups.

(3) Training

To ensure that our employees are fully informed of the latest environmental management systems, policies, and procedures, we have incorporated environmental training into our annual employee training programs, with at least one refresher course conducted per year. In 2024, 78% of our employees at major operational sites[1] received training on specific environmental issues. In 2025, we would continue our effort on 100% delivery of environmental training to all employees.

Year	Percentage of employees received environmental training in major operational sites (%)[3]
2022	85
2023	77
2024	78

(4) Biodiversity

Biodiversity has become a key focus area in our operations. We closely monitor the potential impacts of our operations on surrounding environments and habitats. Beyond complying with statutory planning requirements, we have conducted biodiversity assessments across all our sites. For more details, please refer to Pharmaron ESG Report 2024.

As of the end of 2024, Pharmaron, as a member of the Alxa SEE Ecological Association, has engaged in the continuous improvement and restoration of the ecological environment and sustainable development initiative for six consecutive years. We support various biodiversity and ecological projects promoted by the association, including desertification prevention, coastal wetland protection, and species and habitat conservation. Our monetary contributions to these initiatives over the past three years are as follows:

Year	Monetary Contribution in support of biodiversity and ecological projects of Alxa SEE Ecological Association (RMB)
2022	100,000
2023	100,000
2024	100,000

Pharmaron has established an Animal Welfare Committee and an Animal Welfare Working Group. We have implemented a comprehensive zero-tolerance policy for animal welfare violations and while enhancing procedures for observing, reporting, handling, and documenting animal conditions.

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[3] The decline in the proportion of employees receiving environmental training at the major operational site is attributed to the increasing share of supporting function staff (e.g., operations and biology departments) following the expansion of the new sites.

We adhere to the highest international standards in the treatment of laboratory animals and are committed to ensuring top tier animal welfare. Currently, 71% of our animal trial-related facilities have obtained accreditation from the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC). Our goal is to achieve 100% AAALAC accreditation for all animal trial-related facilities by 2030. Our AAALAC accreditation coverage over the past three years is as follows:

Year	Percentage of animal trial sites with AAALAC accreditation (%)
2022	71
2023	71
2024	71

2. Social

(1) Diversity, Equity and Inclusion (DEI)

As an organization committed to social responsibility, we actively address inequality and discrimination. To support this, we provide regular DEI training to all employees, covering topics such as health and safety, workplace discrimination, and harassment. Our target is to ensure 100% of employees to receive a training on anti-discrimination and anti-harassment every year.

Meanwhile, we have set DEI targets and continuously track progress towards these objectives.

Diversity targets	2022 progress (%)	2023 progress (%)	2024 progress (%)
Percentage of female employees in the total workforce is no less than 50% by 2030	53.51	54.67	55
Percentage of women in management is no less than 40% by 2030	44.59	45.47	45.59
Percentage of women in junior management is no less than 40% by 2030	45.20	45.95	46.01
Percentage of women in senior management[4] is no less than 20% by 2030	21.70	23.33	23.86
Percentage of female management positions in revenue-generating functions[5] is no less than 50% by 2030	53.30	53.47	55.79
Percentage of women in STEM-related[6] positions is no less than 50% by 2030	54.20	55.57	56.28

[4] Senior management refers to positions reporting within two levels of the CEO.

[5] Revenue-generating functions refer to frontline management positions in sales or positions directly contributing to product/service output (excluding supporting functions such as HR (Human Resources), IT (Information Technology), and legal).

[6] STEM stands for science, technology, engineering and mathematics.

(2) Employee Training

We provide a diverse range of training programs to support employees' professional growth and long-term development. In 2025, we revised *Pharmaron Training and Development Policy*, which establishes a group-wide training strategy. The policy specifies detailed guidelines and requirements regarding training principles and process management. At the same time, we continue to enhance our training management platform to centralize the delivery of all group-wide programs. With 2025 as the baseline year, we aim to increase average annual training hours per employee by 10% by 2030.

(3) Talent Development

We are committed to fostering a high-performance culture and enabling employees to realize their potential. By continuously refining promotion pathways, evaluation criteria, and conducting regular performance evaluations, we provide systematic support for career development and talent growth. In 2024, 309 employees realized internal transfers through our internal recruitment program.

(4) Occupational Health & Safety

We have established a comprehensive health and safety management system, with several sites successfully certified under the ISO 45001 Occupational Health and Safety Management System. Our goal is to achieve 100% ISO 45001 certification coverage across all major operational sites by 2030.

Year	Percentage of major operational sites with ISO 45001 certification (%)
2022	0
2023	10
2024	20

We continue to monitor the Lost Time Injury Rate (LTIR) of our employees. Our goal is to maintain an annual LTIR of ≤0.6 by 2030.

Year	LTIR in major operational sites (%)
2022	0.50
2023	0.43
2024	0.34

We implement comprehensive health and safety management programs to maintain a stable and secure working environment, monitor recordable incidents, and extend these standards to contractor operations. Our clear safety targets include maintaining zero work-related fatalities or injuries involving contractors and achieving 100% signing rate for *Work Safety and Environmental Protection Management Agreement* with all contractors by 2030.

3. Governance

(1) Business Ethics

At Pharmaron, ethical integrity underpins every aspect of our operations. In July 2025, we took a significant step forward by joining the United Nations Global Compact (UNGC), reinforcing our commitment to its Ten Principles. Over the past three years, we have maintained an excellent zero-incident record in both corruption and major information security breaches with significant impact, demonstrating our steadfast adherence to anti-corruption and responsible information management principles. Meanwhile, we conduct business due diligence, including anti-corruption assessments, for 100% of our suppliers. Additionally, our dedication to information security is reflected in our ISO 27001 Information Security Management Systems certification. In 2025, three additional sites obtained ISO 27001 certification. Our goal is to have all major operational sites[1] certified under ISO 27001 by 2030, and full compliance across all operational sites with ISO 27001 certification by 2050.

Year	Number of confirmed corruption incidents	Number of confirmed major information security breaches with significant impact
2022	0	0
2023	0	0
2024	0	0

Year	Percentage of suppliers undergone anti-corruption and other business ethics-related due diligence (%)
2022	100
2023	100
2024	100

Year	Percentage of major operational sites1 with ISO 27001 certification (%)
2022	10
2023	10
2024	30

At the same time, we are further strengthening our ethical governance by setting targets for anti-corruption and responsible information management. Our target is to ensure that 100% of employees confirm and sign the *Employee Handbook*, formally acknowledging and committing to complying with company's policies on anti-fraud, anti-corruption, conflict of interest, anti-money laundering, responsible information management, as well as other internal policies and the *Pharmaron Code of Conduct*. In 2024, we updated the *Employee Handbook* and actively promoted the signing of the new version. As of December 31, 2024, the signing rate of the *Employee Handbook* reached 95%. Moving forward, we will ensure a 100% signing rate.

To fully embed ethical compliance standards throughout the company, we target to conduct annual training on the *Pharmaron Code of Conduct* for all employees covering topics such as business ethics, anti-corruption, and information security, intellectual property protection, with the objective of achieving 100% training coverage for all employees.

Additionally, through our digital learning platform, we aim to ensure 100% employees receiving annual training on information security and intellectual property protection to enhance competence in responsible information management practice.

Year	Information security training coverage (%)
2023	100
2024	100

We commit to ensuring that 100% of reports received through official whistleblowing channels are handled.

Year	Percentage of cases reported through whistleblower channels that were successfully handled (%)
2022	100
2023	100
2024	100

In 2025, we enhanced our internal audit program to continuously improve business ethics audits across all sites. These audits are implemented progressively based on factors such as business type. We plan to achieve 100% coverage for business ethics internal audits across all sites every three years by 2030.

(2) Sustainable Procurement

At Pharmaron, we hold not only our own operations to strict standards but also extend the same expectations to our supply chain partners. To track our progress in sustainable procurement, we employ key metrics that demonstrate our commitment to embedding ESG principles across the supply chain, aligning to both the *Code of Conduct for Business Partners* and the *Sustainable Procurement Management Policy*.

To enhance the professional competencies of our procurement team, we conduct annual sustainable procurement training for all procurement staff. Our target is to ensure 100% of our procurement staff receiving annual sustainable procurement training by 2030. The training coverage for the past three years are as follows:

Year	Percentage of procurement staff who have received training on sustainable procurement (%)
2022	100
2023	100
2024	100

All our significant suppliers[7] are required to sign and comply with our *Code of Conduct for Business Partners*. We provide sustainable procurement training to all significant suppliers, with the goal of ensuring 100% of significant suppliers engaging in sustainable procurement training by 2030. The training participation rate over the past three years is as follows:

Year	Percentage of significant suppliers engaged in sustainable procurement training (%)
2022	60
2023	71
2024	68

We maintain close collaboration with our supply chain partners. Over the years, we have continuously supported suppliers through site visits, technical exchanges, knowledge-sharing, and dedicated ESG training to empower our suppliers and foster shared values. Moving forward, we will develop standardized contractual clauses covering environmental, labor and human rights requirements, mandating supplier adherence through procurement contract. By 2030, we target to secure standard ESG clause adoption by over 90% of suppliers.

[7] Significant suppliers refer to those that have significant impact on Pharmaron's operations. This includes two categories of suppliers: 1) those identified through an annual procurement volume ranking where the highest-purchased suppliers collectively account for over 80% of total annual expenditures; or 2) any suppliers that are assessed during the qualification process as carrying high sustainability risks.

To ensure continued alignment with the *Code of Conduct for Business Partners*, we regularly monitor and assess our suppliers on ESG related risks through questionnaires, regular compliance and negative news screenings, and periodic on-site audits. This comprehensive approach verifies suppliers' compliance with sustainability requirements. We have developed a Supplier Sustainability Audit Plan for significant suppliers, where audit formats (on-site or remote) are determined based on risk levels. We aim to have 85% annual audit coverage for significant suppliers by 2030. For all audit findings and non-compliance issues identified, we require suppliers to take corrective actions and continuously follow up on their remediation progress.

We remain committed to building a diversified supply chain and have incorporated supplier diversity metrics into our supplier assessment. Our target is 100% diversity assessment coverage for significant suppliers by 2035.

In 2025, we have initiated the ISO 22301 Business Continuity Management System certification process for Pharmaron Ningbo Tech, covering all operations, business functions, and supply chain related activities. Our target is to have 100% of our major operational sites obtain ISO 22301 certification by 2050.

We are equally committed to the development of green supply chain. We have set decarbonization targets for our supply chain that are aligned with our science-based targets. We commit to reducing scope 3 GHG emissions by 61% per million RMB value added (intensity, tonnes/10,000 RMB) by 2033, using 2023 as the baseline year. In 2024, the Scope 3 GHG emissions intensity (economic intensity) was 198.40 tonnes of carbon dioxide (CO_2) per million RMB, representing a 7% reduction compared to 2023. For more information, please refer to Pharmaron ESG Report 2024.

We actively practice green procurement and prioritize sustainable packaging materials in our external packaging procurement processes. We target to ensure that ≥80% of external packaging material (by procurement expenditure) will be recyclable or bio-based materials by 2030. Data of external packaging materials over the past three years is as follows:

Year	Percentage of external packaging material (by procurement expenditure) allocated to recyclable or bio-based materials (%)
2022	97
2023	87
2024	89

(3) Product Safety

We have also set out our expectations on product safety, aiming to maintain a consistent record of zero non-compliance incidents related to product safety. In 2024, there was no product recall incidents.

(4) Contributions and Donations

Over the past three years, Pharmaron has made zero political contributions[8] and/or donations to political parties[9], nor has it engaged in any political spending or lobbying activities. Pharmaron has made the following contributions to tax-exempt groups or institutions in the past three years respectively.

Year	Contributions and Donations (RMB)
2022	9,818,735.48
2023	4,904,436.95
2024	3,227,345.63

Information for our three largest donations in 2024 is as follows:

Organization	Contributions and Donations (RMB)
Beijing E-Town Cooperation & Development Foundation	3,000,000.00
SEE Foundation	70,000.00
Alxa SEE Ecological Association	30,000.00

[8] Political contributions refer to financial support provided directly by Pharmaron to political parties or candidates.

[9] Donations to political parties refer to financial support provided by Pharmaron to industry associations, lobbying groups, or activities related to politics.

Supplementary Information

INTERIM DIVIDEND

The Company did not declare any interim dividend for the six months ended June 30, 2025.

SUPPLEMENTAL DISCLOSURE REGARDING DEFINED CONTRIBUTION SCHEMES

As disclosed in the annual report of the Company issued on April 29, 2025, 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 is 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 and Supervisors, each of the Directors and Supervisors 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, 2025, the Group had a total of 22,908 employees, as compared to 21,370 employees as at December 31, 2024. The Group provides employees with competitive remuneration and benefits, and the Group's remuneration policies are formulated according to the assessment of individual performance and are periodically reviewed. The Group provides employees with opportunities to work on cutting-edge drug development projects with world-class scientists, as well as offer opportunities to continue academic learning in the Group's Pharmaron College.

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

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

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

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

Note:

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

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

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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.

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 SUPERVISORS AND CHIEF EXECUTIVES OF THE COMPANY

Save as disclosed in the section headed "Management Discussion and Analysis" under the sub-section headed "12. Miscellaneous - (7) Change of Non-Executive Director" in this report, during the Reporting Period, there was no change of the information of Directors, Supervisors 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. The Audit Committee comprises three members, all of whom are independent non-executive Directors, namely, Mr. YU Jian, Mr. TSANG Kwan Hung Benson and Ms. LI Lihua. Mr. YU Jian is the chairman 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, SUPERVISORS AND CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at June 30, 2025, the interests and short positions of the Directors, the Supervisors 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 Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is keen to 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 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	21.89%	18.18%
Mr. LOU Xiaoqiang	A Shares	Beneficial owner; interests held jointly with another person; interests of controlled corporation; interests of spouse	323,212,550	21.89%	18.18%
Ms. ZHENG Bei	A Shares	Beneficial owner; Interests held jointly with another person; interests of controlled corporation; interests of spouse	323,212,550	21.89%	18.18%
Ms. LI Lihua	A Shares	Beneficial owner	75,000	0.0050%	0.0042%

Notes:

1. As of June 30, 2025, Pharmaron Holdings Limited directly held 180,496,500 A Shares, and is held as to 76.76% by Dr. LOU Boliang.

   As of June 30, 2025, 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, 2025, 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, 2025, Xiamen 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, 2025, 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.

Save as disclosed above, as of June 30, 2025, to the knowledge of the Board, none of the Directors, the Supervisors 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 Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, the Supervisors 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 Stock Exchange pursuant to the Model Code.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As of June 30, 2025, 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 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[1]	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 (L)	21.89%	18.18%
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 (L)	21.89%	18.18%
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 (L)	21.89%	18.18%
CITIC Securities Co. Ltd.[3]	China	A Shares	Interest of controlled corporation	271,298,500 (L)	18.37%	15.26%

Notes:

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

2. As of June 30, 2025, Pharmaron Holdings Limited directly held 180,496,500 A Shares, and is held as to 76.76% by Dr. LOU Boliang.

   As of June 30, 2025, 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, 2025, 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, 2025, Xiamen 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.

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

   As disclosed above, as of June 30, 2025, the aggregate interests of Dr. LOU Boliang, Mr. LOU Xiaoqiang and Ms. ZHENG Bei in the Company are 323,212,550 A Shares.

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") and Shenzhen Xinzhong Longcheng Investment Partnership (Limited Liability Partnership) (深圳市信中龍成投資合夥企業(有限合夥)) ("Shenzhen Xinzhong Longcheng") directly held 242,800,000 and 28,498,500 A Shares, respectively. To the best knowledge of our Company, the general partner of Shenzhen Xinzhong Kangcheng and Shenzhen Xinzhong Longcheng 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). Shenzhen Xinzhong Longcheng is held as to 72.74% by Anhui Industrial Buyout Fund Partnership (Limited Partnership) (安徽產業併購基金合夥企業(有限合夥)) as a limited partner, the general partner of which is Anhui Xinan Investment Partnership Enterprise (Limited Partnership) (安徽信安投資合夥企業(有限合夥)) ("Anhui Xin'an"). The general partner of Anhui Xin'an, being Anhui Xin'an Mergers and Acquisitions Private Fund Management Company (安徽信安併購私募基金管理有限公司), is in turn held as to 80% by CITIC Goldstone Investment Co., Ltd (中信金石投資有限公司).

SHARE INCENTIVE SCHEMES

2021 A Share Incentive Scheme

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

(i) Purpose of the 2021 A Share Incentive Scheme

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Category of grantee	Date of grant	Grant Price[1]	Number of unvested and not registered awards as at January 1, 2025	Number of awards vested on January 27, 2025[2]	Number of awards lapsed on January 27, 2025	Number of unvested and not registered awards as at June 30, 2025
Employees	July 27, 2021	RMB30.39	742,980	24,459	347,001	371,520

Notes:

(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 dates on which the awards were vested was RMB24.65.

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

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

(ix) Others

Upon resignation of one employee due to personal reasons, on August 21, 2025, the Board resolved to forfeit a total of 42,189 Restricted A Shares that had been granted to them pursuant to the 2021 A Share Incentive Scheme. Set out below are details of the movements of the number of unvested and not registered awards under the 2021 A Share Incentive Scheme during the Reporting Period and up to the date of this interim report:

Category of grantee	Date of grant	Grant Price	Number of unvested and not registered awards as at January 1, 2025	Awards vested during the Reporting Period and up to the date of this interim report	Awards lapsed during the Reporting Period and up to the date of this interim report	Number of unvested and not registered awards as at the date of this interim report
Employees	July 27, 2021	RMB30.39	742,980	24,459	389,190	329,331

2022 A Share Incentive Scheme

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

(i) Purpose of the 2022 A Share Incentive Scheme

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 resolved to adjust the grant price of Restricted A Shares granted under the 2022 A Share Incentive Scheme from RMB25.35 per A Share to RMB25.15 per A Share.

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

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

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

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

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

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

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

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

Category of grantee	Date of grant	Grant Price[1]	Number of unvested and not registered awards as at January 1, 2025	Number of awards vested on January 27, 2025[2]	Number of awards lapsed on January 27, 2025	Number of unvested and not registered awards as at June 30, 2025
Employees	July 28, 2022	RMB25.15	2,110,711	385,057	317,632	1,408,022

Notes:

(1) The grant price was adjusted from RMB25.35 to RMB25.15 as a result of the implementation of the 2024 Profit Distribution. Please refer to "(2) 2022 A Share Incentive Scheme – (iv) Grant price and the basis of determining the grant price" for further details. Employees shall pay for the subscription funds for the Restricted A Shares based on the grant price at the time of each vesting.

(2) The weighted average closing price of the A Shares immediately before the dates on which the awards were vested was RMB24.65.

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

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

(ix) Others

Upon resignation of ten employees due to personal reasons, on August 21, 2025, the Board resolved to forfeit a total of 44,104 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 during the Reporting Period and up to the date of this interim report:

Category of grantee	Date of grant	Grant Price	Number of unvested and not registered awards as at January 1, 2025	Number of awards vested during the Reporting Period and up to the date of this interim report	Number of awards lapsed during the Reporting Period and up to 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	RMB25.15	2,110,711	385,057	361,736	1,363,918

2023 A Share Incentive Scheme

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

(i) Purpose of the 2023 A Share Incentive Scheme

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Category of grantee	Date of grant	Grant Price[1]	Number of unvested and not registered awards as at January 1, 2025	Number of awards vested during the Reporting Period	Number of awards lapsed during the Reporting Period	Number of unvested and not registered awards as at June 30, 2025
Employees	July 7, 2023	RMB18.45	1,545,826	0	0	1,545,826

Note:

(1) The grant price was adjusted from RMB18.65 to RMB18.45 as a result of the implementation of the 2024 Profit Distribution. Please refer to section under "(3) 2023 A Share Incentive Scheme – (iv) Grant price and the basis of determining the grant price" above for further details. Employees shall pay for the grant price of the vested Restricted A Shares based on the amount vested at the time of each vesting.

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

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

(ix) Others

On August 21, 2025, the Board resolved to forfeit a total of 634,880 Restricted A Shares pursuant to the 2023 A Share Incentive Scheme, among which: 1) 179,553 Restricted A Shares were forfeited upon resignation of 10 employees due to personal reasons; and 2) 455,327 Restricted A Shares under the second attribution were forfeited due to failure to meet the company-level performance evaluation indicator upon the end of the second 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 during the Reporting Period and up to the date of this interim report:

Category of grantee	Date of grant	Grant Price	Number of unvested and not registered awards as at January 1, 2025	Number of awards vested during the Reporting Period and up to the date of this interim report	Number of awards lapsed during the Reporting Period and up to 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	RMB18.45	1,545,826	0	634,880	910,946

Concluding Statement

The total number of A Shares that may be issued in respect of awards granted under all A Share incentive schemes of the Company during the Reporting Period divided by the weighted average number of A Shares in issue for the six months ended June 30, 2025 was 0.23%.

First H Share Award and Trust Scheme

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

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

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

1. to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company;

2. to deepen the reform on the Company's remuneration system and to develop and constantly improve the interests balance mechanism among the Shareholders, the operational and executive management; and

3. to (a) recognize the contributions of the leadership of the Company including the Directors and long standing employees of the Company; (b) encourage, motivate and retain the leadership of the Company and long standing employees whose contributions are beneficial to the continual operation, development and long-term growth of the Group; and (c) provide additional incentive for the leadership of the Company and long standing employee by aligning the interests of the leadership of the Company to that of the Shareholders and the Group as a whole.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. On July 2, 2025, the Management Committee resolved to approve the following grants under First H Share Award and Trust Scheme:

   (a) A total of 5,396,470 H Shares was granted to 546 eligible employees pursuant to the 2025 First H Shares Employee Share Awards of the First H Share Award and Trust Scheme, which shall be vested over a four-year period, with 25%, 25%, 25% and 25% of total shares vesting on the first trading date after each anniversary date after the respective vesting commencement date upon meeting certain vesting conditions, and shall last until the last trading dates by the next anniversary date;

   (b) A total of 2,103,398 H Shares was granted to 241 eligible employees pursuant to the 2025 Second H Shares Employee Share Awards of the First H Share Award and Trust Scheme, which shall be vested over a two-year period with 50% and 50% of total shares vesting on the first trading date after each anniversary date after the respective vesting commencement date upon meeting certain vesting conditions, and shall last until the last trading dates by the next anniversary date; and

   (c) A total of 3,217,500 H Shares was granted to 25 eligible employees pursuant to the 2025 Third H Shares Employee Share Awards of the First H Share Award and Trust Scheme, which shall be vested over an one-year period with 100% of total shares vesting on the first trading date after the anniversary date after the vesting commencement date upon meeting certain vesting conditions, and shall last until the last trading dates by the next anniversary date.

2. Having considered the change in market situation arising from the weakened funding environment in the biotech industry in the past few years and the accumulative nature of the revenue growth target to the base year, the Management Committee is of the view that the Company-related performance indicators no longer align with actual circumstances. In order to better incentivize eligible employees, on July 2, 2025, the Management Committee resolved, pursuant to the First H Share Award and Trust Scheme, to forfeit 1,331,114 unvested H Shares that were granted on August 29, 2023. These forfeited H Shares have been returned to and are held by the trustee as returned shares pursuant to the terms of the First H Share Award and Trust Scheme.

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

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

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.

2025 H Share Award and Trust Scheme

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

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

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, 2025

	Notes	Six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
REVENUE	4	**6,440,951**	5,604,463
Cost of sales		**(4,268,750)**	(3,756,412)
Gross profit		**2,172,201**	1,848,051
Other income and gains	5	**105,153**	776,275
Other expenses	5	**(58,387)**	(34,007)
Selling and distribution expenses		**(142,944)**	(122,949)
Administrative expenses		**(848,836)**	(841,221)
Research and development costs		**(250,460)**	(207,798)
Impairment losses on financial and contract assets		**(37,143)**	(22,940)
Finance costs		**(94,171)**	(138,254)
Share of losses of associates		**(32,657)**	(30,306)
Profit before tax	6	**812,756**	1,226,851
Income tax expense	7	**(160,126)**	(143,905)
Profit for the period		**652,630**	1,082,946
Attributable to:			
Owners of the parent		**701,396**	1,113,403
Non-controlling interests		**(48,766)**	(30,457)
		652,630	1,082,946
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		**RMB**	RMB
Basic			
For profit for the period	9	**0.3984**	0.6282
Diluted			
For profit for the period	9	**0.3978**	0.6271

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended June 30, 2025

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

Interim Condensed Consolidated Statement of Financial Position

June 30, 2025

	Notes	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	**11,472,772**	10,944,152
Right-of-use assets		**912,551**	922,592
Goodwill	11	**2,984,608**	2,760,736
Other intangible assets		**298,528**	225,319
Investments in associates		**712,678**	648,983
Equity investments at fair value through profit or loss		**466,887**	234,059
Biological assets	15	**157,431**	175,001
Deferred tax assets		**229,165**	192,684
Other non-current assets		**369,248**	215,693
Total non-current assets		**17,603,868**	16,319,219
CURRENT ASSETS			
Inventories		**542,507**	486,811
Contract costs		**368,206**	211,572
Trade and bills receivable	12	**2,552,632**	2,413,629
Contract assets	13	**431,646**	457,811
Biological assets	15	**394,436**	418,282
Prepayments, other receivables and other assets	14	**1,141,050**	809,831
Financial assets at fair value through profit or loss		**859,820**	1,115,265
Derivative financial instruments	16	**1,115**	5,063
Pledged deposits		**92,887**	66,844
Cash and cash equivalents		**1,208,842**	1,623,072
Total current assets		**7,593,141**	7,608,180
CURRENT LIABILITIES			
Interest-bearing bank borrowings	17	**1,333,486**	1,047,309
Trade payables	18	**527,833**	477,089
Other payables and accruals	19	**1,819,065**	1,507,999
Derivative financial instruments	16	**365**	47,165
Contract liabilities		**1,070,649**	834,858
Lease liabilities		**137,055**	149,508
Tax payable		**89,294**	160,078
Total current liabilities		**4,977,747**	4,224,006
NET CURRENT ASSETS		**2,615,394**	3,384,174
TOTAL ASSETS LESS CURRENT LIABILITIES		**20,219,262**	19,703,393

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	Notes	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	17	**4,209,326**	4,377,368
Deferred tax liabilities		**324,614**	291,867
Deferred income		**415,078**	409,978
Lease liabilities		**401,189**	401,307
Total non-current liabilities		**5,350,207**	5,480,520
NET ASSETS		**14,869,055**	14,222,873
EQUITY			
Share capital	20	**1,778,196**	1,778,196
Treasury shares		**(304,892)**	(416,271)
Reserves		**12,792,647**	12,257,410
Equity attributable to owners of the parent		**14,265,951**	13,619,335
Non-controlling interests		**603,104**	603,538
Total equity		**14,869,055**	14,222,873

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2025

	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	Exchange fluctuation reserve* RMB'000	Cash flow hedge reserve* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at January 1, 2025	1,778,196	(416,271)	4,742,476	203,538	62,210	814,215	10,032	(17,789)	6,442,728	13,619,335	603,538	14,222,873
Profit/(loss) for the period (unaudited)	–	–	–	–	–	–	–	–	701,396	701,396	(48,766)	652,630
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 (loss)/ income for the period (unaudited)	–	–	–	–	–	–	257,631	18,427	701,396	977,454	(37,474)	939,980
Repurchase of H Shares (unaudited)	–	(6,713)	–	–	–	–	–	–	–	(6,713)	–	(6,713)
H Share RSU granted	–	118,092	(24,831)	(93,261)	–	–	–	–	–	–	–	–
Acquisition of a subsidiary (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	267,663	638	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 interim consolidated statements of financial position as at June 30, 2025.

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	Attributable to owners of the parent												
	Share capital (note 21) RMB'000	Treasury shares RMB'000	Equity component of Convertible Bonds RMB'000	Share premium* RMB'000	Share-based payment reserve* (note 21) RMB'000	Capital reserve* RMB'000	Statutory reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Cash flow hedge reserve* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at January 1, 2024	1,787,394	(463,453)	198,554	4,911,831	250,143	59,602	613,042	(25,067)	20,238	5,204,513	12,556,797	681,249	13,238,046
Profit/(loss) for the period (unaudited)	–	–	–	–	–	–	–	–	–	1,113,403	1,113,403	(30,457)	1,082,946
Cash flow hedge, net of tax (unaudited)	–	–	–	–	–	–	–	–	(44,034)	–	(44,034)	–	(44,034)
Exchange differences on translation of foreign operations (unaudited)	–	–	–	–	–	–	–	6,525	–	–	6,525	4,980	11,505
Total comprehensive (loss)/income for the period (unaudited)	–	–	–	–	–	–	–	6,525	(44,034)	1,113,403	1,075,894	(25,477)	1,050,417
Repurchase of convertible bonds (unaudited)	–	–	(198,554)	11,650	–	–	–	–	–	–	(186,904)	–	(186,904)
H RSU granted (unaudited)	–	135,604	–	(37,921)	(97,923)	–	–	–	–	–	(240)	–	(240)
Repurchase of A shares (unaudited)	–	(151,122)	–	–	–	–	–	–	–	–	(151,122)	–	(151,122)
Dividends declared (unaudited)	–	–	–	–	–	–	–	–	–	(353,963)	(353,963)	–	(353,963)
Recognition of share-based payments (unaudited)	–	–	–	–	72,402	–	–	–	–	–	72,402	3,003	75,405
As at June 30, 2024 (unaudited)	1,787,394	(478,971)	–	4,885,560	224,622	59,602	613,042	(18,542)	(23,796)	5,963,953	13,012,864	658,775	13,671,639

* These reserve accounts comprise the consolidated reserves of RMB11,704,441,000 in the interim condensed interim consolidated statements of financial position as at June 30, 2024.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025

	Notes	Six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Cash flows from operating activities			
Profit before tax		**812,756**	1,226,851
Adjustments for:			
– Depreciation of property, plant and equipment	6	**503,117**	442,718
– Depreciation of right-of-use assets	6	**82,101**	93,211
– Amortisation of other intangible assets	6	**24,208**	18,884
– Impairment losses/(gains) on inventories, net of reversal	6	**263**	(747)
– Impairment losses on financial and contract assets, net of reversal	6	**37,143**	22,940
– Gains on financial assets at amortised cost	5	**–**	(1,583)
– Gains on disposal of right-of-use assets	5	**(26)**	(8,723)
– Gains on financial assets at fair value through profit or loss	5	**(16,134)**	(9,644)
– Losses on derivative financial instruments	5	**28**	–
– Losses/(gain) on fair value change of equity investments at fair value through profit or loss	5	**(33,048)**	1,309
– Gains on disposal of equity investment at fair value through profit or loss	5	**–**	(562,692)
– Gains on repurchase of convertible bonds	5	**–**	(89,239)
– Losses on fair value change of biological assets	5	**13,277**	–
– Losses on disposal of property, plant and equipment	5	**3,388**	29,502
– Finance costs		**94,171**	138,254
– Foreign exchange losses/(gains)		**28,467**	(46,490)
– Interest income from time deposits with original maturity of more than three months when acquired		**(7,595)**	(1,129)
– Share of losses of associates		**32,657**	30,307
– Share-based compensation expenses	6	**29,459**	75,405
		1,604,232	1,359,134

	Notes	Six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Increase in inventories		**(58,433)**	(119,488)
Decrease in biological assets		**23,601**	35,504
Increase in contract costs		**(156,635)**	(90,191)
Decrease/(increase) in trade receivables		**(173,054)**	40,747
Decrease in prepayments, other receivables and other assets		**53,538**	91,073
Decrease/(increase) in contract assets		**26,319**	(33,774)
Decrease/(increase) in other non-current assets		**(3,258)**	6,263
Increase in trade payables		**50,662**	90,822
Decrease in accruals and other payables		**(16,653)**	(99,418)
Increase in deferred income		**5,099**	56,103
Increase/(decrease) in contract liabilities		**235,586**	(6,855)
Cash flows generated from operations		**1,591,004**	1,329,920
Income tax paid		**(182,727)**	(230,185)
Net cash flows generated from operating activities		**1,408,277**	1,099,735
Cash flows from investing activities			
Purchases of property, plant and equipment		**(1,146,486)**	(930,683)
Proceeds from disposal of property, plant and equipment		**386**	267
Proceeds from disposal of financial assets at fair value through profit or loss		**1,890,259**	1,476,305
Additions of other intangible assets		**(7,661)**	(19,529)
Purchase of equity investments at fair value through profit or loss		**(197,436)**	(2,619)
Net cash flow on acquisition of a subsidiary		**(150,753)**	–
Proceeds from disposal of equity investments at fair value through profit or loss		**–**	612,270
Proceeds from disposal of financial assets at amortised cost		**–**	145,917
Settlement of derivative financial instrument		**4,210**	–
Purchase of financial assets at fair value through profit or loss		**(2,034,013)**	(1,374,004)
Proceeds from disposal of time deposits with original maturity of more than three months when acquired		**7,595**	1,429
Capital injection in associates		**(103,427)**	(40,000)
Net cash flows used in investing activities		**(1,737,326)**	(130,647)

	Notes	Six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Cash flows from financing activities			
Interest on bank loans paid		**(82,973)**	(94,393)
Proceeds from bank loans		**450,433**	222,185
Repayments of bank loans		**(354,715)**	(96,349)
Payments of lease liabilities		**(103,453)**	(101,851)
Repurchase of A shares under share option scheme		**–**	(151,122)
Repurchase of H shares under share option scheme		**(6,714)**	–
Repurchase of convertible bonds		**–**	(4,136,384)
Dividends paid to shareholders		**(3,610)**	(295,112)
Net cash flows used in financing activities		**(101,032)**	(4,653,026)
Net decrease in cash and cash equivalents		**(430,081)**	(3,683,938)
Cash and cash equivalents at beginning of period		**1,622,962**	5,789,115
Effect of foreign exchange rate changes, net		**15,192**	57,634
Cash and cash equivalents at end of period		**1,208,073**	2,162,811

1. GENERAL INFORMATION

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

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

2.1 BASIS OF PREPARATION

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

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

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, 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21	*Lack of Exchangeability*

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

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

3. OPERATING SEGMENT INFORMATION

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

- The laboratory services segment includes laboratory chemistry (including medicinal chemistry, synthetic chemistry, analytical and purification chemistry, and computer-aided drug design (CADD)) and bioscience services (including in vitro and in vivo DMPK/ADME, in vitro biology and in vivo pharmacology, safety assessment and U.S. laboratory services)
- The CMC (small molecule CDMO) services segment includes process development and manufacturing, materials science/pre-formulation, formulation development and manufacturing, and analytical development services
- The clinical development services segment includes overseas clinical development services (including radiolabelled science services and early stage clinical trial services) and domestic clinical development services (including clinical research services and site management services)
- The Biologics and CGT services segment includes biologics discovery, development and manufacturing services (CDMO), CGT lab and Gene therapy CDMO services
- The "Others" segment

Segment revenue and results

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

Six months ended June 30, 2025 (unaudited)	Laboratory services RMB'000	CMC (small molecule CDMO) services RMB'000	Clinical development services RMB'000	Biologics and CGT services RMB'000	Others RMB'000	Total RMB'000
Segment revenue	3,892,461	1,389,707	939,327	211,477	7,979	6,440,951
Segment results	1,747,811	419,920	115,767	(115,743)	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

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

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

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,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
North America	**4,072,640**	3,668,223
Europe	**1,234,167**	945,577
Mainland China	**973,047**	842,603
Asia (except Mainland China)	**135,344**	126,009
Others	**25,753**	22,051
Total	**6,440,951**	5,604,463

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

(b) Non-current assets

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

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

4. REVENUE

An analysis of revenue is as follows:

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

Revenue from contracts with customers

(a) Disaggregated revenue information

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

(b) Performance obligations

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

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

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

5. OTHER INCOME AND GAINS AND OTHER EXPENSES

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

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

6. PROFIT BEFORE TAX (CONTINUED)

* 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,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Current tax	**177,788**	221,833
Deferred tax	**(17,662)**	(77,928)
Total	**160,126**	143,905

8. DIVIDENDS

On June 20, 2025, the Company's shareholders approved the 2024 Profit Distribution at annual general meeting as a final dividend of RMB0.20 (inclusive of tax) per share in respect of the year ended December 31, 2024 was declared to both holders of A shares and H shares and aggregate dividend amounted to RMB 352,662,000 (inclusive of tax), excluding the dividend amount in the trust account relating to the First H Share Award and Trust Scheme. As of the date of this 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, 2024: 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,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Earnings:		
Profit attributable to ordinary equity holders of the parent	**701,396**	1,113,403
Number of shares:		
Weighted average number of ordinary shares in issue during the period, used in the basic earnings per share calculation	**1,760,451,917**	1,772,440,504
Effect of diluted potential ordinary shares:		
Effective of restricted shares units and share awards issued by the Company	**2,937,152**	3,051,679
Weighted average number of ordinary shares in issue during the period, used in the diluted earnings per share calculation	**1,763,389,069**	1,775,492,183

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2025, the Group acquired assets with a cost of RMB902,511,000 (Six months ended June 30, 2024: RMB1,127,471,000), and disposed of assets with a net carrying amount of RMB1,086,000 (Six months ended June 30, 2024: RMB1,154,000).

11. GOODWILL

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Cost	**3,063,827**	2,833,883
Accumulated impairment	**(79,219)**	(73,147)
Net carrying amount	**2,984,608**	2,760,736
Opening carrying amount, net of accumulated impairment	**2,760,736**	2,780,918
Acquisition of a subsidiary (note 22)	**146,815**	32,905
Impairment losses of goodwill	**–**	(73,539)
Exchange realignment	**77,057**	20,452
Total	**2,984,608**	2,760,736

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

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

13. CONTRACT ASSETS

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Contract assets	**441,601**	468,063
Allowance for impairment	**(9,955)**	(10,252)
Total	**431,646**	457,811

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Financial assets at amortised cost	**675,447**	257,274
Prepayments	**21,839**	13,542
Deposits and other receivables	**40,373**	49,620
Prepaid expenses	**138,977**	115,844
Tax recoverable	**238,216**	342,330
Others	**26,198**	31,221
Total	**1,141,050**	809,831

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 January 1, 2025 (audited)	175,001	418,282	593,283
Breeding costs	–	33,742	33,742
Purchases	–	29,301	29,301
Gains/(losses) arising from changes in fair value less costs to sell of biological assets	(13,031)	(245)	(13,276)
Transfer	(277)	277	–
Decrease due to disposal	(4,262)	(3,922)	(8,184)
Decrease due to sales	–	(19,377)	(19,377)
Decrease due to experiments	–	(63,622)	(63,622)
At June 30, 2025 (unaudited)	157,431	394,436	551,867

At June 30, 2025, no biological assets of the Group were pledged.

15. BIOLOGICAL ASSETS (CONTINUED)

(b) Fair value of biological assets (continued)

Analysed for reporting purposes as:

	June 30, 2025 RMB'000 (unaudited)
Current	394,436
Non-current	157,431
Total	551,867

16. DERIVATIVE FINANCIAL INSTRUMENTS

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Current assets		
Derivatives under hedge accounting		
Cash flow hedges – Foreign currency forward contracts	1,115	5,063
Current liabilities		
Derivatives under hedge accounting		
Cash flow hedges – Foreign currency forward contracts	365	47,165

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 contract 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 purchases 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, 2025	
Foreign currency risk	
– Foreign currency forward contracts	20,000
Average forward rates (USD to RMB)	7.1533

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

	Notional amount USD'000	Carrying amount RMB'000 Assets	Liabilities	Line item in the statement of financial position
As at June 30, 2025				
Foreign currency risk				
– Foreign currency forward contracts	20,000	1,115	365	Derivative financial instruments assets/liabilities

	Cash flow hedge reserve RMB'000
As at June 30, 2025	
Foreign currency risk	
– Foreign currency forward contracts	638

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 gain/(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, 2025				
Foreign currency risk				
– Foreign currency forward contracts	28,618	(4,293)	24,325	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, 2025				
Foreign currency risk				
– Foreign currency forward contracts	8,461	(1,269)	7,192	Revenue
Foreign currency risk				
– Foreign currency forward contracts	(1,522)	228	(1,294)	Other Expenses

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	June 30, 2025			December 31, 2024		
	Effective interest rate (%)	Maturity	RMB'000 (unaudited)	Effective interest rate (%)	Maturity	RMB'000 (audited)
Current						
Bank loans – unsecured	1.8500-3.0000	2026	1,333,486	1.7000-3.0000	2025	1,047,309
Subtotal			1,333,486			1,047,309
Non-current						
Bank loans – secured (a)	2.3500-3.5300	2026-2032	643,160	2.4500-3.5300	2026-2032	732,832
Bank loans – unsecured	3.3500	2026-2032	3,566,166	3.3500	2026-2032	3,644,536
Subtotal			4,209,326			4,377,368
Total			5,542,812			5,424,677

Analysed into:

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Bank loans repayable:		
Within one year	1,333,486	1,047,309
In the second year	3,231,348	3,379,020
In the third to fifth years, inclusive	597,151	574,771
Beyond five years	380,827	423,577
Total	5,542,812	5,424,677

(a) As at June 30, 2025, the bank loans with the amount of RMB643,160,000 (December 31, 2024: RMB732,832,000) are secured by certain of the Group's long-term assets (property, plant and equipment and right-of-use assets).

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:

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

19. OTHER PAYABLES AND ACCRUALS

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Staff payroll and welfare payables	711,740	753,135
Payables for acquisition of plant and equipment	541,280	525,883
Accrued expenses	105,812	107,922
Dividend payable	349,052	–
Other tax payable	51,607	58,974
Payable for acquisition of equity interests in a subsidiary	14,758	14,758
Others	44,816	47,327
Total	1,819,065	1,507,999

20. SHARE CAPITAL

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

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

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

21. SHARE OPTION SCHEME

2021 Pharmaron A Share Incentive Scheme

On July 12, 2021, the shareholders' meeting of the Company passed a resolution to issue up to 774,200 A Shares of the Company under the 2021 Pharmaron A Share Incentive Scheme consisting of Restricted A shares and share options. On July 27, 2021, 774,200 restricted A shares of the Company were approved to be granted to eligible employees at the price of RMB70.17 per A Share and the grant date was July 27, 2021. These granted restricted A Shares have a contractual term of no more than five years and will be unlocked over a four-year period, with 25%, 25%, 25% and 25% of the awards unlocking on the first, second, third and fourth anniversary dates of the A Share registration date, respectively, upon meeting certain annual performance conditions. Pursuant to the black-out period provisions of the 2021 Pharmaron A Share Incentive Scheme, employees shall not transfer the A Shares which fulfil the unlocking conditions to any third party in any form within six months from each unlocking anniversary date.

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

For the six months ended June 30, 2025, the Group has recorded share-based compensation expenses of RMB2,323,000 (Six months ended June 30, 2024: RMB5,513,000) in relation to the 2021 Pharmaron A Share Incentive Scheme.

2022 Pharmaron A Share Incentive Scheme

On May 31, 2022, the Shareholders have resolved to adopt the 2022 Pharmaron 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 2023 Profit Distribution and pursuant to the Management Measures for Share Incentives of Listed Companies and the 2022 A Share Incentive Scheme, on August 27, 2024, the Board has resolved to adjust the grant price of Restricted A Shares granted under the 2022 A Share Incentive Scheme from RMB25.55 per A Share to RMB25.35 per A Share.

For the six months ended June 30, 2025, the Group has recorded share-based compensation expenses of RMB5,277,000 (Six months ended June 30, 2024: RMB11,884,000) in relation to the 2022 Pharmaron A Share Incentive Scheme.

21. SHARE OPTION SCHEME (CONTINUED)

2023 Pharmaron A Share Incentive Scheme

On July 7, 2023, the Shareholders have resolved to adopt the 2023 Pharmaron 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.

For the six months ended June 30, 2025, the Group has recorded share-based compensation expenses of RMB1,241,000 (Six months ended June 30, 2024: nil) in relation to the 2023 Pharmaron A Share Incentive Scheme.

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 share-based compensation expenses of RMB454,000 during the six months ended June 30, 2025 (Six months ended June 30, 2024: RMB2,163,000).

The First H Share Award and Trust Scheme

The Company adopted an H share award and trust scheme (the "H Share Scheme"), comprising of the Employee Share Award Plan (the "ESAP") and the Share Bonus Plan, 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, or consultant, who is a full-time PRC or non-PRC employee of any members of the Group. The awards under the ESAP shall be vested over a four-year period, with 25%, 25%, 25% and 25% of total options vesting on each anniversary date after the vesting commencement date, respectfully, upon meeting certain sales performance conditions. Awards under the Share Bonus Plan shall be vested in two equal tranches (i.e., 50% and 50% on each anniversary date after the vesting commence date, respectfully, upon meeting certain profit performance conditions). The H Share Scheme was approved in the 2020 third extraordinary general meeting ("EGM") of the Company on December 11, 2020 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. On June 20, 2025, the Share Bonus Plan was cancelled by the Company.

On June 20, 2025, The Company held the Annual General Meeting of 2024 and approved the Amendment to the existing First H Share Award and Trust Scheme. The upper limit of the Scheme was increased from 17,865,000 shares to 35,563,910 shares. As of June 30, 2025, the number of H Share Scheme that had not yet been granted was 21,160,485 shares.

21. SHARE OPTION SCHEME (CONTINUED)

The First H Share Award and Trust Scheme (continued)

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

(1) On December 14, 2020, the 2020 First Grant of the H Share Scheme was approved by the management committee to grant 81 eligible participants 776,100 H shares, and the grant date was December 14, 2020. 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, respectfully, upon meeting certain vesting conditions. For the six months ended June 30, 2025, the Group wrote off share-based compensation expenses of RMB985,000 (Six months ended June 30, 2024: RMB2,211,000) in relation to the 2020 First Grant.

(2) 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 Share Capital Conversion, 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, respectfully, upon meeting certain vesting conditions. For the six months ended June 30, 2025, the Group wrote off share-based compensation expenses of RMB322,000 (Six months ended June 30, 2024: recorded RMB3,324,000) in relation to the 2022 First Grant Plan.

(3) 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 Share Capital Conversion, 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, respectfully, upon meeting certain vesting conditions. For the six months ended June 30, 2025, the Group recorded share-based compensation expenses of RMB19,452,000 (Six months ended June 30, 2024: RMB41,261,000) in relation to the 2022 Second Grant.

(4) On Aug 29, 2023, the management committee of the H Share Scheme has further resolved to grant awards of a total of 1,942,071 H Shares to 121 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, respectfully, upon meeting certain vesting conditions. For the six months ended June 30, 2025, the Group recorded share-based compensation expenses of RMB2,019,000 in relation to the 2023 First Grant.

22. BUSINESS COMBINATIONS

On February 25, 2025, Beijing Kangsida Health Management Co., Ltd., a subsidiary of the Company, acquired 51.39% equity interest of Zhejiang Aistarfish Technology Co., Ltd. for a cash consideration of RMB184,996,000 and Zhejiang Aistarfish Technology Co., Ltd. became a subsidiary of the Group. Zhejiang Aistarfish Technology Co., Ltd. is a leading enterprise in the field of digital cancer patient management in China, possessing a proprietary digital and AI technology platform with independently developed intellectual property rights. The purchase consideration was in the form of cash with RMB184,996,000. As at June 30, 2025, all amounts have been paid.

The fair values of the identifiable assets and liabilities of Zhejiang Aistarfish Technology Co., Ltd. as at the date of acquisition were as follows:

	Note	Fair value recognised on acquisition RMB'000
Property, plant and equipment		418
Right-of-use assets		1
Other intangible assets		89,628
Inventories		1,171
Prepayments, other receivables and other assets		1,930
Cash and cash equivalents		34,243
Trade receivables		3,893
Interest-bearing bank borrowings		(11,331)
Trade payables		(80)
Contract liabilities		(205)
Other payables and accruals		(32,119)
Deferred tax liabilities		(13,250)
Total identifiable net assets at fair value		74,299
Non-controlling interests		(36,118)
Goodwill on acquisition	22	146,815
Satisfied by cash		184,996

22. BUSINESS COMBINATIONS (CONTINUED)

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration	(184,996)
Cash and cash equivalents acquired	34,243
Net outflow of cash and cash equivalents included in cash flows used in investment activities	(150,753)

Since the acquisition, Zhejiang Aistarfish Technology Co., Ltd. contributed RMB6,927,000 to the Group's revenue and caused a loss of RMB13,556,000 to the consolidated profit of the Group for the six months ended June 30, 2025.

Had the combination taken place at the beginning of the six months ended June 30, 2025, the revenue of the Group and the profit of the Group for the six months ended June 30, 2025 would have been RMB6,444,656,000 and RMB809,264,000 respectively.

23. COMMITMENTS

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

	June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)
Property, plant and equipment	1,135,137	1,089,215
Capital contributions payable to associates	264,597	253,330
Total	1,399,734	1,342,545

24. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the six months ended June 30, 2025 and 2024, respectively:

(a) Transactions with related parties:

		Six months ended June 30,	
		2025	2024
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Entities controlled by the close family members of the directors			
Provision of pharmaceutical R&D service	(i)	**386**	408
Rental cost	(ii)	**1,250**	1,250
Purchase of raw materials		**268**	–
Sewage treatment fee		**159**	–
Property management fee		**129**	–
Entities in which the directors act as key management personnel			
Provision of pharmaceutical R&D service	(i)	**20,898**	24,841
Sale of products	(iii)	**–**	5
Rental income	(iv)	**59**	59

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 cost from related parties was an office rent from Ningbo Kanghui Technology Development Co., Ltd..

(iii) The sales to related parties were made according to the published prices and conditions similar to those offered to the major suppliers of the customers.

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

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

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Salaries and other benefits	**6,247**	6,346

24. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Outstanding balance with related parties:

As at June 30, 2025, the Group had the outstanding balance with related parties included in contract assets and liabilities amounting to RMB12,117,000 (December 31, 2024: RMB5,553,000) and RMB2,233,000 (December 31, 2024: RMB1,994,000), respectively.

Details of the Group's trade receivables and payables with its related parties as at June 30, 2025 and December 31, 2024 are disclosed in notes 12 and 18 to the financial information.

25. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at June 30, 2025 and December 31, 2024 are as follows:

June 30, 2025		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	–	466,887	–	466,887
Financial assets included in other non-current assets	63,511	–	–	63,511
Trade and bills receivables	2,552,632	–	–	2,552,632
Financial assets included in prepayments, other receivables and other assets	715,820	–	–	715,820
Financial assets at fair value through profit or loss	–	–	859,820	859,820
Derivative financial instruments	–	–	1,115	1,115
Pledged deposits	92,887	–	–	92,887
Cash and cash equivalents	1,208,842	–	–	1,208,842
Total	4,633,692	466,887	860,935	5,961,514

25. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at June 30, 2025 and December 31, 2024 are as follows: (continued)

Financial liabilities	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	–	5,542,812	5,542,812
Trade payables	–	527,833	527,833
Financial liabilities included in other payables and accruals	–	1,030,748	1,030,748
Derivative financial instruments	365	–	365
Total	365	7,101,393	7,101,758

December 31, 2024		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	–	234,059	–	234,059
Financial assets at fair value through profit or loss	–	–	1,115,265	1,115,265
Trade and bills receivable	2,413,629	–	–	2,413,629
Derivative financial instruments	–	–	5,063	5,063
Financial assets included in other non-current assets	60,252	–	–	60,252
Financial assets included in prepayments, other receivables and other assets	306,894	–	–	306,894
Pledged deposits	66,844	–	–	66,844
Cash and cash equivalents	1,623,072	–	–	1,623,072
Total	4,470,691	234,059	1,120,328	5,825,078

25. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at June 30, 2025 and December 31, 2024 are as follows: (continued)

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	–	477,089	477,089
Financial liabilities included in other payables and accruals	–	667,568	667,568
Interest-bearing bank borrowings	–	5,424,677	5,424,677
Derivative financial instruments	47,165	–	47,165
Total	47,165	6,569,334	6,616,499

26. 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.

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

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 in Mainland China. 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 forward currency contracts and are measured using valuation techniques similar to forward pricing, using present value calculations. The models incorporate various market unobservable inputs.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at June 30, 2025 and December 31, 2024:

	Valuation technique	Significant unobservable inputs (level 3)	Sensitivity of fair value to the input
Equity investments at fair value through profit or loss	Valuation multiples	Average EV/R&D multiple of peers	The higher the multiples, the higher the fair value
Fund investment at fair value through profit or loss – unlisted	Net Asset value of underlying investment	Net Asset value	The higher the net asset value, the higher the fair value

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

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	Significant observable inputs (level 2) RMB'000	Significant unobservable inputs (level 3) RMB'000	Total RMB'000
As at June 30, 2025				
Equity investments at fair value through profit or loss	–	–	466,887	466,887
Derivative financial instruments (assets)	–	1,115	–	1,115
Financial assets at fair value through profit or loss	–	859,820	–	859,820
Total	–	860,935	466,887	1,327,822
As at December 31, 2024				
Equity investments at fair value through profit or loss	–	–	234,059	234,059
Derivative financial instruments (assets)	–	5,063	–	5,063
Financial assets at fair value through profit or loss	–	1,115,265	–	1,115,265
Total	–	1,120,328	234,059	1,354,387

Details of the reconciliation of equity investments at fair value through profit or loss measured at Level 3 fair value measurement are as follows:

Equity investments at fair value through profit or loss – unlisted	As at June 30, 2025 RMB'000	As at December 31, 2024 RMB'000
At January 1	234,059	282,032
Purchase	197,436	5,108
Transferred out	–	(51,753)
Gains/(losses) arising from changes in fair value	33,048	(1,576)
Exchange realignment	2,344	248
Total	466,887	234,059

26. 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	Significant observable inputs (level 2) RMB'000	Significant unobservable inputs (level 3) RMB'000	Total RMB'000
As at June 30, 2025				
Derivative financial instruments (liabilities)	–	365	–	365

	Significant Observable inputs (level 1) RMB'000	Significant observable inputs (level 2) RMB'000	Significant unobservable inputs (level 3) RMB'000	Total RMB'000
As at December 31, 2024				
Derivative financial instruments (liabilities)	–	47,165	–	47,165

27. EVENTS AFTER THE REPORTING PERIOD

On July 2, 2025, under First H Share Award and Trust Scheme, the Company granted a total of 5,396,470 H Shares pursuant to the 2025 First H Shares Employee Share Awards grant to 546 eligible employees, 2,103,398 H Shares pursuant to the 2025 Second H Shares Employee Share Awards grant to 241 eligible employees, and 3,217,500 H Shares pursuant to the 2025 Third H Shares Employee Share Awards grant to 25 eligible employees, respectively. The H shares granted under 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 during the period from the first trading date after each anniversary date to the last trading dates by the next anniversary date upon meeting certain performance targets. The H shares granted under the Second H Shares Employee Share Awards shall be vested over a two-year period, with 50% and 50% of total shares vesting during the period from the first trading date after each anniversary date to the last trading dates by the next anniversary date upon meeting certain performance targets. The H shares granted under the 2025 Third H Shares Employee Share Awards shall be vested during the period from the first trading date after the anniversary date to the last trading dates by the next anniversary date upon meeting certain performance targets.

"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 the 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 the 2022 Capitalization of Reserve
"2023 A Share Incentive Scheme"	the 2023 Restricted A Share Incentive Scheme of the Company
"2023 Profit Distribution"	the distribution of the final dividends in respect of the year ended December 31, 2023, which was approved by the Shareholders at the 2023 annual general meeting of the Company held on June 6, 2024
"2024 Profit Distribution"	the distribution of the final dividends in respect of the year ended December 31, 2024, which was approved by the Shareholders at the 2024 annual general meeting of the Company held on June 20, 2025
"2025 H Share Award and Trust Scheme"	The 2025 H Share Award and Trust Scheme of the Company
"ADC"	Antibody-drug Conjugate
"Aistarfish Technology"	Zhejiang Aistarfish Technology Co., Ltd. (浙江海心智惠科技有限公司), a limited liability company incorporated in PRC on January 26, 2018, which is held as to 51.39% by Beijing Kangsida Health Management Co., Ltd., a holding subsidiary of the Company
"AMS"	accelerator mass spectrometry

"Antibodies"	An immunoglobulin that specifically binds to a corresponding antigen
"API"	Active Pharmaceutical Ingredient, the component of a drug product that is intended to furnish pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment, or prevention of disease, or to affect the structure or any function of the body
"A Share(s)"	domestic shares of our Company, with a nominal value of RMB1.00 each, which are listed for trading on the Shenzhen Stock Exchange and traded in RMB
"ASO"	antisense oligonucleotides, a class of artificially synthesized short-chain nucleic acid molecules. They are nucleic acid fragments complementary to a certain segment of the target gene or mRNA. They can bind to the target gene/mRNA through the principle of base complementarity, thus blocking gene expression and playing an important role in drug research and development and gene therapy
"Audit Committee"	the audit committee of the Board
"Bioanalysis"	A sub-discipline of analytical sciences covering the quantitative analysis of xenobiotics (drugs, their metabolites, and biomolecules at unusual locations or concentrations) and biotoxins (macromolecules, proteins, DNA, biologics, metabolites) in biological systems
"Bioconjugation"	a chemical method that involves creating a stable link, typically covalent, between two molecules, at least one of which is of biological origin or a derivative of a biomolecule. This technology is widely used in fields such as drug development, biomedical research, and clinical diagnosis
"Biological testing"	an experimental method for detecting and evaluating the biological activity, toxicity, safety, or function of substances, drugs, and chemicals through biological systems (such as cells, microorganisms, tissues, animal models, or human samples). Its core goal is to use biological reactions to quantitatively or qualitatively analyze the mechanism of action, efficacy, and potential risks of the test substance, and it is widely used in drug research and development, environmental monitoring, clinical diagnosis, and basic scientific research
"Board"	the board of Directors of the Company
"Campus II in Beijing"	Located in Beijing Economic and Technological Development Zone, Beijing, it is mainly engaged in laboratory services
"Campus II in Ningbo"	Located in Qianwan New District, Ningbo, Zhejiang Province, it is mainly engaged in the development and production services of biologics

"Campus in Xi'an"	Located in Xixian New District, Shanxi Province, it is mainly engaged in laboratory services
"CDMO"	contract development and manufacturing organization(s), a CMO that, in addition to comprehensive drug manufacturing services, also provide process development and other drug development services in connection with its manufacturing services
"Clinical research"	The clinical research of innovative drugs is divided into four stages from I to IV. The work involves the whole process of clinical trial, including the preparation before the trial, the selection of clinical trial research institutions and investigators, assisting the sponsor to prepare for the deliberation of the ethics committee, and working with the sponsor and investigators to design and implement the clinical trial protocol
"CMC"	chemistry, manufacturing and controls
"Company" or "Pharmaron"	Pharmaron Beijing Co., Ltd. (康龍化成(北京)新藥技術股份有限公司), a joint stock limited company incorporated under the laws of the PRC on July 1, 2004, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300759) and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3759)
"Commercialization"	The stage of drug development when a new drug is approved and marketed
"Convertible Bonds"	the (i) US$300.0 million zero coupon convertible bonds due 2026 (debt stock code: 40725) and the (ii) RMB1,916.0 million zero coupon US$-settled convertible bonds due 2026 (debt stock code: 40733) issued by the Company on June 18, 2021, which had been fully redeemed, canceled and were withdrawn from listing on the Stock Exchange on July 11, 2024 and June 26, 2024, respectively
"CRO"	Contract Research Organization
"Directors"	directors of the Company
"DMPK/ADME"	drug metabolism and pharmacokinetics/Absorption, Distribution, Metabolism and Excretion
"DNA"	a molecule that carries most of the genetic instructions used in the development, functioning and reproduction of all known living organisms and many viruses
"EMA"	European Medicines Agency, an EU agency for the evaluation of medicinal products
"Enzyme catalysis"	the chemical reaction process mediated by enzymes as catalysts
"ESG"	Environmental, Social and Governance

"FDA"	the Food and Drug Administration of the U.S.
"FIH"	first-in-human
"First H Share Award and Trust Scheme"	The First H Share Award and Trust Scheme of the Company
"GCP"	Good Clinical Practice
"GLP"	Good Laboratory Practice
"GMP"	Good Manufacturing Practice
"Group", "we", "our" or "us"	the Company and its subsidiaries
"High Potency Compounds"	compounds with high pharmacological activity that can produce significant biological effects at extremely low doses
"H Share(s)"	overseas-listed foreign shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are listed for trading on the Hong Kong Stock Exchange and traded in HK dollars
"H Shareholder(s)"	holder(s) of H Share(s)
"IND"	Investigational new drug
"Linkers"	A component of an ADC that links antibodies to toxic molecules
"Listing Rules"	the Rules Governing the Listing of Securities of the Stock Exchange
"Management Committee"	the management committee of the First H Share Award and Trust Scheme to which the Board has delegated its authority to administer the First H Share Award and Trust Scheme
"Management Measures"	the Management Measures for Share Incentives of Listed Companies
"Molecular glue"	a class of small molecule compounds that can induce protein-protein interactions
"Model Code"	the Model Code for Securities Transactions by Directors of the Listing Issuers
"N/A"	Not appliable
"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
"Pharmacology"	It is an experimental content to study the activity, biological effect and efficacy of drugs, as well as the relationship between bioavailability, tissue distribution and efficacy through in vitro tests and animal tests, and to explore the mechanism and target of drug action, so as to carry out pharmacodynamic evaluation and pharmacological research
"Pharmacovigilance"	Scientific research and activities related to the detection, evaluation, understanding and prevention of adverse reactions or any other problems that may be related to drugs
"PharmaGend"	PharmaGend Global Medical Services Pte. Ltd., a joint stock company of the Company, which is held as to 35% by the Company, formerly known as Rxilient Biohub Pte. Ltd.
"Pharmaron Clinical"	Pharmaron (Chengdu) Clinical Services Co., Ltd. (康龍化成(成都)臨床研究服務有限公司), a company incorporated in PRC on May 27, 2021, which is held as to 81.5759% by the Company
"Pharmaron Ningbo Tech"	Pharmaron (Ningbo) Technology Development Co., Ltd. (康龍化成(寧波)科技發展有限公司), a company incorporated in PRC on January 12, 2015 , which is held as to 88.64% by the Company
"Pharmaron Xi'an Tech"	Pharmaron (Xi'an) Technology Development Co., Ltd. (康龍化成(西安)科技發展有限公司), a company incorporated in PRC on September 28, 2021, which is held as to 100% by the Company
"Pharmaron UK"	Pharmaron UK Limited, formerly known as Quotient Bioresearch Group Limited, a company incorporated in the U.K. on October 30, 2013, which is held as to 100% by Pharmaron HK International, our wholly-owned subsidiary
"Preclinical"	Of or relating to the preclinical stage of drug research
"PROTAC"	Proteolysis-Targeting Chimera, a heterobifunctional molecule composed of two ligands connected by a Linker. One ligand can bind to the target protein, and the other ligand can target the E3 ligase. It is an emerging therapeutic strategy and drug research and development technology
"PRC"	the People's Republic of China
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2025

"Restricted A Shares"	the restricted A Shares granted by our Company under the respective 2021 A Share Incentive Scheme, 2022 A Share Incentive Scheme and 2023 A Share Incentive Scheme
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	A Share(s) and H Share(s)
"Shareholder(s)"	the holder(s) of the Share(s)
"Shanghai Jiying"	Shanghai Jiying Intelligent Technology Co., Ltd. (上海機穎智慧科技有限公司), a limited liability company incorporated in PRC on March 28, 2018, which is held as to 78.5% by the Company
"Shenzhen Listing Rules"	the Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange
"siRNA"	Small interfering RNA, also known as short interfering RNA or silencing RNA. It is a class of double-stranded RNA molecules with a length of 20 – 25 base pairs and is a small molecule RNA that plays an important regulatory role in living organisms
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisors"	supervisors of the Company
"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
"U.K."	the United Kingdom
"U.S."	the United States
"US$" or "USD"	United States dollars, the lawful currency of the United States
"Warhead molecule"	the active ingredient in targeted therapeutic drugs that is responsible for exerting the main therapeutic effect
"%"	per cent.

康龙化成
PHARMARON

Pharmaron Beijing Co., Ltd.

6 Tai-He Road, Beijing Economic
Technological Development Area, Beijing, China
http://www.pharmaron.com
pharmaron@pharmaron.com