Tigermed

2025

中期報告

INTERIM REPORT

杭州泰格醫藥科技股份有限公司
Hangzhou Tigermed Consulting Co., Ltd.

Stock Code 股份代號：**3347**

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BOARD OF DIRECTORS

Executive Directors

Dr. Ye Xiaoping (葉小平) *(Chairman)*
Ms. Cao Xiaochun (曹曉春)
Mr. Wu Hao (吳灝)
Mr. Wen Zengyu (聞增玉)

Independent Non-executive Directors

Mr. Liu Kai Yu Kenneth (廖啟宇)
Mr. Yuan Huagang (袁華剛)
Ms. Liu Yuwen (劉毓文)

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Ms. Yung Mei Yee (翁美儀)

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Ms. Yung Mei Yee (翁美儀)

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Ms. Chen Zhimin (陳智敏)
Ms. Lou Wenqing (樓文卿)

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Mr. Wu Hao (吳灝)
Mr. Yuan Huagang (袁華剛)
Ms. Liu Yuwen (劉毓文)

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Mr. Yuan Huagang (袁華剛)
Ms. Liu Yuwen (劉毓文)

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COMPANY'S WEBSITE

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FINANCIAL HIGHLIGHTS

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2025, together with comparative figures for the six months ended June 30, 2024.

The Board also wishes to notify the Shareholders and potential investors of the Company that all financials of the Reporting Period and the Corresponding Period are prepared in accordance with CASBE except for those specifically noted otherwise.

	For the six months ended June 30,		
	2025	2024	Change[2]
	RMB million (Unaudited)	RMB million (Unaudited)	
Operating results			
Revenue	**3,250.4**	3,358.2	(3.2%)
Gross Profit	**978.0**	1,333.0	(26.6%)
Net profit attributable to the owners of the Company	**383.3**	492.8	(22.2%)
Net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss[1]	**210.7**	640.3	(67.1%)
Profitability			
Gross Profit Margin	**30.1%**	39.7%	(9.6%)
Margin of net profit attributable to the owners of the Company	**11.8%**	14.7%	(2.9%)
Margin of net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss[1]	**6.5%**	19.1%	(12.6%)
Earnings per share (RMB)			
– Basic	**0.45**	0.57	(21.1%)
– Diluted	**0.45**	0.57	(21.1%)

Notes:

(1) Non-CASBE measure. Please refer to "Non-CASBE Measure" for details.

(2) Changes in percentage points for ratios.

The Board resolved not to declare any interim dividend for the six months ended June 30, 2025 (June 30, 2024: nil).

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD

In the past few years, both domestic and international environments have undergone profound and complex transformations. Influenced by the interplay of the global macroeconomic cycle, the development cycle of biopharmaceutical industry, domestic economic, and industrial and policy cycles, the demand for R&D in the domestic biopharmaceutical industry has exhibited significant volatility. Some of our clients have experienced a notable shift in their risk appetite for biopharmaceutical R&D, while others, particularly those that have not yet achieved profitability and rely heavily on external financing, are encountering substantial cash flow pressures. These factors contribute to heightened competitive intensity and growth challenges within clinical research outsourcing services and related industries.

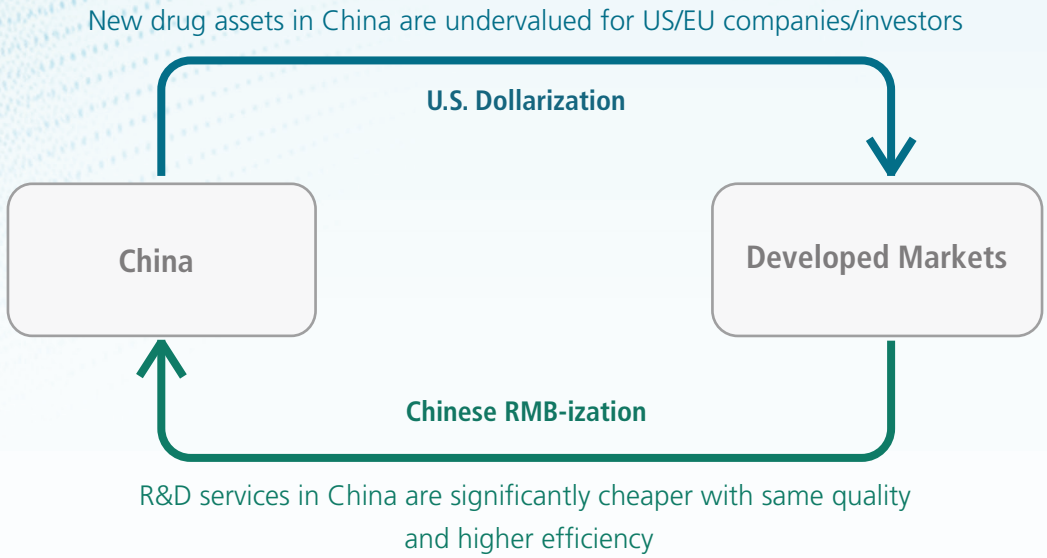
Since 2015, China's biopharmaceutical industry has experienced rapid growth. A decade ago, the industry was dominated by generic drugs, with innovative medicines almost entirely dependent on imports. Today, China's biopharmaceutical sector has transformed to be absolutely led by innovation, featuring a complete R&D and manufacturing industry chain and an innovation capacity that ranks among the global forefront. Against the backdrop of this rapid industry development, some earlier-stage R&D pipelines have become mismatched with the current phase of the industry, which has affected some of our clients. Of course, as China's biopharmaceutical industry advances to a globally leading level, more high-quality R&D projects have emerged that are in lockstep with, or even ahead of, global cutting-edge R&D progress. Such projects will become the norm in the future and are the key focus for our business development team's new order acquisition efforts.

As China's biopharmaceutical R&D capabilities have ascended to a world-leading level, which is driven by factors such as continuous optimization of regulatory policies, further improvement of the industry ecosystem, and the gradual recovery of the domestic economic cycle, the Chinese domestic biopharmaceutical industry's R&D innovation continues to achieve breakthroughs. The industry is welcoming numerous groundbreaking "innovation outputs," and the "going global" trend is becoming increasingly evident. This vitality is demonstrated by everything from the concentrated approval of multiple innovative drugs for market to the impressive clinical data presented by Chinese companies on top-tier international academic arenas.

In the first half of 2025, driven by a patient-centric and clinical value-oriented approach, China's innovative drug R&D remained active and its innovation capabilities were further upgraded. Both the quality and quantity of the innovative drug pipeline have ranked among the top in the world. In the first half of 2025, a total of 38 Class I new drugs were approved by NMPA, a record high for the same period. For the full year of 2024, 48 Class I new drugs were approved. During the same period, the Center for Drug Evaluation ("**CDE**") of NMPA announced 1,001 clinical trials for innovative drugs, compared to 1,858 clinical trials for innovative drugs for the full year of 2024. China is the highest contributor to the pipelines for the world's most popular cutting-edge new drug targets, with its pipeline share exceeding 50% for 18 of the top 20 targets. At the 2025 American Society of Clinical Oncology ("**ASCO**") Annual Meeting, 73 studies from China were selected for oral presentations, a 30% increase from 2024. In 2024, among Investigational New Drug ("**IND**") applications approved by the U.S. FDA, those from China accounted for over 50% and the number of new drugs in development in China has jumped to the second place globally.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

In previous Management Discussion and Analysis, we predicted that China's innovative drug assets would become core assets for global pricing and that their value would significantly rebound. As of the first half of 2025, our prediction is gradually becoming a reality. On the global map of pharmaceutical innovation, Chinese innovative drugs are becoming a powerful force that cannot be ignored. From a macro perspective, since the prices of Chinese innovative assets are significantly undervalued compared to European and American markets, it is an inevitable process for these assets to be priced according to global asset standards as their R&D quality reaches a world-leading level.



Meanwhile, in the first half of 2025, clinical trial data from China was, for the first time, substantially replicated in clinical trials in the United States, a significant milestone for China's clinical research industry. This is expected to greatly increase the willingness of global pharmaceutical companies and overseas biotechnology firms to conduct clinical research, especially early-stage Proof-of-Concept (PoC) studies, in China. China's efficient and economical clinical research capabilities are poised to empower global R&D pipelines.

At a time when Chinese innovative assets are still considered undervalued by global asset holders, acquiring the overseas rights to these assets has become a highly popular transaction. Simultaneously, to address future global market competition, patent expirations, and pressure to cut R&D costs, while continuing to create value for shareholders, multinational pharmaceutical companies are also actively seeking mergers and acquisitions ("**M&A**") and licensing opportunities worldwide. Propelled by the resonance of these dual factors, the value of overseas licensing deals for Chinese innovative drugs has repeatedly reached new highs. According to data from PharmaCube (a Chinese pharmaceutical big data service platform), in the first half of 2025, upfront payments from domestic companies' outbound licensing deals reached USD2.784 billion, up 211% YoY, with the potential total deal value reaching USD61.718 billion, up 140% YoY. The number of transactions was 82, up 75% YoY. Notably, innovative pharmaceutical companies such as 3SBio, Hengrui Medicine, and CSPC Pharmaceutical Group have secured a series of blockbuster deals with large upfront payments, becoming highlights in the "going global" journey of Chinese innovative drugs. The continued rise in the value of domestic innovative drug licensing deals is sufficient proof of the recognition of the quality assets and independent R&D capabilities of Chinese biotechnology by overseas pharmaceutical companies, and it also indirectly validates the global competitiveness of Chinese domestic pharmaceutical companies.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

The vibrancy of outbound licensing transactions has, to some extent, alleviated the cash flow pressures faced by some not-yet-profitable clients that rely on external financing; innovative drug companies can monetize parts of their pipelines. On the other hand, by collaborating with overseas pharmaceutical companies and leveraging their international clinical resources and distribution networks, they can accelerate the approval and commercialization of their pipelines and achieve "self-sustainability" more quickly. Since the beginning of 2025, along with the active outbound licensing landscape, the recovery of capital markets and improved liquidity, and a gradual increase in M&A cases within the industry, the exit mechanism for China's primary market for the innovative drug industry has been optimized, and investment and financing activities in the primary market are also gradually recovering.

In our view, the triple drivers of policy, technology, and capital will be the core elements for China's innovative drug sector to enter a stage of high-quality development. China continues to deepen reforms to promote the high-quality development of the pharmaceutical industry. In recent years, the Chinese Government has successively introduced major reform measures concerning the review and approval system and strengthening drug regulatory capacity, supporting the entire chain of innovative drug development. Such initiatives have effectively improved review and approval efficiency and vigorously promoted the accelerated launch of new and better drugs to better meet the clinical medication needs of the people.

China's 2025 Government Work Report further clarified the need to improve the drug price formation mechanism, formulate an innovative drug catalog, and support the development of innovative drugs and medical devices. In January 2025, National Healthcare Security Administration of the PRC ("**NHSA**") stated it would research and introduce a series of policy measures, including broadening payment channels for innovative drugs and exploring the establishment of a "Category C" drug catalog, to further increase support for innovative medicines. On June 16, 2025, the NMPA released the Announcement on Matters Related to Optimizing the Review and Approval of Clinical Trials for Innovative Drugs (Draft for Comments), which proposes to complete the review and approval process for qualifying innovative drug clinical trial applications within 30 working days, further shortening the market-launch cycle for an innovative drug. On July 1, 2025, the NHSA, jointly with the National Health Commission of the PRC ("**NHC**"), issued the Circular on Several Measures to Support the High-Quality Development of Innovative Drugs. These measures focus on the prominent challenges facing the development of innovative drugs in China, providing 16 specific measures across five major areas: strengthening R&D support for innovative drugs, supporting the inclusion of innovative drugs into the National Health Insurance Catalogue and the National Catalogue of Innovative Drugs Covered by Commercial Health Insurance, encouraging clinical application, enhancing multi-channel payment capacity for innovative drugs, and strengthening organizational guarantees for innovative drugs. The issuance of this document will help build a new, clinical value-oriented paradigm for R&D of innovative drugs, stimulate the vitality of innovative drug R&D, and better match clinical treatment needs.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Since 2022, the competition in China's clinical research outsourcing industry has intensified. By the end of 2024, some small and medium-sized clinical CROs had begun to scale back, showing a trend of gradual optimization on the supply side. With the gradual recovery of the Chinese domestic biopharmaceutical industry, the demand for clinical research outsourcing services has showed a recovery. Since 2025, customers' enthusiasm for early inquiries has increased significantly. Meanwhile, as the demand for pharmaceutical companies of China to expand overseas increases, clinical CROs with global service capabilities have a competitive advantage. The record high down payment in license-out transactions obtained by domestic biopharmaceutical companies in the first half of 2025 provides financial security for a new round of R&D. At the same time, the recovery of investment and financing in the primary market and the cash flow generated from new drug sales are expected to bring about growth of long-term clinical demand.

Research and development activities in high-demand therapeutic areas in domestic and worldwide markets remained highly active, such as weight loss, cell and gene therapies, and innovative anti-tumor therapies (including antibody-drug conjugates ("**ADC**"), bispecific antibodies, and novel small molecule drugs). Several new domestically produced drugs have achieved leading positions in various indications within China and have begun to make significant breakthroughs in global markets. Driven by emerging technologies and R&D tools, enterprises with differentiated target portfolios (e.g., companies with bispecific/ADC platform capabilities), high clinical development efficiency (e.g., those employing innovative clinical research models and real-world evidence to accelerate regulatory review), and strong globalization and business development capabilities continued to capture significant attention from both markets and investors. The domestic biopharmaceutical industry is gradually shifting from "scale expansion" to "value creation," entering a phase of high-quality innovation.

Technological innovation serves as a critical driver in propelling the industry's transformation and upgrading. Recently, new technologies such as artificial intelligence ("**AI**"), digitalization, and decentralized clinical trials ("**DCT**") have been rapidly applied in clinical R&D, substantially enhancing efficiency and quality while lowering costs. Simultaneously, breakthroughs in cutting-edge biotechnologies in areas such as gene editing, vaccine development, and personalized medicine have continued to make breakthroughs, bringing new hope to patients worldwide. With the steady rise in living standards in China and the ongoing deepening of population aging in developed markets, the demand for innovative therapies is anticipated to grow consistently. Additionally, the gradual development of emerging markets in Southeast Asia, Africa, and countries of the Belt and Road Initiative also presents significant growth potential for the industry. As a result, the biopharmaceutical industry continues to demonstrate robust momentum for sustainable development.

At the same time, the application of AI is also impacting the processes and methods of clinical trials, bringing efficiency improvements and cost optimization, which will drive the innovation of existing service models for clinical CROs. Breakthroughs in generative AI have also significantly increased the willingness of participants across all segments of the biopharmaceutical and clinical research fields to use AI. In the future, as digitalization and intelligent technologies empower innovation, the application of AI will increase substantially. Clinical trial cycles are expected to be shortened, and high-quality data assets (such as high-quality structured datasets, including annotated medical images, multi-omics data, etc.) will have a very high application value.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

During the Reporting Period, the Company actively responded to industry cycles and structural changes, continuing to maintain its leading position in China's clinical research outsourcing industry. According to Frost & Sullivan, the Company maintained its leading position in the Chinese clinical outsourcing service market with a 10.6% market share in 2024. It is also the only Chinese clinical outsourcing service provider to enter the global top ten, with a global market share of 1.1% in 2024. In the first half of 2025, the Company provided services for 26 approved Chinese Class I new drugs.

During the Reporting Period, the Company continued to deepen its global presence and service capabilities, consistently expanding its overseas business and accelerating the pace of internationalization. In July 2025, the Company announced the acquisition of Micron Inc. ("**Micron**"), a Japanese CRO. Micron was founded in 2005 and is headquartered in Tokyo, Japan, with offices in Osaka and Nagoya and over 160 employees. Micron specializes in medical imaging and clinical trial services. As the first CRO in Japan to focus on medical imaging analysis, Micron owns one of the largest imaging specialist teams in Asia and its team of imaging specialists has served over 250 clients and contributed to the successful launch of over 40 products. In 2024, Micron was shortlisted for the Best CRO in Japan award. This acquisition will bring a mature local Japanese team to the Company, expand its client base in Japan and the Asia-Pacific region, and enhance its business capacity and industry influence in imaging analysis.

During the first half of 2025, the Company's overseas clinical CRO business in revenue, and profit continued to grow rapidly. As of the end of the Reporting Period, the number of single-region clinical trials conducted by the Company overseas (primarily in the United States, Australia, and South Korea) was 194, and the Company was conducting 43 international MRCT, with cumulative experience across 150 MRCT projects.

As of the end of the Reporting Period, the Company's U.S. team has nearly 200 people, covering 68 cities in 27 states. There were more than 40 ongoing clinical trials in the U.S. region, and during the first half of 2025, 5 clinical trial projects were newly conducted in this region. The team of the Company in the EMEA region exceeds 160, having collectively executed over 210 Phase I-IV clinical trials in these regions. In the Japan and Korea region, the Company's Korean team has more than 450 people and has completed over 2,600 clinical trials and related service projects. Following the acquisition of Micron in Japan in July 2025, the number of employees of the Company in Japan exceeds 200, possessing full-process clinical service capabilities including clinical operations, regulatory affairs, medical imaging, data management and EDC, and pharmacovigilance, etc. The Company's Southeast Asia team has over 70 people with experience in conducting over 100 Phase I-IV clinical trials. In Australia, the Company has over 40 experienced local project managers ("**PM**"s) and clinical research associates ("**CRA**"s) who have conducted over 70 Phase I clinical trials in Australia. In Africa, the Company is collaborating with local institutions and organizations such as Purpose Africa and Africare to empower the go-global efforts for Chinese medical and pharmaceutical products and expand clinical study business in Africa. Looking forward, the Company will continue global business expansion through team growth or potential M&A as it aims to achieve overseas business growth and enhance the synergy of clinical operations, build differentiated competitive advantages in Europe, North America, and emerging regional markets, strengthen local clinical trial operational capabilities, gradually enhance its global operational capacity, and help clients go global, serving as a bridge and link for the internationalization of innovative products.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

During the Reporting Period, the Company continued to seek mutually beneficial external partnerships with various participants in the healthcare industry to promote collaboration. It has built an integrated research center service platform that includes site management, institutional services, Good Clinical Practice center operations, and patient management, etc. In China, the E-site Excellence Centers have established a diversified and deep win-win strategic cooperation model with 300 key partner centers/sites and 98 green-channel centers, as well as having completed the construction of 8 jointly-built centers. During the Reporting Period, an integrated research center service platform has been developed, encompassing on-site management, institutional services, Good Clinical Practice center operations, and subject management.

We consider the development and application of digital and intelligent technologies as a key part of its growth strategy. The Company's Intelligent Research Institute is fully responsible for the promotion and implementation of the group's digitalization and intelligence strategy. In the first half of 2025, the Company established a data governance team to vigorously advance data governance efforts. It has successively launched multiple digital products for customer management, project operations, and personnel management, effectively advancing digital management. For the current year, the plan is to fully implement the Company's data governance work, establish data standards, cleanse historical data, and integrate AI technology to further enhance the level of digitalization. During the Reporting Period, the Digital Center developed and launched a desensitization tool based on Large Language Models ("**LLM**"). This tool efficiently processes specified sensitive information in PDF scans common in clinical research, achieving a high key technical parameter F1 SCORE of 0.919, which has been highly recognized by clients. In the second half of the year, this module is planned to be further improved in accuracy and expanded in applicable scenarios to be launched as a Tigermed AI product. The Company has integrated the E-Site System and Site Payment System to form a central site information management platform, connecting site fee data to create a closed loop for site fee data flow. This provides accurate site fee information for business bidding. In 2025, the Company plans to fully promote site cost control, connect all channels for site information collection, and conduct unified governance and management to provide timely, accurate, and valuable site information to business departments.

Going forward, we will continue to invest in digital and intelligent technologies, expand its pool of professionals in these areas, strive for further AI breakthroughs, and expand the application scope of AI within the Company while ensuring high-quality compliance. These efforts aim to enhance business efficiency, unlock new business opportunities, and further solidify the Company's industry position. As a global medical R&D empowerment platform, the Company is committed to contributing Tigermed solutions to the world, promoting its corporate vision "To be recognized as the leading global CRO" and its brand proposition of a "Passion for Innovation." Through a diversified, equitable, and inclusive corporate culture, the Company strives to ensure that talents from different countries, cultures, and backgrounds receive equality and support in the workplace, enabling every employee to better realize their value and gain a true sense of belonging. The Company actively fulfills its social responsibilities and continues to make progress in ESG management. From July 2022 to the present, the Company has maintained the highest AAA rating in the Shenzhen Stock Exchange Guozheng ESG ratings and maintained an AA rating in the MSCI ESG ratings in 2024. In August 2025, the Company earned an AAA rating in the MSCI ESG ratings, the highest rating.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

As of the end of the Reporting Period, the Company had a total of 10,251 employees worldwide, covering 33 countries, including more than 1,700 overseas employees. There are over 1,000 professional clinical research associates ("**CRA**"), over 3,700 professional clinical research coordinators ("**CRC**"), more than 850 professionals in data management and statistical analysis, and over 1,800 staff in the laboratory services team. Below is a breakdown of our employees by function and by region as of June 30, 2025:

	Number of employees				
Function	PRC	Asia Pacific (excluding PRC)	Americas	EMEA	Total
Project operation	7,663	510	834	91	9,098
Marketing and business development	456	42	65	12	575
Management and administration	423	39	104	12	578
Total	**8,542**	**591**	**1,003**	**115**	**10,251**

Looking ahead, we will continue to embrace regulatory reform, technological innovation, and global expansion and will continue to enhance and build an integrated clinical R&D service platform, improving its end-to-end one-stop service capabilities. The Company will establish dedicated business teams in specific therapeutic areas and continuously expand business with multinational pharmaceutical companies and large domestic pharmaceutical clients. Through sustainable growth and potential acquisitions, the Company aims to enhance its business development and operational capabilities in the United States, Europe, and other regions. At the same time, the Company will strengthen mutually beneficial collaborative relationships with industry stakeholders, further consolidate its advantageous position in the domestic market, increase its global market share, and strive for sustainable business development and performance growth, continuously creating returns for shareholders.

Revenue

During the Reporting Period, the Company's revenue was RMB3,250.4 million, down 3.2% YoY from RMB3,358.2 million during the same period in 2024. Wherein, revenue from CTS was RMB1,469.5 million, down 10.2% YoY from RMB1,637.1 million during the same period in 2024; Revenue from CRLS was RMB1,780.9 million, up 3.5% YoY from RMB1,721.1 million during the same period in 2024.

From a geographical perspective, the Company's revenue generated in the Chinese Mainland was RMB1,697.9 million, down 9.2% YoY from RMB1,870.4 million during the same period in 2024. The YoY decline in domestic revenue was primarily due to a slide in domestic revenue from the CTS segment in the first half of 2025, the specific reasons for which are detailed in the analysis by segment below.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Revenue (Continued)

The Company's overseas revenue was RMB1,552.5 million, up by 4.4% YoY from RMB1,487.8 million during the same period in 2024. This growth was primarily driven by the Company's ongoing efforts to deepen its global presence and enhance service capabilities, expand overseas operations, accelerate internationalization, and the sustained rapid expansion of its overseas clinical trial services business.

(1) CTS

During the Reporting Period, revenue from CTS was RMB1,469.5 million, down 10.2% YoY from RMB1,637.1 million during the same period in 2024. The main reasons for the YoY decline in revenue for the CTS segment are as follows: i) A YoY slide in revenue from domestic innovative drug clinical operations. This was mainly due to industry cycles and structural changes. The value of the Company's backlog of domestic innovative drug clinical operations orders as of the end of 2024 had decreased compared to previous years, leading to an overall reduction in the workload for executed domestic innovative drug clinical trials in the first half of 2025; ii) Meanwhile, influenced by the domestic industry's competitive landscape since 2023, the average unit price of newly signed domestic clinical operations orders has declined. This led to a corresponding reduction in revenue generated for an equivalent amount of work when executing these orders in the first half of 2025; iii) During the Reporting Period, some of the Company's domestic innovative drug clinical operations orders were canceled. Concurrently, other orders were proactively terminated by the Company due to significant payment collection pressure arising from clients' funding issues. These orders mainly came from existing domestic start-up biotechnology companies that rely on external financing, which had a certain negative impact on the segment's revenue. For these projects, the Company's main focus during the Reporting Period was to collect service fee payments to the greatest extent possible. Through our efforts, we achieved some results, and the Company's operating cash flow in the first half of 2025 improved significantly YoY. As legacy projects are gradually cleared, the industry recovers, and front-end demand picks up, we expect the domestic innovative drug clinical operations business to bottom out and gradually improve.

During the Reporting Period, the Company's overseas clinical operations business continued to exhibit a relatively fast growth trend, with clinical operations revenue in North America continuing its rapid growth. A substantial increase in newly signed orders is expected to contribute to growth in the second half of this year. During the Reporting Period, benefiting from the recovery in front-end demand, especially for domestic and overseas IND-related needs, the clinical registration business within the segment showed a marked recovery, with revenue growing over 20% YoY, a growth trend that is expected to continue.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Revenue (Continued)

(1) CTS (Continued)

During the Reporting Period, despite being affected to some extent by Chinese domestic industry development and cycles, which led to a decrease in the average unit price of executed projects, the medical device and pharmacovigilance businesses within the segment continued to achieve growth in the first half of 2025, thanks to more diversified business demand, including from multinational pharmaceutical companies. The growth of these businesses partially offset the impact brought by the domestic clinical operations business to the segment during the Reporting Period. Other businesses within the segment, such as medical translation, maintained a relatively stable performance during the Reporting Period.

As of June 30, 2025, the Company had 646 ongoing drug clinical research projects, a decrease from 800 projects as of June 30, 2024, and 831 projects as of December 31, 2024. This was mainly due to a systematic review of existing projects in the first half of 2025, during which old projects with no progress were actively terminated. Some existing projects were also cancelled or actively terminated for client-related reasons mentioned above.

The following table sets forth a breakdown of our ongoing drug clinical research projects by phase as of the dates indicated:

	As of year/period end		
	June 30, 2024	December 31, 2024	**June 30, 2025**
Phase I (including PK studies)	330	331	**276**
Phase II	147	159	**116**
Phase III	192	203	**144**
Phase IV	30	27	**15**
Others[Note]	91	111	**95**
Total	800	831	**646**

Note: Other projects primarily consist of investigator-initiated studies and real-world studies

As of June 30, 2025, 409 ongoing drug clinical research projects were being conducted in the PRC and 237 projects were being conducted overseas of which 194 projects were single-region clinical trials conducted overseas (including South Korea, Australia, Southeast Asia, Europe, and the United States). The 43 ongoing MRCT projects were being conducted across the Asia-Pacific, North America, Europe, and Africa with various therapeutic areas including oncology, respiratory, cardiovascular, endocrine, rheumatology/immunology, infection, rare diseases, and vaccines.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Revenue (Continued)

(1) CTS (Continued)

The following table sets forth the breakdown of the number of our ongoing drug clinical research projects conducted in different geographic regions as of the dates indicated:

	As of year/period end		
	June 30, 2024	December 31, 2024	**June 30, 2025**
Region			
Single region			
PRC	537	536	**409**
Overseas	208	233	**194**
MRCTs	55	62	**43**
Total	800	831	**646**

Our decentralized clinical trial (DCT) technologies and platforms have been widely used in registration trials, post-marketing studies, real-world studies, and investigator-initiated studies, covering various areas including oncology, hematology, central nervous system disorders, respiratory, endocrine and other treatment fields. The Company released "The 2024 Research and Analysis Report on the Development Status of the Digital/Decentralized Clinical Trials Industry (2024年數字化/去中心化臨床試驗行業發展現狀調研分析報告)". In the first half of 2025, the mobile version of the Company's self-developed Clinical Trial Remote Monitoring (CTRM) system was officially launched and released to the public. Additionally, the Company is actively exploring the African emerging market, deploying the Tigermed DCT clinical trial platform at the renowned AKTH hospital in Nigeria and collaborating on remote monitoring with ACRN, a Zimbabwean clinical trial organization. During the Reporting Period, 9 new projects had been added.

During the Reporting Period, the Company's medical device team undertook clinical operation services for several first-in-China products and supported the clinical strategy for multiple industry-leading innovative products. It contributed to the successful launch of three innovative medical device products (a cryoablation system, a transcatheter tricuspid valve repair system, and a digestive endoscopy surgical robot). In the first half of 2025, it helped the world's first "AI+" essential tremor treatment device, the Felix™ NeuroAI™ wristband, gain FDA approval. As of June 30, 2025, the Company's medical device team has more than 600 medical device and in vitro diagnostic ("**IVD**") professionals. In the first half of 2025, the device business established a subsidiary in Shenzhen to expand medical device services in the Guangdong-Hong Kong-Macao Greater Bay Area. The Company's medical device clinical service subsidiary, Tigermed-Jyton, was honored with the "Industry Innovation Leadership Award" at the 14th China Finance Summit (CFS) in 2025. During the Reporting Period, the Company completed 67 medical device projects. As of the end of the Reporting Period, there were 588 ongoing medical device projects.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Revenue (Continued)

(1) CTS (Continued)

The number of clients served by the Company's registration team increased from 845 at the end of the previous year to 911 at the end of the Reporting Period. The team has completed 1,351 projects in total, assisting one product in marketing in China during the first half of 2025. They also facilitated 1 product in obtaining approval for marketing in China and supported 46 international IND/MRCT applications that were approved in multiple countries. During the Reporting Period, the Company added 29 new U.S. FDA IND projects, 21 of which have received FDA clinical approvals.

During the Reporting Period, the Company continued to strengthen its pharmacovigilance (PV) team, expanding into high value-added areas and building a high-standard team of PV physicians. This business focused more on safety analysis in both clinical and post-marketing pharmacovigilance, enhancing the value contribution of safety monitoring. As of June 30, 2025, the Company's professional PV team had over 190 members, forming an integrated PV solution team with business footprints covering the United States, Europe, Japan, Southeast Asia and China. During the Reporting Period, the Company's PV business added 121 new projects under investigation and 87 new clients, bring the total number of global PV clients to exceed 300, with accumulated experience from over 2,000 projects and participation in 39 Class I new drugs approved in China. In the future, the Company will continue to improve its one-stop global safety PV service solutions and press on with building its team of PV physicians. In addition to focusing on clinical and post-marketing PV-related safety analysis, it will engage more in the analysis and safety assessment of global, multinational safety data.

During the Reporting Period, the Company's medical translation business gained 30 new clients, including 17 pharmaceutical companies and 13 medical device companies, completing a translation volume of approximately 200 million words and becoming a primary supplier for the Asia-Pacific region and a global supplier to several multinational pharmaceutical companies in Europe and the U.S. The Company's self-developed inquiry and discussion platform, "Medical Wisdom Q&A", and the AI-focused "YiYa AI Intelligent Translation Platform" have both been launched for sale. Several AI translation systems, including a translation information management system, a translation data capture system, and machine translation post-editing (MTPE) service management, had been awarded the National Machine Translation Invention Patents. In 2025, the Company's medical translation business was included in CSA Research's List of Global top 50 Language Service Providers for the first time.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Revenue (Continued)

(2) CRLS

During the Reporting Period, the Company's revenue from Clinical Trail Related Services and Laboratory Services was RMB1,780.9 million, up 3.5% YoY from RMB1,721.1 million during the same period in 2024. In the first half of 2025, benefiting from sufficient business demand, especially from orders placed by multinational pharmaceutical companies (MNCs), the Site Management Organization (SMO) business within the segment still achieved good YoY growth. During the same period, the Data Management and Statistical Analysis business within the segment remained relatively stable. Revenue from Laboratory Services saw a slight decrease compared to the same period in 2024, mainly because the business recovery of Frontage Holdings in the United States was slower than expected due to the U.S. industry cycle, and its business in China was negatively impacted by the fierce domestic industry competition. In the first half of 2025, the Medical Imaging business within the segment benefited from increased demand from oncology clinical projects, and its revenue returned to a good growth trend YoY. Other businesses within the segment, such as patient recruitment, were affected to some extent by Chinese domestic industry developments and cycles, and the average unit price of performed projects still saw a YoY decline.

During the first half of 2025, the Company's Site Management Organization (SMO) team completed 215 projects. Newly signed orders continue to achieve double digit growth year-on-year. As of the end of the Reporting Period, the number of ongoing site management projects increased from 2,253 at the end of 2024 to 2,443. As of the end of the Reporting Period, the on-site management team collaborates with more than 1,100 centers across over 140 cities in China, operating through 15 branch companies and employing over 3,700 professional CRCs. During the Reporting Period, on-site SMO services were provided to 13 Class 1 new drugs approvals in China.

During the Reporting Period, the Company's data management and statistical analysis services attracted more new domestic and international clients. As of the end of the Reporting Period, the total number of global data management and statistical analysis clients exceeded 370, and we provided support to multiple overseas submission standardization projects for drug data of licensed-out products of domestic MAHs. As of the end of the Reporting Period, the Company had 893 ongoing data management and statistical analysis projects, with cumulative experience in over 2,800 Clinical Data Interchange Standards Consortium (CDISC) projects, and boasts a team of over 850 professional data management and statistical analysis talents globally.

During the Reporting Period, Frontage Holdings' bioanalysis lab in Suzhou and its large molecule bioanalysis lab in Shanghai both passed the FDA's on-site inspections with "No Findings". Frontage was recognized as a China High-Quality Technology-based SME and one of the Top 20 Pharmaceutical CRO Companies in China. In May 2025, Frontage Holdings' CDMO R&D and manufacturing facility in Exton, Pennsylvania, USA, officially commenced operations, further expanding the business footprint in this area. This GMP production facility covers approximately 4,300 square meters and includes 9 GMP workshops, as well as 2 drug product development labs and 3 analytical labs. As of the end of the Reporting Period, the number of ongoing laboratory service projects carried out by Frontage Holdings was 4,549.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Revenue (Continued)

(2) CRLS (Continued)

Our medical imaging (MI) business added 15 new clients. The Company's MI team successfully contributed to the marketing approval of 12 products, 2 of which were approved outside China. In addition to existing areas such as solid tumors, lymphomas, and digestive system diseases, newly signed projects have expanded into the field of medical aesthetics. As of the end of the Reporting Period, the Company's medical imaging (MI) business had accumulated over 140 clients, with project execution stages covering Phase I to IV and Real-World Studies (RWS), and has cumulatively assisted in the approval of marketing authorization for 43 products, and up to 59 projects submitted to NMPA/FDA/EMA/PMDA/Medicines and Healthcare products Regulatory Agency (MHRA) cumulatively.

Gross profit and gross profit margin

During the Reporting Period, the Company achieved a gross profit of RMB978.0 million, down 26.6% YoY from RMB1,333.0 million during the same period in 2024; and the gross profit margin decreased from 39.7% during the same period in 2024 to 30.1%, a substantial YoY decline, which was mainly attributed to a significant YoY drop in the gross profit margin of the CTS segment.

During the Reporting Period, the Company's cost for operations was RMB2,272.5 million, up 12.2% YoY from RMB2,025.2 during the same period in 2024. Below is a breakdown of our cost of services by nature and their percentage of our revenue during the periods indicated:

Item	For the six months ended June 30, 2025 RMB million	2024 RMB million
Direct labour costs	**1,233.1**	1,141.7
% of revenue	***37.9%***	*34.0%*
Direct project-related costs	**735.3**	638.7
% of revenue	***22.6%***	*19.0%*
Overhead costs	**304.1**	244.8
% of revenue	***9.4%***	*7.3%*
Cost of services	**2,272.5**	2,025.2
% of revenue	***69.9%***	*60.3%*

During the Reporting Period, the Company's direct labour costs as a percentage of our revenue was 37.9%, up from 34.0% during the Corresponding Period, while direct project-related costs as a percentage of our revenue was 22.6% during the Reporting Period, up from 19.0% during the Corresponding Period. The increase in direct labour costs as a percentage of the Company's revenue was mainly due to the decrease in revenue and the increase in number of employees as a result of the Company's global expansion plan. During the Reporting Period, the Company's overhead costs as a percentage of our revenue was 9.4%.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Gross profit and gross profit margin (Continued)

(1) CTS

During the Reporting Period, the gross profit from the CTS segment was RMB335.2 million, down 46.6% YoY from RMB628.0 million during the same period in 2024. The gross profit margin of this segment dropped significantly from 38.4% during the same period in 2024 to 22.8%. The main reasons for the significant YoY decline in the segment's gross profit margin in the first half of 2025 are as follows: i) the average unit price of domestic clinical operations orders executed in the first half of 2025 saw a YoY decline. Consequently, for the same cost base, the corresponding revenue generated from executing these orders decreased. Meanwhile, the Company maintained a stable and professional domestic clinical operations team, ensuring to continue to provide high-quality clinical operations services to clients; and ii) during the Reporting Period, some of the Company's previous domestic innovative drug clinical operations orders were canceled. Concurrently, other orders were proactively terminated by the Company due to significant payment collection pressure arising from clients' funding issues. These orders primarily came from existing domestic start-up biotechnology companies that rely on external financing. This led to a reduction in the revenue from this segment, thereby having a notable impact on the segment's gross profit margin.

During the Reporting Period, the gross profit margins of other businesses within the segment, such as medical devices, medical registration, and medical translation, remained relatively stable. Although these businesses were affected to some extent by Chinese domestic industry development and cycles, which led to a decrease in the average unit price of executed projects, our effective cost control prevented any sharp fluctuations in gross profit margin.

(2) CRLS

During the Reporting Period, the gross profit from the CRLS segment was RMB642.8 million, down 8.8% YoY from RMB705.0 million during the same period in 2024; and the segment's gross profit margin was 36.1%, compared to 41.0% during the same period in 2024. The YoY decrease in the segment's gross profit margin was mainly because the revenue from the site management business grew relatively faster than other businesses within the segment, but its gross profit margin is lower than the segment's overall average.

During the Reporting Period, the profitability of the SMO business within the segment continued to maintain a leading level within the industry. This also benefited from our SMO team performing a greater number of orders from multinational pharmaceutical companies, which are relatively more profitable.

During the same period, the gross profit margin of the Data Management and Statistical Analysis ("**DMSA**") business declined YoY. This was mainly due to an increased proportion of the higher-cost overseas performance team and a rise in the share of domestic business, which has slightly lower profitability. However, the profitability of the Company's DMSA business remains at a high level.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Gross profit and gross profit margin (Continued)

(2) CRLS (Continued)

During the Reporting Period, the gross profit margin of Laboratory Services was relatively stable YoY but still has a gap compared to previous healthier levels. The new preclinical research facilities of Frontage Holdings, along with laboratories in China and North America, began operations successively both in 2023 and 2024. The impact from the associated fixed costs generated from these new businesses and facilities on the gross profit margin stabilized in the first half of 2025. In the future, better capacity utilization from new orders is expected to lead to some recovery in the gross profit margin of laboratory services.

During the Reporting Period, the gross profit margin of other business segments, such as medical imaging, remained relatively stable compared to the same period last year.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 6.4% YoY from RMB101.4 million during the Corresponding Period to RMB107.9 million during the Reporting Period. That was primarily due to i) higher compensation for sales and marketing personnel; and ii) increased travel expenses incurred as the Company actively expanded its business. However, this increase was partially offset by a 18.4% YoY decrease in business publicity expenses, due to the increased brand recognition and a corresponding reduction in marketing expenditure.

Administrative Expenses

Our administrative expenses decreased by 5.7% YoY from RMB376.6 million during the Corresponding Period to RMB355.3 million during the Reporting Period. The decrease was primarily due to i) the expiration of the share-based compensation plan at our subsidiary, Frontage, resulting in reduction in such expenses during the Reporting Period compared to the Corresponding Period; and ii) a 15.0% YoY decrease in the amortization of intangible assets from RMB38.9 million during the Corresponding Period to RMB33.1 million during the Reporting Period, primarily resulting from the completed amortization period for certain intangible assets. However, this decrease was partially offset by the increase in office facilities and venue costs of RMB10.2 million during the Reporting Period compared to that during the Corresponding Period.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

R&D Expenses

Our R&D expenses increased by 1.8% YoY from RMB124.7 million during the Corresponding Period to RMB127.0 million during the Reporting Period. This increase was primarily driven by moderate growth in staff costs for R&D personnel and higher depreciation and amortization expenses related to R&D fixed assets and intangible assets, reflecting our continued investment during the Reporting Period to advance long-term technology initiatives.

Investment Income

Our investment income increased by 229.6% YoY to RMB233.0 million during the Reporting Period from RMB70.7 million during the Corresponding Period, primarily due to i) a 277.3% YoY rise in the share of profit from associates, reaching to RMB166.4 million during the Reporting Period from RMB44.1 million in the Corresponding Period; ii) investment income on disposal of non-current financial assets, which was RMB21.6 million during the Reporting Period compared to a net loss of RMB6.4 million during the Corresponding Period; and iii) the income generated from negotiable certificates of deposit increased by 93.1% from RMB21.6 million during the Corresponding Period to RMB41.7 million during the Reporting Period.

Changes in Fair Value

During the Reporting Period, changes in fair value improved as we recorded a loss of RMB89.6 million from a loss of RMB98.4 million during the Corresponding Period. This was primarily due to fair value changes of listed equity securities narrowing to a loss of RMB69.3 million during the Reporting Period from a loss of RMB155.0 million during the Corresponding Period. The improvement was offset by the change in fair value changes of unlisted fund investments, which amounting to a loss of RMB126.8 million during the Reporting Period from a loss of RMB34.6 million during the Corresponding Period.

Finance Cost (net)

Our finance cost, net, reversed from a net finance income of RMB16.1 million during the Corresponding Period to a net finance cost of RMB63.3 million during the Reporting Period, primarily due to i) a substantial exchange loss of RMB14.8 million incurred during the Reporting Period, due to the significant fluctuations in the US dollar exchange rate; ii) the maturity of the time deposits, which was mainly resulted in a decrease in the interest income of RMB63.0 million from RMB71.4 million during the Corresponding Period to RMB8.4 million during the Reporting Period. Meanwhile, for the purpose of the treasury management, those matured time deposits were used to repay short-term borrowings.

Income Tax Expense

Our income tax expense decreased by 39.7% from RMB132.5 million during the Corresponding Period to RMB79.9 million during the Reporting Period. Our effective tax rate decreased from 19.2% during the Corresponding Period to 18.0% during the Reporting Period. The change was primarily due to i) the decrease in profit before tax from RMB690.1 million during the Corresponding Period to RMB442.7 million of the Reporting Period; and ii) the increase of our non-taxable income which resulted in a comparatively lower effective tax rate.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Profit for the Period

As a result of the foregoing discussions, our profit for the period decreased by 34.9% from RMB557.6 million during the Corresponding Period to RMB362.8 million during the Reporting Period. The profit attributable to owners of the Company decreased by 22.2% from RMB492.8 million during the Corresponding Period to RMB383.3 million during the Reporting Period.

Non-CASBE Measure

To supplement our financial information which are presented in accordance with CASBE, we prepared net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss (歸屬於上市公司股東的扣除非經常性損益的淨利潤) under the guidance of No. 1 Explanatory Note on Information Disclosure by Companies Offering Securities to the Public – Extraordinary Gains and Losses 2023 Revision (公開發行證券的公司信息披露解釋性公告第1號－非經常性損益2023年修訂) issued by China Securities Regulatory Commission ("**CSRC**"). Net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss is provided as an additional financial measure, which is not required by, or presented in accordance with CASBE and is therefore a non-CASBE measure. It is not an alternative to (i) profit before tax, profit for the period or profit for the period attributable to owners of the Company (as determined in accordance with CASBE) as a measure of our operating performance, (ii) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs, or (iii) any other measures of performance or liquidity.

We believe that this non-CASBE measure is useful for understanding and assessing underlying business performance and operating trends, and that the owners of the Company and we may benefit from referring to this non-CASBE measure in assessing our financial performance by eliminating the impact of certain unusual, non-recurring, non-cash and/or non-operating items that we do not consider indicative of the performance of our business. However, the presentation of this non-CASBE measure is not intended to, and should not, be considered in isolation from or as a substitute for the financial information prepared and presented in accordance with the CASBE. The owners of the Company and potential investors should not view the non-CASBE measures on a stand-alone basis or as a substitute for results under the CASBE, or as being comparable to results or a similarly titled financial measure reported or forecasted by other companies.

Our net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss is prepared in accordance with the No. 1 Explanatory Note on Information Disclosure by Companies Offering Securities to the Public – Extraordinary Gains and Losses 2023 Revision. The following table sets out our net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss, and a reconciliation from profit attributable to owners of the Company to net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss for the periods indicated.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Non-CASBE Measure (Continued)

	For the six months ended June 30, 2025 RMB million	2024 RMB million
Profit attributable to owners of the Company	**383.3**	492.8
Adjusted for:		
Gain on disposal of non-current assets[1]	**(0.6)**	(1.5)
Government grants[2] included in the profit or loss for the period	**(19.4)**	(17.5)
Gain on entrusting to invest or manage assets	**(41.7)**	(21.6)
Loss/(gain) arising from changes in fair value of financial assets and financial liabilities held and loss/(gain) arising from the disposal of financial assets and financial liabilities[3]	**(96.8)**	52.5
Share-based payment expenses recognized at one time due to cancellation or modification of the share incentive schemes	**–**	34.5
Other non-operating income and expenses apart from the above items	**1.6**	0.7
Effect of income tax	**17.0**	33.6
Effect of minority interests (after tax)	**(32.7)**	66.8
Net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss	**210.7**	640.3
Margin of net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss[4]	**6.5%**	19.1%

Notes:

(1) Disposal of non-current assets included those already written off in the provision for asset impairment.

(2) Government grants in the extraordinary gain or loss was except for government grants which are closely related to the ordinary business scope of the Company and entitled in defined standard in conformity with the provisions of policies of the State and that have a sustained impact on the Company's profit or loss.

(3) The financial assets and financial liabilities in the extraordinary gain of loss was except for those related to effective hedging business under ordinary business scope of the Company.

(4) The margin of net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss is calculated using the net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss divided by revenue and multiplied by 100%.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss

During the Reporting Period, our Non-CASBE net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss was RMB210.7 million, representing a YoY decrease of 67.1% from RMB640.3 million during the Corresponding Period. Our margin of net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss decreased from 19.1% during the Corresponding Period to 6.5% during the Reporting Period.

Cash Flows

	For the six months ended June 30,	
	2025	2024
	RMB million	RMB million
Net cash generated from operating activities	**408.6**	177.3
Net cash generated/(used) in investing activities	**45.9**	(4,621.8)
Net cash (used)/generated from financing activities	**(827.0)**	206.2

During the Reporting Period, our net cash generated from operating activities was RMB408.6 million, representing a 130.4% increase from RMB177.3 million during the Corresponding Period. The increase was primarily due to (i) a RMB321.5 million increase in cash received from selling goods and providing services during the Reporting Period, representing a 10.5% YoY growth compared to the Corresponding Period. This improvement reflects a higher collection rate of accounts receivable; (ii) a 37.0% YoY decrease in cash paid for taxes, which fell from RMB323.8 million to RMB203.8 million. However, this increase was partially offset by RMB65.4 million decrease in cash received from other operating activities. This decrease was primarily due to the maturity of time deposits, resulting in lower interest income.

During the Reporting Period, our net cash generated from investing activities was RMB45.9 million, a significant improvement compared to net cash used of RMB4,621.8 million in the Corresponding Period. This RMB4,667.7 million shift from net cash outflow to inflow was primarily driven by: (i) higher cash receipts from the redemption of negotiable certificates of deposit during the Reporting Period; and (ii) lower cash outflows for the purchase of such instruments compared to the Corresponding Period.

During the Reporting Period, our net cash used in financing activities was RMB827.0 million, representing a significant shift from the net cash generated from financing activities of RMB206.2 million in the Corresponding Period. The change was primarily driven by the increase in the repayment of borrowings, reducing the short-term borrowings, and reduced proceeds from new borrowings during the Reporting Period compared to the Corresponding Period.

The Group primarily uses RMB to hold cash and cash equivalents.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Liquidity and Capital Resources

The Group's principal sources of funds are cash generated from operating activities, bank loans and proceeds from our H Share IPO in August 2020, and we expect to utilize that to satisfy our future funding needs.

As of June 30, 2025, the Group has not used any financial instruments for hedging, nor used any net investment amounts in foreign currencies for hedging via monetary loans and/or other foreign exchange hedging instruments.

In order to effectively mitigate or hedge against the risks associated with foreign exchange rate fluctuation and to achieve robust business operation, the Company has established a comprehensive Management System for Foreign Exchange Derivatives Trading. Based on revenue and expenditure as well as market condition, the Company may utilize hedging instruments such as forward foreign exchange settlement and sales, RMB and other foreign currency swaps, foreign exchange trading, foreign exchange swaps, and foreign exchange options.

Trade, Bills and Other Receivables

Our trade receivables decreased by 5.3% from RMB1,359.8 million as of December 31, 2024 to RMB1,287.7 million as of June 30, 2025, which was driven by the Group's continuing focus on enhancing accounts receivable management and collection efficiency.

Our bills receivables increased by RMB0.7 million from RMB6.0 million as of December 31, 2024 to RMB6.7 million as of June 30, 2025, primarily due to the increase in bank acceptance bills received by the Company during the Reporting Period.

Our other receivables increased by 26.4% from RMB89.0 million as of December 31, 2024 to RMB112.5 million as of June 30, 2025. This change was primarily due to some proceeds from the disposal of financial assets that have not yet been received.

Trade Payables and Other Payables

Our trade payables increased by 19.3% from RMB257.3 million as of December 31, 2024 to RMB306.9 million as of June 30, 2025, primarily due to the increase in payables on cost and expense.

Our other payables increased by RMB27.3 million from RMB76.8 million as of December 31, 2024 to RMB104.1 million as of June 30, 2025, primarily due to an increase in dividends payable, which has been subsequently settled in July 2025.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Contract Assets and Contract Liabilities

Our contract assets increased by 9.8% from RMB2,504.7 million as of December 31, 2024 to RMB2,751.2 million as of June 30, 2025, due to the increase in the total amount of contracts with our customers while we have not yet billed our customers upon meeting the billing milestones as specified in our customer service agreements or work orders, as we continued to grow our business.

Our contract liabilities increased by 19.3% from RMB790.7 million as of December 31, 2024 to RMB943.3 million as of June 30, 2025, as more prepayments were received from our customers in relation to our service agreements or work orders with them during the Reporting Period.

Property, Plant and Equipment

Our property, plant and equipment decreased by 3.1% from RMB778.5 million as of December 31, 2024 to RMB754.6 million as of June 30, 2025, primarily attributed to higher depreciation charges recorded during the six months ended June 30, 2025, partially offset by additions from the procurement of new property, plant and equipment.

Construction in progress

Our construction projects increased from RMB420.5 million as of December 31, 2024, to RMB464.7 million as of June 30, 2025, representing a 10.5% YoY increase, which was due to (i) RMB34.4 million increase in costs related to the construction of the Hangzhou office building. This facility, which will serve as the Group's headquarters, is currently undergoing internal renovation. Upon completion, it is designed to support our global development initiatives and will incorporate a biomedical public service platform, training center, industrial incubator, and achievement transformation center; and (ii) an increase in laboratory renovation costs from RMB241.1 million to RMB250.8 million during the Reporting Period, primarily incurred by our subsidiary, Frontage.

Intangible Assets

Our intangible assets decreased by 10.4% from RMB336.9 million as of December 31, 2024 to RMB301.9 million as of June 30, 2025, primarily due to the amortization of the intangible assets during the Reporting Period.

Right-of-use Assets

Our right-of-use assets decreased by 7.3% from RMB487.2 million as of December 31, 2024 to RMB451.9 million as of June 30, 2025, primarily due to (i) the termination of certain existing lease contracts, resulting in the derecognition of related assets; (ii) limited additions from new lease contracts during the six months ended June 30, 2025; and (iii) depreciation expense recognized during the period contributed to the reduction in the carrying amount.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Long-term Equity investment

Our long-term equity investment increased from RMB3,424.6 million as of December 31, 2024 to RMB4,078.2 million as of June 30, 2025, primarily in relation to the capital injection of RMB499.9 million to Hangzhou Taikun Equity Investment Fund Partnership (Limited Partnership)* (杭州泰鯤股權投資基金合夥企業(有限合夥)) ("**Hangzhou Taikun**") which we have 50.0% ownership.

Financial Assets

Our financial assets include listed equity securities, unlisted equity investments, unlisted fund investments, financial products, unlisted debt instruments and life insurance policies. Our financial assets increased by 0.6% from RMB10,188.8 million as of December 31, 2024 to RMB10,246.9 million as of June 30, 2025. Such increase was primarily due to our continuing investment activities during the Reporting Period.

The following table sets for a breakdown of our financial assets as of the dates indicated:

	As of June 30, 2025 RMB'000	As of December 31, 2024 RMB'000
Non-current Financial assets		
– Life insurance policies	**1,246**	4,032
– Listed equity securities	**197,276**	67,523
– Unlisted equity investments	**5,063,068**	5,000,911
– Unlisted fund investments	**4,782,185**	4,932,666
– Unlisted debt instrument	**116,131**	108,864
Total non-current financial assets	**10,159,906**	10,113,996
Current Financial assets		
– Financial products	**87,000**	50,000
– Unlisted equity investments	**–**	–
– Unlisted debt instruments	**–**	24,853
Total current financial assets	**87,000**	74,853
Total financial assets	**10,246,906**	10,188,849

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Financial Assets (Continued)

Investments in companies and investment funds

During the Reporting Period, we continued to build and manage our investment portfolio through selective minority investments in the healthcare industry, funding innovative R&D efforts of emerging companies with a goal to forge long-term cooperative relationships and gain access to emerging business and innovative technologies. In addition to direct strategic investments in innovative start-ups, we also cooperate with investment funds, including Hangzhou Taikun, to incubate promising biotech and medical device companies as a limited partner of these investment funds. We holistically manage our diversified investment portfolio with a view to drive mid to long-term values rather than focusing on the performances of any individual investment asset for short-term financial returns. We continued to make investments in the healthcare industry in accordance with our industry strategy during the Reporting Period.

As of June 30, 2025, we were a strategic investor in 195 innovative companies and other related companies in the healthcare industry, as well as a limited partner in 54 professional investment funds.

During the Reporting Period, we realized a gain of RMB13.9 million from exiting our investments in companies and investment funds, as measured by the exit amount against our initial investment cost, compared with RMB69.3 million during the Corresponding Period.

Our investments in listed equity securities amounted to RMB197.3 million as of June 30, 2025, representing a 192.2% increase from RMB67.5 million as of December 31, 2024. The increase primarily arose from non-listed companies valued at RMB208.9 million transferring to listed companies during the Reporting Period.

Our unlisted equity investments amounted to RMB5,063.1 million as of June 30, 2025, representing a 1.2% increase from RMB5,000.9 million as of December 31, 2024. The increase is primarily due to i) our continuing investment in unlisted entities, which we believed have potential for growth in the future; and ii) a gain of RMB107.9 million in the fair value change during the Reporting Period.

Our unlisted fund investments amounted to RMB4,782.2 million as of June 30, 2025, representing a 3.1% decrease from RMB4,932.7 million as of December 31, 2024. The decrease is primarily due to the decrease in fair value and disposal of investments of RMB126.8 million and RMB63.8 million respectively.

Our life insurance policies amounted to RMB1.2 million as of June 30, 2025, representing a 69.1% decrease from RMB4.0 million as of December 31, 2024, which was mainly occurred by our subsidiary, DreamCIS.

Our unlisted debt instruments amounted to RMB116.1 million as of June 30, 2025, representing a 13.2% decrease from RMB133.7 million as of December 31, 2024, primarily due to several instruments sold during the Reporting Period.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Financial Assets (Continued)

Investments in companies and investment funds (Continued)

The movements of our financial assets during the Reporting Period are set forth below:

	Unlisted equity investments RMB'000	Unlisted fund investments RMB'000	Listed equity securities RMB'000	Life insurance policies RMB'000	Unlisted debt instrument RMB'000	Financial products RMB'000	Total RMB'000
Opening balance	5,000,911	4,932,666	67,523	4,032	133,717	50,000	10,188,849
Additions	170,295	43,565	–	900	10,000	163,500	388,260
(Transfer to listed companies)/ transfer from non-listed companies	(208,907)	–	208,907	–	–	–	–
(Transfer to non-listed companies)/ transfer from unlisted debt instrument	3,000	–	–	–	(3,000)	–	–
Fair value change during the Reporting Period	107,859	(126,790)	(69,342)	(525)	–	–	(88,798)
Disposals of shares	(13,088)	(63,805)	(9,057)	(3,326)	(25,613)	(126,500)	(241,389)
Exchange realignment	2,998	(3,451)	(755)	165	1,027	–	(16)
Ending Balance	**5,063,068**	**4,782,185**	**197,276**	**1,246**	**116,131**	**87,000**	**10,246,906**

Indebtedness

Borrowings

The Group had RMB2,089.3 million outstanding borrowings as of June 30, 2025, of which RMB1,532.5 million were short-term and RMB556.8 million were long-term. During the Reporting Period, the majority of our borrowings carried floating interest rates. This structure reflects our proactive treasury management strategy in the current volatile market environment. As of June 30, 2025, 82.0% of our borrowings were denominated in RMB, while 17.6% were denominated in USD. As of June 30, 2025, the total unutilized banking facilities available to the Group was RMB6,727.5 million (December 31, 2024: RMB6,446.0 million).

Gearing Ratio

Gearing ratio is calculated using interest-bearing borrowings from banks and other entities divided by total equity and multiplied by 100%, and it was 8.7% as of June 30, 2025, as compared with 9.6% as of December 31, 2024.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Indebtedness (Continued)

Lease Liabilities

We had outstanding aggregated lease liabilities (for the remainder of relevant lease terms) of RMB504.0 million as of June 30, 2025, falling 2.6% from RMB517.6 million as of December 31, 2024, primarily due to the termination of certain existing lease contracts, resulting in the derecognition of related assets. Of the aggregated lease liabilities as of June 30, 2025, RMB118.9 million were due within one year and RMB385.1 million would be due in more than one year.

Pledges over Assets of the Group

The Group had no pledges over assets of the Group as of June 30, 2025.

Contingent Liabilities

As of June 30, 2025, the Group had no contingent liabilities.

Capital Commitments

As of June 30, 2025, the Group had total capital commitments entered but outstanding and not provided for in the financial statements amounting to approximately RMB210.7 million (December 31, 2024: approximately RMB240.5 million) and mainly included that not provided for the acquisition for the investments in the funds or companies was approximately RMB177.7 million (December 31, 2024: approximately RMB234.8 million).

In addition, the Group entered into a subscription agreement to subscribe 50% equity interests in an associate, Hangzhou Taikun, in 2021. The Group had committed to invest additional capital in Hangzhou Taikun, amounting to RMB6.5 billion as of June 30, 2025.

The capital commitment by the Group shall be paid subject to the notice issued by the general partner of Hangzhou Taikun according to the capital needs of Hangzhou Taikun.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Indebtedness (Continued)

Significant Investments Held

As of June 30, 2025, saved for the investment as mentioned below, the Group did not hold any other significant investments.

On July 12, 2021, Hangzhou Tigermed Equity Investment Partnership (Limited Partnership)* (杭州泰格股權投資合夥企業(有限合夥)) ("**Tigermed Equity**") and Hangzhou Tailong Venture Investment Partnership (Limited Partnership)* (杭州泰瓏創業投資合夥企業(有限合夥)) ("**Tailong Investment**"), the subsidiaries of the Company, entered into the partnership agreement with Hangzhou Industry Investment Co., Ltd.* (杭州產業投資有限公司) ("**HZ Industry Investment**") and HZ Hi-Tech Investment Co., Ltd.* (杭州高新創業投資有限公司) ("**HZ Hi-Tech Investment**") in relation to the formation of a fund, namely Hangzhou Taikun. The registered capital of Hangzhou Taikun shall be RMB20 billion, of which RMB200 million will be subscribed by Tailong Investment as the general partner, RMB9.8 billion will be subscribed by the Tigermed Equity as a limited partner, RMB5 billion will be subscribed by HZ Industry Investment as a limited partner and RMB5 billion will be subscribed by HZ Hi-Tech Investment as a limited partner.

Hangzhou Taikun was established on August 10, 2021 and became an associate of the Group. As of June 30, 2025, our Group has paid up RMB3.5 billion of the registered capital of Hangzhou Taikun.

Hangzhou Taikun is principally engaged in investment activities focusing on innovative start-ups in the healthcare industry. In addition to direct strategic investments, Hangzhou Taikun also invests in equity investment and venture capital funds in the healthcare industry.

The Company, through its subsidiaries, namely Tigermed Equity and Tailong Investment, holds 50.0% of the equity interests of Hangzhou Taikun.

As of June 30, 2025, the carrying amount of our investment in Hangzhou Taikun was RMB3,751.9 million, accounting for 13.1% of the total assets of the Group.

As of June 30, 2025, Hangzhou Taikun had a net asset of RMB7,503.8 million, and generated a profit of RMB291.3 million during the Reporting Period. The Group has received the amount of RMB1.5 million for the dividend in respect of its investment in Hangzhou Taikun during the Reporting Period.

By investing in Hangzhou Taikun, the Company's strong investment and financing platform can be utilized to, deepen its position in the biopharmaceutical field, promote the optimization of upstream and downstream industrial chain and in turn enhance the Company's core competitiveness. The Directors believe that such investment will be able to complement the Company's long term investment strategy.

Please refer to the announcements of the Company dated July 12, 2021 and August 23, 2021 and the circular of the Company dated July 23, 2021 for details.

Saved as the significant investment mentioned above, the Company has no other future plans for material investments or capital assets.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Indebtedness (Continued)

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group had not conducted any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Treasury Policy

Currently, the Group follows a set of funding and treasury policies to manage its capital resources and prevent risks involved. The Group expects to fund its working capital and other capital requirements from various sources, including but not limited to cash flow generated from operating activities, and internal financing and external financing at reasonable market rates. Save for Frontage and DreamCIS as they are publicly listed, the Group's treasury activities are centralized. The Group generally deals with financial institutions with good reputations.

Core Competence Analysis

We believe that the following strengths have enabled us to differentiate from our competitors:

1. Rich experience in project execution at the industry forefront

As a leading CRO in the industry, we have accumulated rich experience in innovative drug and medical device R&D services since its establishment more than 20 years ago, including global multi-national pharmaceutical companies and domestic large pharmaceutical companies, small to medium-sized innovative drug R&D enterprises, etc. Our products cover a wide range of chemical drugs, biologics, vaccines, medical devices, and most of the therapeutic areas, including oncology, respiratory, infectious, endocrine, hematology, neurology, cardiovascular, dermatology, immunology, digestion, metabolism, rare diseases and other disease areas. Meanwhile, the Company closely follows the development pace of China's innovative drug industry, actively enhancing its service capabilities in cutting-edge drug mechanisms, targets, and therapeutic areas. Concurrently, it is expanding its service scope to new business areas such as real-world studies and risk-based clinical monitoring. In the first half year of 2025, we have provided service for 26 approved Class I new drugs in China. As of June 30, 2025, we had cumulative experience in up to 150 international MRCTs.

2. Global synchronized operation and management

We have set up branch offices and local clinical operation teams in many countries and regions on all continents (including America, Europe, Australia, etc.), with professionals familiar with pharmaceutical regulations and clinical practices in various countries, and established synchronized operation and collaboration mechanisms, forming strong capabilities of synchronized execution of globalizing projects. Meanwhile, we have also expanded our overseas customer base and operational capacity through the strategic acquisition of overseas CRO companies. As of June 30, 2025, our global workforce has reached 10,251 employees, including over 1,700 overseas employees and covering over 33 countries globally. Since the establishment of our International Headquarter in Hong Kong in 2023, it has gradually become a central hub for Tigermed's overseas functional support and business development initiatives.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Core Competence Analysis (Continued)

3. Covering the whole R&D industry chain

For CRO enterprises, integrated services can increase the depth and breadth of cooperation with customers, reduce communication and interface costs in the R&D process, enhance efficiency and improve the stability of cooperation. Currently, we have established integrated R&D service platforms for both pharmaceutical and medical device customers. Our integrated service platform for drug R&D can provide full-process and end-to-end services including drug discovery, pre-clinical development, IND filing, clinical trial phase I-III, registration, post-market studies and real-world studies. Our integrated service platform for medical device R&D can provide R&D services throughout the entire life cycle of medical device R&D, including product design and R&D, pre-clinical, clinical development and evaluation, registration and application and post-market studies.

4. Excellent quality standards and delivery capabilities

Excellent quality management is a solid foundation for clinical research and one of the core competencies that we are proud of. We have set up a Quality Management Committee as the highest quality governance body to promote the operation and improvement of our quality management system, organize regular quality review activities and comprehensive assessment on our overall quality status, review and assess our quality risks and related corrective measures, etc. The general manager of the Company serves as the first person responsible for quality management. We take the initiative to embrace changes and innovation, actively explore the use of digital, intelligent, remote and forward-looking approaches to incorporate "Quality by Design" into the design, operation and quality management of clinical trials and develop the Risk-Based Quality Monitoring System ("**RBQM**") for risk-based quality management. Our DCT solution team has been set up to utilize the latest remote and intelligent hybrid clinical trial methods such as RBQM, e-informed, remote follow-up, direct-to-patient drug delivery, and e-payment, actively assemble taskforce to develop models and platforms based in artificial intelligence technology to enable clinical trials, aiming to continuously improve the efficiency of clinical operation and quality management capabilities and to enhance the efficiency of high-quality delivery and delivery capabilities.

5. Leading industry position and influence

Since our establishment in 2004, we have witnessed and involved in the whole process of China's pharmaceutical industry from me-too drugs to fast-follow drugs and then to innovative drugs. After nearly 20 years of development, we have grown from a local CRO to expansion into Asia-Pacific, and then expansion from the Asia-Pacific region to Europe and the United States. We have become China's leading CRO and one of the few international CROs that can cover all 5 continents with global synchronization of R&D service capabilities. During the period from our establishment in 2004 to 2024, we have provided services for 60% of the marketed Class I new drugs in China. According to Frost & Sullivan's report, we have the largest market share in China's clinical outsourcing market for many consecutive years with a 10.6% market share in 2024, and is the only China-based clinical services provider ranked among global top 10 with a global market share of 1.1%.

1. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP DURING THE REPORTING PERIOD (Continued)

Core Competence Analysis (Continued)

6. Extensive network of collaborations with Chinese and global research institutions

In China, we have a network of offices and operations covering almost all of the country's medium and large-sized cities, and we partner with more than 1,400 Chinese clinical trial institutions. We have also launched the E-site Program to continue to strengthen cooperation with top clinical trial institutions, jointly develop professional clinical trial teams and build clinical sites, improve management and efficiency, and create a win-win and sustainable clinical study network. As of June 30, 2025, we have completed the construction of 8 jointly established centers, deployed 19 regional divisions across China, and established 300 key partner centers along with 98 green channel centers. This has formed an integrated research center service platform encompassing on-site management, institutional services, Good Clinical Practice center operations and subject management.

7. Building an ecosystem to enable full-cycle services for enterprise

In order to better drive biopharmaceutical innovation, we make minority investments in innovative biopharmaceutical and medical device startups. Our industry reputation, experience and expertise enable us to identify early-stage investment opportunities and develop a diversified portfolio. Through our investments, we are able to build long-term relationships with such companies and promote continued innovation in the biopharmaceutical industry in China and globally. In addition to providing financial support to start-ups, we also focus on the early transformation of scientific research results, integrate pharmaceutical innovation and entrepreneurship resources from government, industry, universities, research institutes, hospitals, investment institutions and other parties, focus on building a platform empowered by transformation of scientific and technological achievements throughout the whole life cycle, actively participate in investing in and incubating more innovative enterprises, and provide one-stop R&D solutions and full life-cycle services for business operations, so as to continuously empower the growth of innovative enterprises.

Other Events

On March 27, 2025 the Company convened the fourteenth meeting of the fifth session of the Board, pursuant to which the Board resolved and approved, amongst others, the proposed amendments to the articles of association of the Company (the "**Proposed Amendments to the Articles**"). The Proposed Amendments to the Articles was approved at the 2024 annual general meeting of the Company by way of special resolution. For details, please refer to the announcements of the Company dated March 27, 2025 and May 30, 2025 and the circular of the Company dated April 29, 2025.

2. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY

Industry Outlook

In the past few years, both domestic and international environments have undergone profound and complex transformations. Influenced by the interplay of the global macroeconomic cycle, the development cycle of biopharmaceutical industry, domestic economic, and industrial and policy cycles, the demand for R&D in the domestic biopharmaceutical industry has exhibited significant volatility. Some of our clients have experienced a notable shift in their risk appetite for biopharmaceutical R&D, while others, particularly those that have not yet achieved profitability and rely heavily on external financing, are encountering substantial cash flow pressures. These factors contribute to heightened competitive intensity and growth challenges within clinical research outsourcing services and related industries.

Since 2015, China's biopharmaceutical industry has experienced rapid growth. A decade ago, the industry was dominated by generic drugs, with innovative medicines almost entirely dependent on imports. Today, China's biopharmaceutical sector has transformed to be absolutely led by innovation, featuring a complete R&D and manufacturing industry chain and an innovation capacity that ranks among the global forefront. Against the backdrop of this rapid industry development, some earlier-stage R&D pipelines have become mismatched with the current phase of the industry, which has affected some of our clients. Of course, as China's biopharmaceutical industry advances to a globally leading level, more high-quality R&D projects have emerged that are in lockstep with, or even ahead of, global cutting-edge R&D progress. Such projects will become the norm in the future and are the key focus for our business development team's new order acquisition efforts.

As China's biopharmaceutical R&D capabilities have ascended to a world-leading level, which is driven by factors such as continuous optimization of regulatory policies, further improvement of the industry ecosystem, and the gradual recovery of the domestic economic cycle, the Chinese domestic biopharmaceutical industry's R&D innovation continues to achieve breakthroughs. The industry is welcoming numerous groundbreaking "innovation outputs," and the "going global" trend is becoming increasingly evident. This vitality is demonstrated by everything from the concentrated approval of multiple innovative drugs for market to the impressive clinical data presented by Chinese companies on top-tier international academic arenas.

In the first half of 2025, driven by a patient-centric and clinical value-oriented approach, China's innovative drug R&D remained active and its innovation capabilities were further upgraded. Both the quality and quantity of the innovative drug pipeline have ranked among the top in the world. In the first half of 2025, a total of 38 Class I new drugs were approved by NMPA, a record high for the same period. For the full year of 2024, 48 Class I new drugs were approved. During the same period, CDE of NMPA announced 1,001 clinical trials for innovative drugs, compared to 1,858 clinical trials for innovative drugs for the full year of 2024. China is the highest contributor to the pipelines for the world's most popular cutting-edge new drug targets, with its pipeline share exceeding 50% for 18 of the top 20 targets. At the 2025 ASCO Annual Meeting, 73 studies from China were selected for oral presentations, a 40% increase from 2024, accounting for 48% of the global total. In 2024, among IND applications approved by the U.S. FDA, those from China accounted for over 50% and the number of new drugs in development in China has jumped to the second place globally.

2. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY (Continued)

Industry Outlook (Continued)

Research and development activities in high-demand therapeutic areas in domestic and worldwide markets remained highly active, such as weight loss, cell and gene therapies, and innovative anti-tumor therapies (including ADCs, bispecific antibodies, and novel small molecule drugs). Several new domestically produced drugs have achieved leading positions in various indications within China and have begun to make significant breakthroughs in global markets. Driven by emerging technologies and R&D tools, enterprises with differentiated target portfolios (e.g., companies with bispecific/ADC platform capabilities), high clinical development efficiency (e.g., those employing innovative clinical research models and real-world evidence to accelerate regulatory review), and strong globalization and business development capabilities continued to capture significant attention from both markets and investors. The domestic biopharmaceutical industry is gradually shifting from "scale expansion" to "value creation," entering a phase of high-quality innovation.

China continues to deepen reforms to promote the high-quality development of the pharmaceutical industry. In recent years, the Chinese Government has successively introduced major reform measures concerning the review and approval system and strengthening drug regulatory capacity, supporting the entire chain of innovative drug development. Such initiatives have effectively improved review and approval efficiency and vigorously promoted the accelerated launch of new and better drugs to better meet the clinical medication needs of the people.

China's 2025 Government Work Report further clarified the need to improve the drug price formation mechanism, formulate an innovative drug catalog, and support the development of innovative drugs and medical devices. In January 2025, NHSA stated it would research and introduce a series of policy measures, including broadening payment channels for innovative drugs and exploring the establishment of a "Category C" drug catalog, to further increase support for innovative medicines. On June 16, 2025, the NMPA released the Announcement on Matters Related to Optimizing the Review and Approval of Clinical Trials for Innovative Drugs (Draft for Comments), which proposes to complete the review and approval process for qualifying innovative drug clinical trial applications within 30 working days, further shortening the market-launch cycle for an innovative drug. On July 1, 2025, the NHSA, jointly with the NHC, issued the Circular on Several Measures to Support the High-Quality Development of Innovative Drugs. These measures focus on the prominent challenges facing the development of innovative drugs in China, providing 16 specific measures across five major areas: strengthening R&D support for innovative drugs, supporting the inclusion of innovative drugs into the National Health Insurance Catalogue and the National Catalogue of Innovative Drugs Covered by Commercial Health Insurance, encouraging clinical application, enhancing multi-channel payment capacity for innovative drugs, and strengthening organizational guarantees for innovative drugs. The issuance of this document will help build a new, clinical value-oriented paradigm for R&D of innovative drugs, stimulate the vitality of innovative drug R&D, and better match clinical treatment needs.

2. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY (Continued)

Potential Risks

1. Risk of force majeure events, natural disasters or outbreaks of other epidemics and contagious diseases and other emergencies

Our business operations, financial condition and results of operations will be adversely affected by the potential force majeure events, natural disasters or outbreaks of other epidemics and contagious diseases, and other emergencies. Furthermore, we may in the future experience additional disruptions that could materially and adversely impact our projects, business, financial condition and results of operations. These additional disruptions may also have the effect of heightening certain other risks, such as those relating to our ability to attract and retain customers, our ability to collect payments from our existing and future customers, our ability to recruit healthy volunteers and patients for our clinical trials and our ability to conduct R&D projects with high quality and timely delivery. The extent of the impact to our business will depend on future developments, which are uncertain and unpredictable at the moment.

We have formulated a business continuity management plan to facilitate the recovery of key operations, functions and technologies before, during and after emergencies or destructive events in a timely and organized way, so as to enable our Group to develop its business on a feasible and stable basis. However, if our business continuity management plan fails to cope with the impact of relevant emergencies and force majeure, it may materially adversely affect the Company's business, finance, operating results and future prospects.

2. Risk of reduction in demand for biopharmaceutical R&D services

The success of our business depends primarily on the number and size of service contracts with our customers, who are mostly biopharmaceutical and medical device companies. Over the past several years, we have benefited from increasing demand for our services from our customers because of the continued growth of the global pharmaceutical market, increasing R&D budgets of our customers, and a greater degree of outsourcing by our customers. Any slowing or reversal of any of these trends could have a material and adverse effect on the demand for our services. Furthermore, if investments in pharmaceutical industries were to decrease as a result of decreased cash flows generated by companies or decreased willingness in investment by external investors, the demand for outsourced biopharmaceutical R&D services from companies in such industries may also decrease. If our customers reduce their spending on our services, our business, financial condition, results of operations and prospects could also be materially and adversely affected.

3. Risk of failure in adapting to updates or changes in regulations/policies

The biopharmaceutical R&D industry is usually heavily regulated by relevant local regulators in countries and regions where we operate or our services are delivered. In developed countries, the regulations and policies governing the biopharmaceutical R&D industry are generally well established. In China, the local government and NMPA have been gradually developing and refining relevant regulations and policies governing biopharmaceutical R&D activities in China. Whilst we have attached great importance to the latest development of these regulations and policies, our business, financial condition and results of operations could be adversely affected if we fail to timely adapt to any updates or changes of these relevant regulations or policies by formulating an updated operating strategy.

2. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY (Continued)

Potential Risks (Continued)

4. Risk of increasing competition

The global pharmaceutical CRO market is increasingly competitive. We face competition in several areas, including price, quality of services, breadth and flexibility of services, capacity, timeliness of delivery of services, compliance with regulatory standards and customer relationships. We compete with multinational CROs and domestic, small to medium-sized CROs. In addition, we compete with the in-house development teams of our customers. If we are not able to compete effectively with existing or new competitors, our business, financial condition and results of operations could be adversely affected. Furthermore, increased competition could create pricing pressure on our services, which could reduce our revenue and profitability.

5. Risk of failure in business expansion and strategy implementation

We expect to continue growing our business in the future and hence will continue to diversify our service offerings and enhance our global presence. As such, we will need to continuously enhance and upgrade our services and technology, optimize our branding, sales and marketing efforts, and expand, train and manage our employees. All these efforts will require significant managerial, financial and human resources. If we are not able to manage our growth or execute our strategies effectively, our expansion may not be successful and our business, financial condition and results of operations may be materially and adversely affected.

6. Risk of failure in complying with existing or future changes in laws, regulations or industry standards

Government agencies and industry regulatory bodies around the world impose strict regulations or industry standards on how customers develop, test, study and manufacture drugs, medical devices, and biologics and how CROs and other third parties acting on customers' behalf perform such regulated services. Given the wide range of services the Company performs for its customers and its diverse geographic coverage, the Company is subject to various applicable legal and regulatory requirements around the world. In addition, the Company has attached great importance to comply with laws, regulations and industry standards during its operations and will continue to invest in the enhancement of our quality management system and compliance procedures. If the Company fails to comply with any laws, regulations or industry standards in the future in geographies where it operates, its business, financial condition and results of operations will be materially and adversely affected. Further, regulatory authorities may from time to time change their legal and regulatory requirements. Therefore, if the Company's existing quality management system and compliance procedures fail to adequately meet new legal and regulatory requirements, the Company may need to incur additional compliance costs and become exposed to negative findings of relevant governmental authorities, which may cause material and adverse impact to its business, financial condition and results of operations. In addition, if there are any actions taken against the Company by governmental regulators for violating the relevant laws, regulations or industry standards, even if successfully defended or settled in the end, could cause the Company to incur relevant legal expenses, divert management's attention from the operation of the Company's business and adversely affect its reputation, business, financial condition and results of operations.

2. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY (Continued)

Potential Risks (Continued)

7. Risk of failure in obtaining or renewing certain regulatory approvals, licenses, permits and certificates required for the business

We are required to obtain and maintain numerous approvals, licenses, assurances, accreditations, permits, registrations, and certificates from relevant authorities to operate our business. If we or our business partners fail to obtain approvals, registrations, licenses, assurances, accreditations, permits and certificates necessary for our operations or to comply with the terms, conditions, and requirements thereunder, enforcement actions may be taken against us, including suspension or termination of licenses, approvals, assurances, accreditations, permits, registrations, and certificates, orders issued by the relevant regulatory authorities causing operations to cease, fines and other penalties, and may include corrective measures requiring capital expenditure or remedial actions. If such enforcement action is taken, our business operations could be materially and adversely disrupted. In addition, some of these approvals, licenses, assurances, accreditations, permits, registrations, and certificates are subject to periodic renewal by the relevant authorities, and the standards of such renewals may change from time to time. If we fail to obtain the necessary renewals and otherwise maintain all approvals, licenses, registrations, assurances, accreditations, permits and certificates necessary to carry out our business at any time, our business could be severely disrupted or discontinued, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, the interpretation or implementation of existing laws and regulations may change and new regulations may come into effect requiring us to obtain any additional approvals, permits, licenses, registrations, assurances, accreditations or certificates that were previously not required to operate our existing business, facilities or any planned future business or facilities. Failure to obtain the additional approvals, permits, licenses or certificates may restrict our ability to conduct our business, which, in turn, could have a material adverse effect on our business, financial condition and results of operations.

8. Risk of failure in meeting customers' expectations

If our customers determine that their expenditures on our services do not generate the expected results, they may allocate a portion or all of their budgets to our competitors, and reduce or terminate their business with us. We may not be able to replace customers which decrease or cease their purchase of our services with new customers that spend at similar levels or more on our services. As a result, we may suffer from a loss of customers and may fail to attract new customers, and our ability to maintain and/or grow our revenues could be materially and adversely affected.

9. Risk of losing key customers and contracts

If our key customers significantly reduce their spending on our services, or terminate their business relationship with us, our business, financial condition, and results of operations could be materially and adversely affected. In addition, if multiple of our contracts or a large contract are terminated, delayed, or altered in the normal course of business, our business, financial condition, and results of operations could be adversely affected.

2. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY (Continued)

Potential Risks (Continued)

10. Risks of acquisitions and investments

We have historically grown our business in part through a number of acquisitions and investments and expect to continue to make selective acquisitions and investments in the future. If we fail to identify suitable acquisitions or investments targets, or made acquisitions or investments that are not successful, we may fail to realize our anticipated returns from such transactions. Our business, financial condition and results of operations could also be adversely affected.

11. Risk of failure to attract, train, motivate and retain talent

Along with our continued expansion, we have established an experienced talent pool with strong project management and R&D capabilities. Skilled and talented personnel help us keep pace with the latest developments in R&D technologies and methodologies in the pharmaceutical and medical device industries, and are therefore critical to our success. Our business operations also rely on personnel possessing highly technical skills for our project management, quality control, compliance, safety and health, information technology and marketing. In order to develop and retain our talent, we provide continuous training programs to our employees through various symposiums, forums and lectures. We also offer employee share incentive programs to our key employees and thus provide them with an opportunity to share the growth of our business. We intend to continue to attract and retain skilled personnel. However, as there is a limited supply of qualified personnel with the necessary experience and expertise, and such talent is highly sought after by pharmaceutical companies, medical device companies, CROs and research institutions, we have to provide competitive compensation and benefits packages to attract and retain talent. We may not always be able to hire and retain the requisite number of qualified personnel to keep pace with our anticipated growth while maintaining consistent service quality. Our expenses to recruit and retain talent are expected to continue to increase along with the growth of the CRO market in China and around the world. If there is a significant increase, our business, financial condition and results of operations may be adversely affected. In addition, we may not always be successful in training our professionals to quickly adapt to technological advances, evolving standards and changing customer needs, and the quality of our services may therefore be severely affected. If there is any failure to attract, train or retain skilled personnel, our reputation, business, financial condition, results of operations and prospects could be materially and adversely affected.

12. Risk of talent loss

Our Directors and our senior management have been instrumental in achieving our historic growth and are crucial to our success. If we lose the services of any of our Directors or our senior management, we may not be able to replace them with suitable and qualified candidates and may incur additional expense to recruit and train new personnel, which could disrupt our business and growth. Furthermore, as we expect to continue to expand our operations and develop new services and products, we will need to continue attracting and retaining experienced management and key technical and scientific personnel. Competition for these talents is intense, and the availability of suitable and qualified candidates is limited. We may be unable to attract or retain such personnel required to achieve our business objectives and failure or delay in doing so could materially and adversely impact our competitiveness, business, financial condition and results of operation.

2. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY (Continued)

Potential Risks (Continued)

13. Risks related to financial assets at FVTPL

The fair value of our financial assets at FVTPL, including listed equity securities, unlisted equity investments, unlisted fund investments, unlisted debt instruments and financial products, are subject to changes beyond our control. During the Reporting Period, we recorded a negative changes in the fair value of financial assets in the amount of RMB89.6 million, compared to a negative changes in the fair value of financial assets in the amount of RMB98.4 million during the Corresponding Period. There is no guarantee that the changes in fair value of our financial assets at FVTPL will be positive, and our financial results may be materially affected by fluctuations in the changes in fair value of financial assets at FVTPL. During the Corresponding Period and the Reporting Period, we recorded gains on disposal of and received dividends from financial assets at FVTPL of a total of RMB4.8 million and RMB24.7 million, respectively. There is also no guarantee that we will make gains on disposal of financial assets at FVTPL in the future, and our financial results may be materially affected.

14. Foreign exchange risk

Most of our sales and the costs thereof are denominated in same currencies. However, certain entities within the Group do have sales, costs, capital expenditures, cash and cash equivalents and borrowings in foreign currencies, which exposes the Group to foreign currency risks. In addition, certain entities within the Group also have receivables and payables which are denominated in currencies different from their functional currencies. The Group is mainly exposed to the foreign currency of US$. If RMB appreciates significantly against US$, our revenue growth could be negatively impacted, and our margins might also be pressured. In order to effectively mitigate or hedge against the risks associated with foreign exchange rate fluctuation and to achieve robust business operation, the Company has established a comprehensive Management System for Foreign Exchange Derivatives Trading. Based on revenue and expenditure as well as market condition, the Company may utilize hedging instruments such as forward foreign exchange settlement and sales, RMB and other foreign currency swaps, foreign exchange trading, foreign exchange swaps, and foreign exchange options.

15. Risk of changes in international policies and situations

Our overseas expansion, our financial condition and results of operations could be adversely affected by circumstances including but not limited to material change of laws, regulations, industrial policies or political and economic environment of any foreign nations or regions where we carry out business operation, or any unforeseeable and unpredictable factors such as geopolitical tensions, international conflicts, wars, sanctions, or other force majeure events. Specifically, international market conditions and the international regulatory environment have historically been affected by competition among countries and geopolitical frictions. Changes to trade policies, treaties and tariffs, or the perception that these changes could occur, could adversely affect the financial and economic conditions in the jurisdictions in which we operate, capital markets where our shares are listed and traded, as well as our overseas expansion, our ability to raise additional capital, our financial condition and results of operations.

2. THE MANAGEMENT'S DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY (Continued)

Employees

The number of our total employees increased slightly from 10,185 as of the end of the previous year to 10,251 as of the end of this Reporting Period.

The number of domestic employees decreased slightly from 8,559 as of December 31, 2024 to 8,542 as of the end of this Reporting Period. The slight decrease in our domestic workforce was primarily decrease in the number of our back office employees during the Reporting Period and part of our ongoing optimization efforts on business that was adversely affected by domestic industry cycle, such as Frontage's China laboratory service team. The decrease was partially offset by a moderate increase in the number of our site management team.

The number of overseas employees increased from 1,626 as of December 31, 2024 to 1,709 as of the end of this Reporting Period. The primary reason was the increased scale of Company's US team. During the Reporting Period, the Company continues to expand the scale of their clinical operations, project management teams, and business development teams in key overseas markets. As part of its business growth strategy, the Company plans to continue expanding the scale of its clinical operations, project management teams, and business development teams in key overseas markets in the future.

Highly qualified and stable employees are critical for the Company to consistently deliver high-quality services to its clients. The Company is committed to attracting globally experienced interdisciplinary talents, industry experts, and professional technicians to support global expansion. It will also continue to improve its recruitment, job transfer, training, and development programs, as well as its long-term incentive plans, to cultivate and retain talents.

We entered into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, non-competition and grounds for termination. These employment contracts typically have terms of three years. We also provide competitive salaries, bonuses, share schemes and other means to attract, motivate, retain and reward our employees. In addition, we invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge.

We regularly review our capabilities and adjust our workforce to ensure we have the right mix of expertise to meet the demand for our services. In China, we have established a labor union that represents employees with respect to the promulgation of bylaws and internal protocols.

SHARE INCENTIVE SCHEMES

The valid share incentive schemes of the Group are set out as follows.

The number of A Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of Shares of the A Shares in issue (excluding treasury shares) for the Reporting Period was nil.

SHARE INCENTIVE SCHEMES (Continued)

1. Frontage Labs 2008 and 2015 Share Incentive Plans

Frontage Labs, a subsidiary of the Company, adopted 2 Pre-IPO share incentive plans respectively in 2008 and 2015 (collectively referred as the "**Frontage Labs Schemes**") for the primary purpose of attracting, retaining and motivating the directors and employees of the Frontage Labs and its subsidiaries. Under the Frontage Labs Schemes, the directors of Frontage Labs may grant up to 9,434,434 share options under the 2008 share incentive plan and 12,000,000 share options under the 2015 share incentive plan to eligible employees, including the directors and employees of Frontage Labs and its subsidiaries, to subscribe for shares in Frontage Labs. No more options may be granted under the Frontage Labs Schemes upon the listing of Frontage. Each option granted has a contractual term of 5 to 10 years and vesting on the anniversary one year after grant date.

On April 17, 2018, Frontage, Frontage Labs and corresponding employees entered into an agreement pursuant to which Frontage Labs has assigned, and Frontage has assumed, the rights and obligations of Frontage Labs under the Frontage Labs Schemes. The total outstanding share options under Frontage Labs Schemes as at December 31, 2018 were 4,035,000 shares. The maximum number of Shares to be granted to a participant under the Frontage Labs Schemes shall not exceed 1% of the total issued share capital of Frontage Labs.

On February 28, 2019, Frontage Labs granted a total of 7,990,000 share options under the Pre-IPO Share Incentive Plan in 2015 to the eligible employees at an exercise price of US$2.00.

Pursuant to the capitalisation issue completed on May 11, 2019 (the "**Frontage Capitalisation Issue**"), the number of options granted to an eligible employee under the Frontage Labs Schemes were adjusted to ten times of the original number of options held by that grantee. Accordingly, the exercise price was adjusted to 10% of the original exercise price.

Set out below are details of the movements of the outstanding options granted during the Reporting Period, after taking Frontage Capitalisation Issue into account:

Category of participants	Date of grant	Exercise price per share (US$)	Outstanding as at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Canceled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2025	Vesting period
Senior management and other employees	June 16, 2016	0.049	6,650,000	–	–	–	–	6,650,000	exercisable at any time[1]
	September 14, 2017	0.057	9,850,000	–	–	–	–	9,850,000	exercisable at any time[1]
Total			**16,500,000**	**–**	**–**	**–**	**–**	**16,500,000**	

Notes:

(1) The option exercise period is ten years from the date of grant.

(2) The weighted average closing price of the shares immediately before the dates on which the options were exercised during the Reporting Period was not applicable as there was no exercise of options during the Reporting Period.

SHARE INCENTIVE SCHEMES (Continued)

1. Frontage Labs 2008 and 2015 Share Incentive Plans (Continued)

The exercise price of options outstanding ranges from US$0.049 to US$0.057 (equivalent to RMB0.35 to RMB0.41).

The estimated fair value of the share options granted under the 2015 Pre-IPO Share Incentive Plan in 2021 was approximately US$5,001,000. The fair value was calculated using the Black-Scholes model. There were no share options issued for the six months ended June 30, 2025 and no more options may be granted under the 2015 Pre-IPO Share Incentive Plan upon the listing of Frontage.

The major inputs into the model are as follows:

Grant date	As at February 28, 2019
Share price (US$)	0.22
Exercise price (US$)	0.20
Expected volatility	30.0%
Expected life (years)	5
Risk-free interest rate	2.5%
Expected dividend yield	–

Share price is determined as the total fair value of Frontage's equity divided by the total number of shares. To determine the fair value of Frontage's equity value as of grant date, the Frontage Holdings Group used primarily the discounted cash flow method under the income approach, using cash flow projections based on financial forecasts approved by management covering a five-year period as appropriate and a discount rate of 18% for the options granted on February 28, 2019. Management's assessment is that the Frontage Holdings Group will arrive at a stable growth stage after a five-year period. Cash flow beyond that five-year period has been extrapolated using a steady 3% growth rate. This growth rate does not exceed the long-term average growth rate for the market in which the Frontage Holdings Group operates. The result from the income approach was cross checked with the market approach, which incorporates certain assumptions, including the market performance of comparable listed companies, as well as the financial results and growth trends of the Frontage Holdings Group, to derive the total equity of the Frontage Holdings Group.

The risk-free interest rate was based on the market yield rate of U.S. government bonds with the term corresponding to the contractual life of the options. Expected volatility was determined by using the historical volatility of the comparable companies.

Changes in variables and assumptions may result in changes in the fair values of the share options.

The Group recognised total expense of nil for the six months ended June 30, 2025 (six months ended June 30, 2024: nil) in relation to share options granted under the Frontage Labs Schemes.

SHARE INCENTIVE SCHEMES (Continued)

2. Frontage 2018 Share Incentive Plans ("2018 Share Incentive Plan")

On May 11, 2019, for the primary purpose of attracting, retaining and motivating the personnel of the Frontage Holdings Group, the board of directors of Frontage approved an incentive plan to grant options, restricted share units and any other types of award to eligible employees, including the directors, employees, consultants and advisors of the Frontage Holdings Group or any other person as determined by the Frontage board who the Frontage Board considers, in its absolute discretion, have contributed or will contribute to the Frontage Holdings Group. Each person who receives an Award under the 2018 Share Incentive Plan is a grantee (the "**Grantee**"). The total number of shares in respect of which the awards may be granted pursuant to the 2018 Share Incentive Plan and any other equity-based incentive plans of Frontage is 200,764,091, being 10% of the shares of Frontage in issue (excluding treasury shares) as at the date of this report.

The total number of shares available for issue under the 2018 Share Incentive Plan is 85,823,591, being 4.2% of the issued shares (excluding treasury shares) of Frontage as at the date of this report.

In accordance with the Listing Rules, the maximum number of shares issued and to be issued and/or transferred and to be transferred upon the vesting or exercise of the awards granted to any eligible participant (including all vested, exercised and outstanding awards) in the 2018 Share Incentive Plan in any 12-month period shall not (when aggregated with any shares underlying the awards granted during such period pursuant to any other share award schemes of Frontage) exceed 1% of the shares of Frontage in issue from time to time. Any further grant of share awards in excess of this limit is subject to shareholders' approval in a general meeting. Share options granted to a director, chief executive or substantial shareholder of the Frontage, or to any of their close associates, are subject to approval in advance by the independent non-executive directors (excluding the independent non-executive directors who or whose close associates are the grantees of a share option). In addition, any grant of share options to a substantial shareholder or an independent non-executive director of Frontage, or to any of their respective associates, would result in the shares issued and to be issued in respect of all share options (excluding any options lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant: a) representing in aggregate over 0.1% of the relevant class of shares in issue; and b) having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK$5 million, such further grant of share options must be approved by shareholders of Frontage (voting by way of a poll). The remaining life of the 2018 Share Incentive Plan is approximately 3 years and 8 months until May 29, 2029. The offer of a grant of share options may be accepted a period to be determined by the board of Frontage upon payment of a consideration of US$1.00 by the grantee. Subject to such terms and conditions as the board of Frontage may determine, there is no minimum period for which any share option granted under the 2018 Share Incentive Plan must be held before it can be exercised. The exercise price of share options granted under the 2018 Share Incentive Plan will be determined by the board of Frontage, but in any event shall not be less than the highest of (i) the Stock Exchange closing price of the Frontage's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Frontage's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of a share of Frontage provided that for the purpose of determining the exercise price where the shares of Frontage have been listed on the Stock Exchange for less than five trading days, the issue price of the shares of Frontage in the global offering shall be used as the closing price of the shares of Frontage for any trading day falling within the period before the listing of the shares of Frontage on the Stock Exchange.

SHARE INCENTIVE SCHEMES (Continued)

2. Frontage 2018 Share Incentive Plans ("2018 Share Incentive Plan") (Continued)

An option may be exercised in accordance with the terms of the 2018 Share Incentive Plan at any time during a period to be determined by the board of directors of Frontage and notified to the Grantee in the notice of grant, or, where applicable, any period for the exercise of an option as determined by the board of directors of Frontage, which shall expire no later than 10 years from the date on which an offer is made to a participant.

On October 7, 2022, the board of directors of Frontage has resolved to grant a total of 32,555,000 share options.

On December 20, 2023, Frontage Holdings granted a total 26,285,000 share options under 2018 Frontage Share Incentive Scheme.

On October 30, 2024, the board of directors of Frontage has resolved to grant a total of 33,150,000 share options.

Set out below are details of the movements of the outstanding share options granted under the 2018 Share Incentive Plan during the Reporting Period:

Category of participants	Date of grant	Exercise price per share (HK$)	Outstanding as at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Canceled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2025	Vesting period
Director									
Dr. Song Li	October 7, 2022[1]	2.092	1,500,000	–	–	–	–	1,500,000	• 30% on September 1, 2023; • 30% on September 1, 2024; and • 40% on September 1, 2025
	December 20, 2023[2]	2.130	1,600,000	–	–	–	–	1,600,000	• 30% on December 20, 2024; • 30% on December 20, 2025; and • 40% on December 20, 2026
	October 30, 2024[3]	0.820	4,500,000	–	–	–	–	4,500,000	• 30% on October 30, 2025; • 30% on October 30, 2026; and • 40% on October 30, 2027
Employees	October 7, 2022[1]	2.092	23,450,000	–	–	859,000	–	22,591,000	• 30% on September 1, 2023; • 30% on September 1, 2024; and • 40% on September 1, 2025
	December 20, 2023[2]	2.130	21,178,000	–	–	669,500	–	20,508,500	• 30% on December 20, 2024; • 30% on December 20, 2025; and • 40% on December 20, 2026
	October 30, 2024[3]	0.820	28,650,000	–	–	1,000,000	–	27,650,000	• 30% on October 30, 2025; • 30% on October 30, 2026; and • 40% on October 30, 2027
Total			**80,878,000**	**–**	**–**	**2,528,500**	**–**	**78,349,500**	

SHARE INCENTIVE SCHEMES (Continued)

2. Frontage 2018 Share Incentive Plans ("2018 Share Incentive Plan") (Continued)

Notes:

(1) The closing price of the shares immediately before the date on which the options were granted was HK$2.06.

(2) The closing price of the shares immediately before the date on which the options were granted was HK$2.16.

(3) The closing price of the shares immediately before the date on which the options were granted was HK$0.73.

(4) The weighted average closing price of the shares immediately before the dates on which the options were exercised during the Reporting Period was not applicable as there was no exercise of options during the Reporting Period.

The option exercise period commences from the respective vesting date of the relevant tranche of share options and ends on the date before the 5th anniversary of the date of grant (i.e. October 6, 2027, December 20, 2028 and October 30, 2029 respectively) (both dates inclusive). Except for the share options granted shown as above, no restricted share units or any other type of share incentive award was granted under the 2018 Share Incentive Plan for the Reporting Period. The number of Awards available for grant under the 2018 Share Incentive Plan at the beginning and the end of the financial period is 85,823,591 and 85,823,591, respectively.

The fair value of the share options granted under the 2018 Share Incentive Plan as at October 7, 2022, December 20, 2023 and October 30, 2024 were approximately US$3,255,000 (equivalent to approximately RMB21,995,000), US$2,988,000 (equivalent to approximately RMB21,083,000), and US$1,839,000 (equivalent to approximately RMB13,087,611) respectively, which was calculated in accordance with IFRSs. The fair value was calculated using the Black-Scholes-Merton model.

The Group recognised total expenses of approximately US$1,045,000 (equivalent to approximately RMB7,501,000) for the Reporting Period (for the six months ended June 30, 2024: US$1,182,000 (equivalent to approximately RMB8,401,000)) in relation to share options granted under the 2018 Share Incentive Plan.

3. 2021 Frontage Share Award Scheme

On January 22, 2021 (the "**Adoption Date**"), the board of directors of Frontage, a non wholly-owned subsidiary of the Company, approved the adoption of the share award scheme ("**2021 Frontage Share Award Scheme**") to recognise the contributions by certain employees of the Frontage Holdings Group, to give incentives thereto in order to retain them for the continual operation and development of the Frontage Holdings Group and to attract suitable personnel for further development of the Frontage Holdings Group. Each award granted has a contractual terms of 10 years and The respective awarded shares held by the trustee on behalf of selected employee(s) as specified in the 2021 Frontage Share Award Scheme and the grant notice shall vest in such selected employee(s) in accordance with the vesting schedule (if any) as set out in the grant notice.

SHARE INCENTIVE SCHEMES (Continued)

3. 2021 Frontage Share Award Scheme (Continued)

Under the rules of the 2021 Frontage Share Award Scheme, the individuals eligible to be granted award(s) thereunder include any director, senior management, employee, or consultant of Frontage or its subsidiaries, but at the discretion of the board of directors of Frontage, excluding the following persons: (i) any seconded employee or part-time employee or non-full time employee of the Frontage Holdings Group; and (ii) any employee of the Frontage Holdings Group who at the relevant time has given or been given notice terminating his office or directorship as the case may be. Employees who are resident in a place where the award of the awarded shares and/or the vesting and transfer of the awarded shares pursuant to the terms of the 2021 Frontage Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the board of directors of Frontage or the trustee of the 2021 Frontage Share Award Scheme (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such employee, are excluded from the 2021 Frontage Share Award Scheme.

The maximum number of shares in respect of which awards may be granted pursuant to the 2021 Frontage Share Award Scheme is 204,605,091, being 10% of the issued share capital of Frontage on the adoption date of the 2021 Frontage Share Award Scheme.

The total number of shares available for issue under the 2021 Frontage Share Award Scheme is 181,654,591, being 8.9% of the issued shares (excluding treasury shares) of Frontage as at the date of this report.

The maximum number of awarded shares which may be awarded to a selected employee shall not in aggregate exceed one percent (1%) of the issued share capital of Frontage as at the adoption date of the 2021 Frontage Share Award Scheme (i.e. January 22, 2021).

No payment is required on acceptance of award under the 2021 Frontage Share Award Scheme.

There is no basis in determining the purchase price under the 2021 Frontage Share Award Scheme.

The 2021 Frontage Share Award Scheme will remain in force for a period of 10 years commencing on its adoption date (i.e. January 22, 2021) unless otherwise terminated by the board of directors of Frontage at an earlier date.

On January 25, 2021, the board of directors of Frontage has resolved to grant a total of 22,950,500 awarded shares to 184 award participants pursuant to the terms of the 2021 Frontage Share Award Scheme. Of the 22,950,500 awarded shares, (i) 19,850,500 awarded shares were granted to 182 non-connected award participants, all being employees of the Group who are not connected persons of the Company; and (ii) 3,100,000 awarded shares were granted to two connected award participants (being award participants who are connected with Frontage or connected persons of Frontage), namely Dr. Zhihe Li and Dr. Song Li and were approved by the independent shareholders of Frontage at the annual general meeting of Frontage held on May 27, 2021.

Each award share granted generally vested over a four-year period with an agreed award vesting on the anniversary one year after grant date.

SHARE INCENTIVE SCHEMES (Continued)

3. 2021 Frontage Share Award Scheme (Continued)

Set out below are details of the movements of the awarded shares granted under the 2021 Frontage Share Award Scheme during the Reporting Period:

			Number of awarded shares						
Category of Participants	Date of Grant	Purchase Price	As at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period[1]	Lapsed during the Reporting Period	Cancelled during the Reporting Period	As at June 30, 2025	Vesting period
Directors									
Dr. Song Li	January 25, 2021	–	462,500	–	462,500	–	–	–	25% on January 24, 2022, 25% on January 24, 2023, 25% on January 24, 2024, and 25% on January 24, 2025
Dr. Zhihe Li[2]	January 25, 2021	–	312,500	–	312,500	–	–	–	25% on January 24, 2022, 25% on January 24, 2023, 25% on January 24, 2024, and 25% on January 24, 2025
Dr. Zhongping Lin[3]	January 25, 2021	–	400,000	–	400,000	–	–	–	25% on January 24, 2022, 25% on January 24, 2023, 25% on January 24, 2024, and 25% on January 24, 2025
Chief Executive									
Dr. Abdul Mutlib[4]	January 25, 2021	–	325,000	–	325,000	–	–	–	25% on January 24, 2022, 25% on January 24, 2023, 25% on January 24, 2024, and 25% on January 24, 2025
Other grantees									
Other grantees	January 25, 2021	–	2,590,064	–	2,587,564	–	2,500	–	25% on January 24, 2022, 25% on January 24, 2023, 25% on January 24, 2024, and 25% on January 24, 2025
Total			**4,090,064**	**–**	**4,087,564**	**–**	**2,500**	**–**	

Notes:

(1) The weighted average closing price of the shares immediately before the dates on which the awards were vested during the Reporting Period was HK$1.37.

(2) Dr. Zhihe Li resigned as the non-executive director on May 28, 2025.

(3) Dr. Zhongping Lin was appointed as Co-CEO on January 6, 2025 and the executive director on May 28, 2025.

(4) Dr. Abdul Mutlib resigned as the Chief Executive Officer on January 6, 2025.

SHARE INCENTIVE SCHEMES (Continued)

3. 2021 Frontage Share Award Scheme (Continued)

The number of awarded shares available for grant under the 2021 Frontage Share Award Scheme at the beginning and the end of the financial period is 181,654,591 and 181,654,591, respectively.

The estimated fair value was approximately US$16.1 million (equivalent to RMB104.3 million) for the awarded shares. The fair value was calculated by reference to the closing share price of Frontage at the date of grant, which was HK$6.02 (equivalent to RMB5.02) per share.

Changes in variables and assumptions may result in changes in the fair values of the share options.

The Group recognised total expense of approximately US$67,000 (equivalent to approximately RMB481,000) for the Reporting Period (for the six months ended June 30, 2024: approximately US$481,000 (equivalent to RMB3,419,000)) in relation to share award granted under the 2021 Frontage Share Award Scheme.

The number of shares that may be issued in respect of options and awards granted under all schemes of Frontage during the financial period divided by the weighted average number of shares in issue for the financial period is nil.

4. 2018 DreamCIS Scheme

DreamCIS, a subsidiary of the Company, adopted a share incentive plan in 2018 (the "**2018 DreamCIS Scheme**") for the primary purpose of attracting, retaining and motivating the directors and employees of DreamCIS. Under the 2018 DreamCIS Scheme, the directors of DreamCIS may grant up to 402,372 share options under the share incentive plan to eligible employees, including the directors and employees of DreamCIS, to subscribe for shares in DreamCIS.

The maximum number of Shares to be granted to a participant under the 2018 DreamCIS Scheme shall not exceed 1% of the total issued share capital of DreamCIS.

Each option granted has a contractual term of 5 years.

Upon adoption of the 2021 DreamCIS Scheme (as defined below), the provisions under the 2018 DreamCIS Scheme pursuant to which share options are granted shall cease to have effect and no further share option shall be granted pursuant to the 2018 DreamCIS Scheme, provided that share options previously granted under the 2018 DreamCIS Scheme shall remain valid and exercisable in accordance with the terms of the 2018 DreamCIS Scheme and their respective terms of grant. As of the date of this report, the remaining life of the 2018 DreamCIS Scheme is approximately three months.

SHARE INCENTIVE SCHEMES (Continued)

4. 2018 DreamCIS Scheme (Continued)

Pursuant to the capitalisation issue completed during the year ended December 31, 2023 (the "**DreamCIS 2023 Capitalisation Issue**"), all the then outstanding share options granted and the exercise price are adjusted on a one-to-four basis.

Set out below are details of the movements of the outstanding options granted under the 2018 DreamCIS Scheme during the Reporting Period, retroactively reflecting the DreamCIS 2023 Capitalisation Issue:

Category of participants	Date of grant	Exercise price per share (KRW)	Outstanding as at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Forfeited during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2025	Vesting period
Other employees	May 20, 2019	2,670	–	–	–	–	–	–	May 19, 2021
	March 26, 2021	4,075	512,168	–	–	–	–	512,168	March 25, 2023
Total			**512,168**	**–**	**–**	**–**	**–**	**512,168**	

Notes:

(1) The option exercise period is three years from two years of employment after the date of grant.

(2) The weighted average closing price of the shares of DreamCIS immediately before the dates on which the options were exercised was KRWnil.

The exercise price of options outstanding is KRW4,080 (equivalent to RMB20.8).

The Group recognised total expense of nil for the Reporting Period (for the six months ended June 30, 2024: nil) in relation to share options granted under the 2018 DreamCIS Scheme.

5. 2021 DreamCIS Scheme

DreamCIS adopted a share option scheme in 2021 (the "**2021 DreamCIS Scheme**") for the primary purpose of providing incentive or reward to directors or employees of DreamCIS for their contribution to, and continuing efforts to promote the interests of, DreamCIS and its subsidiaries and for such other purposes as the DreamCIS Board may approve from time to time.

Eligible participants mainly include directors or employees of DreamCIS who have contributed or will contribute to the incorporation, management, technological innovation, etc. of DreamCIS.

The number of options available for grant under 2021 DreamCIS Scheme at the beginning is 559,597 and remained the same at the end of the Reporting Period. As at the date of this report, 559,597 shares are available for issue under the 2021 DreamCIS Scheme, representing 10% of shares in issue of DreamCIS as at the date of this report.

SHARE INCENTIVE SCHEMES (Continued)

5. 2021 DreamCIS Scheme (Continued)

No option shall be granted to any participant if, at the relevant time of grant, the number of DreamCIS shares issued and to be issued upon exercise of all options (granted and proposed to be granted, whether exercised, cancelled or outstanding) to the participant in the 12-month period up to and including the date of such grant would exceed 1% of the total number of DreamCIS shares in issue at such time, unless: a) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules in force from time to time, by ordinary resolution of the Shareholders in general meeting, at which the participant and his associates abstained from voting; b) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must disclose the identity of the participant, the number and terms of the options to be granted (and options previously granted to such participant), the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4); and c) the number and terms (including the exercise price) of such options are fixed before the general meeting of the Shareholders at which the same are approved.

Each offer shall be in writing made to a participant by letter in such form as may be determined by a special resolution of the general meeting of DreamCIS shareholders or the DreamCIS board may from time to time determine at its discretion (the "**Offer Letter**"). The Offer Letter shall state, among others, the option period during which the option may be exercised, which period shall be determined in the Offer Letter to grant the option and shall not exceed five years from the date a grantee has served in office for at least two years from the date of the resolution of a general meeting of DreamCIS shareholders or the DreamCIS board granting the option (subject to the provisions for early termination contained in the 2021 DreamCIS Scheme). The DreamCIS shareholders or the DreamCIS board, as the case may be, may specify any other conditions which must be satisfied before the option may be exercised, including without limitation such performance targets (if any) and minimum periods for which an option must be held before it can be exercised, and any other terms in relation to the exercise of the option, including without limitation such percentages of the options that can be exercised during a certain period of time, as the DreamCIS board or the DreamCIS shareholders, as the case may be, may determine from time to time. The DreamCIS shareholders or the DreamCIS board, as the case may be, shall specify in the Offer Letter a date by which the Grantee must accept the Offer, being a date no later than 28 days after the date on which the Option is offered (the "**Offer Date**") or the date on which the conditions for the Offer are satisfied, whichever is earlier.

The 2021 DreamCIS Scheme shall be valid and effective for a period of 10 years commencing on March 26, 2021, after which period no further options shall be granted (i.e. March 25, 2031). Subject to the above, in all other respects, in particular, in respect of options remaining outstanding on the expiry of the 10-year period referred to in this paragraph, the provisions of the 2021 DreamCIS Scheme shall remain in full force and effect. The remaining life of the 2021 DreamCIS Scheme is approximately 5 years and 6 months.

SHARE INCENTIVE SCHEMES (Continued)

5. 2021 DreamCIS Scheme (Continued)

Subject to the effect of alterations to share capital of DreamCIS, and as required by the Commercial Act of Korea, the exercise price shall be a price determined by the special resolution of the DreamCIS shareholders and notified to a participant and shall be at least the higher amount between substantial price (as defined below) as of the date of granting the stock option and their face value or nominal value. For the purpose of the 2021 DreamCIS Scheme, "exercise price" means: (x) average of final quotations of the stocks traded on the securities market and disclosed on a daily basis for two months (if any adjustment to a trading reference price is made due to ex-dividends or ex-rights during the same period, and the day immediately preceding the date of granting the stock option comes after at least seven days from the date the ex-dividends or ex-rights occur, it shall be such period) before the day immediately preceding the date the resolution of the Board is made, weighted by trading volume by real transactions; (y) average of final quotations of the stocks traded on the securities market and disclosed on a daily basis for one month (if any adjustment is made to a trading reference price due to ex-dividends or ex-rights during the same period, and the day immediately preceding the date of granting of the stock option comes after at least seven days from the date the ex-dividends or ex-rights occur, it shall be such period) before the day immediately preceding the date of granting stock option, weighted by trading volume by real transactions; and (z) average of final quotations of the stocks traded on the securities market and disclosed on a daily basis for one week before the day immediately preceding the date the stock option is granted, weighted by trading volume by real transactions.

No grant has been made since the adoption of the 2021 DreamCIS Scheme and up to June 30, 2025. Accordingly, there were no exercise, cancel and lapse of options under the 2021 DreamCIS Scheme since the adoption of such scheme and up to June 30, 2025.

6. DreamCIS 2023 Share Option Scheme

On March 28, 2023, DreamCIS proposed to adopt a share option scheme (the "**DreamCIS 2023 Share Option Scheme**") to provide incentive or reward to directors or employees of DreamCIS for their contribution to, and continuing efforts to promote the interests of DreamCIS and its subsidiaries and for such other purposes as the DreamCIS Board may approve from time to time.

Eligible participants include directors or employees of DreamCIS who have contributed or will contribute to the incorporation, management, technological innovation, etc. of DreamCIS as well as directors or employees of a Related Company (as defined below, in case of granting the Option by resolution of the DreamCIS board, excluding directors of DreamCIS) with supervisor title and above before March 3, 2023; provided that, such person shall not be a Largest Shareholder (as defined below), a Major Shareholder (as defined below), or their Specially Related Person (as defined below, except for persons who have become Specially Related Persons by virtue of becoming an officer of DreamCIS or the Related Company).

The qualifications of a person to be granted the option shall be provided for in the articles of incorporation of DreamCIS, through a special resolution of the general meeting of DreamCIS shareholders.

SHARE INCENTIVE SCHEMES (Continued)

6. DreamCIS 2023 Share Option Scheme (Continued)

For the purpose of the DreamCIS 2023 Share Option Scheme, a "Related Company" means any of the following, provided that the shares held less than that of (a) or (b) below, but the business scope of the corporations shall be limited to those engaging in manufacturing or sales which affect the results of export of DreamCIS, or those engaging in research and development projects for technical innovation of DreamCIS: (a) a foreign corporation in which investments made by the related company as the largest investor are at least 30% of the corporation's total equity capital; (b) a foreign corporation in which investments made by the foreign corporation mentioned in above (a) as the largest investor are at least 30% of the former foreign corporation's equity capital, or a foreign corporation in which investments made by such foreign corporation as the largest investor are at least 30% of the former foreign corporation's equity capital; or (c) if the related company is a financial holding company as defined in the Financial Holding Companies Act of Korea, an unlisted corporation among subsidiaries and sub-subsidiaries of such financial holding company.

A "**Largest Shareholder**" has its meaning under the Commercial Act of Korea (the "**Commercial Act**"), and means a shareholder who owns the largest number of DreamCIS shares, based on the total number of issued and outstanding DreamCIS shares other than non-voting DreamCIS shares.

A "**Major Shareholder**" has its meaning under the Commercial Act, and means a shareholder who owns more than 10% of the total number of issued and outstanding DreamCIS shares other than non-voting DreamCIS shares on his or her own account regardless of in whose name the DreamCIS shares are held, or exerts de facto influence on important matters related to the management of DreamCIS, including the appointment and dismissal of directors, executive directors or auditors, and his or her spouse, lineal ascendants and lineal descendants.

A "**Specially Related Person**" has its meaning under the Commercial Act, and means any of the following persons of a Largest Shareholder or a Major Shareholder: (a) directors, executive officers, and auditors; (b) affiliated companies and directors, executive officers and auditors thereof; (c) an individual or an organization that has invested at least 30% of the equity capital of the shareholder or has de facto control over important matters in the management of the shareholder, including appointment and dismissal of directors, executive officers and auditors of the shareholder (excluding their affiliated companies) and directors, executive officers and auditors of such individuals or organizations; or (d) an organization, where the shareholder, alone or jointly with the persons specified under (a) through (c) above, has invested at least 30% of the equity capital of such organization or has de facto control over important matters in the management of the organization, including appointment and dismissal of directors, executive officers, and auditors (excluding their affiliated companies) and directors, executive officers and auditors of such organizations.

As the DreamCIS 2023 Share Option Scheme was adopted on July 14, 2023, the number of options available for grant under DreamCIS 2023 Share Option Scheme at the beginning and the end of the Reporting Period is nil and nil, respectively. As at the date of this report, not more than 1,080,000 shares are available for issue under the DreamCIS 2023 Share Option Scheme, representing 4.54% of the total shares in issue of DreamCIS as at the date of this report.

SHARE INCENTIVE SCHEMES (Continued)

6. DreamCIS 2023 Share Option Scheme (Continued)

No option shall be granted to any participant if, at the relevant time of grant, the number of DreamCIS shares issued and to be issued upon the exercise of all options (excluding options which have lapsed in accordance with the terms of the scheme) to the participant in the 12-month period up to and including the date of such grant would exceed 1% of the total number of DreamCIS shares in issue at such time, unless: (a) such grant has been duly approved, in the manner prescribed by the relevant provisions of the Listing Rules in force from time to time, by ordinary resolution of the Shareholders at the general meeting, at which the participant and his close associates (or associates if the participant is a connected person) abstained from voting; (b) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of the Listing Rules in force from time to time. In accordance with the current Listing Rules, the circular must disclose the identity of the participant, the number and terms of the options to be granted (and options to be granted to such participants in the 12-month period aforementioned), the purpose of granting options to participants with an explanation as to how the terms of the options serve such purpose; and (c) the number and terms of such options must be fixed before the general meeting of the Shareholders at which the same are approved.

Each offer shall be in writing made to a participant by letter in such form as may be determined by a special resolution of the general meeting of DreamCIS shareholders or the DreamCIS board may from time to time determine at its discretion (the "**2023 Offer Letter**"). The 2023 Offer Letter shall state, among others, the option period during which the option may be exercised, which period shall be determined in the 2023 Offer Letter to grant the option and shall not exceed five years from the date a grantee has served in office for at least two years from the date of the resolution of a general meeting of DreamCIS shareholders or the DreamCIS board granting the option (subject to the provisions for early termination contained in the DreamCIS 2023 Share Option Scheme). The DreamCIS shareholders or the DreamCIS board, as the case may be, may specify any other conditions which must be satisfied before the option may be exercised, including without limitation minimum periods for which an option must be held before it can be exercised, and any other terms in relation to the exercise of the option, including without limitation such percentages of the options that can be exercised during a certain period of time, as the DreamCIS board or the DreamCIS shareholders, as the case may be, may determine from time to time. Options to be granted under the DreamCIS 2023 Share Option Scheme have no performance target.

The DreamCIS shareholders or the DreamCIS board, as the case may be, shall specify in the 2023 Offer Letter a date by which the grantee must accept the offer, being a date no later than 28 days after the date on which the option is offered or the date on which the conditions for the offer are satisfied, whichever is earlier. No amount is payable on application or acceptance of the option.

The DreamCIS 2023 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which it is adopted by ordinary resolution of the Shareholders at the general meeting or on the date on which it is approved by the DreamCIS board, whichever is later, after which period no further options shall be granted. Subject to the above, in all other respects, in particular, in respect of options remaining outstanding on the expiry of the 10-year period referred to in this paragraph, the provisions of the DreamCIS 2023 Share Option Scheme shall remain in full force and effect. The DreamCIS 2023 Share Option Scheme was approved by the Shareholders at the 2022 AGM. On July 14, 2023, the board of directors of DreamCIS approved the proposed DreamCIS 2023 Share Option Scheme. The remaining life of the DreamCIS 2023 Share Option Scheme is three years and two months.

SHARE INCENTIVE SCHEMES (Continued)

6. DreamCIS 2023 Share Option Scheme (Continued)

Subject to the effect of alterations to share capital of DreamCIS, and as required by the Commercial Act, the price at which each DreamCIS share subject to an option may be subscribed for on the exercise of that option, shall be a price determined by the special resolution of the DreamCIS Shareholders and notified to a participant and shall be at least the higher amount between substantial price (as defined below) as at the date of granting the stock option and their face value or nominal value.

For the purpose of the DreamCIS 2023 Share Option Scheme, "substantial price" means: (x) average of final quotations of the stocks traded on the securities market and disclosed on a daily basis for two months (if any adjustment to a trading reference price is made due to ex-dividends or ex-rights during the same period, and the day immediately preceding the date of granting the stock option comes after at least seven days from the date the ex-dividends or ex-rights occur, it shall be such period) before the day immediately preceding the date the resolution of the Board is made, weighted by trading volume by real transactions; (y) average of final quotations of the stocks traded on the securities market and disclosed on a daily basis for one month (if any adjustment is made to a trading reference price due to ex-dividends or ex-rights during the same period, and the day immediately preceding the date of granting of the stock option comes after at least seven days from the date the ex-dividends or ex-rights occur, it shall be such period) before the day immediately preceding the date of granting stock option, weighted by trading volume by real transactions; and (z) average of final quotations of the stocks traded on the securities market and disclosed on a daily basis for one week before the day immediately preceding the date the stock option is granted, weighted by trading volume by real transactions.

During the year ended December 31, 2023, the board of directors of DreamCIS has resolved to grant a total of 1,071,200 share options. Set out below are details of the movements of the outstanding options granted under the 2023 DreamCIS Share Option Scheme during the Reporting Period:

Category of participants	Date of grant	Exercise price per share KRW	Outstanding as at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Forfeited during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2025	Vesting period
Other employees	August 31, 2023	3,520	912,000	–	–	54,400	–	857,600	August 30, 2025

The number of shares that may be issued in respect of options and awards granted under all schemes of DreamCIS during the financial period divided by the weighted average number of shares in issue for the financial period is 6.89%.

The Group recognised total expense of approximately RMB1.34 million for the Reporting Period (for the six months ended June 30, 2024: RMB1.38 million) in relation to share options granted under the DreamCIS 2023 Share Option Scheme.

SHARE INCENTIVE SCHEMES (Continued)

7. Fantastic Bioimaging Scheme

Fantastic Bioimaging, a subsidiary of the Company, adopted a share incentive plan in 2019 (the "**Fantastic Bioimaging Scheme**") for the primary purpose of attracting, retaining and motivating the employees of the Fantastic Bioimaging. Under the Fantastic Bioimaging Scheme, employees are entitled to subscribe the restricted shares of Fantastic Bioimaging at the net asset value of Fantastic Bioimaging.

Upon the acceptance of the restricted shares granted, employees are required to have corresponding capital injection to Fantastic Bioimaging.

In the event that a participant terminates employment with Fantastic Bioimaging due to expiration of his/her service contract, the restricted shares he/she has subscribed for shall be returned to Fantastic Bioimaging, and Fantastic Bioimaging shall return the paid subscription monies to the employees.

Each restricted share granted has a contractual term of 3 years. As of the date of this report, the Fantastic Bioimaging Scheme has ended and no further restricted shares are available for grant under the Fantastic Bioimaging Scheme at the beginning and end of the financial period.

On September 1, 2019, Fantastic Bioimaging granted 466,667 restricted shares to its employees at a price of RMB1.5 per share. A total of 466,667 shares were issued, representing 10% of the total issued share capital of Fantastic Bioimaging up to the date of this report.

The maximum number of Shares to be granted to a participant under the Fantastic Bioimaging Scheme shall not exceed 1% of the total issued share capital of Fantastic Bioimaging.

Set out below are details of the movements of the outstanding restricted shares granted under the Fantastic Bioimaging Scheme during the Reporting Period:

Category of participants	Date of grant	Exercise price per restricted share (RMB)	Outstanding as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Canceled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2025	Vesting period
Employees	September 1, 2019	1.5	–	–	–	–	–	–	September 1, 2022

The Group recognised total expense of nil for the Reporting Period (for the six months ended June 30, 2024: nil) in relation to restricted shares granted under the Fantastic Bioimaging Scheme.

SHARE INCENTIVE SCHEMES (Continued)

8. Meditip Scheme

Meditip Co., Ltd ("**Meditip**"), a subsidiary of the Company, adopted a share incentive plan in 2021 (the "**Meditip Scheme**") for the primary purpose of attracting, retaining and motivating the directors, employees and outside consultants of Meditip. Under the Meditip Scheme, the directors of Meditip may grant up to 26,500 share options under the Meditip Scheme to eligible employees, including the directors, employees and outside consultants of Meditip, to subscribe for shares in Meditip. On 7 December, 2024, Meditip adopted a new incentive plan under the scheme. The directors of Meditip may grant up to 15,000 share options to eligible employees, including the directors and employees of Meditip to subscribe for shares in Meditip.

Each share option granted has a contractual term of 6 years. As of the date of this report, the remaining life of the Meditip Scheme is approximately one year and seven months.

The maximum number of Shares to be granted to a participant under the Meditip Scheme shall not exceed 1% of the total issued share capital of Meditip.

Set out below are details of the movements of the outstanding options granted under the Meditip Scheme during the Reporting Period:

Category of participants	Date of grant	Exercise price per restricted share (RMB)	Outstanding as at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Forfeited during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2025	Vesting period
Other employees	September 8, 2021	54,167	19,670	–	–	–	–	19,670	September 7, 2024
	December 27, 2024	175,000	15,000	–	–	720	–	14,280	December 26, 2027

The Group recognized total expense of approximately RMB1.1 million for the six months ended Reporting Period (for the six months ended June 30, 2024: RMB0.3 million) in relation to restricted shares granted under the Meditip Scheme.

9. Teddy Clinical Shanghai Scheme

Teddy Clinical Shanghai, a subsidiary of the Company, adopted a share incentive plan from 2018 to 2022 (the "**Teddy Clinical Shanghai Scheme**") for the primary purpose of attracting, retaining and motivating the employees of the Shanghai Teddy Clinical Shanghai. Under Teddy Clinical Shanghai Scheme, employees are entitled to subscribe for the restricted shares of Teddy Clinical Shanghai at the fair value of Teddy Clinical Shanghai at subscription time.

Upon the acceptance of the restricted shares granted, employees are required to have corresponding capital injection to Teddy Clinical Shanghai via employee shareholding platforms.

In the event that a participant terminates employment with Teddy Clinical Shanghai due to expiration of his/her service contract, the restricted shares he/she has subscribed for shall be returned to Teddy Clinical Shanghai, and Teddy Clinical Shanghai shall return the paid subscription monies to the employees.

SHARE INCENTIVE SCHEMES (Continued)

9. Teddy Clinical Shanghai Scheme (Continued)

Each restricted share granted has a contractual term of 3 years. As of the date of this report, the remaining life of the Teddy Clinical Shanghai Scheme is approximately one year.

On 6 August, 2018, Teddy Clinical Shanghai granted 10,000,000 restricted shares to its employees at a price of RMB1 per share, of which 4,446,400 restricted shares were granted to Ms. Xu Yi (徐頤), chairman of Teddy Clinical Shanghai, and 3,907,200 restricted shares were granted to Mr. Yan Zhi (燕智), chief executive director of Teddy Clinical Shanghai.

On 2 February, 2021, Teddy Clinical Shanghai granted 2,727,025 restricted shares to its employees at a price of RMB2.22 per share, of which 121,900 restricted shares were granted to Ms. Xu Yi (徐頤) and 1,678,700 restricted shares were granted to Mr. Yan Zhi (燕智).

On 18 February, 2022, Teddy Clinical Shanghai granted 2,727,025 restricted shares to its employees at a price of RMB3.67 per share, of which 1,378,000 restricted shares were granted to Ms. Xu Yi (徐頤) and 578,500 restricted shares were granted to Mr. Yan Zhi (燕智).

As at the date of this report, a total of 5,946,300 restricted shares, representing 9.81% of the total issued share capital of Teddy Clinical Shanghai, have been granted to Ms. Xu Yi (徐頤) and a total of 3,907,200 restricted shares, representing 6.45% of the total issued share capital of Teddy Clinical Shanghai, have been granted to Mr. Yan Zhi (燕智). Saved as disclosed as above, no other participants under the Teddy Clinical Shanghai Scheme were granted with restricted shares exceeding 1% of the total issued share capital of Teddy Clinical Shanghai.

A total of 15,029,473 shares were issued, representing 24.8% of the total issued share capital of Teddy Clinical Shanghai up to the date of this report.

Set out below are details of the movements of the outstanding restricted shares granted under the Teddy Clinical Shanghai Scheme during the Reporting Period:

Category of participant	Date of grant	Outstanding as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Forfeited during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2025	Vesting period
Employees	August 6, 2018	10,000,000	–	–	50,000	–	9,950,000	August 5, 2021
	February 2, 2021	2,727,025	–	–	199,060	–	2,527,965	February 1, 2024
	February 18, 2022	2,727,025	–	–	175,517	–	2,551,508	February 17, 2025

The Group reversed total expense of approximately RMB99,000 for the six months ended June 30, 2025 in relation to restricted shares granted under the Teddy Clinical Shanghai Scheme.

USE OF NET PROCEEDS FROM OUR HONG KONG INITIAL PUBLIC OFFERING

The total net proceeds from the issuance of H Shares by the Company in its listing on the Stock Exchange amounted to approximately HK$11,817.4 million[1], after deducting the underwriting commission and other estimated expenses payable by the Company in connection with the global offering of the Company (the "**H Shares Offering**").

On March 28, 2022, the Board considered and approved the proposed change in the use of proceeds from the H Shares Offering (the "**First Change in Use of Proceeds**"). The First Change in Use of Proceeds would enable the Company to better allocate its financial resources to opportunities that could drive sustainable growth for the Group and deliver returns to Shareholders in the near future. The Board considers that the changes will help the Company better seize domestic market opportunities, which is in line with the future growth strategies of the Company. The First Change in Use of Proceeds was approved at the annual general meeting of the Company held on May 20, 2022. Please refer to the announcements of the Company dated March 28, 2022 and May 20, 2022 and the circular of the Company dated April 28, 2022 for details.

On August 28, 2024, the Board convened its tenth meeting of the fifth session of the Board, pursuant to which it passed a resolution to approve the re-allocation of approximately 20% of the net proceeds from the H Shares Offering in the amount of HK$2,363.4 million which was originally allocated to "fund potential acquisitions of attractive domestic and overseas clinical CROs that are complementary to our existing businesses, as part of our global expansion plans, to 1) further strengthen and diversify our service offerings; and 2) expand globally and increase capabilities in key markets" for the following usage:

(i) approximately HK$590.92 million or 5% of the net proceeds for organic expansion and enhancement of our service offerings and capabilities across clinical trial solutions services and clinical-related services to meet the rising demands for our services in both domestic and overseas markets;

(ii) approximately HK$1,181.70 million or 10% of the net proceeds for repaying certain of our outstanding borrowings as of June 30, 2024; and

(iii) approximately HK$590.85 million or 5% of the net proceeds for working capital and general corporate purposes (the "**Further Change in Use of Proceeds from the H Shares Offering**").

The Further Change in Use of Net Proceeds from the H Shares Offering was approved by the Shareholders at the 2024 third extraordinary general meeting of the Company on October 8, 2024. Please refer to the announcements of the Company dated August 28, 2024 and October 8, 2024 and the circular of the Company dated September 13, 2024 for details.

On March 27, 2025, the Company convened the fourteenth meeting of the fifth session of the Board, the Board resolved and approved, amongst others, the further change in use of proceeds from the H Shares Offering (the "**Further Change in Use of Proceeds from the H Shares Offering in 2025**") to enable the Company to better allocate its financial resources to opportunities that could drive sustainable growth for the Group and deliver returns to shareholders in the near future.

The Further Change in Use of Proceeds from the H Shares Offering in 2025 was approved by the Shareholders at the 2024 annual general meeting of the Company on May 30, 2025. Please refer to the announcements of the Company dated March 27, 2025 and May 30, 2025 and the circular of the Company dated April 29, 2025 for details.

USE OF NET PROCEEDS FROM OUR HONG KONG INITIAL PUBLIC OFFERING (Continued)

As at the end of the Reporting Period, the Group has used the net proceeds as follows:

	Original use of net proceeds as stated in the Prospectus		Allocation of net proceeds after revision as set out in the Announcement on First Change in Use of Proceeds		Allocation of net proceeds after revision as set out in the Announcement on Further Change in Use of Proceeds		Net proceeds unutilized as at the beginning of the Reporting Period	Allocation of net proceeds after revision as set out in Further Change in Use of Proceeds from the H Shares Offering in 2025	Actual use of proceeds during the Reporting Period	Net proceeds unutilized as at the end of the Reporting Period	Expected timeframe for utilizing the remaining unutilized net proceeds
	Approximate (HK$ million)	Approximate percentage	Approximate (HK$ million)	Approximate percentage	Approximate (HK$ million)	Approximate percentage	Approximate (HK$ million)	Approximate (HK$ million)	Approximate (HK$ million)	Approximate (HK$ million)	
to organically expand and enhance our service offerings and capabilities across clinical trial solutions services and clinical-related services to meet the rising demands for our services in overseas markets	1,772.6	15%	–	–	–	–	–	–	–	–	N/A
to organically expand and enhance our service offerings and capabilities across clinical trial solutions services and clinical-related services to meet the rising demands for our services in both domestic and overseas markets	–	–	1,594.4	15%	713.8	20%	337.2	295.8	27.8	268.0	60 months from October 8, 2024
to fund potential acquisitions of attractive overseas clinical CROs that are complementary to our existing businesses as part of our global expansion plan	4,727.0	40%	–	–	–	–	–	–	–	–	N/A

USE OF NET PROCEEDS FROM OUR HONG KONG INITIAL PUBLIC OFFERING (Continued)

	Original use of net proceeds as stated in the Prospectus		Allocation of net proceeds after revision as set out in the Announcement on First Change in Use of Proceeds		Allocation of net proceeds after revision as set out in the Announcement on Further Change in Use of Proceeds		Net proceeds unutilized as at the beginning of the Reporting Period	Allocation of net proceeds after revision as set out in Further Change in Use of Proceeds from the H Shares Offering in 2025	Actual use of proceeds during the Reporting Period	Net proceeds unutilized as at the end of the Reporting Period	Expected timeframe for utilizing the remaining unutilized net proceeds
	Approximate (HK$ million)	Approximate percentage	Approximate (HK$ million)	Approximate percentage	Approximate (HK$ million)	Approximate percentage	Approximate (HK$ million)	Approximate (HK$ million)	Approximate (HK$ million)	Approximate (HK$ million)	
to fund potential acquisitions of attractive domestic and overseas clinical CROs that are complementary to our existing businesses as part of our global expansion plan to 1) further strengthen and diversify our service offerings and 2) expand globally and increase capabilities in key markets	–	–	4,727.0	40%	1,998	20%	1,475.8	1,475.8	–	1,475.8	60 months from October 8, 2024
to foster our biopharmaceutical R&D ecosystem by making minority investments in companies with innovative business models and growth potential, such as biotech companies, healthcare IT companies, hospitals, medical device and diagnostic research companies (including (i) HK1,418.1 million (representing 60% of the net proceeds for investment purposes) in the PRC and (ii) HK$945.4 million (representing 40% of the net proceeds for investment purposes) in overseas markets)	2,363.5	20%	–	–	–	–	–	–	–	–	N/A

USE OF NET PROCEEDS FROM OUR HONG KONG INITIAL PUBLIC OFFERING (Continued)

	Original use of net proceeds as stated in the Prospectus		Allocation of net proceeds after revision as set out in the Announcement on First Change in Use of Proceeds		Allocation of net proceeds after revision as set out in the Announcement on Further Change in Use of Proceeds		Net proceeds unutilized as at the beginning of the Reporting Period	Allocation of net proceeds after revision as set out in Further Change in Use of Proceeds from the H Shares Offering in 2025	Actual use of proceeds during the Reporting Period	Net proceeds unutilized as at the end of the Reporting Period	Expected timeframe for utilizing the remaining unutilized net proceeds
	Approximate (HK$ million)	Approximate percentage	Approximate (HK$ million)	Approximate percentage	Approximate (HK$ million)	Approximate percentage	Approximate (HK$ million)	Approximate (HK$ million)	Approximate (HK$ million)	Approximate (HK$ million)	
to foster our biopharmaceutical R&D ecosystem by making minority investments in domestic and overseas companies with innovative business models and growth potential, such as biotech companies, healthcare IT companies, hospitals, medical device and diagnostic research companies	–	–	296.7	20%	–	–	–	–	–	–	N/A
to repay certain of our outstanding borrowings as of May 31, 2020	1,181.7	10%	1,181.7	10%	–	–	–	–	–	–	N/A
to repay certain of our outstanding borrowings as of June 30, 2024	–	–	–	–	1,181.7	10%	–	–	–	–	N/A
to repay certain of our outstanding borrowings as of December 31, 2024	–	–	–	–	–	–	–	535.0	212.2	322.8	60 months from the date of approval by the 2024 annual general meeting of the Company ("**AGM**")

USE OF NET PROCEEDS FROM OUR HONG KONG INITIAL PUBLIC OFFERING (Continued)

	Original use of net proceeds as stated in the Prospectus		Allocation of net proceeds after revision as set out in the Announcement on First Change in Use of Proceeds		Allocation of net proceeds after revision as set out in the Announcement on Further Change in Use of Proceeds		Net proceeds unutilized as at the beginning of the Reporting Period	Allocation of net proceeds after revision as set out in Further Change in Use of Proceeds from the H Shares Offering in 2025	Actual use of proceeds during the Reporting Period	Net proceeds unutilized as at the end of the Reporting Period	Expected timeframe for utilizing the remaining unutilized net proceeds
	Approximate (HK$ million)	Approximate percentage	Approximate (HK$ million)	Approximate percentage	Approximate (HK$ million)	Approximate percentage	Approximate (HK$ million)	Approximate (HK$ million)	Approximate (HK$ million)	Approximate (HK$ million)	
to develop advanced technologies to enhance the quality and efficiency of our comprehensive service offerings, such as cloud-based virtual clinical trial platforms and laboratory automation, medical data platforms and site management capabilities, through recruiting qualified technical and scientific professionals and undertaking specific R&D projects	590.9	5%	590.9	5%	–	–	–	–	–	–	N/A
to working capital and general corporate purposes	1,181.7	10%	1,181.7	10%	1,024.2	15%	874.2	312.3	–	312.3	60 months from the date of approval by the AGM
Total	**11,817.4**	**100%**	**9,572.4**	**100%**	**4,917.7**	**100%**	**2,687.2**	**2,618.9**	**240.0**	**2,378.9**	

For the unutilized net proceeds of approximately HK$2,378.9 million as at the end of the Reporting Period, the Company intends to use them in the same manner and proportions as described above and proposes to use the unutilized net proceeds in accordance with the expected timetable disclosed above.

Note:

(1) The total net proceeds of HK$11,817.4 million from the issuance of H Shares by the Company from its listing on the Stock Exchange consists of approximately HK$10,251.0 million of net proceeds received prior to the exercise of the over-allotment option and the additional net proceeds of approximately HK$1,566.4 million from the issue of over-allotment H Shares expenses. Such over-allotment option was fully exercised on August 29, 2020. Subsequent to the issuance of our interim results report for the six months ended June 30, 2020, the abovementioned amounts have been adjusted over the course of preparing our verification report (驗資報告) to reflect the final net proceeds received by the Company, after deducting paid commissions and other offering expenses. The verification report has been audited and approved by the China Securities Regulatory Commission (中國證監會).

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend during the Reporting Period (June 30, 2024: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

On February 6, 2024, the Company convened the fourth meeting of the fifth session of the Board to approve the Resolution on Plan for the Repurchase of the Shares of the Company, pursuant to which the Company approved the Share Repurchase, which will be subsequently used to implement the A share equity incentive scheme or A Share employee stock ownership plan. The total amount of the fund for the Share Repurchase shall be not less than RMB500 million and not more than RMB1 billion. The price of the Share Repurchase shall be not more than RMB60.00 per Share (inclusive). In the event of any distribution of dividends or bonus shares, conversion of capital reserve into share capital, stock split or stock consolidation, share placing and other ex-rights or ex-dividend matters during the period of the Share Repurchase, the Company will adjust the maximum price for the Share Repurchase pursuant to relevant requirements of CSRC and the Shenzhen Stock Exchange.

On April 12, 2024, in light of the current capital market and the actual situation of the Company, to further boost investor confidence and safeguard the smooth implementation of the Company's Share Repurchase, the Board convened the seventh meeting of the fifth session of the Board, pursuant to which the following adjustments were made to the Resolution on Plan for the Repurchase of the Shares of the Company. The price for the repurchase of Shares shall be adjusted from "not exceeding RMB60.00 per Share (inclusive)" to "not exceeding RMB72.00 per Share (inclusive)", and the number of Shares to be repurchased will be adjusted accordingly in accordance with the maximum repurchase price pursuant to such adjustment. Based on the maximum repurchase amount of RMB1 billion and the maximum repurchase price of RMB72.00 per Share, it is estimated that the number of Shares to be repurchased will be approximately 13,888,888 Shares, representing approximately 1.59% of the current total issued share capital of the Company; based on the minimum repurchase amount of RMB500 million and the maximum repurchase price of RMB72.00 per Share, it is estimated that the number of Shares to be repurchased will be approximately 6,944,444 shares, representing approximately 0.80% of the current total issued share capital of the Company, subject to the actual number of shares to be repurchased upon the expiry of the period of the Share Repurchase.

Please refer to the announcements of the Company dated February 6, 2024, April 10, 2024 and April 12, 2024 and the circular of the Company dated April 10, 2024 for details.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY (Continued)

During the Reporting Period, the Company repurchased a total of 6,151,100 A Shares through centralized price bidding, representing 0.71% of the total share capital of the Company. The highest transaction price was RMB62 per Share and the lowest transaction price was RMB48.37 per Share, with an average repurchase price of RMB50.23 per Share and a total transaction amount of RMB308,970,378 (excluding transaction fees). Details of the repurchase during the Reporting Period are as follows:

Date	Number of repurchased A Shares (Shares)	The highest repurchase price (RMB/Share)	The lowest repurchase price (RMB/Share)	Total Consideration (RMB)
January 22, 2025	67,000	48.97	48.54	3,260,431.00
January 23, 2025	84,900	48.76	48.50	4,128,524.00
January 27, 2025	3,408,100	49.81	48.42	167,867,917.00
February 5, 2025	937,700	49.74	48.51	46,334,344.36
February 6, 2025	246,700	49.65	48.37	12,094,701.00
February 10, 2025	374,300	52.08	51.61	19,384,060.00
February 11, 2025	42,000	53.00	52.98	2,225,868.00
February 12, 2025	350,400	53.00	52.63	18,521,342.93
February 13, 2025	352,000	53.00	52.72	18,622,468.16
February 19, 2025	120,600	54.12	52.86	6,480,494.00
February 21, 2025	167,400	62.00	59.40	10,050,238.00

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. During the Reporting Period, the Company cancelled a total of 3,922,520 A Share treasury shares. As of the end of the Reporting Period, the Company held 5,883,780 A Share treasury shares and did not hold any H Share treasury shares.

CHANGE OF INFORMATION OF DIRECTORS AND SUPERVISORS

There was no change to information which was required to be disclosed by Directors and Supervisors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As of June 30, 2025, interests or short positions of Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which are registered in the register that the Company must keep in accordance with section 352 of the Securities and Futures Ordinance; or which shall be separately notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

Interests of our Directors in the Shares or Underlying Shares of the Company

Name of Director	Nature of Interest	Number and class of Shares interested in	Approximate percentage of shareholding in the relevant class of Shares**	Approximate percentage of shareholding in the total Shares in issue of the Company***
Dr. Ye Xiaoping(1)	Beneficial owner; Interest of person acting in concert	228,901,315 A Shares (L)*	31.02% (L)*	26.58% (L)*
Ms. Cao Xiaochun(1)	Beneficial owner; Interest of person acting in concert	228,901,315 A Shares (L)*	31.02% (L)*	26.58% (L)*

Notes:

* "L" means holding a long position in Shares.

** Refers to the percentage of the number of relevant class of Shares involved divided by the number of Shares in issue of the relevant class of Shares of the Company as at June 30, 2025.

*** Refers to the percentage of the number of relevant class of Shares involved divided by the number of all Shares in issue of the Company (Total: 861,026,050 Shares including 737,901,250 A Shares and 123,124,800 H Shares) as at June 30, 2025.

(1) Dr. Ye Xiaoping and Ms. Cao Xiaochun entered into the Concert Agreement on June 9, 2010 and each of them is deemed to be interested in the A Shares that the other person is interested in under section 317 of the SFO. Dr. Ye Xiaoping holds 177,239,541 of our A Shares, representing 20.58% of our total issued share capital of our Company. Ms. Cao Xiaochun holds 51,661,774 of our A Shares, representing 6.00% of our total issued share capital of our Company. Therefore, Dr. Ye Xiaoping and Ms. Cao Xiaochun are deemed to be interested in a total of 228,901,315 of our A Shares, representing 31.02% of the total number of A Shares of our Company and 26.58% of our total issued share capital.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS (Continued)

Interests of our Directors in the Shares or Underlying Shares of our Associated Corporations

Name of Director	Nature of Interest	Member of our Group	Number and class of shares	Approximate percentage of shareholding
Dr. Ye Xiaoping	Beneficial owner	Tigermed Malaysia Sdn. Bhd.	1 share	1.00%

Save as disclosed above, so far as the Directors are aware, as at June 30, 2025, none of our Directors, Supervisors or chief executives has any interest and/or short position in the Shares, underlying Shares and debentures of the Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be 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 they were taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at June 30, 2025, so far as it was known to the Directors or chief executive of the Company, the following persons (other than the Directors, Supervisors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which are required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or had interests or short positions in 5% or more of the respective type of Shares which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number and class of shares*	Approximate percentage of shareholding in relevant class of shares**	Approximate percentage of the Company's issued share capital***
易方達基金管理有限公司	Investment manager	13,721,000 H Shares (L)	11.14%	1.59%
JPMorgan Chase & Co.	Beneficial owner/Investment manager/Person having a security interest in shares/ Approved lending agent	8,960,082 H Shares (L)	7.27%	1.04%
		1,480,925 H Shares (S)	1.20%	0.16%
		1,585,795 H Shares (P)	1.28%	0.18%
興證全球基金管理有限公司	Investment manager	8,642,015 H Shares (L)	7.02%	1.00%
Ninety One UK Limited	Investment manager	7,560,500 H Shares (L)	6.14%	0.88%

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Notes:

* (L)-Long position; (S)-Short position; (P)-Lending pool.

** Refers to the percentage of the number of relevant class of Shares involved divided by the number of Shares in issue of the relevant class of Shares of the Company as at June 30, 2025.

*** Refers to the percentage of the number of relevant class of Shares involved divided by the number of all Shares in issue of the Company (Total: 861,026,050 Shares including 737,901,250 A Shares and 123,124,800 H Shares) as at June 30, 2025.

Save as disclosed above, to the best knowledge of the Directors or chief executive of the Company, as at June 30, 2025, no person (other than the Directors, Supervisors and the chief executive) had informed the Company that he/she had interests or short positions in the Shares or underlying Shares of equity derivatives of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or held any interests or short position in 5% or more of the respective types of capital in issue of the Company.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Apart from the above disclosed in the section of "SHARE INCENTIVE SCHEMES", at no time during the Reporting Period was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debt securities including debentures of, the Company or any other body corporate.

COMPLIANCE WITH THE CG CODE

The Company has adopted the principles and code provisions as set out in Part 2 of the CG Code and has complied with the code provisions in the CG Code during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding dealings in the securities of the Company by the Directors, the Supervisors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

The Company had made specific enquiry of all Directors and Supervisors in relation to the compliance of the Model Code and was not aware of any non-compliance with the Model Code by the Directors and Supervisors during the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to June 30, 2025, the following significant events took place:

1. On July 17, 2025, the Group entered into an equity transfer agreement, pursuant to which it disposed of the 4.58% equity interest directly and indirectly held in Lixin Pharmaceutical Technology (Shanghai) Co., Ltd. (禮新醫藥科技(上海)有限公司). For details, please refer to the overseas regulatory announcement of the Company dated July 17, 2025.

2. On July 28, 2025, Tigermed Japan Co., Ltd., a wholly-owned subsidiary of the Company, entered into a share transfer agreement with the former shareholders of MICRON/株式會社マイクロン in Japan to acquire a portion of their equity interest in MICRON. Upon completion of the transfer, Tigermed Japan Co., Ltd. will hold 56.37% of the equity interest in MICRON. For details, please refer to the announcement of the Company dated July 28, 2025.

3. On August 28, 2025, upon election by the employee representative meeting of the Company, Mr. Wu Hao (吳灝), an executive Director, was elected as the employee Director of the fifth session of the Board, with his term of office commencing from the date of approval of the proposed amendments to the articles of association of the Company relating to the appointment of an employee Director. Upon his appointment, Mr. Wu Hao will also continue to serve as an executive Director and a member of the strategy and development committee of the Board. For details, please refer to the announcement of the Company dated August 28, 2025.

4. On August 28, 2025, the Company convened the eighteenth meeting of the fifth session of the Board, pursuant to which the Board considered, passed a resolution to approve (1) proposed amendments to the articles of association of the Company; and (2) proposed amendments to certain corporate governance rules. The aforementioned matters are subject to the approval by the Shareholders at the general meeting. For details, please refer to the announcement of the Company dated August 28, 2025.

REVIEW OF INTERIM RESULTS AND INTERIM REPORT

The Audit Committee comprises three independent non-executive Directors, namely Mr. Liu Kai Yu Kenneth, Mr. Yuan Huagang and Ms. Liu Yuwen. The chairman of the Audit Committee is Mr. Liu Kai Yu Kenneth, who holds the appropriate qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has reviewed the Group's 2025 interim results announcement, interim report and unaudited condensed consolidated financial information of the Group for the six months ended June 30, 2025 with the management of the Company. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

Save as disclosed in this report, during the Reporting Period, there were no material changes in respect of the Company that needed to be disclosed under paragraph 46 of Appendix D2 to the Listing Rules.

By order of the Board
Hangzhou Tigermed Consulting Co., Ltd.
Ye Xiaoping
Chairman

Hong Kong, August 28, 2025

CONSOLIDATED BALANCE SHEET

Items	note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Current assets:			
Cash at bank and on hand		**1,732,879,415.80**	2,055,344,830.04
Financial assets held for trading	6(1)	**87,000,000.00**	74,852,975.16
Notes receivables		**6,659,699.85**	6,010,700.41
Accounts receivables	6(2)	**1,287,716,507.11**	1,359,758,181.20
Advances to suppliers	6(3)	**120,899,963.88**	101,932,971.27
Other receivables	6(4)	**112,504,518.66**	89,030,886.84
Including: Interest receivable		**352,639.85**	
Inventories		**43,634,437.02**	31,956,085.52
Contract assets	6(5)	**2,751,249,863.14**	2,504,689,617.50
Other current assets		**63,916,321.00**	76,108,977.92
Total current assets		**6,206,460,726.46**	6,299,685,225.86
Non-current assets:			
Long-term equity investments		**4,078,243,679.08**	3,424,603,314.72
Other equity instrument investments	6(1)	**9,497,010.90**	8,090,146.65
Other non-current financial assets	6(1)	**10,150,409,106.29**	10,105,905,487.26
Fixed assets	6(6)	**754,550,913.34**	778,498,376.24
Construction in progress	6(7)	**464,682,655.15**	420,535,374.37
Right-of-use assets	6(8)	**451,925,960.46**	487,230,305.93
Intangible assets	6(9)	**301,906,624.26**	336,876,524.01
Goodwill	6(10)	**3,250,666,878.10**	3,227,762,493.75
Long-term prepaid expenses		**195,156,734.32**	210,094,767.04
Deferred tax assets		**134,477,328.64**	126,686,732.61
Other non-current assets	6(11)	**2,506,680,141.21**	3,245,047,038.72
Total non-current assets		**22,298,197,031.75**	22,371,330,561.30
TOTAL ASSETS		**28,504,657,758.21**	28,671,015,787.16

CONSOLIDATED BALANCE SHEET

Items	note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Current liabilities:			
Short-term borrowings	6(12)	**1,439,391,704.42**	1,912,017,204.22
Notes payables		**6,135,272.21**	–
Accounts payables	6(13)	**306,867,452.68**	257,287,412.33
Contract liabilities		**943,308,269.82**	790,737,308.84
Employee benefits payable		**211,564,788.10**	243,974,190.43
Taxes payable		**139,717,560.39**	159,172,131.01
Other payables	6(14)	**104,096,443.29**	76,840,278.73
Including: Interests payable		**3,334,127.35**	5,310,915.46
Dividends payable		**39,055,391.33**	2,609,775.37
Non-current liabilities due within one year		**212,038,113.97**	198,600,777.18
Other current liabilities		**32,569,687.89**	23,223,162.38
Total current liabilities		**3,395,689,292.77**	3,661,852,465.12
Non-current liabilities:			
Long-term borrowings	6(12)	**556,783,178.07**	323,649,635.25
Lease liabilities		**385,136,511.69**	399,316,716.16
Long-term employee benefits payable		**2,980,183.53**	2,784,565.42
Deferred income		**16,053,571.65**	17,136,295.72
Deferred tax liabilities		**184,312,664.07**	201,796,922.90
Total non-current liabilities		**1,145,266,109.01**	944,684,135.45
TOTAL LIABILITIES		**4,540,955,401.78**	4,606,536,600.57
Owners' equity:			
Share capital	6(15)	**861,026,050.00**	864,948,570.00
Capital reserve	6(16)	**10,575,573,179.90**	10,772,578,438.11
Less: Treasury shares	6(17)	**300,069,890.00**	191,146,104.89
Other comprehensive income		**135,941,239.17**	99,095,699.24
Surplus reserve		**436,529,393.76**	436,529,393.76
Undistributed profits	6(18)	**8,815,441,906.34**	8,688,647,453.50
Total equity attributable to equity owners of the Company		**20,524,441,879.17**	20,670,653,449.72
Minority interests		**3,439,260,477.26**	3,393,825,736.87
Total owners' equity		**23,963,702,356.43**	24,064,479,186.59
TOTAL LIABILITIES AND OWNERS' EQUITY		**28,504,657,758.21**	28,671,015,787.16

CONSOLIDATED INCOME STATEMENT

Items	note	For the six months ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
I. Total operating revenue		**3,250,444,279.63**	3,358,244,223.39
Including: Operating revenue		**3,250,444,279.63**	3,358,244,223.39
II. Total operating costs		**2,942,263,124.15**	2,626,269,846.32
Including: Operating costs		**2,272,465,808.39**	2,025,196,633.70
Taxes and surcharges		**16,314,692.38**	14,493,882.32
Selling expenses	6(19)	**107,910,230.35**	101,377,890.50
General and administrative expenses	6(20)	**355,285,023.64**	376,615,946.18
Research and development expenses	6(21)	**127,004,932.88**	124,694,222.85
Financial expenses	6(22)	**63,282,436.51**	-16,108,729.23
Including: Interest expenses		**54,401,937.67**	67,432,236.02
Interest income		**8,422,574.46**	71,381,356.68
Add: Other income		**21,404,223.43**	17,348,696.48
Investment income ("-" for losses)	6(23)	**233,000,832.99**	70,743,456.58
Including: Share of profit of associates and joint ventures		**166,385,559.89**	44,095,071.11
Gains from changes in fair values ("-" for losses)	6(24)	**-89,643,957.92**	-98,403,141.06
Credit impairment losses ("-" for losses)		**-25,015,431.51**	-27,659,162.33
Asset impairment losses ("-" for losses)		**-4,294,719.20**	-8,424,529.23
Gains on disposals of assets ("-" for losses)		**625,757.46**	1,489,722.71
III. Operating Profit ("-" for losses)		**444,257,860.73**	687,069,420.22
Add: Non-operating income		**497,380.27**	4,950,417.77
Less: Non-operating expenses		**2,065,905.52**	1,926,665.02
IV. Total Profit ("-" for losses)		**442,689,335.48**	690,093,172.97
Less: Income tax expenses	6(25)	**79,861,031.64**	132,514,479.05

CONSOLIDATED INCOME STATEMENT

Items	note	For the six months ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
V. Net Profit ("-" for losses)		**362,828,303.84**	557,578,693.92
(I) Classified by continuity of operations			
1. Net profit from continuing operations ("-" for losses)		**362,828,303.84**	557,578,693.92
2. Net profit from discontinued operations ("-" for losses)			
(II) Classified by ownership of the equity			
1. Attributable to equity owners of the Company ("-" for losses)		**383,337,133.84**	492,848,850.97
2. Minority interests ("-" for losses)		**-20,508,830.00**	64,729,842.95
VI. Other comprehensive income, net of tax		**48,983,183.82**	-30,370,935.25
Attributable to equity owners of the Company		**36,845,539.93**	-12,320,083.43
(I) Other comprehensive income that will not be reclassified to profit or loss		**444,801.15**	-2,022,158.59
1. Changes in fair value of other equity instrument investments		**444,801.15**	-2,022,158.59
(II) Other comprehensive income that will be reclassified to profit or loss		**36,400,738.78**	-10,297,924.84
1. Translation differences of foreign currency financial statements		**36,400,738.78**	-10,297,924.84
Attributable to minority interests		**12,137,643.89**	-18,050,851.82
VII. Total comprehensive income		**411,811,487.66**	527,207,758.67
Attributable to equity owners of the Company		**420,182,673.77**	480,528,767.54
Attributable to minority interests		**-8,371,186.11**	46,678,991.13
VIII. Earnings per share:			
(I) Basic earnings per share	6(26)	**0.45**	0.57
(II) Diluted earnings per share	6(26)	**0.45**	0.57

CONSOLIDATED CASH FLOW STATEMENT

Items	note	For the six months ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		**3,377,830,010.85**	3,056,322,442.94
Refund of taxes and surcharges		**478,422.27**	1,183,047.88
Cash received relating to other operating activities		**44,497,393.35**	109,908,791.08
Sub-total of cash inflows from operating activities		**3,422,805,826.47**	3,167,414,281.90
Cash paid for goods and services		**983,894,406.19**	848,583,328.12
Cash paid to and on behalf of employees		**1,602,792,496.76**	1,609,200,179.32
Payments of taxes and surcharges		**203,828,742.69**	323,762,293.83
Cash paid relating to other operating activities		**223,671,172.89**	208,540,095.92
Sub-total of cash outflows from operating activities		**3,014,186,818.53**	2,990,085,897.19
Net cash flows from operating activities		**408,619,007.94**	177,328,384.71
II. Cash flows from investing activities:			
Cash received from disposal of investments		**1,029,475,120.59**	286,899,076.47
Cash received from returns on investments		**21,077,608.36**	13,078,605.87
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**2,016,439.00**	128,657.76
Cash received relating to other investing activities		**6,423,003.84**	13,835,699.65
Sub-total of cash inflows from investing activities		**1,058,992,171.79**	313,942,039.75
Cash paid to acquire fixed assets, intangible assets and other long-term assets		**100,831,158.12**	202,262,777.11
Cash paid to acquire investments		**874,389,321.69**	4,733,489,965.34
Net cash paid to acquire subsidiaries and other business units		**2,258,635.58**	–
Cash paid relating to other investing activities		**35,623,000.00**	–
Sub-total of cash outflows from investing activities		**1,013,102,115.39**	4,935,752,742.45
Net cash flows from investing activities		**45,890,056.40**	-4,621,810,702.70

CONSOLIDATED CASH FLOW STATEMENT

Items	note	For the six months ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
III. Cash flows from financing activities:			
Cash received from capital contributions		**92,600,000.00**	31,300,000.00
Including: Cash received from capital contributions by minority shareholders of subsidiaries		**92,600,000.00**	31,300,000.00
Cash received from borrowings		**1,009,796,907.23**	1,515,318,400.00
Cash received relating to other financing activities		**–**	54,500,229.06
Sub-total of cash inflows from financing activities		**1,102,396,907.23**	1,601,118,629.06
Cash repayments of borrowings		**1,235,205,515.51**	742,705,523.51
Cash payments for distribution of dividends, profits or interest expenses		**288,157,666.74**	83,954,901.98
Including: Payments for the dividends and profits distributed to minority shareholders of subsidiaries		**16,655,591.75**	19,797,431.75
Cash payments relating to other financing activities		**405,984,045.92**	568,248,193.06
Sub-total of cash outflows from financing activities		**1,929,347,228.17**	1,394,908,618.55
Net cash flows from financing activities		**-826,950,320.94**	206,210,010.51
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**14,360,075.82**	1,473,866.18
V. Net increase in cash and cash equivalents		**-358,081,180.78**	-4,236,798,441.30
Add: Ending balance of cash and cash equivalents at beginning of period		**2,048,493,852.84**	7,399,941,369.85
VI. Ending balance of cash and cash equivalents at end of period		**1,690,412,672.06**	3,163,142,928.55

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

Items	For the six months ended 30 June 2025 (unaudited)													
	Attributable to equity owners of the Company													
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Undistributed profits	Subtotal	Minority interests	Total owners' equity
		Preference shares	Perpetual bonds	Others										
I. Balance at the end of prior year	864,948,570.00	-	-	-	10,772,578,438.11	191,146,104.89	99,095,699.24	-	436,529,393.76	-	8,688,647,453.50	20,670,653,449.72	3,393,825,736.87	24,064,479,186.59
II. Balance at the beginning of current year	864,948,570.00	-	-	-	10,772,578,438.11	191,146,104.89	99,095,699.24	-	436,529,393.76	-	8,688,647,453.50	20,670,653,449.72	3,393,825,736.87	24,064,479,186.59
III. Increase/decrease for the period (decrease expressed with "-")	-3,922,520.00	-	-	-	-197,005,258.21	108,923,785.11	36,845,539.93	-	-	-	126,794,452.84	-146,211,570.55	45,434,740.39	-100,776,830.16
(I) Total comprehensive income	-	-	-	-	-	-	36,845,539.93	-	-	-	383,337,133.84	420,182,673.77	-8,371,186.11	411,811,487.66
(II) Capital contribution and withdrawal by owners	-3,922,520.00	-	-	-	-189,666,925.42	108,923,785.11	-	-	-	-	-	-302,513,230.53	64,599,410.66	-237,913,819.87
1. Ordinary shares paid by owners	-3,922,520.00	-	-	-	-196,124,073.34	-200,046,593.34	-	-	-	-	-	-	60,731,578.34	60,731,578.34
2. Amount of share-based payments recognized in owners' equity	-	-	-	-	6,457,147.92	-	-	-	-	-	-	6,457,147.92	3,867,832.32	10,324,980.24
3. Others	-	-	-	-	-	308,970,378.45	-	-	-	-	-	-308,970,378.45		-308,970,378.45
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-256,542,681.00	-256,542,681.00	-	-256,542,681.00
1. Profit distributed to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-	-256,542,681.00	-256,542,681.00	-	-256,542,681.00
(IV) Others	-	-	-	-	-7,338,332.79	-	-	-	-	-	-	-7,338,332.79	-10,793,484.16	-18,131,816.95
IV. Balance at the end of current period	861,026,050.00	-	-	-	10,575,573,179.90	300,069,890.00	135,941,239.17	-	436,529,393.76	-	8,815,441,906.34	20,524,441,879.17	3,439,260,477.26	23,963,702,356.43

Items	For the six months ended 30 June 2024 (unaudited)													
	Attributable to equity owners of the Company													
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Undistributed profits	Subtotal	Minority interests	Total owners' equity
		Preference shares	Perpetual bonds	Others										
I. Balance at the end of prior year	872,418,220.00	-	-	-	11,708,834,896.63	869,336,804.33	103,534,270.25	-	436,529,393.76	-	8,774,794,749.44	21,026,774,725.75	3,426,787,419.51	24,453,562,145.26
II. Balance at the beginning of current year	872,418,220.00	-	-	-	11,708,834,896.63	869,336,804.33	103,534,270.25	-	436,529,393.76	-	8,774,794,749.44	21,026,774,725.75	3,426,787,419.51	24,453,562,145.26
III. Increase/decrease for the period (decrease expressed with "-")	-7,469,650.00	-	-	-	-931,915,732.61	-688,540,783.22	-12,320,083.43	-	-	-	1,558,063.21	-261,606,619.61	-124,479,375.76	-386,085,995.37
(I) Total comprehensive income	-	-	-	-	-	-	-12,320,083.43	-	-	-	492,848,850.97	480,528,767.54	46,678,991.13	527,207,758.67
(II) Capital contribution and withdrawal by owners	-7,469,650.00	-	-	-	36,987,306.60	-688,540,783.22	-	-	-	-	-	718,058,439.82	90,886,582.57	808,945,022.39
1. Ordinary shares paid by owners	-	-	-	-	-	-	-	-	-	-	-	-	85,802,800.45	85,802,800.45
2. Amount of share-based payments recognized in owners' equity	-	-	-	-	36,987,306.60	-	-	-	-	-	-	36,987,306.60	5,083,782.12	42,071,088.72
3. Others	-7,469,650.00	-	-	-	-	-688,540,783.22	-	-	-	-	-	681,071,133.22	-	681,071,133.22
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-491,290,787.76	-491,290,787.76	-50,891,826.46	-542,182,614.22
1. Profit distributed to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-	-491,290,787.76	-491,290,787.76	-50,891,826.46	-542,182,614.22
(IV) Others	-	-	-	-	-968,903,039.21	-	-	-	-	-	-	-968,903,039.21	-211,153,123.00	-1,180,056,162.21
IV. Balance at the end of current period	864,948,570.00	-	-	-	10,776,919,164.02	180,796,021.11	91,214,186.82	-	436,529,393.76	-	8,776,352,812.65	20,765,168,106.14	3,302,308,043.75	24,067,476,149.89

NOTES TO FINANCIAL STATEMENTS

1. CORPORATION GENERAL INFORMATION

Hangzhou Tigermed Consulting Co., Ltd. (the "Company") was established in the People's Republic of China (the "PRC") on December 25, 2004 as a joint stock limited liability company. On August 17,2012, the Company's shares were listed on the ChiNext ("創業板") of the Shenzhen Stock Exchange with stock code 300347. On August 7, 2020, the Company's share were listed on the Main Board of the Stock Exchange with Stock Code 3347. Its registered office and the principal place of business activities is located at Room 2001–2010, 20/F, Block 8, No. 19 Jugong Road, Xixing SubDistrict, Binjiang District, Hangzhou, the PRC.

The Company and its subsidiaries (the "Group") is principally engaged in the CRO services.

Dr. Ye Xiaoping and Ms. Cao Xiaochun are acting in concert and are the largest shareholders of the Company.

The functional currency of the Company is RMB, which is the same as the presentation currency of the consolidated financial statements.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with the "Accounting Standards for Business Enterprises – Basic Standards" and various specific accounting standards, the application guidelines for the Accounting Standards for Business Enterprises, the Interpretation of the Accounting Standards for Business Enterprises and other relevant requirements issued by the Ministry of Finance (hereinafter referred to as the "Accounting Standards for Business Enterprises"), and relevant requirements of No. 15 of regulations on information disclosures of companies that issue public offering shares – General Rules of preparing financial reports issued by China Securities Regulatory Commission (CSRC). Disclosure regulation of Hong Kong Companies Ordinance and the Listing Rules of the Hong Kong Stock Exchange are also considered in the preparation of these financial statements.

2.2 Going concern

The financial statements are prepared on a going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

3.1 Statement of compliance with the Accounting Standard for Business Enterprises

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect the consolidated financial position as at 30 June 2025, and the consolidated operating results and cash flow statements for the six months ended 30 June 2025.

3.2 Accounting period

The Company's accounting year starts on 1 January and ends on 31 December.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3.3 Operating cycle

The operating cycle of the Company is 12 months.

3.4 Recording currency

The Company's recording currency is Renminbi (RMB).

4. MAIN TAXES AND RATES

Tax Type	Tax base	Tax Rate
Value-Added Tax (VAT)	Calculate the output tax based on the income from the sale of goods and taxable services as stipulated by tax law. After deducting the input tax credit allowable for the current period, the balance will be the VAT payable.	13%, 9%, 6%, 5%, 3%, 1%, 0%, Tax Exempt
City maintenance and construction tax	The payment amount of VAT and consumption tax	7%, 5%, 1%
Enterprise income tax	Taxable income	25%
Education surcharge (including local education surcharge)	The payment amount of VAT and consumption tax	5%

Disclosure of the existence of taxable entities with different corporate income tax rates:

Taxpayer Name	Income Tax Rate
Tigermed and its domestic subsidiaries (excluding limited partnerships)	25%
Subsidiaries established in the Cayman Islands and BVI	0%

5. SEGMENT INFORMATION

(1) Basis for determining reportable segments and accounting policies

Operating segments are determined based on the internal reporting of the Group, which is submitted to the Chief Executive Officer (i.e., the Group's chief operating decision-maker) for performance evaluation and resource allocation. This also forms the foundation of the Group's organization and management.

The Group does not present segment assets and liabilities, as such information is not regularly provided to the chief operating decision-maker for performance evaluation and resource allocation.

5. SEGMENT INFORMATION (Continued)

(1) Basis for determining reportable segments and accounting policies (Continued)

The Group's reportable segments are as follows:

1) Segment revenues and results

For the six months ended June 30, 2025	Clinical trial solutions (Unaudited)	Clinical-related and laboratory services (Unaudited)	Total (Unaudited)
Revenue	**1,469,530,239.35**	**1,780,914,040.28**	**3,250,444,279.63**
Gross profit	**335,150,760.38**	**642,827,710.86**	**977,978,471.24**

For the six months ended June 30, 2024	Clinical trial solutions (Unaudited)	Clinical-related and laboratory services (Unaudited)	Total (Unaudited)
Revenue	1,637,121,812.15	1,721,122,411.24	3,358,244,223.39
Gross profit	627,998,394.63	705,049,195.06	1,333,047,589.69

2) Geographical information

An analysis of the Group's revenue from external customers, analysed by region, is presented below:

Revenue from external customers	Six months ended June 30, 2025 (Unaudited)	Six months ended June 30, 2024 (Unaudited)
– Domestic	**1,697,863,113.29**	1,870,428,162.44
– Overseas	**1,552,581,166.34**	1,487,816,060.95
Total	**3,250,444,279.63**	3,358,244,223.39

The information regarding the Group's non-current assets, categorized by the geographical location of the assets, is presented as follows:

Item	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Non-current assets (excluding financial assets and deferred tax assets)		
– Domestic	**8,752,914,156.55**	8,545,836,113.78
– Overseas	**3,200,899,429.37**	3,504,812,081.00
Total	**11,953,813,585.92**	12,050,648,194.78

6. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(1) Financial assets held for trading

Item	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Current assets		
Financial assets at FVTPL		
Financial Products	**87,000,000.00**	50,000,000.00
Unlisted debt instruments	**–**	24,852,975.16
Sub-total	**87,000,000.00**	74,852,975.16
Non-current assets		
Financial assets at FVTPL		
Life insurance policies	**1,246,262.72**	4,032,227.28
Listed equity securities	**192,808,213.49**	64,151,476.08
Unlisted debt instruments	**116,131,232.17**	108,864,224.15
Unlisted equity investments	**5,058,038,690.53**	4,996,191,847.81
Unlisted fund investments	**4,782,184,707.38**	4,932,665,711.94
Sub-total	**10,150,409,106.29**	10,105,905,487.26
Financial assets at FVOCI		
Listed equity investment	**4,467,324.92**	3,371,053.10
Unlisted equity investments	**5,029,685.98**	4,719,093.55
Sub-total	**9,497,010.90**	8,090,146.65
Total	**10,246,906,117.19**	10,188,848,609.07

(2) Accounts receivables

The Company grants its customers a credit period ranging from 30 to 90 days. The table below presents the aging analysis of accounts receivable:

Aging	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Within 90 days	**960,899,211.94**	1,069,020,665.30
90 to 180 days	**113,610,274.21**	107,860,212.19
180 days to 1 year	**147,741,357.76**	149,261,790.29
Over 1 year	**206,763,310.69**	167,074,966.55
Accounts receivables with individually insignificant amount and subject to individual bad debt provisions	**30,129,929.51**	18,465,187.00
Subtotal	**1,459,144,084.11**	1,511,682,821.33
Less: Bad debt provisions	**171,427,577.00**	151,924,640.13
Total	**1,287,716,507.11**	1,359,758,181.20

6. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(3) Advances to suppliers

Aging	30 June 2025 (Unaudited) Amount	30 June 2025 (Unaudited) Proportion (%)	31 December 2024 (Audited) Amount	31 December 2024 (Audited) Proportion (%)
Within 1 year (inclusive)	**93,522,092.22**	**77.35**	99,382,459.68	97.49
1 to 2 years	**25,795,447.77**	**21.34**	936,705.63	0.92
2 to 3 years	**76,312.27**	**0.06**	1,383,825.06	1.36
Over 3 years	**1,506,111.62**	**1.25**	229,980.90	0.23
Total	**120,899,963.88**	**100.00**	101,932,971.27	100.00

(4) Other receivables

Item	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Interest receivable	**352,639.85**	
Other receivables	**112,151,878.81**	89,030,886.84
Total	**112,504,518.66**	89,030,886.84

1. Other receivables

Aging	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Within 1 year (inclusive)	**92,149,419.03**	71,276,094.34
1 to 2 years	**15,187,368.25**	12,952,529.55
2 to 3 years	**9,178,003.54**	6,626,874.06
3 to 4 years	**2,846,395.09**	3,771,426.17
4 to 5 years	**2,364,896.47**	1,351,552.78
Over 5 years	**1,619,142.26**	2,445,464.57
Subtotal	**123,345,224.64**	98,423,941.47
Less: Bad debt provisions	**11,193,345.83**	9,393,054.63
Total	**112,151,878.81**	89,030,886.84

6. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(5) Contract assets

Item	30 June 2025 (Unaudited)			31 December 2024 (Audited)		
	Gross carrying amount	**Impairment provision**	**Net book value**	Gross carrying amount	Impairment provision	Net book value
Contract assets with bad debt provisions based on the general model of expected credit losses	**2,796,984,103.51**	**45,734,240.37**	**2,751,249,863.14**	2,546,878,203.97	42,188,586.47	2,504,689,617.50
Total	**2,796,984,103.51**	**45,734,240.37**	**2,751,249,863.14**	2,546,878,203.97	42,188,586.47	2,504,689,617.50

(6) Fixed assets

Item	Houses and buildings	Machinery and other equipment	Specialized equipment	Transport equipment	Total
1. Cost					
(1) 31 December 2024 (Audited)	450,894,019.61	246,376,283.06	821,308,101.81	28,362,460.57	1,546,940,865.05
(2) Increase in the current period	-5,079,830.56	11,862,723.64	61,956,348.46	75,735.94	68,814,977.48
– Additions	575,112.52	9,791,069.13	19,830,995.92	–	30,197,177.57
– Transfers from construction in progress	–	720,928.50	165,885.64	–	886,814.14
– Transfers from right of use assets	–	–	36,454,560.68	–	36,454,560.68
– Foreign currency translation differences	-5,654,943.08	1,350,726.01	5,504,906.22	75,735.94	1,276,425.09
(3) Decrease in the current period	9,517.14	1,465,028.32	8,439,311.97	–	9,913,857.43
– Disposal or retirement	9,517.14	1,465,028.32	8,439,311.97	–	9,913,857.43
(4) 30 June 2025 (Unaudited)	445,804,671.91	256,773,978.38	874,825,138.30	28,438,196.51	1,605,841,985.10
2. Accumulated depreciation					
(1) 31 December 2024 (Audited)	93,066,799.19	140,628,390.55	522,986,201.15	11,761,097.92	768,442,488.81
(2) Increase in the current period	9,976,997.19	17,717,699.75	60,830,394.01	1,506,605.10	90,031,696.05
– Provision	11,021,525.98	17,352,726.77	34,501,493.71	1,487,672.39	64,363,418.85
– Transfers from right of use assets	–	–	25,730,756.65	–	25,730,756.65
– Foreign currency translation differences	-1,044,528.79	364,972.98	598,143.65	18,932.71	-62,479.45
(3) Decrease in the current period	8,137.17	959,950.30	6,215,025.63	–	7,183,113.10
– Disposal or retirement	8,137.17	959,950.30	6,215,025.63	–	7,183,113.10
(4) 30 June 2025 (Unaudited)	103,035,659.21	157,386,140.00	577,601,569.53	13,267,703.02	851,291,071.76
3. Net book value					
(1) 30 June 2025 (Unaudited)	342,769,012.70	99,387,838.38	297,223,568.77	15,170,493.49	754,550,913.34
(2) 31 December 2024 (Audited)	357,827,220.42	105,747,892.51	298,321,900.66	16,601,362.65	778,498,376.24

6. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(7) Construction in progress

Item	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Construction in progress	**464,682,655.15**	420,535,374.37
Total	**464,682,655.15**	420,535,374.37

Item	30 June 2025 (Unaudited) Gross carrying amount	Impairment Provision	Net book value	31 December 2024 (Audited) Gross carrying amount	Impairment Provision	Net book value
Equipments to be installed and Laboratory decoration	**250,838,912.96**	**–**	**250,838,912.96**	241,073,121.56	–	241,073,121.56
Hangzhou building	**213,843,742.19**	**–**	**213,843,742.19**	179,462,252.81	–	179,462,252.81
Total	**464,682,655.15**	**–**	**464,682,655.15**	420,535,374.37	–	420,535,374.37

(8) Right-of-use assets

Item	Rental buildings	Specialized equipment	Office equipment	Total
1. Cost				
(1) 31 December 2024 (Audited)	697,557,595.50	147,687,848.74	1,205,862.97	846,451,307.21
(2) Increase in the current period	50,513,336.21	2,028,477.20	-365.34	52,541,448.07
– Increase in leases	47,371,252.49	2,439,789.54	–	49,811,042.03
– Acquired through business combination	809,531.09	–	–	809,531.09
– Foreign currency translation differences	2,332,552.63	-411,312.34	-365.34	1,920,874.95
(3) Decrease in the current period	53,727,827.96	36,454,560.68	247,381.04	90,429,769.68
– Transfer to fixed assets		36,454,560.68		36,454,560.68
– Disposal	53,727,827.96		247,381.04	53,975,209.00
(4) 30 June 2025 (Unaudited)	694,343,103.75	113,261,765.26	958,116.59	808,562,985.60
2. Accumulated depreciation				
(1) 31 December 2024 (Audited)	280,775,676.31	77,367,143.30	1,078,181.67	359,221,001.28
(2) Increase in the current period	51,643,869.21	8,367,769.58	18,169.86	60,029,808.65
– Provision	50,086,061.28	8,622,470.90	18,535.98	58,727,068.16
– Foreign currency translation differences	1,557,807.93	-254,701.32	-366.12	1,302,740.49
(3) Decrease in the current period	36,635,647.10	25,730,756.65	247,381.04	62,613,784.79
– Transfer to fixed assets	–	25,730,756.65	–	25,730,756.65
– Disposal	36,635,647.10	–	247,381.04	36,883,028.14
(4) 30 June 2025 (Unaudited)	295,783,898.42	60,004,156.23	848,970.49	356,637,025.14
3. Net book value				
(1) 30 June 2025 (Unaudited)	398,559,205.33	53,257,609.03	109,146.10	451,925,960.46
(2) 31 December 2024 (Audited)	416,781,919.19	70,320,705.44	127,681.30	487,230,305.93

6. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(9) Intangible assets

Item	Land use right	Others	Customer relationship	Total
1. Gross carrying amount				
(1) 31 December 2024 (Audited)	64,836,647.10	222,872,026.38	385,044,804.75	672,753,478.23
(2) Increase in the current period	-24,254.30	5,991,036.43	2,463,020.47	8,429,802.60
– Additions	–	1,023,880.67	–	1,023,880.67
– Acquired through business combination	–	272,000.00	111,000.00	383,000.00
– Foreign currency translation differences	-24,254.30	4,695,155.76	2,352,020.47	7,022,921.93
(3) Decrease in the current period	–	198,907.46	–	198,907.46
– Disposal	–	198,907.46	–	198,907.46
(4) 30 June 2025 (Unaudited)	64,812,392.80	228,664,155.35	387,507,825.22	680,984,373.37
2. Accumulated amortization				
(1) 31 December 2024 (Audited)	4,206,606.03	144,592,428.71	187,077,919.48	335,876,954.22
(2) Increase in the current period	562,312.14	16,736,002.10	25,902,480.65	43,200,794.89
– Provision	562,312.14	13,426,217.18	26,166,899.68	40,155,429.00
– Foreign currency translation differences	–	3,309,784.92	-264,419.03	3,045,365.89
(3) Decrease in the current period	–	–	–	–
(4) 30 June 2025 (Unaudited)	4,768,918.17	161,328,430.81	212,980,400.13	379,077,749.11
3. Net book value				
(1) 30 June 2025 (Unaudited)	60,043,474.63	67,335,724.54	174,527,425.09	301,906,624.26
(2) 31 December 2024 (Audited)	60,630,041.07	78,279,597.67	197,966,885.27	336,876,524.01

(10) Goodwill

Item	31 December 2024 (Audited)	Increase in the current period		Decrease in the current period		30 June 2025 (Unaudited)
		Business combination	Impairment	Disposal	Foreign currency translation differences	
Goodwill	3,302,156,459.69	785,469.81	–	–	-22,092,720.34	**3,325,034,649.84**
Less: Impairments	74,393,965.94	–	–	–	26,194.20	**74,367,771.74**
Total	3,227,762,493.75	785,469.81	–	–	-22,118,914.54	**3,250,666,878.10**

6. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(11) Other non-current assets

Item	30 June 2025 (Unaudited) Book value balance	Impairment provision	Net book value	31 December 2024 (Audited) Book value balance	Impairment provision	Net book value
Prepayment for investments	**50,000,000.00**	**–**	**50,000,000.00**	80,000,000.00	–	80,000,000.00
Prepayment for fixed assets and intangible asset, etc.	**9,201,004.15**	**–**	**9,201,004.15**	10,081,946.15	–	10,081,946.15
Certificate of deposit and interest	**2,444,018,867.70**	**–**	**2,444,018,867.70**	3,150,169,257.40	–	3,150,169,257.40
Others	**3,460,269.36**	**–**	**3,460,269.36**	4,795,835.17	–	4,795,835.17
Total	**2,506,680,141.21**	**–**	**2,506,680,141.21**	3,245,047,038.72	–	3,245,047,038.72

(12) Borrowings

Item	**30 June 2025 (Unaudited)**	31 December 2024 (Audited)
Secured and unguaranteed bank loans (note (a))	**562,868,455.93**	687,720,231.72
Unsecured and guaranteed bank loans (note (b))	**2,730,876.80**	6,679,249.20
Unsecured and unguaranteed bank loans (note (c))	**1,523,664,622.40**	1,621,447,954.20
Total	**2,089,263,955.13**	2,315,847,435.12
Loan interest at rate per annum in the range of	**1.95% – 6.45%**	1.29% – 6.73%
Total current and non-current borrowings were scheduled to repay as follows:		
Due within one year	**1,532,480,777.06**	1,992,197,799.87
Due within 1 to 2 year	**139,210,065.00**	102,026,263.77
Due within 2 to 5 year	**416,378,893.87**	218,124,784.08
Over 5 years	**1,194,219.20**	3,498,587.40
Total	**2,089,263,955.13**	2,315,847,435.12

6. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(12) Borrowings (Continued)

Notes:

(a) As at June 30, 2025, the Group had obtained bank credit facilities in an aggregate amount of approximately RMB496,200,000 (December 31, 2024: RMB510,000,000) through certain restricted bank deposits, of which RMB195,453,000 (December 31, 2024: RMB177,344,000) were utilized.

On May 31, 2022, Frontage Labs, one subsidiary of the Company, entered into a four-year committed senior secured revolving credit agreement with a bank, under which the bank has agreed to extend to Frontage Labs a revolving line of credit in the maximum principal amount of US$54,000,000. As at June 30, 2025, US$22,500,000 (December 31, 2024: US$35,000,000) of the facility were utilized. Frontage Labs is obligated to grant to the bank the security interest in the collateral of some of its designated subsidiaries in the U.S.

On July 22, 2022, Frontage Labs entered into a credit agreement with a bank under which the bank agreed to provide Frontage Labs a term loan facility in an aggregate principal amount of US$49,000,000. As at June 30, 2025, US$28,825,000 (December 31, 2024: US$36,000,000) of the facility were utilized. Frontage Holdings Corporation, as the guarantor, is obligated to guarantee for the liabilities, obligations and the full satisfaction of Frontage Labs under this facility. This facility is collateralized by Frontage Labs' assets in some of its designated subsidiaries in the U.S.

(b) As of June 30, 2025, bank borrowings approximately amounting to RMB2,731,000 (December 31, 2024: approximately RMB6,679,000) were secured by personal guarantees provided by directors of the subsidiaries.

(c) As of June 30, 2025, the Group had banking facilities approximately RMB7,769,265,000 (December 31, 2024: approximately RMB7,626,448,000). The aforesaid bank loans outstanding as at June 30, 2025 were approximately RMB1,523,665,000 (December 31, 2024: approximately RMB1,621,448,000).

(d) As of June 30, 2025,the total unutilized banking facilities available to the Group was RMB6,727,516,900 (December 31, 2024: RMB6,446,015,600).

(13) Accounts payables

Payment terms with suppliers are mainly on credit ranging from 30 to 60 days from invoice date. The following is an aging analysis of account payables, presented based on invoice date, at the end of each of the reporting period:

Aging	**30 June 2025 (Unaudited)**	31 December 2024 (Audited)
Within 90 days	**169,131,996.35**	202,233,662.03
90 days to 1 year	**93,162,352.61**	48,897,656.16
Over 1 year	**44,573,103.72**	6,156,094.14
Total	**306,867,452.68**	257,287,412.33

6. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(14) Other payables

Item	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Interests payable	**3,334,127.35**	5,310,915.46
Dividends payable	**39,055,391.33**	2,609,775.37
Other payables	**61,706,924.61**	68,919,587.90
Total	**104,096,443.29**	76,840,278.73

(15) Share capital

	31 December 2024 (Audited)	Movement in the current period (increase+/decrease-) Issuance of new shares	Share donation	Conversion of reserves into shares	Others	Subtotal	30 June 2025 (Unaudited)
Total amount of shares	864,948,570.00	–	–	–	-3,922,520.00	-3,922,520.00	**861,026,050.00**

(16) Capital reserve

Item	31 December 2024 (Audited)	Increase in the current period	Decrease in the current period	30 June 2025 (Unaudited)
Capital premium (Share premium)	10,665,467,111.76	–	203,462,406.13	**10,462,004,705.63**
Other capital reserve	107,111,326.35	6,457,147.92	–	**113,568,474.27**
Total	10,772,578,438.11	6,457,147.92	203,462,406.13	**10,575,573,179.90**

(17) Treasury shares

Item	31 December 2024 (Audited)	Increase in the current period	Decrease in the current period	30 June 2025 (Unaudited)
Repurchased share	191,146,104.89	308,970,378.45	200,046,593.34	**300,069,890.00**
Total	191,146,104.89	308,970,378.45	200,046,593.34	**300,069,890.00**

6. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(18) Undistributed profits

Item	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Undistributed profits of prior year-end before adjustment	**8,688,647,453.50**	8,774,794,749.44
Undistributed profits at the beginning of period after adjustment	**8,688,647,453.50**	8,774,794,749.44
Add: Net profits attributable to the Company's shareholders in the period	**383,337,133.84**	405,143,491.82
Less: Appropriation to statutory surplus reserve	**–**	–
Dividend distribution to shareholders	**256,542,681.00**	491,290,787.76
Undistributed profits at the end of the period	**8,815,441,906.34**	8,688,647,453.50

The directors of the Company have determined that no dividend will be paid in respect of the interim period.

(19) Selling expenses

Item	For the six months ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Employee benefits	**83,527,311.31**	79,061,080.37
Advertising expenses	**5,961,760.03**	7,304,200.42
Travel expenses and business entertainment expenses	**6,431,682.87**	5,624,758.47
Other expenses	**11,989,476.14**	9,387,851.24
Total	**107,910,230.35**	101,377,890.50

(20) General and administrative expenses

Item	For the six months ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Employee benefits	**176,899,696.23**	169,998,053.50
Office facilities and site expenses	**22,795,468.76**	12,555,516.44
Depreciation and amortization	**64,980,447.95**	68,347,934.43
Travel expenses and business entertainment expenses	**14,216,220.37**	12,714,193.91
Consulting expenses and communication expenses	**23,963,642.34**	24,523,888.46
Share-based payment	**8,784,302.63**	34,704,505.02
Other expenses	**43,645,245.36**	53,771,854.42
Total	**355,285,023.64**	376,615,946.18

6. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(21) Research and development expenses

Item	For the six months ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Employee benefits	**115,766,731.65**	114,714,085.48
Depreciation and amortization	**4,301,421.10**	4,011,430.44
Service expenses and cost of materials	**3,115,375.35**	5,009,889.17
Other expenses	**3,821,404.78**	958,817.76
Total	**127,004,932.88**	124,694,222.85

(22) Financial expenses

Item	For the six months ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Interest expenses	**54,401,937.67**	67,432,236.02
Including: Interest expenses on lease liabilities	**13,456,028.89**	13,035,104.80
Less: Interest income	**8,422,574.46**	71,381,356.68
Exchange gains or losses	**14,809,278.84**	-14,623,271.35
Others	**2,493,794.46**	2,463,662.78
Total	**63,282,436.51**	-16,108,729.23

(23) Investment income

Item	For the six months ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Share of profit from associates	**166,385,559.89**	44,095,071.11
Investment incomes from disposal of financial assets held for trading	**70,610.17**	231,188.77
Interest incomes from debt investment during the holding period	**259,965.63**	227,502.34
Dividend incomes from other non-current financial assets during the holding period	**3,036,534.59**	10,910,526.75
Investment incomes from disposal of other non-current financial assets	**21,565,539.05**	-6,367,651.23
Incomes from Certificate of deposit and wealth management products	**41,682,623.66**	21,646,818.84
Total	**233,000,832.99**	70,743,456.58

6. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(24) Gains from changes in fair values

Source of gains from changes in fair value	For the six months ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Financial assets held for trading	–	5,010.60
Non-current period financial assets	**-89,643,957.92**	-98,408,151.66
Total	**-89,643,957.92**	-98,403,141.06

(25) Income tax expenses

Item	For the six months ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Current income tax expenses	**97,806,189.29**	148,916,761.34
Deferred income tax expenses	**-17,945,157.65**	-16,402,282.29
Total	**79,861,031.64**	132,514,479.05

(26) Earnings per share

1. Basic earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding of the Company:

Item	For the six months ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Consolidated net profit attributable to ordinary shareholders of the parent company	**383,337,133.84**	492,848,850.97
Weighted average number of ordinary shares outstanding of the Company	**856,599,303.33**	864,753,786.67
Basic earnings per share	**0.45**	0.57
Including: Basic earnings per share from continuing operations	**0.45**	0.57
Basic earnings per share from discontinued operations	**–**	–

6. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(26) Earnings per share (Continued)

2. Diluted earnings per share

Diluted earnings per share is calculated by dividing the consolidated net profit (diluted) attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding (diluted) of the Company:

Item	For the six months ended 30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Consolidated net profit attributable to ordinary shareholders of the parent company (diluted)	**383,337,133.84**	492,848,850.97
Weighted average number of ordinary shares outstanding (diluted) of the Company	**856,599,303.33**	864,753,786.67
Diluted earnings per share	**0.45**	0.57
Including: Diluted earnings per share from continuing operations	**0.45**	0.57
Diluted earnings per share from discontinued operations	**–**	–

7. DISCLOSURE OF FAIR VALUE

7.1 Ending fair value of assets and liabilities measured at fair value

Item	Ending fair value Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement				
(I) Financial assets held for trading	–	87,000,000.00	–	87,000,000.00
1. Financial assets measured at fair value through current profit or loss	–	87,000,000.00	–	87,000,000.00
(1) Wealth management products	–	87,000,000.00	–	87,000,000.00
(II) Other non-current financial assets	59,652,699.82	134,401,776.39	9,956,354,630.08	10,150,409,106.29
1. Financial assets measured at fair value through current profit or loss	59,652,699.82	134,401,776.39	9,956,354,630.08	10,150,409,106.29
(1) Debt instrument investments	–	–	116,131,232.17	116,131,232.17
(2) Equity instrument investments	59,652,699.82	134,401,776.39	9,840,223,397.91	10,034,277,874.12
(III) Other equity instrument investments	4,467,324.92	–	5,029,685.98	9,497,010.90
Total assets continuously measured at fair value	64,120,024.74	221,401,776.39	9,961,384,316.06	10,246,906,117.19
(IV) Other non-current financial liabilities	–	–	75,161.12	75,161.12
1. Financial liabilities designated as at fair value through current profit or loss	–	–	75,161.12	75,161.12
(1) Contingent Consideration	–	–	75,161.12	75,161.12
Total liabilities continuously measured at fair value	–	–	75,161.12	75,161.12
II. Discontinuous fair value measurement				

7. DISCLOSURE OF FAIR VALUE (Continued)

7.2 Basis for determination of market price of items measured at the first level fair value on a continuing and discontinuing basis

Level I fair value measurements represent measurements based on quoted prices in active markets for identical assets or liabilities.

7.3 Continuing and discontinuing Level II fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used

Item	Fair value at the end of the period	Valuation technique
Wealth management products	87,000,000.00	Discounted Cash Flow Method
Restricted shares of listed companies	133,155,513.67	Public market trading quotes adjusted for lack of marketability discount
Insurance	1,246,262.72	Quotation offered by the insurance company

7.4 Continuing and discontinuing Level III fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used

Item	Ending fair value	Valuation technique	Unobservable input value	Relationship between unobservable inputs and fair value changes
Equity investment in non-listed companies	5,063,068,376.51	Market multiples adjusted for lack of marketability discount	Lack of Marketability Discount	The larger the discount is, the lower the valuation will become
		Equity Value Allocation Model	Priority, the probability of initial public offering	The higher the priority is, the greater the valuation of preferred shares becomes; the higher the probability is, the greater the valuation of original shares becomes
		Backsolve from most Recent Transaction Price method	Due to considerations of time, sales conditions and agreement terms, the scale and nature of similar business can be estimated for their value	The greater the value of similar transactions, the higher the valuation will be
		Discounted Cash Flow Method	Expected growth rate, discount rate	The greater the expected growth rate, the higher the valuation; the higher the discount rate, the lower the valuation
Non-listed fund investment	4,782,184,707.38	Net Asset Value on Relevant Transactions	Net Asset Value	The higher the net asset value, the higher the valuation
Convertible company bonds	116,131,232.17	Binomial Options Pricing Model	Discount rate	The higher the discount rate is, the lower the valuation becomes
Contingent considerations	75,161.12	Discounted Cash Flow Method	Expected growth rate, discount rate	The greater the expected growth rate, the higher the valuation; the higher the discount rate, the lower the valuation

7. DISCLOSURE OF FAIR VALUE (Continued)

7.5 Continuing fair value measurement items at Level 3, the adjustment information between the book value at the end of the previous year and the period end, as well as the sensitivity analysis of unobservable parameters

Item	31 December 2024 (Audited)	Transfer out of Level 3	Total amount of current gains or losses: Recognized in fair value change profit and loss	Total amount of current gains or losses: Recognized in other comprehensive income	Purchase, issuance, sale and settlement: Purchase	Purchase, issuance, sale and settlement: Change in exchange rate	Purchase, issuance, sale and settlement: Sale	Transfer to Equity Instrument Investment/Transfer from Debt Instrument Investment	**30 June 2025 (Unaudited)**	For the assets held at the end of the reporting period, the unrealized gains or changes that are recognized in current profit or loss
♦ Financial assets held for trading										
Financial assets at fair value through current profit or loss										
– Equity instrument investments										
♦ Other equity instrument investments	4,719,093.55					310,592.43			**5,029,685.98**	
♦ Other non-current financial assets	10,037,721,783.90	208,906,984.57	-18,930,908.91		223,860,030.82	-495,835.20	76,893,455.96		**9,956,354,630.08**	-18,930,908.91
Financial assets at fair value through current profit or loss	10,037,721,783.90	208,906,984.57	-18,930,908.91		223,860,030.82	-495,835.20	76,893,455.96		**9,956,354,630.08**	-18,930,908.91
– Debt instrument investments	108,864,224.15				10,000,000.00	267,008.02		-3,000,000.00	**116,131,232.17**	
– Equity instrument investments	9,928,857,559.75	208,906,984.57	-18,930,908.91		213,860,030.82	-762,843.22	76,893,455.96	3,000,000.00	**9,840,223,397.91**	-18,930,908.91
Total	10,042,440,877.45	208,906,984.57	-18,930,908.91		223,860,030.82	-185,242.77	76,893,455.96		**9,961,384,316.06**	-18,930,908.91
Including: profit or loss related to financial assets			-18,930,908.91							-18,930,908.91
♦ Other non-current financial liabilities	70,519.78					4,641.34			**75,161.12**	
Contingent considerations	70,519.78					4,641.34			**75,161.12**	
Total	70,519.78					4,641.34			**75,161.12**	
Including: profit or loss related to financial liabilities										

7. DISCLOSURE OF FAIR VALUE (Continued)

7.6 For the continuing fair value measurement items, if there is a conversion between different levels during the current period, the reasons for the conversion and the policy for determining the conversion time

The Company's investment in PegBio Co., Ltd. was listed on May 27, 2025, and the relevant quotations can be obtained from the public active market. The shares held by the Company were subject to a lock-up period until May 26, 2026. As of June 30, 2025, the investment shares were in the restricted period. Therefore, the Company transferred this investment from Level 3 fair value to Level 2 fair value measurement for other non-current financial assets.

7.7 Changes in valuation techniques and the reasons for the changes during the current period

As at June 30, 2025, the management of the Company opines that the financial assets and financial liabilities measured at amortized cost in the financial statements predominantly encompass: notes receivable, accounts receivable, contract assets, other receivables, short-term borrowings, accounts payable, contract liabilities, other payables, long-term borrowings, etc.

The management of the Company opines that the book values of non-long-term financial assets and financial liabilities in the financial statements approximate closely to the fair values of such assets and liabilities.

8. SHARE-BASED PAYMENT

During the six months ended June 30, 2025 the Company and its subsidiaries adopted certain share option schemes to its employees.

Details of the schemes are as follow:

(a) Frontage Holdings:

(i) 2021 share awards scheme

On January 22, 2021 (the "Adoption Date"), the board of directors of Frontage Holdings, a non wholly-owned subsidiary of the Company, approved the adoption of the share award scheme ("2021 Frontage Share Award Scheme") to recognize the contributions by certain employees of the Group, to give incentives thereto in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. Under the 2021 Frontage Share Award Scheme, the directors may grant up to 1% of the issued share capital of the Company on the Adoption Date of the 2021 Frontage Share Award Scheme. Each award granted has a contractual terms of 10 years and vesting on the one calendar year after grant date.

Under 2021 Frontage Share Award Scheme, a trust has set up for the scheme and a third party trustee was engaged by the Company to administrate the scheme. The trustee will hold the award shares in trust for the awardees until such shares are rested with the awardees. The trustee shall not exercise the voting rights in respect of any share held under the trust.

On January 25, 2021, the board of directors has resolved to grant a total of 22,950,500 awarded shares.

8. SHARE-BASED PAYMENT (Continued)

(a) Frontage Holdings: (Continued)

(i) 2021 share awards scheme (Continued)

Set out below are details of the movements of the outstanding awarded shares granted under the 2021 Frontage Share Awards Scheme during the current period:

	Six months ended June 30	
	2025	2024
	Number	Number
	(Unaudited)	(Unaudited)
Outstanding at beginning of period	**4,090,064**	8,590,126
Vested during the period	**-4,087,564**	-4,345,062
Cancelled during the period	**-2,500**	-92,500
Outstanding at end of period	**–**	4,152,564

Each award share granted generally vested over a four-year period with an agreed award vesting on the anniversary one year after grant date.

The estimated fair value was approximately US$16.1 million (equivalent to RMB104.3 million) for the awarded shares. The fair value was calculated by reference to the closing share price of the Company at the date of grant, which was HK$6.02 (equivalent to RMB5.02) per share.

Changes in variables and assumptions may result in changes in the fair values of the share options.

On January 25, 2021, 22,950,500 shares of the Company was issued for the 2021 Frontage Share Award Scheme. As at June 30, 2025, there are 4,460,438 shares (six months ended June 30, 2024: 8,548,002 shares) held for such scheme with carrying amount of US$nil (six months ended June 30, 2024: US$nil) accumulated in equity under the heading of "Treasury Shares".

The weighted average closing price of the shares immediately before the dates on which the awards were vested during the six months ended June 30, 2025 was HK$1.37 (equivalent to RMB1.26) (six months ended June 30, 2024: HK$2.07 (equivalent to RMB1.88)).

The Group recognized total expense of approximately US$67,000 (equivalent to RMB481,000) for the six months ended June 30, 2025 (six months ended June 30, 2024: US$481,000 (equivalent to RMB3,419,000) in relation to share award granted under the 2021 Frontage Share Award Scheme.

8. SHARE-BASED PAYMENT (Continued)

(a) Frontage Holdings: (Continued)

(ii) Frontage Labs Scheme

Frontage Laboratories, Inc. ("Frontage Labs"), a subsidiary of the Company, adopted 2 Pre-IPO share incentive plans respectively in 2008 and 2015 (together referred as "Pre-IPO share incentive plans") for the primary purpose of attracting, retaining and motivating the directors of Frontage Labs and employees of the Group. Under such plans, the directors of Frontage Labs may grant up to 9,434,434 share options under the 2008 share incentive plan and 12,000,000 share options under the 2015 share incentive plan to eligible employees, including the directors of Frontage Labs and employees of the Group, to subscribe for shares in Frontage Labs. Each option granted has a contractual terms of 5 to 10 years and vesting on calendar one year after grant date.

On April 17, 2018, Frontage Holdings Corporation ("Frontage Holdings"), Frontage Labs and corresponding employees entered into an agreement pursuant to which Frontage Labs has assigned, and Frontage Holdings has assumed, the rights and obligations of Frontage Labs under the Frontage Labs Schemes.

On February 28, 2019, Frontage Holdings granted a total 7,990,000 share options under the 2015 share incentive plan to the eligible employees at an exercise price of US$2.00.

Pursuant to the capitalisation issue completed on May 11, 2019 (the "Frontage Capitalisation Issue"), the number of options granted to an eligible employee under the Frontage Labs Schemes were adjusted to ten times of the original number of options held by that grantee. Accordingly, the exercise price was adjusted to 10% of the original exercise price.

Set out below are details of the movements of the outstanding options granted under the Frontage Labs Schemes during the current and prior period, retroactively reflecting the Frontage Capitalisation Issue:

	Six months ended June 30,			
	2025		2024	
	Weighted average exercise price		Weighted average exercise price	
	(RMB)	**Number**	(RMB)	Number
	(Unaudited)	**(Unaudited)**	(Unaudited)	(Unaudited)
Outstanding at beginning of period	**0.36**	**16,500,000**	1.06	53,360,000
Forfeited during the period	**–**	**–**	1.42	-750,000
Exercised during the period	**–**	**–**	1.42	-36,110,000
Outstanding at end of period	**0.36**	**16,500,000**	0.36	16,500,000
Options exercisable		**16,500,000**		16,500,000
Weighted average contractual life (years)		**1.7**		2.7

The exercise price of options outstanding ranges from US$0.049 to US$0.057 (equivalent to RMB0.35 to RMB0.41).

8. SHARE-BASED PAYMENT (Continued)

(a) Frontage Holdings: (Continued)

(ii) Frontage Labs Scheme (Continued)

The weighted average closing price of the shares of Frontage Holdings immediately before the dates on which the option were exercised was HK$1.79 (equivalent to RMB1.65).

The Group recognised total expense of nil for the six months ended June 30, 2025 (six months ended June 30, 2024: nil) in relation to share options granted under the Frontage Labs Schemes.

(iii) 2018 Frontage Share Incentive Scheme

On May 11, 2019, for the primary purpose of attracting, retaining and motivating the personnel of the Frontage Holdings Group, the board of directors of Frontage approved an incentive plan to grant options, restricted share units and any other types of award to eligible employees, including the directors, employees, consultants and advisors of the Frontage Holdings Group or any other person as determined by the Frontage board who the Frontage Board considers, in its absolute discretion, have contributed or will contribute to the Frontage Holdings Group. Each person who receives an Award under the 2018 Share Incentive Plan is a grantee (the "Grantee"). The total number of shares in respect of which the awards may be granted pursuant to the 2018 Share Incentive Plan and any other equity-based incentive plans of Frontage is 200,764,091, being 10% of the shares of Frontage in issue (excluding treasury shares) as at the date of this report.

The total number of shares available for issue under the 2018 Share Incentive Plan is 85,823,591, being 4.2% of the issued shares (excluding treasury shares) of Frontage as at the date of this report.

On October 7, 2022, Frontage Holdings granted a total 32,555,000 share options under 2018 Frontage Share Incentive Scheme.

On December 20, 2023, the Group granted a total 26,285,000 share options under 2018 Frontage Share Incentive Scheme.

On October 30, 2024, the Group granted a total 33,150,000 share options under 2018 Frontage Share Incentive Scheme.

8. SHARE-BASED PAYMENT (Continued)

(a) Frontage Holdings: (Continued)

(iii) 2018 Frontage Share Incentive Scheme (Continued)

Set out below are details of the movements of the outstanding options granted during the current and prior interim period:

	Six months ended June 30,			
	2025		2024	
	Weighted average exercise price		Weighted average exercise price	
	(RMB) (Unaudited)	Number (Unaudited)	(RMB) (Unaudited)	Number (Unaudited)
Outstanding at beginning of period	**1.42**	**80,878,000**	1.91	54,250,000
Exercised during the period	**1.44**	**–**	1.92	-69,000
Forfeited during the period	**1.44**	**-2,528,500**	1.92	-3,123,000
Outstanding at end of period	**1.44**	**78,349,500**	1.92	51,058,000
Options exercisable		**21,950,400**		9,306,000
Weighted average contractual life (years)		**3.5**		3.8

The exercise price of options outstanding ranges from HK$0.82 to HK$2.13 (equivalent to RMB0.75 to RMB1.96).

The weighted average closing price of the shares of the company immediately before the dates on which the options were exercised was HK$2.18 (equivalent to RMB2.01) during the six months ended June 30, 2025.

The Group recognised total expenses of approximately US$1,045,000 (equivalent to approximately RMB7,501,000) for the six months ended June 30, 2025 (six months ended June 30, 2024: US$1,182,000 (equivalent to approximately RMB8,401,000)), in relation to share options granted by the Company under 2018 Frontage Share Incentive Scheme.

(b) DreamCIS:

(i) 2018 DreamCIS Scheme

DreamCIS, a subsidiary of the Company, adopted a share incentive plan in 2018 (the "DreamCIS Scheme") for the primary purpose of attracting, retaining and motivating the directors and employees of DreamCIS. Under the DreamCIS Scheme, the directors of DreamCIS may grant up to 402,372 share options under the share incentive plan to eligible employees, including the directors and employees of DreamCIS, to subscribe for shares in DreamCIS. Each option granted has a contractual term of 5 years.

8. SHARE-BASED PAYMENT (Continued)

(b) DreamCIS: (Continued)

(i) 2018 DreamCIS Scheme (Continued)

Pursuant to the capitalisation issue completed during the year ended December 31, 2024 (the "DreamCIS Capitalisation Issue"), all the then outstanding share options granted and the exercise price are adjusted on a one-to-four basis.

During the six months ended June 30, 2021, the board of directors of DreamCIS has resolved to grant a total of 223,122 share options.

Set out below are details of the movements of the outstanding options granted under the 2018 DreamCIS Scheme during the current and prior interim period, retroactively reflecting the DreamCIS Capitalisation Issue:

	Six months ended June 30,			
	2025		2024	
	Weighted average exercise price		Weighted average exercise price	
	(RMB)	**Number**	(RMB)	Number
	(Unaudited)	**(Unaudited)**	(Unaudited)	(Unaudited)
Outstanding at beginning of period	**21.35**	**512,168**	19.3	682,440
Exercised during the period	**–**	**–**	14.1	-90,044
Forfeited during the period	**–**	**–**	14.1	-80,228
Outstanding at end of period	**20.76**	**512,168**	13.9	512,168
Options exercisable		**512,168**		512,168
Weighted average contractual life (years)		**0.7**		1.7

The exercise price of options outstanding is KRW4,080 (equivalent to RMB20.8).

The estimated fair value was approximately RMB5,811,000 for the share options granted in 2021. The fair value was calculated based on binomial model. The major inputs into the model are as follows:

Grant date	2021
Share price	KRW15,800 (Equivalent to RMB90)
Expected volatility	47.75%
Expected life (years)	2.5
Risk-free rate	1.03%
Expected dividend yield	–

The risk-free interest rate was based on the yield of South Korea Treasury Bonds with a maturity life with the term corresponding to the contractual life of the options. Expected volatility was determined by using the historical volatility of the comparable companies.

8. SHARE-BASED PAYMENT (Continued)

(b) DreamCIS: (Continued)

(i) 2018 DreamCIS Scheme (Continued)

Changes in variables and assumptions may result in changes in the fair values of the share options.

The Group recognised total expense of nil for the six months ended June 30, 2025 (six months ended June 30, 2024: nil) in relation to share options granted under the DreamCIS Scheme.

(ii) 2021 DreamCIS Share Option Scheme

On March 26, 2021, the board of directors of DreamCIS approved the adoption of the share option scheme ("2021 DreamCIS Share Option Scheme") to provide incentive or reward to directors or employees of DreamCIS for their contribution to, and continuing efforts to promote the interests of DreamCIS and its subsidiaries. Under the 2021 DreamCIS Share Option Scheme, the directors of DreamCIS may grant up to 559,597 share options. No awards have been granted under the 2021 DreamCIS Share Option Scheme by June 30 2025.

(iii) 2023 DreamCIS Share Option Scheme

On March 28, 2023, the board of directors of DreamCIS approved the adoption of the share option scheme of DreamCIS ("2023 DreamCIS Share Option Scheme") to provide incentive or reward to directors or employees of DreamCIS for their contribution to, and continuing efforts to promote the interests of DreamCIS and its subsidiaries.

During the year ended December 31, 2023, the board of directors of DreamCIS has resolved to grant a total of 1,071,200 share options.

Set out below are details of the movements of the outstanding options granted under the 2023 DreamCIS Share Option Scheme during the current and prior interim period:

	Six months ended June 30,			
	2025		2024	
	Weighted average exercise price		Weighted average exercise price	
	(RMB)	**Number**	(RMB)	Number
	(Unaudited)	**(Unaudited)**	(Unaudited)	(Unaudited)
Outstanding at beginning of period	**18.42**	**912,000**	20.31	1,016,800
Granted during the period	**–**	**–**	–	–
Exercised during the period	**–**	**–**	–	–
Forfeited during the period	**17.91**	**-54,400**	18.57	-58,400
Outstanding at end of period	**17.91**	**857,600**	18.27	958,400
Options exercisable	**–**	**–**	–	–

8. SHARE-BASED PAYMENT (Continued)

(b) DreamCIS: (Continued)

(iii) 2023 DreamCIS Share Option Scheme (Continued)

The estimated fair value was approximately RMB7,308,700 for the share options granted in 2023. The fair value was calculated based on binomial model. The major inputs into the model are as follows:

Grant date	2023
Share price	KRW1,260 (Equivalent to RMB6.82)
Expected volatility	42.80%
Expected life (years)	2.75
Risk-free rate	3.71%
Expected dividend yield	–

The risk-free interest rate was based on the yield of South Korea Treasury Bonds with a maturity life with the term corresponding to the contractual life of the options. Expected volatility was determined by using the historical volatility of the comparable companies.

Changes in variables and assumptions may result in changes in the fair values of the share options.

The Group recognised total expense of approximately RMB1,343,000 for the six months ended June 30, 2025 (six months ended June 30, 2024: 1,382,000) in relation to share options granted under the DreamCIS Scheme.

(c) the Company:

(i) 2022 Restricted Share Scheme

The Company adopted the restricted share scheme in 2022 (the "2022 Restricted Share Scheme") for the primary purpose of attracting, retaining and motivating the directors and employees of the Group. Under the 2022 Restricted Share Scheme, the directors may grant up to 7,105,590 restricted A-shares under the scheme to eligible employees, including the directors and employees of the Group, to obtain ordinary shares of the Company upon vesting.

The 2022 Restricted Share Scheme will be valid and effective for a period of 5 years.

On November 25, 2022, the Company granted a total 6,079,784 restricted A-shares under the 2022 Restricted Share Scheme to the eligible employees at an exercise price of RMB69.

8. SHARE-BASED PAYMENT (Continued)

(c) the Company: (Continued)

(i) 2022 Restricted Share Scheme (Continued)

Set out below are details of the movements of the outstanding units granted under the 2022 Restricted Share Scheme during the current and prior period:

	Six months ended June 30,			
	2025		2024	
	Weighted average exercise price		Weighted average exercise price	
	(RMB) (Unaudited)	Number (Unaudited)	(RMB) (Unaudited)	Number (Unaudited)
Outstanding at beginning of period	–	–	69.00	3,425,534
Canceled during the period	–	–	69.00	-3,425,534
Outstanding at end of period	–	–	–	–

The lock-up periods for the restricted shares granted in November 2022 are presented in the table below:

Lock-up period	Timing	Proportion of share exercisable
1st lock-up period	From the first trading day after 12 months since the listing date of the restricted A-shares to the last trading day within 24 months after the listing date of the restricted A-shares.	40%
2nd lock-up period	From the first trading day after 24 months since the listing date of the restricted A-shares to the last trading day within 36 months after the listing date of the restricted A-shares.	30%
3rd lock-up period	From the first trading day after 36 months since the listing date of the restricted A-shares to the last trading day within 48 months after the listing date of the restricted A-shares.	30%

The estimated fair value of the restricted A-shares granted under the 2022 Restricted Share Scheme in 2022 is approximately RMB551,858,000. The fair value is calculated by reference to the closing A-share price of the Company at the date of grant, which is RMB90.88.

Changes in variables and assumptions may result in changes in the fair values of the restricted A-shares.

Because of the cancellation of restricted A-shares, granted by the Company under 2022 Restricted Share Scheme, the Company immediately recognised total expense of RMB34,508,000 for the six months ended June 30, 2024 that otherwise would have been recognised for services received over the remainder of the vesting period.

8. SHARE-BASED PAYMENT (Continued)

(d) Meditip

(i) 2021 Meditip Plan

Meditip, a subsidiary of the Company, adopted a share incentive plan in 2021 (the "Meditip Scheme") for the primary purpose of attracting, retaining and motivating the directors, employees and outside consultants of Meditip. Under the Meditip Scheme, the directors of Meditip may grant up to 26,500 share options under the share incentive plan to eligible employees, including the directors, employees and outside consultants of Meditip, to subscribe for shares in Meditip. Each option granted has a contractual term of 6 years.

The estimated fair value was approximately RMB7,307,000 for the share options granted in 2021. The fair value was calculated based on binomial model. The major inputs into the model are as follows:

Grant date	2021
Share price	KRW77,800 to KRW85,201 (Equivalent to RMB407 to 446)
Expected volatility	61.36% – 63.24%
Expected life (years)	2.9 years – 4.9 years
Risk-free rate	2.64% – 2.85%
Expected dividend yield	–

Share price is determined as the total fair value of Meditip's equity divided by the total number of shares. To determine the fair value of Meditip's equity value as of grant dates, the Group used primarily the discounted cash flow method under the income approach, using cash flow projections based on financial forecasts approved by management covering a five-year period as appropriate and a discount rate of 15.5% for the options granted during the year ended December 31, 2021. Management assessment is that Meditip will arrive at a stable growth stage after 5 years period. Cash flow beyond that five-year period has been extrapolated using a steady 1% growth rate. This growth rate does not exceed the long-term average growth rate for the market in which Meditip operates. The result from the income approach was cross checked with the market approach, which incorporates certain assumptions, including the market performance of comparable listed companies, as well as the financial results and growth trends of the Group, to derive the total equity of Meditip.

The risk-free interest rate was based on the yield of South Korea Treasury Bonds with a maturity life with the term corresponding to the contractual life of the options. Expected volatility was determined by using the historical volatility of the comparable companies.

Changes in variables and assumptions may result in changes in the fair values of the share options.

8. SHARE-BASED PAYMENT (Continued)

(d) Meditip (Continued)

(i) 2021 Meditip Plan (Continued)

Set out below are details of the movements of the outstanding options granted under the Meditip Scheme during the current and prior period, retroactively reflecting the Meditip Capitalisation Issue:

	Six months ended June 30,			
	2025		2024	
	Weighted average exercise price RMB (Unaudited)	Number (Unaudited)	Weighted average exercise price RMB (Unaudited)	Number (Unaudited)
Outstanding at beginning of period	**283.5**	**19,670**	281.0	23,400
Forfeited during the period			290.0	-2,900
Outstanding at end of period	**275.7**	**19,670**	290.0	20,500
Options exercisable		**–**		–
Weighted average contractual life (years)		**4.5**		5.0

The exercise price of options outstanding is KRW54,167 (equivalent to RMB276).

The Group recognised total expense of RMB528,000 for the six months ended June 30, 2025 (six months ended June 30, 2024: RMB269,000) in relation to share options granted under the Meditip Scheme.

(ii) 2024 Meditip Scheme

Meditip, a subsidiary of the Company, adopted a share incentive plan in 2024 (the "2024 Meditip Scheme") for the primary purpose of attracting, retaining and motivating the directors, employees and outside consultants of Meditip. Under the Meditip Scheme, the directors of Meditip may grant up to 15,000 share options under the share incentive plan to eligible employees, including the directors, employees and outside consultants of Meditip, to subscribe for shares in Meditip. Each option granted has a contractual term of 3 years.

The estimated fair value was approximately RMB5,749,598.20 for the share options granted in 2024. The fair value was calculated based on binomial model. The major inputs into the model are as follows:

Grant date	2024
Share price	KRW62,025 to KRW76,958 (Equivalent to RMB324 to 402)
Expected volatility	61.84%
Expected life (years)	3 years – 5 years
Risk-free rate	2.80%
Expected dividend yield	–

8. SHARE-BASED PAYMENT (Continued)

(d) Meditip (Continued)

(ii) 2024 Meditip Scheme (Continued)

The risk-free interest rate was based on the yield of South Korea Treasury Bonds with a maturity life with the term corresponding to the contractual life of the options. Expected volatility was determined by using the historical volatility of the comparable companies.

Changes in variables and assumptions may result in changes in the fair values of the share options.

Set out below are details of the movements of the outstanding options granted under the 2024 Meditip Scheme during the current and prior period, retroactively reflecting the Meditip Capitalization Issue:

	Six months ended June 30,			
	2025		2024	
	Weighted average exercise price RMB (Unaudited)	Number (Unaudited)	Weighted average exercise price RMB (Unaudited)	Number (Unaudited)
Outstanding at beginning of period	915.95	15,000		
Granted during the period				
Forfeited during the period	890.58	-720		
Outstanding at end of period	890.58	14,280		
Options exercisable		–		
Weighted average contractual life (years)		2.5		

The exercise price of options outstanding is KRW175,000.00 (equivalent to RMB890.58).

The Company recognized total expense of approximately RMB544,000 for the period ended June 30, 2025 (six months ended June 30, 2024: nil) in relation to share options granted under the 2024 Meditip Scheme.

8. SHARE-BASED PAYMENT (Continued)

(e) Teddy Clinical Shanghai

Teddy Clinical Shanghai, a subsidiary of the Company, adopted a share incentive plan in 2018 to 2022 (the "Teddy Clinical Shanghai Scheme") for the primary purpose of attracting, retaining and motivating the employees of Teddy Clinical Shanghai. Under the Teddy Clinical Shanghai Scheme, employees may subscribe to restricted shares of Shanghai Teddy Clinical Shanghai through an employee shareholding platform.

After accepting the granted restricted shares, employees are required to contribute corresponding funds to Teddy Clinical Shanghai's employee shareholding platform. If a participant's employment relationship with Teddy Clinical Shanghai is terminated, the subscribed restricted shares shall be returned to the platform, and the platform shall refund the subscription payments made by the employee.

Each option granted has a contractual term of 3 years.

Set out below are details of the movements of the outstanding options granted under the Teddy Clinical Shanghai Scheme during the current period:

	Six months ended June 30,			
	2025		2024	
	Weighted average exercise price RMB (Unaudited)	**Number (Unaudited)**	Weighted average exercise price RMB (Unaudited)	Number (Unaudited)
Outstanding at beginning of period	**1.50**	**15,454,050**	1.50	15,454,050
Forfeited during the Reporting Period	**1.50**	**-424,577**	–	–
Outstanding at end of period	**1.50**	**15,029,473**	1.50	15,454,050

The Company reversed total expense of approximately RMB99,000 for the period ended June 30,2025 (six months ended June 30, 2024: nil) in relation to share options granted under the Teddy Clinical Shanghai Scheme.

9. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

9.1 Information about the Parent company of the Group

The actual controllers of the Group are Mr. Ye Xiaoping and Ms. Cao Xiaochun: Mr. Ye Xiaoping holds 177,239,541.00 shares of the Group, with a shareholding ratio of 20.58%; Ms. Cao Xiaochun holds 51,661,774.00 shares of the Group, with a shareholding ratio of 6.00%.

9.2 Information on the Group's joint ventures and associates

Other joint ventures or associates that had related party transactions with the Group during the current period, or had balances arising from related party transactions with the Group in prior periods, are as follows:

Name of Joint ventures and associates	Relationship
Shanghai Yigao Investment Co., Ltd.	Associates
Tigermed Suzhou Yixin Pharmaceutical Technology Co., Ltd	Associates
Hangzhou Taikun Equity Investment Fund Partnership Enterprise (Limited Partnership)	Associates
Tigerise, Inc.	Associates
Shanghai Bioquick Pharmaceutical Supply Chain Management Co., Ltd	Associates
Chenghong Pharmaceutical (Weihai) Co., Ltd	Associates
Beijing Jingwei Legend Pharmaceutical Technology Co., LTD.	Associates
Tigermed co., Ltd. (Thailand)	Associates
Pt Tigermed Medical Indonesia	Associates
Tigermed Vietnam Co., Limited	Associates
Jiangsu Lanwan Management Technology Co., Ltd.	Associates
Taihe Pharmaceutical (Weihai) Co., Ltd.	Associates
Clinflash Healthcare Technology (Jiaxing) Co., Ltd	Associates

9. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.3 0ther related parties

Name of Other Related Parties	Relationship
Hangzhou Fasikl Technology Co., Ltd.	The Child of the actual controller, Ms. Cao Xiaochun, serves as the Supervisor in Hangzhou Fansiquan Technology Co., Ltd., the parent company of Hangzhou Fansikai Technology Co., Ltd.
Fasikl International Co., Ltd.	The Child of the actual controller, Ms. Cao Xiaochun, serves as the Supervisor in Hangzhou FanSiquan Technology Co., Ltd., a subsidiary of Fasikl International Co., Ltd.
Hangzhou D. a. Gene & Engineering Co., Ltd.	The actual controller, Mr. Ye Xiaoping, serves as a Director of Dian Diagnostics Group CO., LTD.
Hangzhou Dian Medical Laboratory Center Co. LTD.	The actual controller, Mr. Ye Xiaoping, serves as a Director of Dian Diagnostics Group CO., LTD.
Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., LTD.	The actual controller, Ms. Cao Xiaochun, serves as Chairman.
Shanghai ClinMega Pharmaceutical Technology Co., Ltd.	The actual controller, Ms. Cao Xiaochun, serves as a Director of Clinflash Healthcare Technology (Jiaxing) Co., Ltd.
Hangzhou Zhilan Health Co., LTD.	The actual controller, Ms. Cao Xiaochun, serves as Chairman.
Hangzhou Laimai Medical Information Technology Co., LTD.	The Child of the actual controller, Ms. Cao Xiaochun, serves as a Director (Resigned in May 2025).
Beijing Laimai Medical Information Technology Co., Ltd.	The Child of the actual controller, Ms. Cao Xiaochun, serves as a Supervisor.
New Trials Medical Technology (Hangzhou) Co., Ltd.	Co-President Mr. Wu Hao, serves as a Director.
Zhejiang Dian Deep Sea Supply Chain Co., Ltd.	The actual controller, Mr. Ye Xiaoping, serves as a Director of Dian Diagnostics Group CO., LTD.
Zhiding Medical Technology Co., LTD.	The actual controller, Ms. Cao Xiaochun, serves as a Director, and her Child serves as Executive Director and Manager.

9. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.3 0ther related parties (Continued)

Name of Other Related Parties	Relationship
Shenzhen Robb Medical Technology Co., LTD.	The Child of the actual controller, Ms. Cao Xiaochun, serves as a Director.
Hangzhou Hezheng Pharmaceutical Co., LTD.	The spouse of the actual controller, Ms. Cao Xiaochun, serves as a Director.
Hangzhou Patsy Medical Technology Co., LTD.	The spouse of the actual controller, Ms. Cao Xiaochun, serves as Executive Director.
Hangzhou Moretion Technology Co., LTD.	The Child of the actual controller, Ms. Cao Xiaochun, serves as Executive Director and Manager.
Hangzhou Dian Biotechnology Co., LTD.	The actual controller, Mr. Ye Xiaoping, serves as a Director of Dian Diagnostics Group CO., LTD.
Hangzhou Hekang Pharmaceutical Co., LTD.	The spouse of the actual controller, Ms. Cao Xiaochun, serves as Executive Director and Manager.
Shanghai Youyin Pharmaceutical Biotechnology Co., Ltd.	The Child of the actual controller, Ms. Cao Xiaochun, serves as a Director.
Hangzhou Taiyuan Lice Biotechnology Co., Ltd.	The actual controller, Ms. Cao Xiaochun, serves as Chairman of Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., LTD.

9.4 Related Party Transactions

9.4.1 Related party transactions for the purchase and sale of goods, provision and receipt of services

Information of goods purchased/services received

Related parties	Related party transactions	Current period amount (Unaudited)	Prior period amount (Unaudited)
Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**2,358.49**	
Shanghai ClinMega Pharmaceutical Technology Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**2,220,488.21**	
Hangzhou Taikun Equity Investment Fund Partnership Enterprise (Limited Partnership)	Fund Services	**754,716.98**	711,811.84

9. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.4 Related Party Transactions (Continued)

9.4.1 Related party transactions for the purchase and sale of goods, provision and receipt of services (Continued)

Information of goods purchased/services received (Continued)

		For the six months ended	
		30 June 2025	30 June 2024
Related parties	Related party transactions	**(Unaudited)**	(Unaudited)
Clinflash Healthcare Technology (Jiaxing) Co., Ltd	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**15,578,270.80**	18,659,534.36
Tigerise, Inc.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**15,274,542.93**	8,324,303.87
Hangzhou Zhilan Health Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**50,843.01**	97,217.42
Shanghai Bioquick Pharmaceutical Supply Chain Management Co., Ltd	Warehousing, transportation services	**6,251,841.77**	6,420,197.35
Hangzhou Laimai Medical Information Technology Co., LTD.	Conference and Exhibition Services	**191,537.74**	335,500.38
New Trials Medical Technology (Hangzhou) Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**182,050.79**	-582.52
Zhiding Medical Technology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**41,422.27**	
Chenghong Pharmaceutical (Weihai) Co., Ltd	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**846,715.74**	2,000,452.85
Hangzhou D. a. Gene & Engineering Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**47,128.36**	
Hangzhou Dian Biotechnology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**796.46**	
Hangzhou Dian Medical Laboratory Center Co. LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**2,482,869.67**	
Zhejiang Dian Deep Sea Supply Chain Co., Ltd.	Warehousing, transportation services	**119,016.49**	

9. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.4 Related Party Transactions (Continued)

9.4.1 Related party transactions for the purchase and sale of goods, provision and receipt of services (Continued)

Information of goods sales/services provided

		For the six months ended	
		30 June 2025	30 June 2024
Related parties	Related party transactions	**(Unaudited)**	(Unaudited)
Hangzhou Fasikl Technology Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**885,543.43**	1,671,454.01
Fasikl International Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services		1,771,047.81
Beijing Jingwei Legend Pharmaceutical Technology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services		42,452.88
Shanghai ClinMega Pharmaceutical Technology Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**291,527.09**	
Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**605,776.79**	76,621.61
Beijing Laimai Medical Information Technology Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services		5,886.24
Clinflash Healthcare Technology (Jiaxing) Co., Ltd	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**5,293,615.66**	2,964,590.27
Hangzhou Zhilan Health Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**-91,932.78**	189,483.46
Zhiding Medical Technology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**30,254.87**	270,375.98
Shenzhen Robb Medical Technology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**435,177.53**	2,806.58
Tigermed Suzhou Yixin Pharmaceutical Technology Co., Ltd	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services		106,567.34
Chenghong Pharmaceutical (Weihai) Co., Ltd	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services		2,358.49

9. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.4 Related Party Transactions (Continued)

9.4.1 Related party transactions for the purchase and sale of goods, provision and receipt of services (Continued)

Information of goods sales/services provided (Continued)

		For the six months ended	
		30 June 2025	30 June 2024
Related parties	Related party transactions	**(Unaudited)**	(Unaudited)
Shanghai Bioquick Pharmaceutical Supply Chain Management Co., Ltd	Warehousing, transportation services	**69,612.25**	241,843.77
Hangzhou Laimai Medical Information Technology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**49,066.01**	267,824.88
Hangzhou Hezheng Pharmaceutical Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**2,512,672.46**	1,142,500.00
Hangzhou Patsy Medical Technology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services		6,822.25
Hangzhou Moretion Technology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**4,124.00**	
Hangzhou Dian Biotechnology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services		-70,215.09
Hangzhou Dian Medical Laboratory Center Co. LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services		73,454.72
Hangzhou Taikun Equity Investment Fund Partnership Enterprise (Limited Partnership)	Fund Services	**43,460,156.46**	35,983,282.86
Hangzhou Hekang Pharmaceutical Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**19,299.08**	
Hangzhou Taiyuan Lice Biotechnology Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**811,059.19**	
Shanghai Youyin Pharmaceutical Biotechnology Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**257,967.35**	

9. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.4 Related Party Transactions (Continued)

9.4.2 Related party guarantees

The Company as a guarantor

Guaranteed party	Amount Guaranteed	Beginning Date of Guarantee	Maturity date of guarantee	Guarantee fulfilled
Chenghong Pharmaceutical (Weihai) Co., Ltd.	58,000,000.00	2023/4/26	2026/4/26	Not yet
Acme Biopharma (Wuhan) Co., Ltd	32,000,000.00	2023/4/26	2028/4/26	Not yet
Frontage Lingang Laboratories (Shanghai) Co., Ltd.	20,000,000.00	2024/7/24	2025/7/24	Not yet
Acme Biopharma (Shanghai) Co., Ltd	5,000,000.00	2024/12/18	2025/12/18	Not yet
Frontage Pharma (Suzhou) Co., Ltd	5,000,000.00	2025/2/18	2026/2/18	Not yet
Frontage Pharma (Suzhou) Co., Ltd	5,000,000.00	2025/3/28	2026/3/28	Not yet

9.5 Receivables and payables of related parties

9.5.1 Receivables

		30 June 2025 (Unaudited)		31 December 2024 (Audited)	
Item	Related Party	Book value balance	Bad debt provisions	Book value balance	Bad debt provisions
Accounts Receivables					
	Zhiding Medical Technology Co., LTD.	**27,960.00**	**436.18**	241,832.05	21,627.92
	Clinflash Healthcare Technology (Jiaxing) Co., Ltd.	**652,454.50**	**114,636.26**	649,998.62	10,139.98
	Shenzhen Robb Medical Technology Co., LTD.			73,581.76	12,928.32
	Hangzhou Laimai Medical Information Technology Co., LTD.	**24,000.00**	**374.40**	20,500.00	319.80
	Hangzhou Fasikl Technology Co., Ltd.			13,000.00	3,409.10
	Hangzhou Hezheng Pharmaceutical Co., LTD.	**31,362.74**	**489.26**		
	Shanghai ClinMega Pharmaceutical Technology Co., Ltd.	**95,413.19**	**6,200.35**		
Advances to suppliers					
	Hangzhou Laimai Medical Information Technology Co., LTD.	**100,000.00**		100,000.00	
	Hangzhou D. a. Gene & Engineering Co., Ltd.			656.38	
	Clinflash Healthcare Technology (Jiaxing) Co., Ltd			57,199.15	
	Hangzhou Zhilan Health Co., LTD.	**27,686.78**		40,271.68	
	New Trials Medical Technology (Hangzhou) Co., Ltd.			6,000.00	
	Chenghong Pharmaceutical (Weihai) Co., Ltd	**2,650,906.24**		476,191.24	
	Shanghai Bioquick Pharmaceutical Supply Chain Management Co., Ltd	**1,421,231.48**		1,821,231.48	
	Tigermed Vietnam Co., Limited	**24,660.95**			

9. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.5 Receivables and payables of related parties (Continued)

9.5.1 Receivables (Continued)

Item	Related Party	30 June 2025 (Unaudited) Book value balance	30 June 2025 (Unaudited) Bad debt provisions	31 December 2024 (Audited) Book value balance	31 December 2024 (Audited) Bad debt provisions
Other Receivables					
	TIGERMED CO., LTD. (THAILAND)	**1,636,045.50**	**147,403.85**	1,499,181.90	135,072.76
	PT TIGERMED MEDICAL INDONESIA	**388,430.63**	**33,833.29**	517,066.87	45,037.83
	Tigermed Vietnam Co., Limited	**1,635,868.52**	**96,993.50**	831,362.31	49,292.92
Contract assets					
	Hangzhou Fasikl Technology Co., Ltd.	**1,069,168.26**	**16,679.02**	170,669.86	2,662.45
	Hangzhou Laimai Medical Information Technology Co., LTD.			65,641.83	1,024.01
	Shanghai ClinMega Pharmaceutical Technology Co., Ltd.	**660,754.82**	**10,307.78**	513,750.48	8,014.51
	Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., LTD.	**345,439.32**	**5,388.85**	144,438.71	2,253.24
	Shenzhen Robb Medical Technology Co., LTD.			721,606.73	11,257.06
	Hangzhou Hekang Pharmaceutical Co., LTD.	**7,696.78**	**120.07**	7,736.78	120.69
	Hangzhou Patsy Medical Technology Co., LTD.	**1,229,638.97**	**19,182.37**	1,828,024.51	28,517.18
	Shanghai Bioquick Pharmaceutical Supply Chain Management Co., Ltd	**13,296.19**	**207.42**		
	Hangzhou Zhilan Health Co., LTD.	**56,002.17**	**873.63**	278,174.33	4,339.52
	Hangzhou Hezheng Pharmaceutical Co., LTD.	**3,231,444.38**	**55,113.77**	4,020,284.63	62,716.44
	Clinflash Healthcare Technology (Jiaxing) Co., Ltd	**7,018,871.46**	**110,464.17**	2,992,882.54	46,688.97
	Beijing Jingwei Legend Pharmaceutical Technology Co., LTD.			45,000.06	702.00
	Beijing Laimai Medical Information Technology Co., Ltd.	**6,416.00**	**100.09**	6,416.00	100.09

9. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.5 Receivables and payables of related parties (Continued)

9.5.2 Payables

Item	Related Party	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Accounts Payables			
	Hangzhou Laimai Medical Information Technology Co., LTD.		311,792.45
	Zhejiang Dian Deep Sea Supply Chain Co., Ltd.	**122,353.93**	74,979.14
	Hangzhou Dian Medical Laboratory Center Co. LTD.	**748,604.52**	2,055,920.59
	Hangzhou Dian Biotechnology Co., LTD.		600.00
	Hangzhou Zhilan Health Co., LTD.		64,320.00
	PT TIGERMED MEDICAL INDONESIA	**647,589.38**	613,411.08
	Shanghai Bioquick Pharmaceutical Supply Chain Management Co., Ltd	**4,194.56**	4,194.56
	Clinflash Healthcare Technology (Jiaxing) Co., Ltd	**64,198,053.78**	56,580,217.44
	Chenghong Pharmaceutical (Weihai) Co., Ltd	**544,175.67**	
	Hangzhou D. a. Gene & Engineering Co., Ltd.	**19,400.08**	
Other Payables			
	Taihe Pharmaceutical (Weihai) Co., Ltd.	**3,000,000.00**	3,000,000.00
	Clinflash Healthcare Technology (Jiaxing) Co., Ltd	**25,546.78**	25,546.78
Contract liabilities			
	Hangzhou Fasikl Technology Co., Ltd.		12,461.32
	Shanghai ClinMega Pharmaceutical Technology Co., Ltd.		2,575.47
	Hangzhou Zhilan Health Co., LTD.	**98,866.87**	158,519.17
	Zhiding Medical Technology Co., LTD.	**166,310.37**	120,716.98
	Clinflash Healthcare Technology (Jiaxing) Co., Ltd		908,901.72
	Hangzhou Laimai Medical Information Technology Co., LTD.	**215,374.26**	6,792.45
	Hangzhou Hezheng Pharmaceutical Co., LTD.		216,222.67
	Shanghai Youyin Pharmaceutical Biotechnology Co., Ltd.	**65,106.02**	
	Hangzhou Taiyuan Lice Biotechnology Co., Ltd.	**348,508.25**	
	Shenzhen Robb Medical Technology Co., LTD.	**37,169.80**	

10. CAPITAL COMMITMENTS

The Group has capital commitments under non-cancellable contracts as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Commitments for the investments in the funds or companies	**177,744,811.60**	234,810,993.44
Commitments for the acquisition of associates	**3,000,000.00**	3,000,000.00
Acquisition of property, plant and equipment	**29,980,729.71**	2,649,646.24

11. OTHER SIGNIFICANT MATTERS

1. Net current assets/(liabilities)

	30 June 2025 (Unaudited)		31 December 2024 (Audited)	
Item	The Company	The Parent	The Company	The Parent
Current assets	**6,206,460,726.46**	**3,111,215,936.87**	6,299,685,225.86	3,525,864,274.42
Less: Current liabilities	**3,395,689,292.77**	**5,220,083,707.85**	3,661,852,465.12	5,358,969,713.58
Net current assets/(liabilities)	**2,810,771,433.69**	**-2,108,867,770.98**	2,637,832,760.74	-1,833,105,439.16

2. Total assets less current liabilities

	30 June 2025 (Unaudited)		31 December 2024 (Audited)	
Item	The Company	The Parent	The Company	The Parent
Total assets	**28,504,657,758.21**	**18,824,040,206.15**	28,671,015,787.16	19,322,035,746.26
Less: Current liabilities	**3,395,689,292.77**	**5,220,083,707.85**	3,661,852,465.12	5,358,969,713.58
Total assets less current liabilities	**25,108,968,465.44**	**13,603,956,498.30**	25,009,163,322.04	13,963,066,032.68

12. SUBSEQUENT EVENT

On July 17, 2025, the Board of Directors of the Group deliberated and approved an equity transfer proposal, pursuant to which it disposed of the 4.58% equity interest directly and indirectly held in Lixin Pharmaceutical Technology (Shanghai) Co., Ltd. (禮新醫藥科技(上海)有限公司). For details, please refer to the announcement of the Company dated July 17, 2025.

DEFINITIONS

"A Share(s)"	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in Renminbi and are listed for trading on the Shenzhen Stock Exchange
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	our board of Directors
"CASBE"	China Accounting Standards for Business Enterprises, the financial reporting standards and interpretations for business enterprises issued by the China Accounting Standards Committee of the China Ministry of Finance
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this interim report and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Company" or "our Company"	Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司), the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300347) and the H Shares of which are listed on the Stock Exchange (stock code: 03347)
"Corresponding Period"	the six months ended June 30, 2024
"CRLS"	Clinical-related and Laboratory Services
"CRO"	Contract Research Organization, a company focused on providing R&D services to companies in the pharmaceutical and agrochemical markets
"CTS"	Clinical Trial Solutions
"Director(s)"	the director(s) of the Company or any one of them
"DreamCIS"	DreamCIS Inc., a joint stock company incorporated under the laws of Korea on April 27, 2000, which is listed on the Korean Securities Dealers Automated Quotations of the Korea Exchange (stock code: A223250) and a subsidiary of the Company
"EMEA"	Europe, Middle East and Africa
"Fantastic Bioimaging"	Fantastic Bioimaging Co., Ltd. (杭州英放生物科技有限公司), a limited liability company established under the laws of the PRC on January 4, 2013, and a subsidiary of the Company, in which we held 67.5% equity interest as of the date of this report

"Frontage Holdings Group"	Frontage and its subsidiaries
"Frontage" or "Frontage Holdings"	Frontage Holdings Corporation, a company incorporated under the laws of the Cayman Islands with limited liability on April 16, 2018, which is listed on the Stock Exchange (stock code: 1521) and a subsidiary of the Company
"Frontage Labs"	Frontage Laboratories, Inc., a company incorporated under the laws of Pennsylvania, United States on April 21, 2004 and a subsidiary of the Company
"FVOCI"	fair value through other comprehensive income
"FVTPL"	fair value through profit or loss
"Group" or "we"	the Company and its subsidiaries
"H Share(s)"	ordinary share(s) in the share capital of our Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange
"HK$"	Hong Kong dollars and cents, both are the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"KRW"	South Korean Won, the lawful currency of the South Korea
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange on August 7, 2020
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules
"MRCTs"	Multi-regional Clinical Trials
"Ms. Cao"	Ms. Cao Xiaochun, an executive Director and general manager of the Company
"NMPA"	China National Medical Products Administration
"Nomination Committee"	the nomination committee of the Board
"PMDA"	Pharmaceuticals and Medical Devices Agency

DEFINITIONS

"Prospectus"	the prospectus issued by the Company dated July 28, 2020
"Remuneration and Evaluation Committee"	the remuneration and evaluation committee of the Board
"Reporting Period"	the six months ended June 30, 2025
"RMB"	Renminbi, the lawful currency of the PRC
"R&D"	research & development
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategic Development Committee"	the strategic development committee of the Board
"Supervisor(s)"	the supervisor(s) of the Company or any one of them
"Supervisory Committee"	our board of Supervisors
"Teddy Clinical Shanghai"	Teddy Clinical Research Laboratory (Shanghai) Limited, a company incorporated under the laws of the PRC on March 3, 2016 and a subsidiary of the Company
"treasury shares"	has the meaning ascribed to it under the Listing Rules
"U.S."	United States
"USD" or "US$"	United States dollars, the lawful currency of the United States
"YoY"	year-over-year
"%"	percentage

This report was originally prepared in English. In the event of discrepancies between the Chinese and English versions, the English version shall prevail. All numbers in this report are approximate rounded values for particular items.

杭州泰格醫藥科技股份有限公司
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