JOINN LABORATORIES (CHINA) CO., LTD.

北京昭衍新藥研究中心股份有限公司

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

(Stock code: 6127)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Director(s)**") of JOINN Laboratories (China) Co., Ltd. (the "**Company**") is pleased to announce the unaudited condensed interim results of the Company and its subsidiaries (the "**Group**", "**we**", "**our**", "**us**" or "**JOINN Labs**") for the six months ended 30 June 2026 (the "**Reporting Period**"), together with comparative figures for the same period of 2025.

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2026, the Group recorded the following unaudited results:

	Six months ended 30 June 2026 ***RMB'000*** **(Unaudited)**	Six months ended 30 June 2025 *RMB'000* (Unaudited)	Period-to-period change
Revenue	**703,819**	668,575	5.3%
Gross profit	**144,893**	104,995	38.0%
Profit for the period	**747,519**	60,932	1,126.8%
Profit for the period attributable to equity shareholders of the Company	**747,518**	60,932	1,126.8%
Net assets attributable to equity shareholders of the Company	**8,974,974**	8,104,696	10.7%

INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2026, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	**Six months ended 30 June 2026** ***RMB'000*** **(Unaudited)**	Six months ended 30 June 2025 *RMB'000* (Unaudited)
Revenue	*4*	**703,819**	668,575
Cost of services		**(558,926)**	(563,580)
Gross profit	*4(b)*	**144,893**	104,995
Other gains and losses, net	*5*	**79,139**	82,919
Gains arising from changes in fair value of biological assets		**795,116**	94,977
Selling and marketing expenses		**(16,192)**	(14,609)
General and administrative expenses		**(144,650)**	(143,941)
Research and development expenses		**(42,449)**	(43,446)
Profit from operations		**815,857**	80,895
Finance costs	*6(a)*	**(614)**	(776)
Profit before taxation	*6*	**815,243**	80,119
Income tax expense	*7*	**(67,724)**	(19,187)
Profit for the period		**747,519**	60,932
Other comprehensive income for the period (after tax)			
Items that will not be reclassified to profit or loss:			
– Equity investments at fair value through other comprehensive income ("**FVOCI**") – net movement in fair value reserve (non-recycling)		**–**	–
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of financial statements of foreign operations		**(12,949)**	(2,334)
		(12,949)	(2,334)
Total comprehensive income for the period		**734,570**	58,598

	Note	**Six months ended 30 June 2026** ***RMB'000*** **(Unaudited)**	Six months ended 30 June 2025 *RMB'000* (Unaudited)
Profit for the period attributable to:			
Equity shareholders of the Company		**747,518**	60,932
Non-controlling interests		**1**	–
Profit for the period		**747,519**	60,932
Total comprehensive income for the period attributable to:			
Equity shareholders of the Company		**734,569**	58,598
Non-controlling interests		**1**	–
Total comprehensive income for the period		**734,570**	58,598
Earnings per share	*8*		
Basic (RMB)		**1.00**	0.08
Diluted (RMB)		**1.00**	0.08

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**At 30 June 2026** ***RMB'000*** **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**1,362,644**	1,375,121
Intangible assets		**35,450**	41,621
Goodwill		**52,995**	54,690
Biological assets		**1,322,767**	668,392
Financial assets at FVOCI		**80,940**	80,940
Financial assets at fair value through profit or loss ("**FVTPL**")	*10*	**737,835**	639,992
Certificates of deposits and term deposits		**671,223**	1,501,137
Other non-current assets		**23,776**	18,102
Deferred tax assets		**35,858**	39,677
		4,323,488	4,419,672
Current assets			
Inventories		**177,221**	202,657
Contract costs		**769,560**	589,311
Biological assets		**915,464**	620,283
Contract assets		**114,873**	135,920
Trade and bills receivables	*11*	**198,150**	196,590
Prepayments and other receivables		**93,967**	95,731
Financial assets at FVTPL	*10*	**1,558,416**	1,718,323
Certificates of deposits and term deposits		**1,850,964**	791,567
Cash at bank and on hand		**823,935**	911,854
		6,502,550	5,262,236
Current liabilities			
Trade payables	*12*	**51,554**	73,958
Contract liabilities		**1,311,626**	854,240
Other payables		**211,209**	195,569
Lease liabilities		**20,325**	20,171
Income tax payable		**10,657**	16,650
		1,605,371	1,160,588
Net current assets		**4,897,179**	4,101,648
Total assets less current liabilities		**9,220,667**	8,521,320

	Note	**At 30 June 2026** ***RMB'000*** **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Non-current liabilities			
Lease liabilities		**11,894**	1,424
Deferred tax liabilities		**165,382**	121,806
Deferred income		**68,045**	72,739
		245,321	195,969
NET ASSETS		**8,975,346**	8,325,351
CAPITAL AND RESERVES			
Share capital	*13*	**749,348**	749,477
Reserves		**8,225,626**	7,575,503
Total equity attributable to equity shareholders of the Company		**8,974,974**	8,324,980
Non-controlling interests		**372**	371
TOTAL EQUITY		**8,975,346**	8,325,351

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 CORPORATE INFORMATION

JOINN Laboratories (China) Co., Ltd. (北京昭衍新藥研究中心股份有限公司, the "**Company**") was incorporated in the People's Republic of China (the "**PRC**") as a joint stock limited liability company under the PRC laws. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering of A shares and listed on the Shanghai Stock Exchange (stock code: 603127.SH) on 25 August 2017. The Company's H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") (stock code: 6127.HK) on 26 February 2021.

The Company and its subsidiaries (together, the "**Group**") are principally engaged in providing a comprehensive portfolio of contract research organisation ("**CRO**") services including non-clinical studies services, clinical trial and related services and sales of research models.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, including compliance with International Accounting Standard ("**IAS**") 34, Interim financial Reporting, issued by the International Accounting Standards Board (the "**IASB**").

The interim condensed consolidated financial information has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim condensed consolidated financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim condensed consolidated financial information contains consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The interim condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("**IFRSs**").

The financial information relating to the financial year ended 31 December 2025 that is included in the interim condensed consolidated financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs issued by the IASB to the interim condensed consolidated financial information for the current accounting period:

- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*

- Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*

- Annual Improvements to IFRS Accounting Standards – Amendments to:
  IFRS 1 *First-time Adoption of International Financial Reporting Standards*;
  IFRS 7 *Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7*;
  IFRS 10 *Consolidated Financial Statements*; and
  IAS 7 *Statement of Cash flows*

None of these developments have had a material effect on how the Group's results and financial position for the current period have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in providing non-clinical drug safety assessment services to pharmaceutical and biotechnology companies. Further details regarding the Group's principal activities are disclosed in Note 4(b). Disaggregation of revenue from contracts with customers within the scope of IFRS 15 by major service lines is as follows:

	Six months ended 30 June 2026	Six months ended 30 June 2025
	RMB'000	*RMB'000*
Rendering services:		
Non-clinical studies services	**675,895**	639,077
Clinical trial and related services	**27,744**	29,018
Sales of goods:		
Sales of research models	**180**	480
	703,819	668,575

No revenue amounting to 10% or more of the Group's total revenue was derived from sales to a single customer.

As at 30 June 2026, the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied were RMB3,700 million (31 December 2025: RMB2,600 million). Management of the Group expects the majority of the transaction price allocated to the unsatisfied contracts as of the end of Reporting Period will be recognised within 3 years from the end of the Reporting Period.

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Non-clinical studies services

  The Group currently offers a comprehensive range of non-clinical studies services in the PRC and the United States of America (the "**USA**"), including (i) drug safety assessment, (ii) drug metabolism and pharmacokinetics ("**DMPK**") studies; and (iii) pharmacology and efficacy studies.

- Clinical trial and related services

  These services include (i) clinical CRO services; and (ii) bioanalytical services.

- Sales of research models

  The Group engages in the design, production, breeding and sales of research models, currently including non-human primates and rodents.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. The measure used for reporting segment result is gross profit. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

The Group's other operating income and expenses, such as other gains and losses, net and gains arising from changes in fair value of biological assets, and selling and administrative expenses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance is set out below.

	Six months ended 30 June 2026			
	Non-clinical studies services *RMB'000*	**Clinical trial and related services** *RMB'000*	**Sales of research models** *RMB'000*	**Total** *RMB'000*
Disaggregated by timing of revenue recognition				
Point in time	**675,895**	**4,100**	**180**	**680,175**
Over time	**–**	**23,644**	**–**	**23,644**
Revenue from external customer	**675,895**	**27,744**	**180**	**703,819**
Inter-segment revenue	**–**	**–**	**206,070**	**206,070**
Reportable segment revenue	**675,895**	**27,744**	**206,250**	**909,889**
Reportable segment gross profit	**136,150**	**2,990**	**9,869**	**149,009**

	Six months ended 30 June 2025			
	Non-clinical studies services *RMB'000*	Clinical trial and related services *RMB'000*	Sales of research models *RMB'000*	Total *RMB'000*
Disaggregated by timing of revenue recognition				
Point in time	639,077	4,128	480	643,685
Over time	–	24,890	–	24,890
Revenue from external customer	639,077	29,018	480	668,575
Inter-segment revenue	1,249	–	158,955	160,204
Reportable segment revenue	640,326	29,018	159,435	828,779
Reportable segment gross profit	99,571	3,545	6,640	109,936

(ii) Reconciliations of reportable segment gross profit

	Six months ended 30 June 2026	Six months ended 30 June 2025
	RMB'000	*RMB'000*
Reportable segment gross profit	**149,009**	109,936
Elimination of inter-segment gross profit	**(4,116)**	(4,941)
Consolidated gross profit	**144,893**	104,995

(iii) Geographic information

The following tables set out information about the geographical location of the Group's revenue from external customers. The geographical information about the revenue prepared by external customers' respective country/region of domicile is as follows:

	Six months ended 30 June 2026	Six months ended 30 June 2025
	RMB'000	*RMB'000*
The PRC	**522,129**	416,564
The others	**181,690**	252,011
	703,819	668,575

The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and biological assets, and the location of the operation to which they are allocated, in the case of intangible assets and goodwill.

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
The PRC	**2,564,164**	1,919,270
The USA	**209,692**	220,554
	2,773,856	2,139,824

5 OTHER GAINS AND LOSSES, NET

	Six months ended 30 June 2026	Six months ended 30 June 2025
	RMB'000	*RMB'000*
Government grants (including amortisation of deferred income)	**6,333**	19,183
Interest income	**36,876**	41,323
Net foreign exchange losses	**(12,517)**	(2,984)
Net (losses)/gains on disposal of property, plant and equipment	**(301)**	108
Gains on financial assets at FVTPL	**5,584**	13,135
Change in fair value of financial assets at FVTPL	**42,920**	12,042
Others	**244**	112
	79,139	82,919

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Six months ended 30 June 2026	Six months ended 30 June 2025
	RMB'000	*RMB'000*
Interest on lease liabilities	**614**	776
	614	776

(b) Staff costs

	Six months ended 30 June 2026	Six months ended 30 June 2025
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**258,129**	269,603
Contributions to defined contribution retirement schemes	**25,223**	25,016
Equity-settled share-based payment expenses	**4,856**	–
	288,208	294,619

(c) Other items

	Six months ended 30 June 2026	Six months ended 30 June 2025
	RMB'000	*RMB'000*
Amortisation of intangible assets	**5,753**	5,460
Depreciation charge		
– Self-owned property, plant and equipment	**54,281**	54,386
– Right-of-use assets	**15,059**	16,673
Recognition/(reversal) of expected credit loss	**6,318**	(5,391)
Impairment losses on non-current assets	**–**	10,469
Cost of inventories	**289,805**	248,905

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June 2026	Six months ended 30 June 2025
	RMB'000	*RMB'000*
Current tax		
Provision for the period	**20,369**	17,901
Deferred tax		
Origination and reversal of temporary differences	**47,355**	1,286
	67,724	19,187

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB747,518,000 (Six months ended 30 June 2025: the profit of RMB60,932,000) and the weighted average number of ordinary shares calculated as below:

	Six months ended 30 June 2026	Six months ended 30 June 2025
Issued ordinary shares at 1 January	**749,477,334**	749,477,334
Cancellation of treasury shares	**(129,114)**	–
Effect of repurchased ordinary shares	**(3,173,920)**	–
Weighted average number of ordinary shares at 30 June	**746,174,300**	749,477,334

The weighted average number of ordinary shares shown above for the purposes of calculating basic earnings per share have been retrospectively adjusted to reflect the effect of issuance of shares under bonus issue.

(b) Diluted earnings per share

The calculation of the diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB747,518,000 (Six months ended 30 June 2025: the profit of RMB60,932,000), and the weighted average number of ordinary shares (diluted) calculated as below:

	Six months ended 30 June 2026	Six months ended 30 June 2025
Weighted average number of ordinary shares at 30 June	**746,174,300**	749,477,334
Weighted average number of ordinary shares (diluted) at 30 June	**746,174,300**	749,477,334

9 DIVIDENDS

(a) Interim dividend

The directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB Nil).

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the Reporting Period

On 4 June 2026, the 2025 profit distribution plan of the Company was approved at the 2025 annual general meeting of the Company as follows:

- a dividend of RMB0.12 ordinary share (inclusive of tax) to shareholders on the record date for determining the shareholders' entitlement to the 2025 profit distribution plan.

Pursuant to the above 2025 profit distribution plan, the total dividend had been paid-up as at August 2026.

10 FINANCIAL ASSETS AT FVTPL

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Non-Current assets		
Equity investment in an unlisted company	**264,702**	264,702
Investments in unlisted funds	**473,133**	375,290
	737,835	639,992
Current assets		
RMB wealth management products	**1,558,416**	1,718,323
	2,296,251	2,358,315

11 TRADE AND BILLS RECEIVABLES

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Trade receivables	**200,389**	207,100
Less: loss allowance	**(32,285)**	(25,972)
	168,104	181,128
Bills receivables	**30,046**	15,462
	198,150	196,590

Trade receivables are primarily due on 30 days from the date of billing. The ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Within 1 year	**98,771**	116,419
1 to 2 years	**30,874**	33,692
2 to 3 years	**28,691**	20,627
Over 3 years	**9,768**	10,390
	168,104	181,128

12 TRADE PAYABLES

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Trade payables	**51,554**	73,958

As at 30 June 2026, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Within 1 year	**48,495**	70,169
1 to 2 years	**3,059**	3,789
	51,554	73,958

As at 30 June 2026, all trade payables of the Group are expected to be settled within one year or are payable on demand.

13 SHARE CAPITAL

	No. of shares	**Amount** *RMB'000*
Ordinary shares, issued:		
At 1 January 2025	749,477,334	749,477
At 31 December 2025	749,477,334	749,477
Cancellation of treasury shares	(129,114)	(129)
At 30 June 2026	749,348,220	749,348

I. DISCUSSION AND ANALYSIS ON BUSINESS OPERATION

In the first half of 2026, the capital environment for the biopharmaceutical industry continued to recover significantly. Financing in the primary market and the scale of overseas licensing transactions for innovative drugs increased markedly year over year, while innovative pharmaceutical companies continued to accelerate the advancement of their R&D pipelines, driving steady expansion in demand for non-clinical evaluations. The Company has been committed to strengthening innovation in technology and business, and continues to deepen its presence in the industry. During the Reporting Period, the Company's overall orders on hand amounted to approximately RMB3.7 billion, a year-on-year increase of 60.9%, with newly signed orders amounting to approximately RMB2.02 billion, a year-on-year increase of 98.0%.

The Company has comprehensively advanced its market expansion and technological capabilities, driving growth across all business lines. During the Reporting Period, the number of projects signed by the Company in antibody, small nucleic acid, peptide and nucleic acid drugs increased significantly year-on-year, and the number of high-difficulty and long-cycle tests such as non-human primate reproductive toxicity and carcinogenicity tests also maintained a steady upward trend.

(I) Business Capacity Development

In the first half of 2026, the Company, as always, gave priority to the quality of business, emphasizing the standardization of business operation, aiming to ensure data authenticity and accuracy. On such basis, the Company continued to organize professional training and capacity enhancement programs for its staff, while strictly controlling the quality from program design, experimental process to report delivery, striving to ensure the scientificity and uniformity of our projects. The Company has always adhered to technological innovation and has been committed to using innovative technologies to meet the ever-evolving research and development needs, thereby consolidating its leading scientific research level in the industry. In addition, the Company further optimized its project management process and quality management system, while conducting its business in a rational and orderly manner through management and technological innovation, aiming to enhance customer satisfaction and provide strong support for its further business growth.

1. Drug Non-clinical Services

In order to support the research and development of innovative drugs, the Company continued to build capabilities and improve technologies in various fields on the basis of the existing comprehensive non-clinical evaluation platform, so as to maintain the Company's leading edge in the industry and meet continuously innovative and differentiated market demands.

(1) Continuous Improvement of Quality System

The Company has obtained a number of GLP qualification certifications including NMPA in China, FDA in the U.S., OECD, MFDS in South Korea and PMDA in Japan. In May 2026, the Company's Suzhou facilities successfully passed an unannounced GLP inspection by the U.S. FDA. Such inspection was the first compliance inspection conducted on the Company using a completely new strategy since the U.S. FDA adjusted its overseas inspection strategy in 2025, being highly authoritative, random and rigorous. The FDA's unannounced inspections are conducted without prior notice or preparation period. Companies must rely entirely on their routine and regular operations and management practices to undergo rigorous verification, which places extremely high demands on the stability, standardization and implementation of their quality management systems. The successful completion of such inspection fully demonstrates that JOINN's quality management system has truly been implemented in a regular, refined and internationalized manner, serving as a high-level authoritative endorsement of the Company's compliance management capabilities in line with top global standards.

In June 2026, the Company's Suzhou facilities also successfully completed the scheduled review under the new GLP certification standards of the NMPA of China. Such review marked the first time that JOINN Laboratories (Suzhou) has undergone a comprehensive inspection under the new and more stringent industry regulatory standards since the new version of the Administrative Measures for Certification of Good Clinical Practice for Non-clinical Drug Research officially came into effect in July 2023. The successful completion of such review signifies that the Company is fully adapted to the latest domestic regulatory compliance requirements, accurately grasps the core principles of the new regulations, lays a solid foundation for the compliant and stable operation of its domestic business, and sets a solid starting point for compliance construction in the next certification cycle.

(2) Further Enhancement of Business Capabilities

The Company continued to deepen the strategic development of its distinctive non-clinical evaluation platform and has comprehensively upgraded its integrated solutions for complex diseases such as ophthalmology, otology, and the central nervous system (CNS). In the sensory and neurological fields, the Company has further enriched its diverse disease model library, ranging from rodents to non-human primates, and has broken through key bottlenecks in highly complex drug delivery technologies and refined functional evaluations, effectively meeting the market's urgent need for the research and development of drugs for refractory eye diseases, hearing impairment and neuropsychiatric disorders.

In the field of inhalation toxicity evaluation, the Company kept up with the development trend of novel target inhaled formulations. With its profound technical accumulation, it has created a one-stop service platform covering all key nodes of the inhaled drug development process, from compound screening and formulation optimization to inhalation device matching and non-clinical efficacy verification. This platform provides solid and efficient technical support for the development and industrialization of innovative treatment pathways for respiratory diseases such as asthma, chronic obstructive pulmonary disease, and pulmonary fibrosis.

Leveraging over 30 years of experience and technological expertise in drug safety evaluation, the Company continues to focus on the forefront of global innovative drug development, building a professional and systematic non-clinical evaluation capability for mainstream and cutting-edge innovative categories, from traditional small molecules to antibodies, cell gene therapy (CGT), PROTAC, nucleic acid drugs, AOC antibody oligonucleotide conjugates and in-vivo CART in vivo cell therapy drugs, and has been steadily expanding into the medical devices safety evaluation market.

In the field of medical devices, targeting the currently popular brain-computer interface medical device sector, the Company has completed phased non-clinical transformation trials of several innovative brain-computer interface products, overcome key technical difficulties such as neurocompatibility and safety evaluation of such products, and accumulated mature trial data and evaluation experience, fully empowering the subsequent clinical transformation and industrialization of products. Meanwhile, the Company has accumulated mature experience in the fields of medical aesthetic injection products and drug-device combination products, building a differentiated competitive advantage.

In addition to continuously strengthening its technical service capabilities, the Company has been deeply involved in the formulation and discussion of a number of industry guidelines, integrating cutting-edge regulatory concepts into the evaluation system, and empowering customers with its flexible and efficient technology platform to accelerate the new drug development process.

Based on this, the Company has actively deployed the industrial application of cutting-edge innovative technologies such as organoids/organ-on-a-chip, and has achieved the initial implementation and application of liver organoids and skin chip models. Such technology is currently used in scenarios such as drug toxicity screening, skin irritation evaluation and metabolic toxicity research. As a supplement to traditional experimental methods and evaluation systems, it helps to improve the screening efficiency of early drug toxicity and promotes the upgrading of non-clinical evaluation technology towards multidimensionality, high throughput and innovation.

(3) An Integrated New Drug R&D Platform

The Company takes supporting innovative drug development as its primary mission, accompanying customers throughout the whole R&D process, comprehensively empowering their operations and reducing their communication costs. From the development of experimental methods to high-throughput screening, from routine drug screening to in-depth research on drug mechanism of action, and further to target verification and in vitro biological testing, we provide new drug R&D organizations with key information and technical support in the early stage of research and development by leveraging our comprehensive, multi-disciplinary expertise and capabilities, helping our partners improve their efficiency in new drug development.

The Company possesses comprehensive and one-stop new drug development solutions. With drug discovery and screening as its core, it has built a complete technical system covering drug discovery, molecular biological interaction research and screening, in vitro biological efficacy verification and activity screening, in vivo pharmacology and efficacy, in vivo and in vitro metabolic analysis, drugability evaluation, and toxicity prediction and screening. Based on its long-term technological accumulation, the Company has built multiple cutting-edge technology platforms, including all-human antibodies, bispecific antibodies, single B-cell antibody discovery, antibody drugability assessment, integrated ADC R&D, small molecule screening, and gene therapy safety evaluation, comprehensively covering the R&D tracks of biopharmaceuticals, small molecule drugs, ADC drugs, and gene therapy drugs. The Company has a complete protein and antibody R&D system, which supports multi-species antibody expression and large-scale transient expression, can provide multi-system recombinant protein expression purification and endotoxin-free sample preparation services, and relies on high-throughput technologies such as single B cell sequencing and eukaryotic

cell display to efficiently screen high-affinity antibodies. Meanwhile, the Company has built a full-process ADC drug development platform, covering target validation, antibody development, bioconjugation, pharmacology and efficacy, pharmacokinetics and toxicity evaluation, etc., which can support the entire chain of project implementation from R&D to IND application. The Company's bispecific antibody platform can be adapted to various structural designs, effectively enabling the development of bispecific antibody drugs. The integrated small molecule R&D platform integrates multiple validation technologies, significantly improving the accuracy of compound screening. It has completed screening for more than 20 targets, including tumors, metabolism and neurodegenerative diseases, producing multiple high-quality candidate molecules, some of which have entered the non-clinical stage, effectively shortening the early R&D cycle. The gene therapy evaluation platform focuses on the challenges in the research and development of viral vectors, cell therapies and nucleic acid drugs. It has established a comprehensive functional verification and safety assessment system, strictly follows the international guidelines of the FDA and EMA, and ensures that the data can be used for global applications. By leveraging the synergy between small molecule and gene therapy platforms, the Company expanded its business scope and customer base, and provided customized professional R&D services to clients based on standardized and modular technology output.

The Company continued to carry out technological innovation and capacity building, committed to solving various uncertainties and challenges in the new drug development stage, working with customers to meet industry R&D challenges, continuously improving its comprehensive service capabilities, and injecting continuous momentum into the innovative development of the biopharmaceutical industry.

2. Drug Clinical Services

Adhering to the business philosophy of "deeply cultivating core tracks and breaking through cutting-edge fields", the Company's clinical service segment continued to promote the quality improvement, efficiency enhancement and upgrading of its business system.

(1) Clinical Trial Services

During the Reporting Period, the Company continued to optimize its full-process control mechanism for clinical trials, and built a standardized, efficient and refined multi-dimensional operation and management system. It can independently and completely undertake the core work of the entire process, including clinical protocol design, ethics review and coordination, subject recruitment and follow-up, data collection and management, statistical analysis and reporting. It can accurately match the differentiated and personalized new drug development needs of various clients, and comprehensively improve the quality and delivery efficiency of clinical research services.

In the first half of 2026, the Company continued to strengthen its core competitiveness, gradually built its differentiated and distinctive competitive advantages in the industry, accumulated rich practical experience in high-difficulty and cutting-edge projects, and continuously improved its industry barriers.

In terms of drug development, the Company focused on cutting-edge innovation fields with high barriers to entry and high added value. It has launched several benchmark projects in cutting-edge fields such as gene drugs, stem cell/somatic cell therapy, and radiopharmaceuticals, accumulating industry-leading project operation experience and technical service capabilities, and forming a differentiated track advantage.

In terms of indications, the Company continued to reinforce its traditional strengths in endocrinology, respiratory and nervous systems. With stable and high-quality services and efficient project delivery capabilities, it has established long-term, stable and in-depth strategic partnerships with high-quality upstream and downstream customers, and its core market position continued to be consolidated.

The Company's differentiated competitive advantages are mainly built on two core supporting systems. On the one hand, the Company has established an efficient project operation system with strict quality control standards throughout the entire process, enabling controllable project progress, quality and risks. The project delivery efficiency and test data quality are among the best in the industry, establishing a good reputation in the industry. On the other hand, the Company continues to focus on its distinctive innovative tracks and actively undertakes a number of innovative drug clinical trial projects with high technical difficulty and high R&D barriers. The core projects have achieved remarkable results, and multiple pediatric innovative drug projects have successfully completed the enrollment of all subjects. Multiple radiopharmaceutical clinical trials have successfully overcome core difficulties and achieved key R&D milestones, and the Company's service capabilities in cutting-edge fields have been fully verified.

Based on its deep cultivation and accumulation in core tracks and continuous breakthroughs in cutting-edge and distinctive fields, the Company's clinical service business is steadily implementing the development goal of "striving for excellence in core areas and expanding and strengthening distinctive areas". The business structure has been continuously optimized and the comprehensive service capabilities have been fully upgraded, laying a solid foundation for the subsequent large-scale and high-quality development of the business.

(2) Clinical Testing Services

The Company's clinical testing business provides a wide variety of services, covering clinical sample analysis and drug metabolism studies of innovative gene and cell therapy drugs, preventive and therapeutic vaccines, innovative bispecific/multispecific antibody drugs, innovative ADC drugs, innovative PROTAC drugs, monoclonal antibody drugs with innovative targets, innovative target small molecule drugs, innovative nucleic acid drugs, etc.

The Company has consistently helped many innovative drugs and high-end medical aesthetic products achieve commercialization. It has successively supported the successful approval and launch of botulinum toxin-based medical aesthetic products, gene therapy innovative drugs, and the world's first innovative drug in the field of coagulation. It has also assisted several bispecific antibodies and innovative recombinant protein biopharmaceuticals in advancing their market application process. During the Reporting Period, several products served by the Company successfully passed the on-site inspection of clinical trials by the National Medical Products Administration, and several research projects progressed smoothly to the pivotal Phase III clinical trial stage. Meanwhile, the Company continued to empower the clinical development of various innovative drugs, covering multiple cutting-edge tracks such as therapeutic and preventive vaccines, TCE drugs, autoimmune disease treatment drugs, nucleic acid drugs and peptide drugs, and comprehensively carried out key clinical research work such as pharmacokinetic, immunogenicity and biomarker analysis, continuously helping customers' innovative products to efficiently advance the clinical process and commercialization.

In the first half of 2026, the Company participated in the interlaboratory quality assessment organized by the Shanghai Center for Clinical Laboratory for autoantibody testing, special proteins, antithrombin, non-viral nucleic acids, viral nucleic acids, and human papillomavirus genotyping. We achieved a passing grade in all the projects we participated in.

Our clinical testing business is committed to building a world-class clinical testing platform, providing one-stop clinical trial sample testing services for innovative drugs both domestically and globally.

3. Experimental Model Research

The Company's experimental model research primarily covers several major categories to meet diverse research needs and application scenarios. Non-human primate experimental models, with physiological and pathological characteristics highly similar to those of humans, serve as indispensable key tools for studying complex disease mechanisms and evaluating drug safety and efficacy. Other large animal experimental models have unique physiological and anatomical characteristics, making them suitable for specialized preclinical research in areas such as cardiovascular diseases and medical device evaluation. Small animal experimental models, benefiting from advantages such as rapid reproduction, cost-effectiveness and ease of management, are widely utilized across all the stages of drug research and development, providing crucial support for the entire drug development process. Meanwhile, the organoid platform, relying on the simulation technology of human organ physiological and pathological characteristics, can be effectively adapted to research and development scenarios such as drug screening and toxicity assessment, further enriching and improving the Company's experimental model system for pre-clinical research.

(1) Non-human Primate Experimental Models

The Company continued its endeavor to maintain high quality and high standards of existing key experimental models. In the first half of 2026, the overall stock of non-human primate experimental models maintained steady growth, and continued to maintain a high level of breeding and management, and the main management indicators were further upgraded and optimized.

The Company has conducted systematic screening and model validation for obesity, diabetes, hypertension, hyperlipidemia, metabolism-related steatohepatitis, atherosclerosis, neurological diseases and ophthalmology-related diseases in the field of elderly non-human primate disease models. A research system combining natural disease models and induction models has been established, providing important data support for the study of the mechanisms of geriatric diseases, drug screening and non-clinical evaluation. Meanwhile, non-human primate allogeneic hematopoietic stem cell transplantation (allo-HSCT) induced graft-versus-host disease (GvHD) and acute inflammatory bowel disease models have been established, providing support for the mechanism research and clinical translation of related diseases.

At the same time, the Company attaches great importance to the welfare management of non-human primate laboratory animals. In the daily breeding of non-human primate experimental models, we strictly follow the AAALAC international animal welfare standards to ensure the breeding of high-quality non-human primate experimental animals. In 2025, we successfully completed the on-site review and evaluation by AAALAC International and received unanimous praise from the expert group, passing the on-site review with excellent results.

(2) Other Large Animal Experimental Models

The Company successfully completed the efficacy evaluation of local drug delivery in the large animal myocardial infarction models. Under the guidance of digital subtraction angiography (DSA), the Company successfully completed the coronary artery delivery of cell-based drugs through interventional surgery, realizing a technological leap from systemic drug delivery to targeted drug delivery, and laying the foundation for subsequent efficacy evaluation of such type of drugs.

(3) Small Animal Experimental Models

Based on highly immunodeficient mice, the Company has successfully constructed a Type I diabetic immunodeficient mouse model; and based on the humanized reconstructed human peripheral blood mononuclear cell (hPBMC) immune system model, the Company has further established a variety of tumor cell-bearing models, providing important support for the comprehensive evaluation of the efficacy, pharmacokinetics and toxicity of in vivo CAR-T cell therapy and tumor immunotherapy products.

In addition, the Company continued to optimize animal models related to the respiratory system. Based on the existing asthma models, a guinea pig asthma model was added, and positive drugs targeting each phenotype were successfully screened. Stable and effective positive drugs were successfully validated in the pulmonary fibrosis model. The characteristics of single-hit and double-hit induced ARDS models were improved. In response to the ability deficit, special projects were initiated to develop an asthma mucus hypersecretion model and a rat/mouse hydroxyproline detection method, further improving inhalation-related models and strengthening platform construction.

The development of these cutting-edge animal models facilitates the translation and evaluation of the entire drug development process and empowers non-clinical research.

(4) Organoid Platform Construction

The Company continued to advance the layout and R&D innovation of cutting-edge organoid technologies, expanding from "human multi-functional stem cell production" to various "organoid platforms". While ensuring the stability of the cell genome to the greatest extent possible, the Company has successfully induced the generation of cells into pluripotent stem cells (CiPSCs) from multiple independent individuals through cutting-edge chemical reprogramming technology.

As of the end of the Reporting Period, the Company's self-developed multi-functional stem cell-heart organoids have been fully validated to accurately reflect the cardiotoxicity caused by tumor-targeted drugs. The Company is actively building a preclinical service platform for cardiotoxicity of heart organoids to broaden alternative solutions for in vitro cardiotoxicity evaluation. In addition, in terms of drug sensitivity model development, the Company has successfully built a drug sensitivity platform for targeted drugs in soft tissue sarcoma.

4. Drug Quality Research and Testing Business

The Company has the capability to research and provide testing services for biotechnology drug quality standards. Based on its long-term technological accumulation, the Company has completed the development and validation of various related testing methods, and built a complete technical system and standardized service capabilities. It can provide comprehensive quality research and testing services for various innovative drugs such as protein drugs, therapeutic vaccines, and gene and cell therapy products.

(II) Staff Building

The Company promotes organizational efficiency improvement in order to implement its strategy, focusing on organizational optimization, talent development and upgrading of incentive mechanisms. The Company has completed a new round of organizational restructuring, integrating functions, streamlining levels and improving business collaboration processes to enhance operational decision-making efficiency. At the same time, it has optimized human resources-related systems to address management pain points, improved management standards for recruitment, performance and compensation, and built a standardized talent management system to continuously stimulate organizational and talent vitality and support the Company's high-quality development.

The Company successfully implemented its equity incentive scheme, accurately covering core talents such as management, technical and business backbone employees. By deeply linking the personal development of core talents with the long-term interests of the Company, we can strengthen their sense of belonging and ownership, effectively stabilize the core team and build synergy for development.

To meet the needs of business innovation and expansion, the Company has targeted the introduction of key talents in fields such as R&D, marketing, management and AI. We will continue to optimize the structure of our talent pool and enrich our core talent reserves to inject new vitality into the Company's business development. As of the end of the Reporting Period, the Company has built a high-caliber team of over 2,500 people to meet the needs of cutting–edge biomedical fields, and added more than 100 core technical personnel, covering key areas such as bioanalysis and data statistics.

(III) Production Capacity Building

In the first half of the year, the experimental facilities in Beijing completed a 5,000-square-meter expansion, which will further enhance the Company's overall business capacity and operational throughput.

The Guangzhou base was completed and accepted in 2025. To further improve the project construction conditions, the Company continued to advance the optimization and improvement of various professional engineering projects on site. In the first half of 2026, the project successfully passed the joint acceptance by government functional departments, and we organized multiple departments to complete the internal acceptance confirmation of various professional aspects of the project.

II. FINANCIAL REVIEW

Overview

The following discussion is based on, and should be read in conjunction with, the financial information and notes included elsewhere in this announcement.

Revenue

During the Reporting Period, revenue generated from our non-clinical studies services accounted for substantially all of our total revenue. The Group's revenue for the six months ended 30 June 2026 was RMB703.8 million, representing an increase of 5.3% compared to RMB668.6 million for the six months ended 30 June 2025. Our revenue remained relatively stable for the six months ended 30 June 2026.

The following table sets forth a breakdown of our revenue by service lines for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB'000	***%***	*RMB'000*	*%*
Non-clinical studies services	**675,895**	**96.0**	639,077	95.6
Clinical trial and related services	**27,744**	**3.9**	29,018	4.3
Sales of research models	**180**	**0.1**	480	0.1
Total revenue	**703,819**	**100.0**	668,575	100.0

Cost of Services

Our cost of services primarily consists of direct labor costs, cost of supplies and overhead costs.

The Group's cost of services for the six months ended 30 June 2026 was RMB558.9 million, representing a decrease of 0.8% compared to RMB563.6 million for the six months ended 30 June 2025. Our cost of services remained relatively stable for the six months ended 30 June 2026.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of services, and our gross profit margin represents our gross profit as a percentage of our revenue.

For the six months ended 30 June 2026, the gross profit and gross profit margin was RMB144.9 million and 20.6%, respectively, as compared to RMB105.0 million and 15.7%, respectively, for the six months ended 30 June 2025. The increase in gross profit was mainly driven by our increased gross profit of our non-clinical studies services, which accounted for substantially all of our total revenue during the Reporting Period. The increase in gross profit margin was mainly driven by industry recovery.

Other Gains and Losses, Net

For the six months ended 30 June 2026, other gains and losses, net was RMB79.1 million, representing a decrease of 4.6% as compared to RMB82.9 million for the six months ended 30 June 2025. Our other gains and losses, net remained relatively stable for the six months ended 30 June 2026.

Gains Arising from Changes in Fair Value of Biological Assets

For research models that remained as our biological assets at the end of the Reporting Period, we recognized gains of RMB795.1 million arising from changes in fair value of biological assets for the six months ended 30 June 2026, representing an increase of 737.2% compared to gains of RMB95.0 million for the six months ended 30 June 2025. The increase was primarily due to the increase in unit fair value of biological assets, aligning with the overall increase in the market valuation of research models.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of staff costs relating to our marketing and business development personnel, office expenses, and others such as marketing and channel expansion expenses, travel, conference and event expenses, incurred by our own sales and marketing personnel in connection with our business development activities.

The Group's selling and marketing expenses for the six months ended 30 June 2026 was RMB16.2 million, representing an increase of 10.8% compared to RMB14.6 million for the six months ended 30 June 2025. Our selling and marketing expenses remained relatively stable for the six months ended 30 June 2026.

General and Administrative Expenses

Our general and administrative expenses primarily consist of staff costs relating to our administrative and management personnel, office expenses, depreciation and amortization expenses, expenses for research models, equity-settled share-based payment expenses, and others. The Group's general and administrative expenses for the six months ended 30 June 2026 was RMB144.7 million, representing an increase of 0.5% compared to RMB143.9 million for the six months ended 30 June 2025. Our general and administrative expenses remained relatively stable for the six months ended 30 June 2026.

Research and Development Expenses

The research and development expenses for the Group primarily consist of staff costs relating to our research and development projects and cost of raw materials used for research and development.

The Group's research and development expenses for the six months ended 30 June 2026 was RMB42.4 million, representing a decrease of 2.3% compared to RMB43.4 million for the six months ended 30 June 2025. Our research and development expenses remained relatively stable for the six months ended 30 June 2026.

Finance Costs

The Group's finance costs for the six months ended 30 June 2026 was RMB0.6 million, representing a decrease of 20.9% compared to RMB0.8 million for the six months ended 30 June 2025. The decrease in finance costs was primarily due to the decrease in interest on lease liabilities.

Income Tax Expense

The Group's income tax expense for the six months ended 30 June 2026 was RMB67.7 million, representing an increase of 253.0% as compared to RMB19.2 million for the six months ended 30 June 2025. The increase was primarily due to the changes in fair value of biological assets discussed above.

The Group's effective tax rate for the six months ended 30 June 2026 was 8.3% (for the six months ended 30 June 2025: 23.9%). The decrease was primarily due to the large gains arising from changes in fair value of biological assets with relatively low tax rate.

Profit for the Period

As a result of the foregoing reasons, our profit for the period increased by 1,126.8% from RMB60.9 million for the six months ended 30 June 2025 to RMB747.5 million for the six months ended 30 June 2026. Our net profit margin increased from 9.1% for the six months ended 30 June 2025 to 106.2% for the six months ended 30 June 2026. The increase in net profit was primarily due to the changes in fair value of biological assets discussed above.

Capital Management

The primary goal of the Group's capital management is to maintain the Group's stability and growth while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group reviews and manages its capital structure regularly and makes timely adjustments to it in light of changes in economic conditions. To maintain or realign our capital structure, the Group may raise capital by way of bank loans or issuance of equity or convertible bonds.

Liquidity and Financial Resources

The Group's cash at bank and on hand as at 30 June 2026 were RMB823.9 million, representing a decrease of 9.6% compared to RMB911.9 million as at 31 December 2025. The Group's cash at bank and on hand remained relatively stable.

The Group's liquidity remains strong. During the Reporting Period, the Group's primary source of funds was from its ordinary course of business, including payments received from our customers for our services in non-clinical studies.

Gearing Ratio

As at 30 June 2026, the gearing ratio, calculated as total liabilities over total assets, was 17.1%, as compared with 14.0% as at 31 December 2025. The increase was primarily attributable to the increase in consideration received from the customers.

Foreign Exchange Exposure

We have transactional currency exposures. Certain of our time deposits, cash and bank balances, other financial assets, trade and other receivables, trade and other payables, and financial assets at FVTPL are denominated in foreign currency which are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider appropriate hedging measures in the future should the need arise.

III. DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT

(I) Development Strategy of the Company

Taking drug non-clinical evaluation services as its core business and deeply leveraging its leading market position and scarce resource barriers in the field of macromolecular biopharmaceutical safety evaluation, the Company actively expands upstream and downstream service capabilities, including drug early-stage discovery, drug screening, cell testing, clinical CRO services, clinical testing services, etc. It also aims to expand the scale and capacity of experimental model production to consolidate its leading position in the distinctive sector of non-clinical safety evaluation, build an industrial chain integrating clinical trials and related services and the supply of high-quality experimental models, and provide one-stop services. In addition, guided by market demand, the Company actively develops new technologies and methods to meet the needs of innovative drugs, forming new service advantages. It further enhances its international service capabilities to participate in global competition. Ultimately, it aims to build itself into a comprehensive CRO company with international competitiveness.

(II) Business Plan

1. Drug Non-clinical Services

(1) Improve the Quality System: Compliance-Driven and Efficiency-Upgraded

In 2026, the Company will be guided by innovation, compliance, precision and efficiency, and will continuously improve the GLP system, maintain a high level of regulatory compliance and ensure that all work is carried out smoothly and compliantly.

The Company will continue to optimize its internal management system, further enhance its project management capabilities and project operation efficiency, and increase investment to continuously promote the optimization of workflows based on artificial intelligence in order to improve labor productivity and service quality and ensure the continuous improvement of service standards. In terms of model validation, the Company will focus on promoting the systematic development and validation of toxicity prediction models and in vitro toxicological alternative models, completing methodological optimization, internal validation and industry benchmarking validation, and forming standardized tools that can be used for early toxicity screening and risk warning. It will also simultaneously follow the 3R principles and internationally accepted verification frameworks (OECD/NMPA/FDA) to carry out research and development and GLP compliance verification of in vitro toxicological alternative models such as humanized cell models, three-dimensional organoids and organ-on-a-chip. By building a closed loop of model development, validation, standardization and industrial application, we can enhance the scientific rigor, forward-looking nature and international recognition of non-clinical evaluations, providing more efficient, accurate and compliant safety evaluation support for the research and development of innovative drugs, medical devices and health-related products.

(2) Build New Technologies and Capabilities: Innovation-Driven Development and Technological Closed Loop

The Company will increase its investment in business and continuously develop and introduce new technologies and methods. Based on the existing pharmacology and toxicology technology system, the Company will continuously enrich and improve the evaluation platform and technology system to meet the non-clinical evaluation needs of drugs with new targets and new technologies. Particularly:

The Company will strengthen the construction of new capabilities in otology drug evaluation, small nucleic acid metabolite analysis, etc., and continuously improve disease models of the respiratory system and central nervous system. It will improve drug screening service capabilities, provide comprehensive biological services and solutions, keep up with the trends and hotspots of domestic and foreign new drug R&D, provide high-throughput screening and customized services for customers, closely follow the R&D process of customers, and establish a rapid and efficient screening platform.

The drug discovery services segment will integrate multiple technological approaches to provide customers with early R&D services from target screening verification to pre-clinical candidate compound (PCC), which includes focusing on antibody drug development, developing intelligent antibody discovery systems, constructing a multi-dimensional efficacy evaluation matrix, in-vitro biological platform and in-vivo/in-vitro pharmacological & efficacy platforms that cover multiple disease models and animal models. Meanwhile, it will optimize ADME and PK-PD service systems that meet FDA/EMA requirements, develop ultra-sensitive LC-MS/MS-based bio-analytical techniques, and construct cross-species PDPK model prediction systems; and it will also conduct early toxicity prediction and screening, develop stem cell-based liver/kidney toxicity prediction models and an AI-driven toxicity warning platform.

In addition, the Company will expand its capabilities in biological evaluation of medical devices and toxicological evaluation of veterinary and pet drugs, and actively explore mergers and acquisitions, adopting various cooperation methods to quickly establish R&D capabilities, capture the market, and form new profit growth points.

(3) International Market Development: Global Expansion and Brand Going-global

The development of the international market is an important development strategy for the Company and a key support for maintaining sustained and rapid growth. The Company will integrate the upstream and downstream chains to provide one-stop non-clinical services, divert early-stage R&D and screening projects to China for safety evaluation (GLP business), and use the rich experimental resources and efficient management in China to provide cost-effective services for overseas drug R&D enterprises. To strengthen overseas market promotion, the Company will formulate effective strategies, improve the capabilities of the sales team, deeply explore the needs of potential customers, and improve the overseas market sales system. Meanwhile, it will strengthen the construction of the international business team, recruit and train professional talents with an international background, and improve cross-cultural communication and service capabilities. The Company strives to build an international brand image, win customer reputation through high-quality services, enhance brand reputation and international market visibility, and use the Hong Kong stock platform to expand overseas brand promotion, thereby continuously consolidating and enhancing its market share and leading position in the field of non-clinical drug services.

(4) Capacity Expansion: Facility Commissioning and Talent Development

The Company will further expand its production capacity and strengthen its personnel development. First, the Company will promote the gradual commissioning of new experimental facilities to accelerate business development. Second, in terms of personnel development, the Company will strengthen the training and recruitment of talent to support the expansion of its business and ensure that new production capacity can be quickly transformed into service capabilities. Through these comprehensive measures, the Company will provide customers with more efficient and higher-quality services, promoting high-quality business development and further consolidating its leading position in the industry.

2. Drug Clinical Services

(1) Deepen the Integrated Collaboration of "Non-clinical Services + Clinical Services"

The Company will explore the potential for internal collaboration to break down business barriers and achieve efficient sharing of technology, resources and talent. Leveraging a mature system and expert team, we will build a closed-loop chain covering the early stages of R&D and the initial clinical phase, creating a deeply integrated service ecosystem. By seamlessly connecting non-clinical research with early clinical application, we will ensure consistent and accurate data, comprehensively enhancing service professionalism and core competitiveness.

(2) Focus on High-quality and Efficient Operations and Empower Accelerated R&D

Adhering to the concept of high quality, we will optimize processes and management systems to empower the entire R&D cycle with refined operations. By leveraging integrated advantages, risks can be precisely controlled, pathways can be optimized, and ineffective steps can be avoided, effectively shortening the R&D cycle and reducing costs and technological risks. We will help innovative drugs overcome bottlenecks, accelerate the transformation of research results and their market launch, and provide better treatment options for patients worldwide.

(3) Strengthen the Operational Team and Ensure Delivery Reliability

We will prioritize building a strong clinical operational team to create a professional and efficient workforce. We will implement refined management and control, clarify the division of responsibilities, and establish standardized processes and quality guidelines. At the same time, we will establish a full-cycle tracking and supervision system and a performance guarantee system, refine progress control and risk warning, and remove obstacles to the progress, ensuring that the project is delivered on schedule and with high quality and customer satisfaction is improved.

3. Experimental Model Research

(1) Population Structure Optimization and Large-scale Construction

To ensure a stable supply of non-human primate experimental models, the Company will optimize the non-human primate population structure and appropriately increase the number of breeding populations to improve animal productivity. Meanwhile, the Company plans to launch more humanized mouse models of immune cells in 2026, further enriching its experimental animal resource bank while maximizing the characteristics of immunodeficient mouse models, ensuring a sufficient supply of various experimental models and meeting the growing research and development needs.

(2) Standardized Quality Control and Accurate Validation of Disease Models

The Company will continue to promote innovation in experimental model business and improve the standardized and normalized experimental model quality assurance system to ensure the quality stability of experimental models. Through rigorous genetic screening and environmental control, the Company will develop innovative models that highly mimic the pathological characteristics of human diseases, providing solid technical support for disease mechanism research, drug screening, and pre-clinical evaluation. In addition, the Company will provide proprietary carcinogenic mouse models specifically for drug safety evaluation, ensuring the reliability and compliance of the evaluation results.

(3) Cutting-edge Experimental Model Innovation and Organoid Transformation Application Platform

The Company will increase its investment in innovation, especially in the construction and application of new experimental models and organoids, actively respond to national policy support, and explore innovative applications of organoid technology in areas such as tumor research and new drug development. In the field of non-human primates, the Company will vigorously develop disease models for aging non-human primates, especially for diseases such as obesity, diabetes, hyperlipidemia, atherosclerosis, neurological diseases, and ophthalmological diseases. In terms of mouse models, the Company will use humanized liver mouse models as a basis to serve the development of drugs for liver diseases. At the same time, the Company will increase its investment in the construction of the organoid platform, further improve and optimize existing technologies, combine more clinical resources, and bring the developed organoid platform to market to serve more clinical research institutions. It will also enable the drug sensitivity platform to be applied to more tumor organoids, thereby providing the industry with more efficient and accurate experimental models, helping the rapid development of new drug research and development and clinical applications, and benefiting more cancer patients.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company has adopted the code provisions as set out in the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and has complied with the applicable code provisions during the six months ended 30 June 2026 and up to the date of this announcement.

The Board will examine and review, from time to time, the Company's corporate governance practices and operations in order to meet the relevant provisions under the Listing Rules.

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Specific enquiries have been made to all the Directors and they have confirmed that they have complied with the Model Code during the Reporting Period and up to the date of this announcement.

Interim Dividend

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2026 to the Shareholders.

Use of Proceeds from the Global Offering

The H shares of the Company (the "**H Shares**") were listed on the Hong Kong Stock Exchange on 26 February 2021 and the over-allotment option described in the Prospectus was partially exercised on 19 March 2021 in respect of an aggregate of 40,800 H Shares, issued and allotted by the Company at HK$151.00 per H Share on 24 March 2021. The Company obtained net proceeds in connection with the exercise of the global offering and the exercise of the over-allotment option amounted to approximately HK$6,373.6 million (equivalent to approximately RMB5,285.2 million) (after deducting the underwriting commissions and other estimated expenses in connection with the global offering and the exercise of the over-allotment option) (the "**Net Proceeds**").

Having considered the reasons as stated in the announcements of the Company in the relation to proposed change in use of the Net Proceeds dated 28 April 2022, 30 August 2023 and 20 December 2024, in order to better utilize the financial resources of the Group and to capture favorable investment opportunities, the Board has reviewed the utilization plan of the Net Proceeds and resolved to re-allocate part of the Net Proceeds.

For the period from the listing date of the Company's H Shares on the Hong Kong Stock Exchange (i.e., 26 February 2021) up to 30 June 2026, the Company has used RMB2,992.8 million for the following purposes.

Use of Net Proceeds	Approximate percentage of the total amount *(%)*	Original allocation of the Net Proceeds *(RMB million)*	New allocation of the Net Proceeds *(RMB million)*	Amount of Net Proceeds utilized as at 30 June 2026 *(RMB million)*	Amount of Net Proceeds utilized during the Reporting Period *(RMB million)*	Balance of the unutilized Net Proceeds after proposed re-allocation *(RMB million)*	Expected timeframe for utilizing the remaining unutilized Net Proceeds after proposed reallocation
(A) Expand the capacity of our Suzhou facilities for non-clinical studies	**16.0**	**845.6**	**57.7**	**57.7**	**–**	**–**	
(i) Renovating our existing laboratory and research model facilities in Suzhou	7.9	417.5	16.0	16.0	–	–	
(ii) Constructing the infrastructure of our new facilities in Suzhou	1.7	89.8	36.7	36.7	–	–	
(iii) Procurement of cutting-edge equipment and laboratory technologies and investment in the research and development of novel, customized research models	5.5	290.7	5.0	5.0	–	–	
(iv) Upgrading our technical and scientific research capabilities with international background at our Suzhou facilities	0.9	47.6	–	–	–	–	
(B) Strengthen our U.S. operations to cater to the rising customer demand for services provided by Biomere	**10.0**	**528.5**	**751.7**	**353.5**	**17.3**	**398.2**	
(i) Upgrading our existing facilities and service team in northern California	7.6	401.7	401.7	203.8	17.3	197.9	By the end of 2028
(ii) Investing in business development efforts, expanding service teams and upgrading laboratory equipment for Biomere	2.4	126.8	350.0	149.7	–	200.3	By the end of 2028

Use of Net Proceeds	Approximate percentage of the total amount *(%)*	Original allocation of the Net Proceeds *(RMB million)*	New allocation of the Net Proceeds *(RMB million)*	Amount of Net Proceeds utilized as at 30 June 2026 *(RMB million)*	Amount of Net Proceeds utilized during the Reporting Period *(RMB million)*	Balance of the unutilized Net Proceeds after proposed re-allocation *(RMB million)*	Expected timeframe for utilizing the remaining unutilized Net Proceeds after proposed reallocation
(C) Further expand our facility network and service capabilities in China	**39.0**	**2,061.3**	**1,264.3**	**277.4**	**16.0**	**986.9**	
(i) Building the Phase I of our new Guangzhou facilities with a focus on non-GLP and GLP-compliant non-clinical studies in Guangzhou	17.0	898.5	500.0	223.0	14.1	277.0	By the end of 2027
(ii) Building the Phase I of our new laboratories, research model breeding facilities and clinical operations in Chongqing	17.0	898.5	500.0	12.0	–	488.0	By the end of 2028
(iii) Enhancing our technical and scientific research capabilities at our Guangzhou and Chongqing facilities	2.6	137.4	137.4	42.4	1.9	95.0	By the end of 2028
(iv) Developing cutting-edge laboratory and research model technologies	2.4	126.9	126.9	–	–	126.9	By the end of 2028

Use of Net Proceeds	Approximate percentage of the total amount *(%)*	Original allocation of the Net Proceeds *(RMB million)*	New allocation of the Net Proceeds *(RMB million)*	Amount of Net Proceeds utilized as at 30 June 2026 *(RMB million)*	Amount of Net Proceeds utilized during the Reporting Period *(RMB million)*	Balance of the unutilized Net Proceeds after proposed re-allocation *(RMB million)*	Expected timeframe for utilizing the remaining unutilized Net Proceeds after proposed reallocation
(D) Broaden and deepen our integrated CRO service offerings with a particular focus on further expanding our clinical trial and related services	**5.0**	**264.3**	**33.1**	**33.1**	**–**	**–**	
(i) Hiring approximately 220 experienced clinical trial operation professionals who hold at least a bachelor's degree and who have at least two years of work experience in clinical operations, medicine, quality control, statistical analysis and analysis of clinical samples, with a focus on early-stage clinical trial projects	0.6	31.7	8.4	8.4	–	–	
(ii) Investing in business development efforts for our growing clinical trial business	0.4	21.2	–	–	–	–	
(iii) Procuring new equipment, technologies, systems, databases and infrastructure for use in clinical trials, as well as in the related services such as bioanalytical services, to strengthen our service quality and customer experience	4.0	211.4	24.7	24.7	–	–	

Use of Net Proceeds	Approximate percentage of the total amount *(%)*	Original allocation of the Net Proceeds *(RMB million)*	New allocation of the Net Proceeds *(RMB million)*	Amount of Net Proceeds utilized as at 30 June 2026 *(RMB million)*	Amount of Net Proceeds utilized during the Reporting Period *(RMB million)*	Balance of the unutilized Net Proceeds after proposed re-allocation *(RMB million)*	Expected timeframe for utilizing the remaining unutilized Net Proceeds after proposed reallocation
(E) Fund potential acquisitions of suitable (i) CROs focused on non-clinical studies, (ii) CROs focused on clinical trials, and/or (iii) research model production facilities in both China and overseas	20.0	1,057.0	2,649.9	1,895.7	–	754.2	By the end of 2028
(F) Working capital and general corporate purposes	10.0	528.5	528.5	375.4	73.5	153.1	

Significant Investment Held

In order to effectively utilize the Group's idle funds and generate better returns, the Group has subscribed for and held various wealth management products.

Reference is made to the announcement of the Company dated 16 March 2026. The Group held wealth management products issued by CITIC Securities Co., Ltd. and its subsidiaries, with an aggregated principal amount of RMB630.0 million as at 30 June 2026.

Save as disclosed above, the Group had no other significant investments during the six months ended 30 June 2026.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

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

Employee and Remuneration Policy

As at 30 June 2026, the Group had 2,572 employees, whose salaries and allowances were determined based on their performance, experience and the then prevailing market rates. We have also invested 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 also provide competitive salaries, project and stock incentive plans to our employees especially key employees.

During the Reporting Period, the total staff costs (including Director's emoluments) were approximately RMB288.2 million (for the same period in 2025: RMB294.6 million).

Future Plans for Material Investments

The Group will continue to extensively identify potential strategic investment opportunities and seek to acquire potential high-quality targets that create synergies for the Group in relation to such aspects as product research and development, product portfolio, channel expansion or cost control.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sales of treasury shares (as defined in the Listing Rules)) during the Reporting Period.

Capital Expenditure and Commitments

The Group's capital expenditures for the six months ended 30 June 2026 primarily related to purchase of property, plant and equipment in relation to the expansion and enhancement of our facilities. For the six months ended 30 June 2026, the Group incurred RMB72.5 million in relation to capital expenditures as compared to RMB93.4 million for the same period in 2025.

Charges on Group Assets

As at 30 June 2026, the Group did not have any material charges over its assets.

Contingent Liabilities

The Group had no material contingent liabilities as of 30 June 2026.

Subsequent Events After the Reporting Period

There are no material subsequent events from 30 June 2026 to the date of this announcement.

Audit Committee

The audit committee of the Board (the "**Audit Committee**") has three members comprising all independent non-executive Directors, being Mr. Yang Changyun (chairman), Mr. Yang Fuquan and Mr. Zhang Fan, with terms of reference in compliance with Rule 3.21 of the Listing Rules.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal controls, risk management and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results of the Group for the six months ended 30 June 2026. The Audit Committee considers that the interim financial results for the six months ended 30 June 2026 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Publication of Interim Results Announcement and Interim Report

This announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.joinnlabs.com).

Printed copy of the interim report for the Reporting Period containing all the information required by the Listing Rules will be despatched to the Shareholders (if necessary) and published on the websites of the Hong Kong Stock Exchange and the Company in due course.

By order of the Board
JOINN Laboratories (China) Co., Ltd.
Feng Yuxia
Chairperson

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises Ms. Feng Yuxia as the Chairperson and executive Director, Mr. Gao Dapeng, Ms. Sun Yunxia, Mr. Gu Jingliang and Ms. Luo Xi as executive Directors, Mr. Zhou Fengyuan as a non-executive Director, and Mr. Zhang Fan, Mr. Yang Changyun, Mr. Yang Fuquan and Mr. Ying Fangtian as independent non-executive Directors, and Ms. Li Ye as an employee Director.