

昭衍

JOINN

北京昭衍新藥研究中心股份有限公司
JOINN LABORATORIES (CHINA) CO., LTD.

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

Stock Code: 6127

2026
INTERIM
REPORT

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Definitions

In this report, unless the context otherwise requires, the following terms have the following meanings. These terms and their definitions may not correspond to any industry standard definition, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as the Company.

"2022 H Shares Incentive Scheme"	a H Shares award scheme adopted and approved by the Company on 24 June 2022, the principal terms of which are set out in the circular of the Company dated 26 May 2022
"2026 Restricted A Share Incentive Scheme"	a restricted share award scheme adopted and approved by the Company on 4 June 2026, the principal terms of which are set out in the circular of the Company dated 13 May 2026
"A Shares"	ordinary shares issued by our 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 Shanghai Stock Exchange
"Associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Biomere"	Biomedical Research Models, Inc., a limited liability company incorporated in Massachusetts, the United States, on 11 December 1996 and acquired by our Company on 10 December 2019 to become a wholly-owned subsidiary of Joynn Laboratories (Delaware) Corporation, which is in turn wholly-owned by our Company
"Board"	the board of Directors of our Company
"CG Code" or "Corporate Governance Code"	the "Corporate Governance Code" as contained in Part 2 of Appendix C1 to the Listing Rules
"Chief Executive Officer"	chief executive officer of our Company
"Chief Financial Officer"	chief financial officer of our Company
"China" or "PRC"	the People's Republic of China, but for the purpose of this report and for geographical reference only and except where the context requires otherwise, references in this report to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"Company", "Our Company" or "JOINN"	JOINN Laboratories (China) Co., Ltd. (北京昭衍新藥研究中心股份有限公司) which was incorporated in the PRC on 11 August 1995 and converted into a joint-stock company on 26 December 2012, the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 603127) and the H Shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 6127)
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Ms. Feng and Mr. Zhou

"CSRC"	China Securities Regulatory Commission
"Director(s)"	the directors of the Company
"Global Offering"	the Hong Kong public offering and the international offering of the Shares
"Group", "our Group", "our", "we" or "us"	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"H Shares"	overseas listed foreign shares in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and are listed on the Hong Kong Stock Exchange
"HK\$" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"JOINN Suzhou"	JOINN Laboratories (Suzhou) Co., Ltd. (昭衍(蘇州)新藥研究中心有限公司), which was incorporated in the PRC on 11 December 2008 with limited liability, and a wholly-owned subsidiary of our Company
"Listing"	the listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Date"	26 February 2021
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Mr. Zhou"	Mr. Zhou Zhiwen (周志文), a Controlling Shareholder and the spouse of Ms. Feng
"Ms. Feng"	Ms. Feng Yuxia (馮宇霞), a Controlling Shareholder, the chairperson of the Board and an executive Director of our Company, and the spouse of Mr. Zhou
"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局)
"Prospectus"	the prospectus of the Company dated 16 February 2021

Definitions

"Reporting Period"	the six months ended 30 June 2026
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Share(s)"	shares (including the A Shares and the H Shares) in the share capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of our Share(s)
"Staidson"	Staidson (Beijing) Biopharmaceuticals Co., Ltd. (舒泰神(北京)生物製藥股份有限公司), a joint stock limited company incorporated under the laws of the PRC on 16 August 2002 and whose shares are listed on the Shenzhen Stock Exchange (stock code: 300204), which is held as to approximately 27.37% by Yizhao (Beijing) Medical Science & Technology Co., Ltd. (熠昭(北京)醫藥科技有限公司) (which is held as to 85% in aggregate by Ms. Feng and Mr. Zhou), approximately 1.73% by Mr. Zhou through Huatai Securities Asset Management – China Merchants Bank – Huatai – Juli Collective Asset Management Scheme No. 16 (華泰證券資管－招商銀行－華泰聚力16號集合資產管理計劃), and approximately 5.48% by Mr. Zhou directly. Mr. Zhou is also the chairperson of the board of directors and legal representative of Staidson
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US\$" or "U.S. dollar(s)"	United States dollar(s), the lawful currency of the United States

Glossary of Technical Terms

"ADC"

antibody drug conjugate

"antibody"

a large, Y-shaped protein produced mainly by plasma cells that is used by the immune system to identify and neutralize pathogens such as bacteria and viruses

"assay"

an investigative analytical process in medicine, pharmacology or biology that aims to identify either the qualitative or quantitative presence or function of the analytical target, which can be a drug or biochemical substance or a cell in an organism or organic sample

"CRO"

contract research organization, an entity that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis

"drug discovery"

the process through which potential new medicines are identified and may involve a wide range of scientific disciplines, including biology, chemistry and pharmacology

"GLP"

good laboratory practice

"metabolism"

the chemical processes that occur within a living organism in order to maintain life, comprising catabolism (breakdown of large molecules into components) and anabolism (the synthesis of smaller molecules into larger ones with specific structures, characteristics and purposes)

"pharmacology"

the branch of medicine concerned with the uses, effects, and modes of action of drugs

"R&D"

research and development

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. Feng Yuxia (*Chairperson of the Board*)
Mr. Gao Dapeng
Ms. Sun Yunxia
Mr. Gu Jingliang
Ms. Luo Xi

Non-executive Director

Mr. Zhou Fengyuan (*appointed on 4 June 2026*)

Independent Non-executive Directors

Mr. Zhang Fan
Mr. Yang Fuquan
Mr. Yang Changyun
Mr. Ying Fangtian

Employee Director

Ms. Li Ye

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

A5 Rongjing East Street
Beijing Economic-Technological Development Area
Beijing, 100176, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1920, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

REGISTERED OFFICE

A5 Rongjing East Street
Beijing Economic-Technological Development Area
Beijing, 100176, China

H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

JOINT COMPANY SECRETARIES

Mr. Gao Dapeng
Ms. Lee Ching Ying (*appointed on 17 July 2026*)
Ms. Cheung Ka Lun Karen (*resigned on 17 July 2026*)

AUTHORIZED REPRESENTATIVES

Ms. Feng Yuxia
Ms. Lee Ching Ying (*appointed on 17 July 2026*)
Ms. Cheung Ka Lun Karen (*resigned on 17 July 2026*)

AUDIT COMMITTEE

Mr. Yang Changyun (*Chairperson*)
Mr. Zhang Fan
Mr. Yang Fuquan

REMUNERATION AND EVALUATION COMMITTEE

Mr. Ying Fangtian (*Chairperson*)
Ms. Sun Yunxia
Mr. Yang Changyun

NOMINATION COMMITTEE

Mr. Yang Fuquan (*Chairperson*)
Ms. Feng Yuxia
Mr. Ying Fangtian

STRATEGIC DEVELOPMENT COMMITTEE

Ms. Feng Yuxia (*Chairperson*)
Ms. Sun Yunxia
Mr. Gu Jingliang (*appointed on 4 June 2026*)
Ms. Luo Xi
Mr. Zhou Fengyuan (*appointed on 4 June 2026*)
Mr. Zhang Fan (*appointed on 4 June 2026*)
Mr. Yang Fuquan (*appointed on 4 June 2026*)
Mr. Ying Fangtian

Corporate Information

STOCK CODE

Hong Kong Stock Exchange
(H Shares): 6127
Shanghai Stock Exchange
(A Shares): 603127

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered
in accordance with the Accounting and Financial
Reporting Council Ordinance
8/F, Prince's Building
10 Chater Road
Central
Hong Kong

LEGAL ADVISOR TO OUR COMPANY

As to Hong Kong law
Jingtian & Gongcheng LLP
Suites 3203–3209, 32/F
Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law
Tian Yuan Law Firm
Unit 509, Tower A
Corporation Square
35 Financial Street
Xicheng District
Beijing, 100033 China

COMPANY'S WEBSITE

<https://www.joinnlabs.com>

Financial Summary

	Six months ended 30 June		
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	Change
Operating results			
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%
Profitability			
Gross profit margin	20.6%	15.7%	Increase of 4.9 percentage points
Profit margin for the period	106.2%	9.1%	Increase of 97.1 percentage points
Earnings per share			
Basic (RMB)	1.00	0.08	1,150.0%
Diluted (RMB)	1.00	0.08	1,150.0%

	At		Change
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)	
Total assets	10,826,038	9,681,908	11.8%
Total liabilities	1,850,692	1,356,557	36.4%
Net assets	8,975,346	8,325,351	7.8%
Equity attributable to the equity shareholders of the Company	8,974,974	8,324,980	7.8%

Chairperson's Statement

Dear Shareholders,

In the first half of 2026, the biopharmaceutical industry as a whole showed a recovery trend. The global biopharmaceutical investment and financing environment gradually improved, and domestic and foreign innovative drug R&D and business development cooperation became more active. The CRO industry is entering a critical phase of transitioning order acquisition into business operations. As a company with over 30 years of industry experience, we have always adhered to our original aspiration of “serving drug innovation and benefiting human health” by seizing the opportunity of industry recovery and actively responding to the new challenges brought about by technological changes. Looking back on the past six months, I have experienced both the opportunities brought by the industry's recovery and the new opportunities and challenges brought by technological iteration. I am grateful and full of confidence in the future.

During the Reporting Period, the Company achieved revenue of RMB704 million, a year-on-year increase of 5.27%, and net profit attributable to shareholders of the listed company of RMB748 million, a year-on-year increase of 1,126.80%. The significant improvement in profit was mainly due to the contribution of changes in the fair value of biological assets, the continued narrowing of losses in the main laboratory services business and the continuous improvement in the fundamentals of operations. What is particularly valuable is that the upward trend in the industry has been fully reflected in the number of orders. During the Reporting Period, the Company signed new orders worth approximately RMB2.02 billion, representing a year-on-year increase of 98.0%. As at the end of the period, the Company's total order backlog amounted to approximately RMB3.7 billion, representing a year-on-year increase of 60.9%. Such ample and continuously optimized order backlog provides a solid foundation for the continued increase of revenue in the future. The number of signed contracts for cutting-edge therapies such as antibodies, small nucleic acids and peptides grew rapidly, and the proportion of highly complex and long-term trials continued to increase, demonstrating the market's continued recognition of JOINN Laboratories' professional capabilities.

In 2026, the transformation of the global drug development evaluation system continued to advance. Overseas, the U.S. FDA continued to improve its guidance documents for new NAM methodologies, incorporating new technologies such as organoids, organ-on-a – chip and AI prediction models into the drug application evidence system, and promoting the coordinated development of traditional animal testing and new evaluation methods. In China, the Center for Drug Evaluation (CDE) officially launched the NAMs “Pioneer Program” pilot program, and the NMPA issued relevant policies to encourage the deep integration of artificial intelligence technology with drug development scenarios. The convergence of domestic and international regulatory guidance has brought transformative challenges to traditional non-clinical evaluation businesses, while also creating a favorable opportunity for differentiated development for JOINN Laboratories which possesses massive non-clinical data assets, a complete GLP compliance system and abundant animal model resources. At the same time, domestic policies to support pharmaceutical innovation continue to be implemented, the number of new drug applications and clinical trials continues to grow, and the payment mechanism for innovative drugs continues to improve, opening up broad development space for the CRO industry. Faced with dual changes in policy and technology, we are committed to proactively recognizing, responding to and seeking change, and seizing opportunities for industry development.

Chairperson's Statement

In line with industry development trends, the Company steadily implemented its established strategic development plan in the first half of 2026. In terms of cutting-edge technology deployment, we have continued to advance the application of AI technology in pathological diagnosis, toxicity prediction and automated testing processes, iterated and improved the construction of NAMs technology platforms such as organoids and microphysiological systems, promoted the integration and complementarity of new methodologies with traditional safety assessment business, and built diversified technical service capabilities. In terms of compliance and quality construction, the Suzhou facilities successfully passed the US FDA's unannounced GLP inspection and the domestic review of the new version of GLP. The Company's international compliance capabilities have been continuously recognized by the authorities, further consolidating the foundation for global services. In terms of business expansion, based on its traditional core advantage in non-clinical safety evaluation, we have made up for its upstream and downstream service capabilities in early drug discovery, efficacy screening and quality testing, and continued to build a one-stop R&D service chain "from target to market" to better match the diversified R&D needs of innovative pharmaceutical companies.

More than 30 years of accumulation have laid the foundation for a journey to greater heights. The fact that JOINN Laboratories has been able to stand firm amidst the ups and downs of the industry is inseparable from the trust and support of its customers, the long-term companionship of its shareholders and the hard work and dedication of all of its employees who strive for excellence in favorable circumstances and persevere in adversity. Over the past six months, relying on our team's professionalism and pragmatism, the Company has achieved rapid growth in order volume and continuous improvement in its main business operations. On behalf of the Board, I would like to express my sincerest gratitude to all friends from all walks of life who care about and support the development of JOINN Laboratories.

Looking ahead to the second half of 2026, we are full of confidence. The global biopharmaceutical investment and financing recovery trend continues, and the rapid growth in new orders signed in the first half of the year will gradually translate into revenue, and the improvement trend in the main laboratory services business will continue. The Company will continue to strengthen and optimize its core safety assessment business, accelerate the industrial application of cutting-edge technology platforms, continuously optimize business and asset management, and strive to improve the profitability of its main business. I firmly believe that JOINN Laboratories, having undergone the test of time, will continue to seize the opportunities of the times for pharmaceutical innovation and development in a steady and pragmatic manner.

Braving wind and rain to stay true to our original aspirations, we will seize opportunities to forge ahead and reach new heights. Let us join hands and work together to create a bright future for drug innovation in China!

Ms. Feng Yuxia

Chairperson of the Board

28 August 2026

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.

Management Discussion and Analysis

(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 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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

(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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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 report.

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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 which were mainly denominated in RMB 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.

Management Discussion and Analysis

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.

Significant Investment Held

As at 30 June 2026, our investment portfolio amounted to approximately RMB2,337 million (as at 31 December 2025: RMB2,439 million) as recorded in the Unaudited Consolidated Statement of Financial Position under various categories including:

- (i) RMB wealth management products, measured at FVTPL;
- (ii) Investments in unlisted funds, measured at FVTPL;
- (iii) Equity investment in an unlisted company at FVTPL; and
- (iv) Equity investment in an unlisted company designated at FVOCI.

The movement in the balance in respective items in the Unaudited Consolidated Statement of Financial Position have been disclosed in Note 25 of the Notes to the Unaudited Interim Financial Report.

The Group's financial assets at FVTPL mainly represent wealth management products issued by banks in the PRC and purchased by the Group. 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 with high liquidity, short maturity periods and medium to low risk levels.

As at 31 December 2024, 31 December 2025 and 30 June 2026, our RMB wealth management products amounted to approximately RMB1,396.1 million, RMB1,718.3 million, and RMB1,558.4 million, respectively. These changes are all attributable to the purchase and redemption of the RMB wealth management products.

Management Discussion and Analysis

The details of the wealth management products issued by banks that constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules during the relevant financial period are set out in the table below:

	Unlisted investments with CITIC Securities⁽¹⁾ (RMB'000)	Unlisted investments with Bank of Jiangsu⁽²⁾ (RMB'000)	Unlisted investments with ICBC⁽³⁾ (RMB'000)
As at 1 January 2025	365,000	410,000	350,000
Additions in investments	437,000	500,000	250,000
Disposals/redemptions during the period	160,000	640,000	120,000
As at 31 December 2025	642,000	270,000	480,000
Percentage to the Group's total assets as at 31 December 2025	6.63%	2.79%	4.96%
Additions in investments	450,000		
Disposals/redemptions during the period	462,000		
As at 30 June 2026	630,000		
Percentage to the Group's total assets as at 30 June 2026	5.82%		

Notes:

- (1) For the financial year ended 31 December 2025, the unlisted investments include wealth management products issued by CITIC Securities Co., Ltd. ("**CITIC Securities**") in the PRC, with a maturity period of one year or less, with an expected annual rate of return of 0.1% to 5.55%. The fair values of the financial assets are approximately equal to their cost plus expected interests.

For the six months ended 30 June 2026, the unlisted investment were wealth management products issued by CITIC Securities in the PRC, with a maturity period of six months or less, with an expected annual rate of return of 1.5% to 5.15%. The fair values of the financial assets approximate to their cost plus expected interests.

- (2) The unlisted investments include wealth management products issued by Bank of Jiangsu Co. Ltd. ("**Bank of Jiangsu**") in the PRC, with a maturity period of one year or less, with an expected annual rate of return of 0.1% to 2.8%. The fair values of the financial assets are approximately equal to their cost plus expected interests.

For the six months ended 30 June 2026, no wealth management products issued by Bank of Jiangsu were required to be announced under Chapter 14 of the Listing Rules.

- (3) The unlisted investments include wealth management products issued by Industrial and Commercial Bank of China Limited ("**ICBC**") in the PRC, with a maturity period of six months or less, with an expected annual rate of return of 1.16% to 3.6%. The fair values of the financial assets are approximately equal to their cost plus expected interests.

For the six months ended 30 June 2026, no wealth management products issued by ICBC were required to be announced under Chapter 14 of the Listing Rules.

Save as disclosed above, as at 31 December 2025 and 30 June 2026, the Group had no other significant investments measured at fair value of 5% or more of the Group's total assets.

The Group shall perform thorough background investigations and due diligence reviews on cooperative financial institutions and wealth management products to ensure that cooperative financial institutions meet the relevant qualification requirements and possess sound operational and management competence, and that the wealth management products to be invested in have favourable development prospects.

Management Discussion and Analysis

The Group invests in wealth management products under the guiding principles of security, liquidity and return, prioritising capital preservation and maintaining adequate liquidity to satisfy daily operations and strategic investment requirements. Generally, the Group does not invest in wealth management products with a maturity period of more than one year, and only considers medium- to low-risk products, with preference given to those issued by banks or securities companies with state-owned backgrounds.

The Group strictly distinguishes between its own funds and Net Proceeds from H Shares, and manages them in a categorized and standardized manner. The subscription of wealth management products falls within the scope of own-funds management, and is intended to fully activate idle cash generated from operating activities, thereby obtaining balanced investment returns on the basis of maintaining high liquidity and low risk. Taking into comprehensive consideration factors such as the low-risk nature and expected rate of return of wealth management products, the Company believes that such subscriptions can bring the Group returns higher than ordinary commercial bank deposits, which is conducive to enhancing the Group's overall profitability. At the same time, the finance department of the Group shall, in accordance with the regulatory requirements for listed companies, conduct size tests for each wealth management product to be purchased, ensuring that the relevant procedures comply with the provisions of the Listing Rules.

The decision-making and approval of the Group's wealth management product investments shall be carried out in accordance with the Group's business authorization and approval system. The core arrangements are as follows:

- (i) For newly added banks or securities companies intending to cooperate, the Group shall complete institutional background due diligence, verifying contents including relevant business licenses, background of controlling shareholders, market reputation and corporate governance standards, historical operating performance and asset scale, to confirm that the cooperative institution has no repayment risk;
- (ii) For wealth management products to be purchased, the hierarchical approval process shall be followed in accordance with the Group's business authorization and approval system. Investment may only be implemented after each approval stage confirms that the risk is controllable and that the Company's relevant policy requirements are met. The content of approval includes product type (such as principal-protected type and fixed-income type), risk level, investment direction, product term, product scale and performance benchmark;
- (iii) All wealth management product purchases shall be implemented within the annual quota for purchasing wealth management products approved by the Board. Prior to the purchase of wealth management products, transaction size tests shall be completed in accordance with the Listing Rules to confirm whether such transaction triggers information disclosure obligations of the Company; and
- (iv) The Group has continuously implemented routine, rigorous and effective monitoring, management over wealth management investment activities and has established a long-term post-investment control mechanism. It continuously tracks changes in risk, returns, and fund status across all types of wealth management investments; dynamically assesses the impact of investment activities on the Group's working capital, core business operations, and strategic development; and promptly identifies potential risks. Through full-cycle dynamic control, the Group ensures that all wealth management investment activities do not disrupt the normal course of its production and operations, and consistently upholds the core principle of safeguarding the interests of the Company and all Shareholders as a whole.

Management Discussion and Analysis

The Group's equity investments in an unlisted company and investments in unlisted funds are primarily undertaken with the objective of exploring new technologies and developing new business opportunities that are relevant to or complementary with the Group's long-term corporate strategy, with a view to further advancing the Group's business development while balancing investment risks and returns. Each investment shall be subject to prior due diligence reviews, and may only be carried out upon evaluation by the strategy and investment department of the Group and approval by the chairman of the Board or the Board. The Group will only invest in funds that satisfy the relevant qualification criteria and align with its strategies and investment policies. In particular, the managers of the unlisted funds are professional investment fund management firms specialising in different fields, and hold private equity fund management licenses issued by the Asset Management Association of China (中國證券投資基金業協會). The Group shall use only its idle cash reserves for these categories of investments, and such investments shall be made without affecting the daily business operations of the Company. In principle, these categories of investments are limited to industries or businesses that are related to or complementary to the Group's existing business, or projects that meet the Group's business development and strategic layout needs.

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.

Management Discussion and Analysis

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 report.

III. CHALLENGES IN THE FUTURE

1. Macroeconomic Environment and Geopolitical Risks

Increased global macroeconomic volatility, frequent geopolitical conflicts and rising trade protectionism may hinder the Company's overseas business expansion and increase the risk of exchange rate losses due to exchange rate fluctuations, thereby affecting the stability of international revenue.

2. Legal and Regulatory Risks and Compliance Operation Risks

The Company's business spans multiple countries and regions, requiring it to comply with complex legal and regulatory systems and industry standards in various locations. If the Company fails to adapt to the updates of relevant laws and regulations in a timely manner or makes compliance oversights, it will face multiple challenges such as reputational damage, business disruption and declining financial performance.

3. Competition and Retention Risks for Core Talent

As the Company expands its business, its need for high-level management, technical and marketing talent is becoming increasingly urgent. However, the long talent development cycle in the industry, intensified global competition and rising labor costs have made it more difficult to attract talent. Furthermore, if a sound career advancement mechanism cannot be established, the Company will face the risk of losing key talent, which will hinder its long-term development.

4. Risk of Intensified Industry Competition

The non-clinical CRO industry is currently experiencing steady capacity expansion, with participants continuously improving their infrastructure and enhancing their market service capabilities, leading to intensified market competition. If industry competition intensifies further in the future, and the Company fails to continuously strengthen its technological barriers, optimize its production capacity layout and service system, it may face operational pressure from industry competition, which could disrupt the Company's business expansion and profitability.

Management Discussion and Analysis

5. Upstream Supply Chain Stability Risks

The Company's non-clinical research relies heavily on third-party experimental model resources. If suppliers experience supply disruptions or significantly raise prices, it will directly lead to project delivery delays or a surge in costs, thereby negatively impacting the Company's operating performance.

6. Risks of Technological Iteration and Innovation Lag

Pharmaceutical research and development is increasingly focused on innovative drugs, with new targets and therapies emerging one after another. If the Company fails to keenly capture industry trends and promptly deploy cutting-edge technologies and methods, it may lead to a decline in service competitiveness and loss of customer demand, thereby weakening the Company's leading position in the industry.

7. New Business Development and Input-output Risks

To maintain its leading edge, the Company is actively expanding into new service areas and building new facilities. Such strategic expansions require huge resource investment. If there are problems such as poor organizational coordination, insufficient talent support or slow project progress, the new production capacity may not be able to be converted into actual profits, resulting in capital stagnation and difficulties in capital recovery, which will drag down our overall performance growth.

IV. 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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

(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

INTERIM DIVIDEND

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

DISCLOSURE OBLIGATIONS AND CONTINUING DISCLOSURE UNDER THE LISTING RULES

Save as disclosed in this report, the Company had no other disclosure obligations under Rules 13.13, 13.14, 13.15, 13.20, 13.21 and 13.22 of the Listing Rules.

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

As of 30 June 2026, the interests or short positions of Directors and chief executives 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 the section 352 of the SFO; or which shall be separately notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

INTERESTS IN THE SHARES OF THE COMPANY

Name of Directors	Title	Nature of Interest	Class of Shares	Number of underlying Shares held ⁽²⁾	Approximate percentage in the relevant class of Shares ⁽³⁾	Approximate percentage in total Shares ⁽³⁾
Ms. Feng ⁽¹⁾	Chairperson of the Board, Executive Director	Beneficial owner	A Shares	167,160,633 (L)	26.52%	22.307%
		Interest of spouse	A Shares	59,746,981 (L)	9.48%	7.973%
		Others	A Shares	3,173,920 (L)	0.50%	0.424%
		Beneficiary of a trust (other than a discretionary interest) ⁽⁴⁾	H Shares	500,000 (L)	0.42%	0.067%
Mr. Gao Dapeng	Executive Director, Secretary to the Board, Joint Company Secretary	Beneficial owner	A Shares	263,246 (L)	0.04%	0.035%
		Beneficiary of a trust (other than a discretionary interest) ⁽⁴⁾	H Shares	80,000 (L)	0.07%	0.011%
Ms. Sun Yunxia	Executive Director	Beneficial owner	A Shares	2,378,967 (L)	0.38%	0.317%
		Beneficiary of a trust (other than a discretionary interest) ⁽⁴⁾	H Shares	60,000 (L)	0.05%	0.008%
Mr. Gu Jingliang	Executive Director	Beneficial owner	A Shares	203,292 (L)	0.03%	0.027%
		Beneficiary of a trust (other than a discretionary interest) ⁽⁴⁾	H Shares	60,000 (L)	0.05%	0.008%
Ms. Luo Xi	Executive Director	Beneficiary of a trust (other than a discretionary interest) ⁽⁴⁾	H Shares	60,000 (L)	0.05%	0.008%
Ms. Li Ye	Employee Director	Beneficial owner	A Shares	100,481 (L)	0.02%	0.013%
		Beneficiary of a trust (other than a discretionary interest) ⁽⁴⁾	H Shares	30,000 (L)	0.03%	0.004%

Corporate Governance and Other Information

Notes:

- (1) Mr. Zhou is the spouse of Ms. Feng. Under the SFO, each of Ms. Feng and Mr. Zhou is deemed to be interested in the Shares that the other person is interested in. Ms. Feng held 167,160,633 A Shares, representing 22.31% of our total issued share capital as of 30 June 2026. Mr. Zhou held 59,746,981 A Shares, representing 7.97% of our total issued share capital as of 30 June 2026. In addition, Ms. Feng is taken to have interest in 3,173,920 A Shares which the Company holds as treasury shares, representing 0.42% of our total issued share capital as of 30 June 2026. Ms. Feng was granted 500,000 award H Shares under the 2022 H Shares Incentive Scheme adopted on 24 June 2022, representing 0.07% of our total issued share capital as of 30 June 2026. Therefore, Ms. Feng and Mr. Zhou are each deemed to be interested in a total of 230,081,534 A Shares and 500,000 award H Shares, representing 30.70% and 0.07% of our total issued share capital as of 30 June 2026, respectively.
- (2) The letter "L" denotes the person's long position in the Shares.
- (3) As at 30 June 2026, the Company had 749,348,220 issued shares in total, comprised of 630,353,014 A Shares (including 3,173,920 treasury shares of the Company) and 118,995,206 H Shares.
- (4) On 30 April 2026, the respective directors were granted the award H Shares pursuant to the 2022 H Shares Incentive Scheme. Vesting of the award granted under the 2022 H Share Incentive Scheme is subject to the conditions of the performance indicators of the Company and other applicable vesting conditions.

Save as disclosed above, so far as the Directors are aware, as of 30 June 2026, none of our Directors 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

So far as the Directors or chief executives of the Company are aware, as of 30 June 2026, the following persons (other than the Directors and chief executives 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 substantial shareholder	Nature of interest	Class of Shares	Number of Shares interested ⁽¹⁾	Approximate percentage in the relevant class of Shares ⁽²⁾	Approximate percentage in total Shares ⁽²⁾
Mr. Zhou	Beneficial owner	A Shares	59,746,981 (L) ⁽³⁾	9.48%	7.97%
	Interest of spouse	A Shares	167,160,633 (L) ⁽³⁾	26.52%	22.31%
Futu Trustee Limited	Trustee	H Shares	13,238,580 (L)	11.13%	1.77%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares. The letter "P" denotes the person's lending pool in the Shares.
- (2) As at 30 June 2026, the Company had 749,348,220 issued shares in total, comprised of 630,353,014 A Shares (including 3,173,920 treasury shares of the Company) and 118,995,206 H Shares.
- (3) Please refer to note (1) in the sub-section "Interests in the Shares of the Company" above.

Corporate Governance and Other Information

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN MEMBERS OF THE GROUP (EXCLUDING THE COMPANY)

Name of subsidiaries	Authorized share capital/ registered capital	Parties with 10% or more equity interest	Approximate percentage of shareholding (%)
Shikang Frontier Biotechnology Co., Ltd. (北京視康前沿技術有限公司) ⁽¹⁾	RMB1,000,000	Yao Ning (姚寧)	35
JOINN Biotechnology (Guigang) Co., Ltd. (貴港昭衍生物科技有限公司)	RMB15,000,000 ⁽²⁾	Tang Wei (湯威), Li Mingyu (李明宇)	40 ⁽²⁾

Notes:

- (1) Shikang Frontier Biotechnology Co., Ltd. was deregistered on 15 July 2026.
- (2) The registered capital of JOINN Biotechnology (Guigang) Co., Ltd. increased from RMB15,000,000 to RMB32,857,100 on 26 August 2026. Accordingly, the approximate percentage of shareholding of Tang Wei and Li Mingyu decreased to 29.9999% on the same day.

Except as disclosed in this section, to the best knowledge of the Company, as of 30 June 2026, no person owns interests or short positions in the Shares or underlying Shares which shall be disclosed in accordance with Divisions 2 and 3 of Part XV of the SFO, or interests or short positions in 5% or above of relevant class of Shares that the Company must record in the register according to section 336 of the SFO.

2022 H SHARES INCENTIVE SCHEME

The Company adopted the 2022 H Shares Incentive Scheme on 24 June 2022.

Summary of Terms

(a) Purpose of the Scheme

The purposes of the 2022 H Shares Incentive Scheme are (i) to attract and retain the core management team, to fully mobilize the enthusiasm of employees, and to promote sustainable business development; (ii) to align the interests of the employees and the Shareholders, and to strengthen the concept and corporate culture of the sustainable development of the Company and individuals; and (iii) to promote the further improvement of the Company's business performance and to jointly achieve the Company's strategic objectives.

(b) Type of Awards

The 2022 H Shares Incentive Scheme provides for awards of H Shares.

(c) Participants of the Scheme

The scope of eligible participants shall include any full-time employee (including director, supervisor, senior management, mid-level management, basic-level management, core technical personnel and other technical personnel) of any members of the Group, whether within PRC or not.

Corporate Governance and Other Information

(d) Source

The source of 2022 H Shares Incentive Scheme shall be H Shares to be acquired by the trustee (the “**Trustee**”). The Trustee may accept Shares transferred, gifted, assigned, or conveyed to the Trust from any party designated by the Company from time to time in such number as such party designated by the Company may at their sole discretion determine, which shall constitute part of the trust fund.

(e) Maximum Number of Shares and Maximum Entitlement of Each Participant

The maximum size of the 2022 H Shares Incentive Scheme shall be the maximum number of H Shares that will be acquired by the Trustee through on-market transactions from time to time at the prevailing market price with funds in the amount of not more than RMB600 million (the “**Scheme Limit**”).

The Company shall not make any further grant of award which will result in the aggregate number of H Shares underlying all grants made pursuant to the 2022 H Shares Incentive Scheme (excluding award shares that have been lapsed, cancelled, forfeited in accordance with the 2022 H Shares Incentive Scheme) to exceed the Scheme Limit without Shareholders’ approval.

There is no maximum entitlement limit for each participant in the 2022 H Shares Incentive Scheme.

(f) Vesting Period

The Board or its delegate(s) may from time to time while the 2022 H Shares Incentive Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the award to be vested.

Vesting of an award shall be subject to fulfilment of each of the following conditions: (i) fulfilment of all of the vesting criteria and conditions as determined by the Board or its delegated authority at their absolute discretion; (ii) the selected participant shall remain an eligible participant as of the vesting date; and (iii) the selected participant has not been dismissed by any member of the Group, has not been adjudged bankrupt or insolvent, has not been convicted of any offences involving fraud, dishonesty or corruption, and has not been prosecuted or convicted of any offences under SFO or other rules or regulations of similar nature.

(g) Term

Subject to the termination provisions under the 2022 H Shares Incentive Scheme, the term of the 2022 H Shares Incentive Scheme shall be 10 years commencing on the date of adoption, 24 June 2022.

The remaining life of the 2022 H Shares Incentive Scheme is around 6 years.

(h) Basis of Determining the Price of the H Shares

There is no purchase price of the H Shares under the 2022 H Shares Incentive Scheme.

Corporate Governance and Other Information

LIST OF GRANTEES UNDER THE 2022 H SHARES INCENTIVE SCHEME

Since the adoption date of the 2022 H Shares Incentive Scheme, 13,238,580 H shares have been purchased by the Trustee on the market at prevailing market price and the Scheme Limit has not been exceeded. As at 30 June 2026, the Trustee held a total of 13,238,580 H Shares of the Company. Since the adoption of the 2022 H Shares Incentive Scheme, the Company has granted 1,430,000 award shares, all of which were granted on 30 April 2026. The number of award shares remain available for grant under the 2022 H Shares Incentive Scheme as at 1 January 2026 and as at the date of this report were 13,238,580 H Shares and 11,808,580 H Shares, respectively, representing 1.77% and 1.58% of the total issued Shares of the Company as at the date of this report, respectively.

Out of the aggregate 1,430,000 award shares granted by the Company on 30 April 2026, 1,170,000 award shares were granted to the directors and employees who are connected persons of the Group, and the remaining 260,000 award shares were granted to other employees of the Group.

Details regarding the date of grant, the vesting period, the movements of award shares granted, vested, lapsed, forfeited or cancelled during the Reporting Period, and the number of award shares unvested as at 30 June 2026 are as follows:

Name or category of grantees	Relationship with the Company	Unvested award shares as at 1 January 2026	Award shares granted during the Reporting Period	Award shares vested during the Reporting Period	Award shares lapsed during the Reporting Period	Award shares forfeited or cancelled during the Reporting Period	Unvested award shares as at 30 June 2026	Date of grant of award shares	Closing price of the H Shares immediately before the date of grant (HK\$)	Vesting period/date
Directors of the Company										
Feng Yuxia	Chairperson and executive Director	-	500,000	-	-	-	500,000	30 April 2026	23.260	-
Gao Dapeng	Executive Director, Secretary to the Board, Joint Company Secretary	-	80,000	-	-	-	80,000	30 April 2026	23.260	-
Sun Yunxia	Executive Director	-	60,000	-	-	-	60,000	30 April 2026	23.260	-
Gu Jingliang	Executive Director	-	60,000	-	-	-	60,000	30 April 2026	23.260	-
Luo Xi	Executive Director	-	60,000	-	-	-	60,000	30 April 2026	23.260	-
Li Ye	Employee Director	-	30,000	-	-	-	30,000	30 April 2026	23.260	-
Directors of subsidiaries of the Company										
Dalin Yao	Director	-	300,000	-	-	-	300,000	30 April 2026	23.260	-
Yunkui Guo	Director	-	50,000	-	-	-	50,000	30 April 2026	23.260	-
Senior management of the Company (1 person in total)		-	30,000	-	-	-	30,000	30 April 2026	23.260	-

Corporate Governance and Other Information

Name or category of grantees	Relationship with the Company	Unvested award shares as at 1 January 2026	Award shares granted during the Reporting Period	Award shares vested during the Reporting Period	Award shares lapsed during the Reporting Period	Award shares forfeited or cancelled during the Reporting Period	Unvested award shares as at 30 June 2026	Date of grant of award shares	Closing price of the H Shares immediately before the date of grant (HK\$)	Vesting period/date
Other grantees										
Other managers of the Group (3 persons in total)		-	260,000	-	-	-	260,000	30 April 2026	23.260	-
Total (12 persons in total)		-	1,430,000	-	-	-	1,430,000			

Notes:

- No awards were vested during the Reporting Period, and accordingly, no weighted average closing price immediately before vesting is applicable to the 2022 H Shares Incentive Scheme. Regarding the fair value of awards at the date of grant, please refer to Note 21 to the Unaudited Interim Financial Report.
- The vesting dates of the award shares granted on 30 April 2026 are as follows:

	Vesting date	Proportion of vesting
First vesting date	1st anniversary of the grant date	40%
Second vesting date	2nd anniversary of the grant date	40%
Third vesting date	3rd anniversary of the grant date	20%

If the vesting date is not a business day, the vesting date shall, subject to any trading halt or suspension in trading of the H Shares, be the business day immediately thereafter.

- The vesting conditions of the award shares granted under the 2022 H Shares Incentive Scheme are subject to the conditions of the performance indicators of the Company for the three financial years ending December 31, 2026, 2027 and 2028, achievement of the individual evaluation metrics, no violation of applicable laws and regulations of the selected participants, absence of any condition restricting the vesting of the awards under applicable laws and regulations and other applicable vesting conditions. For details, please refer to the announcement of the Company dated 30 April 2026.
- None of the grantees have been granted with share awards in excess of the 1% of the total issued share capital.
- The number of award shares granted is determined after considering each of the grantees' position, tenure, contributions, responsibility and his/her role in the Group's ordinary and usual course of business.

2026 RESTRICTED A SHARE INCENTIVE SCHEME

On 4 June 2026, the Company adopted the 2026 Restricted A Share Incentive Scheme.

Summary of Terms

(a) Purpose

The purpose of the 2026 Restricted A Share Incentive Scheme is to establish a long-term incentive mechanism for the Company, attract and retain talent, motivate the Company's employees, ensure the realization of the Company's development strategy and business objectives, and promote the Company's long-term development.

(b) Types of Awards

The 2026 Restricted A Share Incentive Scheme provides restricted A shares (the "**Restricted A Shares**") as awards.

(c) Administration

Given that the Restricted A Shares will be held directly by the grantees, after the Restricted A Shares are unlocked, the grantees may make their own decisions regarding their respective unlocked Restricted A Shares in accordance with the 2026 Restricted A Share Incentive Scheme.

(d) Scope of Participants

The core technical (business) personnel of the Company (including its holding subsidiaries) (excluding independent directors, shareholders or de facto controllers who individually or collectively hold more than 5% of the Company's shares and their spouses, parents and children).

(e) Source

The Restricted A Shares under the 2026 Restricted A Share Incentive Scheme are the Company's ordinary A Shares repurchased from the secondary market.

(f) Maximum Number of Shares and Maximum Entitlement of Each Participant

On 4 June 2026, 3,167,300 Restricted A Shares were approved to be granted to 283 participants at the 2025 annual general meeting of the Company. On the same day, due to 3 participants no longer being qualified as participants, the Board resolved to grant 3,162,300 Restricted A Shares to the remaining 280 eligible participants. During the subsequent payment of funds for the Restricted A Shares subscription, 42 participants gave up all or part of their granted Restricted A Shares for personal reasons, involving a total of 526,000 shares. Therefore, the number of participants actually granted Restricted A Shares under the 2026 Restricted A Share Incentive Scheme was 238, and 2,636,300 Restricted A Shares under the 2026 Restricted A Share Incentive Scheme were granted to participants, being ordinary RMB-denominated A shares and representing approximately 0.35% of the Company's total issued share capital as of the date of this report.

The number of Restricted A Shares to be granted to any particular participant under the 2026 Restricted A Share Incentive Scheme does not exceed 1% of the total share capital of the Company as of the date of the incentive scheme draft announcement.

Corporate Governance and Other Information

(g) Term

The term of the 2026 Restricted A Share Incentive Scheme shall be from the date of completion of the registration of the Restricted A Shares grant to the date when all the Restricted A Shares granted to the participants are released from restrictions or repurchased and cancelled, with a maximum term of 48 months.

Starting from the date when the Restricted A Shares were transferred to the participants' accounts (i.e., 22 July 2026), as at the date of this report, the remaining term of this incentive plan is approximately 3 years and 10 months.

(h) Grant Date and Registration Date

The 2026 Restricted A Share Incentive Scheme was approved at the 2025 annual general meeting. The grant date is 4 June 2026. For details regarding the grant, please refer to the Company's announcement dated 4 June 2026.

On 22 July 2026, the restricted shares granted by the Company under the 2026 Restricted A Share Incentive Scheme completed the grant registration procedures at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, and the Company received the "Securities Change Registration Certificate" and "Transfer Registration Confirmation" issued by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 23 July 2026. The number of registered Restricted A Shares granted to 238 participants was 2,636,300 Restricted A Shares.

(i) Lock-up Period and Vesting Period

According to the 2026 Restricted A Share Incentive Scheme, the restricted shares granted will have a lock-up period of 12 months, 24 months and 36 months from the date of registration of the restricted shares granted to the participants. The Restricted A Shares granted to the participants under the 2026 Restricted A Share Incentive Scheme shall not be transferred, used as collateral, or used to repay debts before the lifting of the sales restriction. Shares acquired by the participants due to the conversion of capital reserves into share capital, distribution of share dividends, or share subdivision resulting from the granted restricted shares that have not yet been released from restrictions will also be locked up in accordance with this incentive plan.

The vesting period for unexercised restricted shares under the 2026 Restricted A Share Incentive Scheme shall be determined according to the following vesting periods: (i) 40% of the total number of restricted shares will be vested on the first trading day after the expiry of the 12-month period from the date of grant registration and on the last trading day of the 24-month period from the date of grant registration; (ii) 40% of the total number of restricted shares will be vested on the first trading day after the expiry of the 24-month period from the date of grant registration and on the last trading day of the 36-month period from the date of grant registration; and (iii) 20% of the total number of restricted shares will be vested on the first trading day after the expiry of the 36-month period from the date of grant registration and on the last trading day of the 48-month period from the date of grant registration.

After the lock-up period expires, the Company will process the release of the lock-up for participants who meet the conditions for release. For participants who do not meet the conditions for release, the restricted shares held by them will be repurchased and cancelled by the Company. If the conditions for release of restricted shares are not met, the relevant rights and interests shall not be deferred to the next period.

Corporate Governance and Other Information

(j) *Grant and Exercise of Awards*

Subject to certain terms of the 2026 Restricted A Share Incentive Scheme, the Restricted A Shares may be granted to any eligible employee, linking the grant of the awards to the achievement or performance of milestones by the Company and the grantee. If the Company and the relevant grantee fulfill their obligations, but other conditions are not met within the stipulated period, the awards will be repurchased or cancelled by the Company.

(k) *Basis of Determining the Grant Price of Restricted A Shares*

The grant price of restricted shares under the 2026 Restricted A Share Incentive Scheme shall not be lower than the par value of the shares and shall not be lower than the higher of the following prices: (i) 50% of the average trading price (RMB38.33 per share) of A Shares on the trading day immediately preceding the announcement of the 2026 Restricted A Share Incentive Scheme (total trading amount of shares on the previous trading day/total trading volume of shares on the previous trading day), i.e., RMB19.17 per share; or (ii) 50% of the average trading price (RMB35.47 per share) of A Shares over the 120 trading days preceding the announcement of the 2026 Restricted A Share Incentive Scheme (total trading amount of A Shares over the previous 120 trading days/total trading volume of A Shares over the previous 120 trading days), i.e., RMB17.74 per share.

During the period from the date of announcement of this incentive scheme to the registration of restricted shares completed by the participants, in case of any capitalisation issue, bonus issue, sub-division of shares, rights issue, consolidation of shares or dividend distribution made by the Company, corresponding adjustment shall be made to the grant price of the restricted shares.

Since the Company had already implemented its 2025 annual profit distribution plan, which distributed a cash dividend of RMB0.12 per share, before completing the registration of the grant of Restricted A Shares, the final grant price of the Restricted A Shares under this incentive plan was determined to be RMB19.05 per share.

LIST OF GRANTEES UNDER THE 2026 RESTRICTED A SHARE INCENTIVE SCHEME

The restricted shares granted under the 2026 Restricted A Share Incentive Scheme among the participants are shown in the table below:

Name of grantees	Restricted A Shares held as at 1 January 2026	Restricted A Shares granted during the Reporting Period	Restricted A Shares vested during the Reporting Period	Restricted A Shares lapsed/ forfeited/ cancelled during the Reporting Period	Restricted A Shares not yet vested as at 30 June 2026	Grant date of Restricted A Shares	Closing price of the A Shares immediately before the date of grant (RMB/share)	Grant price of Restricted A Shares (RMB/share)	Vesting period/ date
Core technical (business) backbone personnel (238 persons)	–	2,636,300	–	–	2,636,300	4 June 2026	33.71	19.05	–

Corporate Governance and Other Information

Notes:

1. No Restricted A Shares were vested during the Reporting Period, and accordingly, no weighted average closing price immediately before vesting is applicable to the 2026 Restricted A Share Incentive Scheme. Regarding the fair value of awards at the date of grant, please refer to Note 21 to the Unaudited Interim Financial Report.
2. For the number of participants and number of Restricted A Shares granted, please refer to the above sub-section headed “(f) Maximum Number of Shares and Maximum Entitlement of Each Participant.” None of the 238 persons are Directors, chief executives or substantial shareholders of the Company or their respective associates and none of the participant were granted in excess of 1% of the total issued share capital.
3. For the vesting dates of the Restricted A Shares granted on 4 June 2026, please refer to the above sub-section headed “(i) Lock-up Period and Vesting Period.”

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

As of 30 June 2026, no H Shares were held by the Company as treasury shares and 3,173,920 A Shares were held by the Company as treasury shares, which were intended to be used for the purpose of equity incentive.

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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions as set out in the CG Code, and has complied with the applicable code provisions during the six months ended 30 June 2026.

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 THE MODEL CODE

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. Specific enquiries have been made to all the Directors and they have confirmed that they have complied with the Model Code during the six months ended 30 June 2026.

AUDIT COMMITTEE

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.

MATERIAL LITIGATION AND ARBITRATION

For the six months ended 30 June 2026, the Group did not have any material litigation or arbitration.

Corporate Governance and Other Information

CHANGE IN DIRECTORS AND SENIOR MANAGEMENT

(i) Change in Directors and Composition of Board Committees

On 4 June 2026, Mr. Zhou Fengyuan was appointed as a non-executive Director. On the same day, the Board resolved to appoint Mr. Gu Jingliang, Mr. Zhou Fengyuan, Mr. Zhang Fan and Mr. Yang Fuquan as members of the strategic development committee of the Board. For details, please refer to the announcement of the Company dated 4 June 2026.

(ii) Change in Biographies of Directors

For the six months ended 30 June 2026, there were no changes in biographies of Directors.

On August 13, 2026, Mr. Gu Jingliang ceased to be the general manager of JOINN Clinical (Suzhou) Co., Ltd. (蘇州昭衍醫藥科技有限公司), our wholly-owned subsidiary, which was deregistered on the same day.

(iii) Change in Senior Management

For the six months ended 30 June 2026, there were no changes in senior management.

For the six months ended 30 June 2026, there was no change in the employees and remuneration policies of the Company. A review of the employees and remuneration policies of the Group during the Reporting Period is set out in "Management Discussion and Analysis – II. Financial Review – Employees and Remuneration Policy" in this report.

Save as disclosed above, during the Reporting Period, there were no changes in the information of the Directors and chief executives of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The H Shares of the Company 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 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.

The unutilized Net Proceeds brought forward from the year ended 31 December 2025 amounted to approximately RMB2,399.2 million. As of 30 June 2026, such Net Proceeds were allocated and utilized, and will be allocated and utilized, in accordance with the use of the Net Proceeds as set out in the Prospectus and the abovementioned announcements of the Company.

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.

Corporate Governance and Other Information

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	-	-	-	-	

Corporate Governance and Other Information

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
(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
(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

Corporate Governance and Other Information

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	-	-	

Corporate Governance and Other Information

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	
Total	100.0	5,285.2	5,285.2	2,992.8	106.8	2,292.4	

Ms. Feng Yuxia

Chairperson of the Board

Hong Kong, 28 August 2026

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

For six months ended 30 June 2026
(Expressed in RMB)

	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)			
<i>Items that will not be reclassified to profit or loss:</i>			
– Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserve (non-recycling)		–	–
<i>Items that may be reclassified subsequently to profit or loss:</i>			
– 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

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

For six months ended 30 June 2026
(Expressed in RMB)

	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 Consolidated Statement of Financial Position

At 30 June 2026
(Expressed in RMB)

	Note	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	9	1,362,644	1,375,121
Intangible assets		35,450	41,621
Goodwill		52,995	54,690
Biological assets	10	1,322,767	668,392
Financial assets at FVOCI		80,940	80,940
Financial assets at fair value through profit or loss ("FVTPL")	11	737,835	639,992
Certificates of deposits and term deposits		671,223	1,501,137
Other non-current assets	12	23,776	18,102
Deferred tax assets	22(b)	35,858	39,677
		4,323,488	4,419,672
Current assets			
Inventories	13	177,221	202,657
Contract costs	14	769,560	589,311
Biological assets	10	915,464	620,283
Contract assets	15(a)	114,873	135,920
Trade and bills receivables	16	198,150	196,590
Prepayments and other receivables	17	93,967	95,731
Certificates of deposits and term deposits		1,558,416	1,718,323
Financial assets at FVTPL	11	1,850,964	791,567
Cash at bank and on hand	18	823,935	911,854
		6,502,550	5,262,236
Current liabilities			
Trade payables	19	51,554	73,958
Contract liabilities	15(b)	1,311,626	854,240
Other payables	20	211,209	195,569
Lease liabilities		20,325	20,171
Income tax payable	22(a)	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

Unaudited Consolidated Statement of Financial Position

At 30 June 2026
(Expressed in RMB)

	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	22(b)	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	24	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

Unaudited Consolidated Statement of Changes In Equity

For six months ended 30 June 2026
(Expressed in RMB)

	Attributable to equity shareholders of the Company									Total Equity RMB'000
	Share capital RMB'000 Note (24)	Capital reserve RMB'000	Share award reserve RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Fair value reserve (non- recycling) RMB'000	Retained profits RMB'000	Total RMB'000	Non- controlling interests RMB'000	
Balance at 1 January 2026	749,477	5,237,666	(230,571)	167,794	3,890	26,299	2,370,425	8,324,980	371	8,325,351
Changes in equity for six months ended 30 June 2026:										
Profit for the period	-	-	-	-	-	-	747,518	747,518	1	747,519
Other comprehensive income	-	-	-	-	(12,949)	-	-	(12,949)	-	(12,949)
Total comprehensive income	-	-	-	-	(12,949)	-	747,518	734,569	1	734,570
Issue of employee ownership plan Note (21)	-	(34,434)	34,434	-	-	-	-	-	-	-
Cancellation of treasury shares Note (24)	(129)	(4,058)	4,187	-	-	-	-	-	-	-
Recognition of share-based payments Note (21)	-	4,856	-	-	-	-	-	4,856	-	4,856
Recognition of tax effect related with share-based payments	-	80	-	-	-	-	-	80	-	80
Dividends declared in respect of the previous year	-	-	30	-	-	-	(89,541)	(89,511)	-	(89,511)
Balance at 30 June 2026	749,348	5,204,110	(191,920)	167,794	(9,059)	26,299	3,028,402	8,974,974	372	8,975,346

Unaudited Consolidated Statement of Changes In Equity

For six months ended 30 June 2026
(Expressed in RMB)

	Attributable to equity shareholders of the Company									
	Share capital RMB'000	Capital reserve RMB'000	Share award reserve RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total Equity RMB'000
Balance at 1 January 2025	749,477	5,237,666	(220,565)	167,794	14,627	34,850	2,094,969	8,078,818	370	8,079,188
Changes in equity for six months ended 30 June 2025:										
Profit for the period	-	-	-	-	-	-	60,932	60,932	-	60,932
Other comprehensive income	-	-	-	-	(2,334)	-	-	(2,334)	-	(2,334)
Total comprehensive income	-	-	-	-	(2,334)	-	60,932	58,598	-	58,598
Share held for Share Incentive Schemes	-	-	(10,335)	-	-	-	-	(10,335)	-	(10,335)
Dividends declared in respect of the previous year	-	-	-	-	-	-	(22,385)	(22,385)	-	(22,385)
Balance at 30 June 2025	749,477	5,237,666	(230,900)	167,794	12,293	34,850	2,133,516	8,104,696	370	8,105,066

Unaudited Consolidated Cash Flow Statement

For six months ended 30 June 2026
(Expressed in RMB)

	Six months ended 30 June 2026 RMB'000 (Unaudited)	Six months ended 30 June 2025 RMB'000 (Unaudited)
Operating activities		
Cash generated from operations	483,088	187,400
Tax paid	(26,141)	(38,649)
Net cash generated from operating activities	456,947	148,751
Investing activities		
Payment for acquisition of RMB wealth management products	(1,805,000)	(1,058,000)
Payment for investments in unlisted funds	(69,000)	(59,800)
Purchase of property, plant and equipment	(65,178)	(86,026)
Purchase of biological assets	(335,186)	–
Purchase of intangible assets	(1,010)	(3,278)
Payment for acquisition of certificates of deposits and term deposits	(722,690)	(266,385)
Proceeds from disposal of RMB wealth management products	1,978,976	967,268
Proceeds from disposal of certificates of deposits and term deposits	521,232	62,175
Dividends received from unlisted funds	5,374	8,996
Proceeds from disposal of property, plant and equipment	17	37
Government grant received related to assets	267	14,022
Net cash used in investing activities	(492,198)	(420,991)
Financing activities		
Proceeds from issuance of restricted shares	50,222	–
Share held for Share Incentive Schemes	–	(10,335)
Dividends paid	(75,262)	–
Capital element of lease rentals paid	(10,454)	(17,622)
Interest element of lease rentals paid	(132)	(223)
Net cash used in financing activities	(35,626)	(28,180)
Effect of foreign exchange rate changes on cash and cash equivalents	(17,042)	(2,551)
Net decrease in cash and cash equivalents	(87,919)	(302,971)
Cash and cash equivalents at 1 January	911,854	965,203
Cash and cash equivalents at 30 June	823,935	662,232

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

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 financial report 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”). It was authorised for issue on 28 August 2026.

The interim financial report 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 financial report 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 financial report contains condensed 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 financial report 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.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs issued by the IASB to this interim financial report 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 RMB'000	Six months ended 30 June 2025 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

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

4. REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (continued)

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 was approximately 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.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

4. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

- *Sales of research models (continued)*

- (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.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

4. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

- *Sales of research models (continued)*

(i) Segment results (continued)

	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

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

4. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

• Sales of research models (continued)

(i) Segment results (continued)

	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	99,751	3,545	6,640	109,936

(ii) Reconciliations of reportable segment gross profit

	Six months ended 30 June 2026 RMB'000	Six months ended 30 June 2025 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

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

4. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

- *Sales of research models (continued)*

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

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

5. OTHER GAINS AND LOSSES, NET

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

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(Expressed in RMB unless otherwise indicated)

6. PROFIT BEFORE TAXATION (CONTINUED)

(b) Staff costs

	Six months ended 30 June 2026 RMB'000	Six months ended 30 June 2025 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

The employees of the Company and the subsidiaries of the Group established in the PRC participate in a defined contribution retirement benefit scheme managed by the local government authority, whereby these companies are required to contribute to the scheme at certain rates of the employees' basic salaries. The Group also has defined contribution plan in the USA (including the Federal Insurance Contributions Act tax and a 401(k) savings plan) whereby the subsidiaries established in the USA contribute to the plan at certain rates of the employees' salaries subject to certain contribution limits.

The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

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6. PROFIT BEFORE TAXATION (CONTINUED)

(c) Other items

	Six months ended 30 June 2026 RMB'000	Six months ended 30 June 2025 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 RMB'000	Six months ended 30 June 2025 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

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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

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9. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired property, plant and equipment of approximately RMB63,594,000 (six months ended 30 June 2025: RMB85,551,000) for the expansion of production facilities and research capacity.

10. BIOLOGICAL ASSETS

The biological assets of the Group are mainly including research models for non-clinical studies which are classified as current assets, and research models for breeding which are classified as non-current assets of the Group.

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current assets		
– Non-human primates for breeding	1,322,663	668,348
– Rodents for breeding	104	44
	1,322,767	668,392
Current assets		
– Non-human primates for non-clinical studies	915,177	620,250
– Rodents for non-clinical studies	287	33
	915,464	620,283
	2,238,231	1,288,675

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10. BIOLOGICAL ASSETS (CONTINUED)

(a) Analysis of non-human primates

	Non-human primates for breeding RMB'000	Non-human primates for non-clinical studies RMB'000	Total RMB'000
At 1 January 2025	383,129	685,770	1,068,899
Increase due to purchasing/raising	–	39,970	39,970
Breeding cost*	–	38,090	38,090
Decrease due to sales	–	(366,122)	(366,122)
Decrease due to mortality	(575)	(5,930)	(6,505)
Changes in fair value of biological assets	119,001	395,265	514,266
Transfer	166,793	(166,793)	–
At 31 December 2025	668,348	620,250	1,288,598
Increase due to purchasing/raising	335,186	–	335,186
Breeding cost*	–	19,283	19,283
Decrease due to sales	–	(196,306)	(196,306)
Decrease due to mortality	(1,130)	(2,907)	(4,037)
Changes in fair value of biological assets	336,075	459,041	795,116
Transfer	(15,816)	15,816	–
At 30 June 2026	1,322,663	915,177	2,237,840

Note:

- * Breeding cost incurred for non-human primates mainly include feeding costs, staff costs, depreciation and amortisation expenses and utilities costs. Breeding cost incurred for non-human primates for breeding has been charged to profit or loss.

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10. BIOLOGICAL ASSETS (CONTINUED)

(b) Fair value measurement of biological assets

The fair value measurements of biological assets fall into Level 3 of the fair value hierarchy.

The Group's non-human primates were revalued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer at 31 December 2025. At 30 June 2026, the valuations were carried out by management.

The fair values of biological assets are determined using market approach and depreciated replacement cost approach. Market price and replacement cost and adjustment factors based on the characteristics of the biological assets (including age, gender, health status, breeding useful life and etc.) were used in the calculations of fair values.

Information about Level 3 fair value measurements:

Fair value hierarchy	Valuation technique	Inputs	Relationship of unobservable inputs to fair value
Level 3	Market approach and depreciated replacement cost approach	Market prices of non-human primates research model	The higher the market price, the higher the fair value

As at 30 June 2026, the average market price of the non-human primates research model of 3 to 5 years old is RMB150,000 per head.

The estimated fair value of non-human primates increases/decreases as a result of an increase/decrease in the market price. As at 30 June 2026, if market price increases/decreases by 10%, the estimated fair value of biological assets would have increased/decreased by RMB223,784,000 (31 December 2025: RMB128,860,000).

Changes in fair value of biological assets are presented in "gains arising from changes in fair value of biological assets" in the consolidated statement of profit or loss and other comprehensive income.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

11. FINANCIAL ASSETS AT FVTPL

	At June 30 2026 RMB'000	At 31 December 2025 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

12. OTHER NON-CURRENT ASSETS

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Prepayments for acquisition of property, plant and equipment	22,433	13,555
Others	1,343	4,547
	23,776	18,102

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(Expressed in RMB unless otherwise indicated)

13. INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Raw materials and consumables	181,769	208,809
Less: write-down of inventories	(4,548)	(6,152)
	177,221	202,657

For the six months ended 30 June 2026, the Group's amount of inventories recognised as expense and included in the consolidated statement of profit or loss is RMB289,805,000 (six months ended 30 June 2025: RMB248,905,000).

14. CONTRACT COSTS

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Costs to fulfil contracts	818,954	650,357
Less: write-down of contract costs	(49,394)	(61,046)
	769,560	589,311

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15. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Contract assets	115,450	136,603
Less: loss allowance	(577)	(683)
	114,873	135,920

The contract assets primarily relate to the Group's right to the consideration for work completed but not yet billed. The contract assets will be transferred to trade receivables when the rights become unconditional.

(b) Contract liabilities

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Amounts received in advance of the delivery of services	1,311,626	854,240

	Six months ended 30 June 2026 RMB'000	Six months ended 30 June 2025 RMB'000
Revenue recognised during the period that was included in the contract liabilities at the beginning of the period	339,937	324,262

Normally the Group receives advanced payments before the provision of non-clinical study services to customers. Contract liabilities represent the Group's obligations to transfer services to customers for which the Group have received advanced payments from such customers. The contract liabilities are expected to be recognised as income within three years.

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16. TRADE AND BILLS RECEIVABLES

	At 30 June 2026 RMB'000	At 31 December 2025 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

The ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 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

Trade receivables are primarily due on 30 days from the date of billing.

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17. PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Prepayments for purchase of inventories and receiving of services	43,843	33,422
Value added tax recoverable	33,060	40,434
Prepayments for miscellaneous expenses	5,541	8,940
Deposits	4,604	5,739
Income tax recoverable	6,903	7,124
Others	16	72
	93,967	95,731
Less: loss allowance	—	—
	93,967	95,731

All of the prepayments and other receivables are expected to be recovered or recognised as expense within one year.

18. CASH AT BANK AND ON HAND

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Cash at bank	823,935	911,854
Cash at bank and on hand included in the consolidated statement of financial position	823,935	911,854
Less: restricted deposits	—	—
Cash and cash equivalents included in the consolidated cash flow statement	823,935	911,854

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19. TRADE PAYABLES

	At 30 June 2026 RMB'000	At 31 December 2025 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 RMB'000	At 31 December 2025 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.

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20. OTHER PAYABLES

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Payables for staff related costs	75,454	117,606
Payables for acquisition of property, plant and equipment	52,272	68,395
Dividends payable (Note 23)	14,279	–
Payables for other taxes	14,563	6,859
Considerations received from employees for subscribing restricted shares of the Company under share incentive scheme	50,222	–
Others	4,419	2,709
	211,209	195,569

All of the other payables are expected to be settled within one year or are repayable on demand.

21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

On 24 June 2022, an H share incentive scheme ("2022 H Share Incentive Scheme") was approved at the annual general meeting of 2021 of the Company. Under the 2022 H Share Incentive Scheme, the Company will repurchase H share by the appointed trustee(s) through on-market transactions and the purchased H share will be used for award the eligible employees.

On 30 April 2026, the Company granted 1,430,000 H Shares to 12 management personnel of the Group under 2022 H Share Incentive Scheme. The participants are entitled to subscribe the Company's restricted shares at RMB Nil each.

On 4 June 2026, a restricted share award scheme ("2026 Restricted A Share Incentive Scheme") was approved at the annual general meeting of 2025 of the Company. The Company granted 2,636,300 restricted shares to the employees of the Group under 2026 Restricted A Share Incentive Scheme. The participants are entitled to subscribe the Company's restricted shares at RMB19.05 each. The registration of the restricted shares was completed on 22 July 2026.

Pursuant to the terms of the above schemes, the numbers and repurchase prices of the restricted shares will be adjusted according to the resolution in respect of the Company's dividend distribution.

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21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(a) Restricted shares

The terms and conditions of the grants are as follows:

	Number of instruments	Vesting conditions	Contractual life of options
Restricted shares granted to directors:			
– on 30 April 2026 under 2022 H Share Incentive Scheme	790,000	Both performance and service period conditions apply (Note (i))	1–3 years
Restricted shares granted to employees:			
– on 30 April 2026 under 2022 H Share Incentive Scheme	640,000	Both performance and service period conditions apply (Note (i))	1–3 years
– on 4 June 2026 under 2026 Restricted A Share Incentive Scheme	2,636,300	Both performance and service period conditions apply (Note (ii))	1–3 years
Total restricted shares granted	4,066,300		

Notes:

- (i) The restricted shares will vest over a three-year period, with 40%, 40% and 20% of total restricted shares vesting respectively on the first trading day after the first, second and third anniversary date from the date of the grant, upon meeting the achievement of vesting conditions with reference to both financial performance of the Group and service period and individual performance of the directors and employees.
- (ii) The restricted shares will vest over a three-year period, with 40%, 40% and 20% of total restricted shares vesting respectively on the first trading day after the first, second and third anniversary date from the date of the registration of grant, upon meeting the achievement of vesting conditions with reference to both financial performance of the Group and service period and individual performance of employees.

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21. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(a) Restricted shares (continued)

Set out below are details of the movements of the restricted shares:

	Six months ended 30 June 2026	Six months ended 30 June 2025
Outstanding at the beginning of the period	–	–
Granted during the period	4,066,300	–
Outstanding at the end of the period	4,066,300	–

The restricted shares granted on 30 April 2026 and 4 June 2026 were valued at RMB18.83 and RMB14.37 per share, respectively, which is the difference between the market price of the ordinary share at the grant date and the proceeds received from the employees.

(b) Share-based payment expenses

The Group has recognised share-based payment expenses of RMB4,856,000 during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB Nil).

22. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the statement of financial position represents:

	Six months ended 30 June 2026 RMB'000	Six months ended 30 June 2025 RMB'000
Net balance of income tax payable at 1 January	9,526	19,173
Provision for the period	20,369	17,901
Income tax paid	(26,141)	(38,649)
Net balance of income tax payable at 30 June	3,754	(1,575)
Represented by:		
Income tax recoverable included in prepayments and other receivables (Note 17)	(6,903)	(10,674)
Income tax payable	10,657	9,099
	3,754	(1,575)

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22. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities recognised:

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is a summary of the deferred tax balances for financial reporting purposes:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Deferred tax assets	35,858	39,677
Deferred tax liabilities	(165,382)	(121,806)
	(129,524)	(82,129)

23. 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 per 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.

24. 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

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25. FAIR VALUES MEASUREMENT

(a) Fair value hierarchy

Fair values are categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e., unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e., observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

(b) Financial assets measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the Reporting Period on a recurring basis.

Financial assets	Fair value at 30 June 2026	Fair value at 31 December 2025	Fair value hierarchy
Equity investment in an unlisted company designated at FVOCI	80,940	80,940	Level 3
Equity investment in an unlisted company at FVTPL (Note 11)	264,702	264,702	Level 3
Investments in unlisted funds (Note 11)	473,133	375,290	Level 3
RMB wealth management products (Note 11)	1,558,416	1,718,323	Level 3

During the six months ended 30 June 2026, there were no transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the Reporting Period in which they occur.

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25. FAIR VALUES MEASUREMENT (CONTINUED)

(b) Financial assets measured at fair value (continued)

(i) Information about Level 3 fair value measurements

The fair value of equity investment in an unlisted company at FVOCI is determined using the price to book ratio of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. At 30 June 2026, if the discount for lack of marketability had been one percentage point higher/lower, the Group's total comprehensive income would have been RMB587,000 lower/higher.

The fair value of equity investment in an unlisted company at FVTPL is determined based on the price to book ratio of comparable listed companies and the equity allocation model, and the fair value measurement is negatively correlated to the expected volatility. At 30 June 2026, if the expected volatility had been one percentage point higher/lower, the Group's total comprehensive income would have been RMB RMB1,367,000 lower/higher.

The fair value of RMB wealth management products is determined by calculating based on the discounted cash flow method. The main level 3 inputs used by the Group for RMB wealth management products are the expected rates of return. As at 30 June 2026, if the expected rate of return of the investment in RMB wealth management products held by the Group had been one percentage point higher/lower, the Group's profit for the year and retained profits would have been RMB5,438,000 higher/lower.

The fair values of which are based on the net asset values of the investments in unlisted funds reported to the limited partners by the general partners at the end of the Reporting Period.

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25. FAIR VALUES MEASUREMENT (CONTINUED)

(b) Financial assets measured at fair value (continued)

(i) Information about Level 3 fair value measurements (continued)

The movements during the period in the balance of Level 3 fair value measurements are as follows:

	Equity investment in an unlisted company designated at FVOCI RMB'000	Equity investment in an unlisted company at FVTPL RMB'000	RMB wealth management products RMB'000	Investments in unlisted funds RMB'000
At 1 January 2025	91,000	345,245	1,396,123	279,729
Additions in investments	–	–	1,870,000	124,200
Net realised and unrealised gains or losses recognised in profit or loss during the period	–	(80,543)	32,888	(28,291)
Changes in fair value recognised in other comprehensive income	(10,060)	–	–	–
Exchange adjustments	–	–	–	(348)
Disposal of financial assets	–	–	(1,580,688)	–
At 31 December 2025	80,940	264,702	1,718,323	375,290
Additions in investments	–	–	1,805,000	69,000
Net realised and unrealised gains or losses recognised in profit or loss during the period	–	–	14,069	29,061
Exchange adjustments	–	–	–	(218)
Disposal of financial assets	–	–	(1,978,976)	–
At 30 June 2026	80,940	264,702	1,558,416	473,133

(c) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2026.

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26. COMMITMENTS

Capital commitments outstanding at 30 June 2026 not provided for in the consolidated financial statements were as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Purchase of property, plant and equipment: – Contracted for	89,270	101,207

27. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

(a) Names and relationships of the related parties that had material transactions with the Group during both years:

Name of related parties	Relationship
Staidson (Beijing) Biopharmaceuticals Co., Ltd. ("Staidson group") 舒泰神(北京)生物製藥股份有限公司	A company controlled by the controlling shareholders
Beijing SoloBio Genetechnology Company Ltd. ("Staidson group") 北京三諾佳邑生物技術有限責任公司	A company controlled by the controlling shareholders
Staidson Biopharma Inc. ("Staidson group")	A company controlled by the controlling shareholders
Jiangsu Beijietai Biotechnology Co., LTD ("Staidson group") 江蘇貝捷泰生物科技有限公司	A company controlled by the controlling shareholders
Biorichland LLC	A company controlled by close family members of the controlling shareholders
Beijing Joinn Biologics Co. Ltd., ("Joinn Biologics group") 北京昭衍生物技術有限公司	A company controlled by the controlling shareholders
Joinn Biologics (Guangzhou) Co., Ltd. ("Joinn Biologics group") 昭衍生物技術(廣州)有限公司	A company controlled by the controlling shareholders

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27. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Names and relationships of the related parties that had material transactions with the Group during both years: (continued)

Name of related parties	Relationship
JOINN Biologics Inc. ("Joinn Biologics group")	A company controlled by the controlling shareholders
Suzhou Qixi Bio-Valley Co., Ltd. ("Qixi group") 蘇州七溪生物矽谷有限公司	A company controlled by the controlling shareholders
Suzhou Qixi Operating Management Co., Ltd. ("Qixi group") 蘇州七溪運營管理有限公司	A company controlled by the controlling shareholders
Yizhao (Beijing) Pharmaceutical Technology Co., Ltd. ("Yizhao") 熠昭(北京)醫藥科技有限公司	A company controlled by the controlling shareholders
BioAI Technology, Co., Ltd. ("BioAI") 生全智能科技(北京)有限公司	A company controlled by close family members of the controlling shareholders

Notes:

As of the end of the Reporting Period, Hexin Xunming (Beijing) Pharmaceutical Technology Co., Ltd. and its subsidiaries ("Hexin group"), and Beijing Heyu Pharmaceutical Technology Co., Ltd. and its subsidiaries ("Heyu group") were no longer related parties of the Group.

Accordingly, comparative amounts in respect of Hexin group and Heyu group are retained in Note 27(b) with no current-period amounts presented; opening balances in respect of Hexin group and Heyu group are retained in Note 27(d) with no closing balances presented.

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27. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Transactions with related parties

	Six months ended 30 June 2026 RMB'000	Six months ended 30 June 2025 RMB'000
Sales of research models to Staidson group	–	450
Provision of services to Staidson group	12,614	9,991
Provision of service to Joinn Biologics group	780	262
Provision of services to Heyu group	–	942
Provision of services to Hexin group	–	5,515
Purchase of services from Joinn Biologics group	2,373	560
Purchase of services from Qixi group	103	166
Purchase of services from BioAI	2,977	2,236
Lease expenses of offices from Biorichland LLC	–	258
Lease expenses of offices from Joinn Biologics group	36	21
Lease expenses of offices from Yizhao	–	192
Lease expenses of offices from Qixi group	–	247

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

27. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(c) Leasing arrangements

By the end of 2025, the Group entered into the renewal agreement in relation to the lease of the leased property and leased equipment with Biorichland LLC, pursuant to which the term of the leased property and leased equipment was extended to 31 December 2028 and 31 December 2027 separately.

At the commencement date of the lease, the Group recognised a right-of-use asset and a lease liability of USD2,214,000, which is equivalent to RMB15,081,000. The rental paid/payable by the Company during the six months ended 30 June 2026 amounted at USD379,000, which is equivalent to RMB2,615,000.

By the end of 2025, the Group entered into a lease agreement in respect of buildings, from Qixi group.

At the commencement date of the lease, the Group recognised a right-of-use asset and a lease liability of RMB5,397,000. The rental paid/payable by the Company during the six months ended 30 June 2026 amounted at RMB1,405,000.

In 2023, the Group entered into a lease agreement in respect of office to be used for filling, from Joynn Biologics group.

At the commencement date of the lease, the Group recognised a right-of-use asset and a lease liability of RMB2,429,000. The rental paid/payable by the Company during the six months ended 30 June 2026 amounted at RMB441,000.

In 2024, the Group entered into five lease agreements for offices from Joynn Biologics group. In 2025, three of these leases were modified through formal lease amendments.

After the amendments of the lease, the Group recognised five right-of-use assets and five lease liabilities of RMB17,770,000. The rental paid/payable by the Company during the six months ended 30 June 2026 amounted at RMB4,886,000.

Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

27. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(d) Balances with related parties

The Group's balances with related parties as at the end of Reporting Period are as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Contract assets	973	995
Trade and bills receivables	6,067	4,405
Prepayments and other receivables	1,776	4,731
Contract liabilities	7,174	6,897
Trade payables and other payables	2,198	783

The balances with related parties disclosed above are trade in nature.

(e) Key management personnel remuneration

Remuneration for key management personnel of the Group is RMB8,139,000 during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB5,126,000).