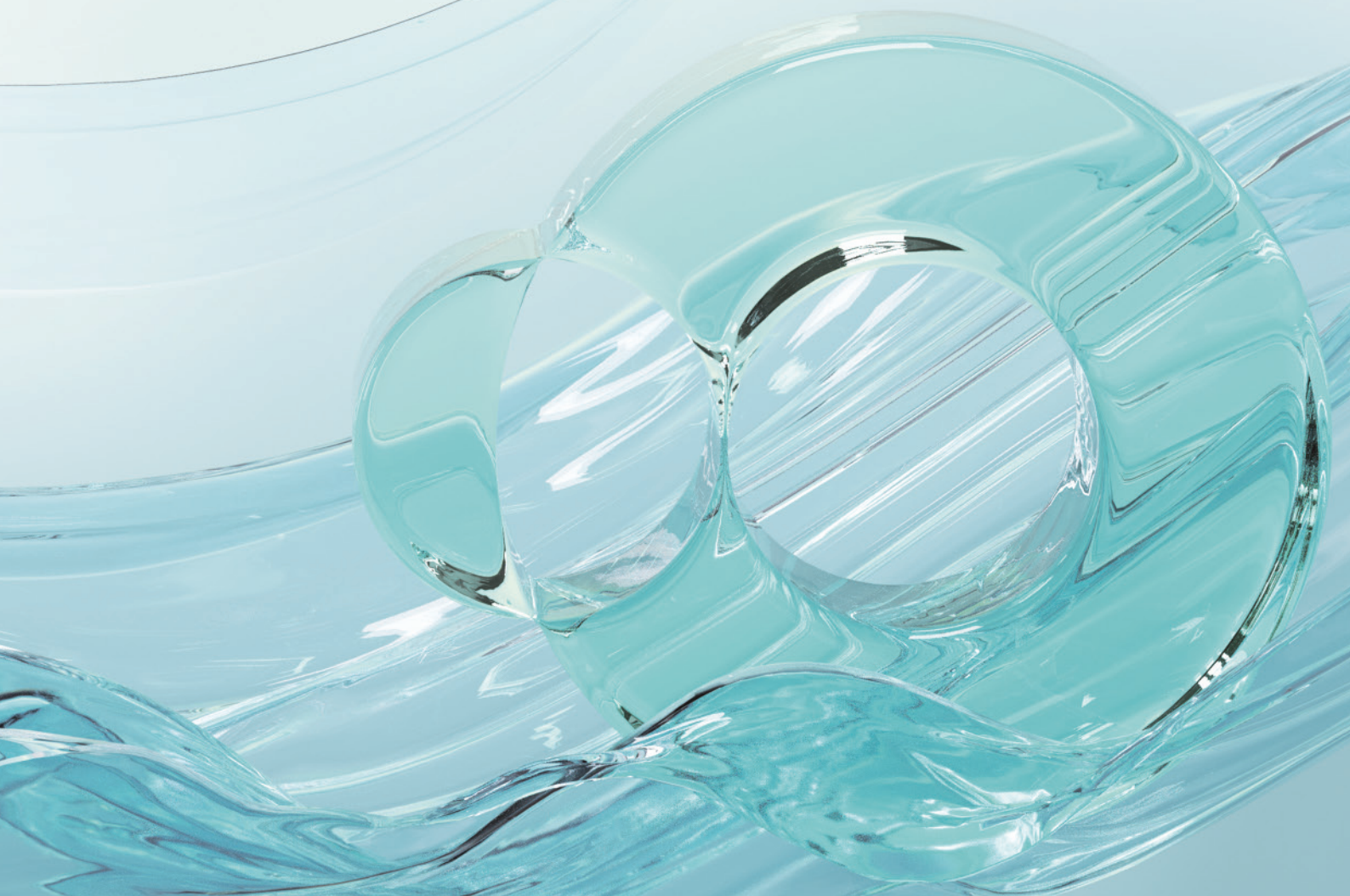
Tigermed

2026
中期報告
INTERIM REPORT

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

Stock Code 股份代號：**3347**



CONTENTS

Corporate Information	2
Financial Highlights	4
Management Discussion and Analysis	5
Corporate Governance and Other Information	77
Consolidated Balance Sheet	83
Consolidated Income Statement	85
Consolidated Cash Flow Statement	87
Consolidated Statement of Changes in Owners' Equity	89
Notes to Financial Statements	91
Definitions	144

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Employee Director

Mr. Wu Hao (吳灝) *(Redesignated on June 2, 2026)*

Independent Non-executive Directors

Mr. Yuan Huagang (袁華剛)
Ms. Liu Yuwen (劉毓文)
Mr. Siu, Paul Yu Hay (蕭耀熙) *(Appointed on June 2, 2026)*
Mr. Liu Kai Yu Kenneth (廖啟宇) *(Retired on June 2, 2026)*

COMPANY SECRETARY

Ms. Yung Mei Yee (翁美儀)

AUTHORISED REPRESENTATIVES

Dr. Ye Xiaoping (葉小平)
Ms. Yung Mei Yee (翁美儀)

STRATEGY DEVELOPMENT COMMITTEE

Dr. Ye Xiaoping (葉小平) *(Chairman)*
Mr. Wu Hao (吳灝)
Mr. Yuan Huagang (袁華剛)
Ms. Liu Yuwen (劉毓文) *(Retired on June 2, 2026)*

AUDIT COMMITTEE

Mr. Siu, Paul Yu Hay (蕭耀熙) *(Chairman)*
(Appointed on June 2, 2026)
Mr. Liu Kai Yu Kenneth (廖啟宇) *(Chairman)*
(Retired on June 2, 2026)
Mr. Yuan Huagang (袁華剛)
Ms. Liu Yuwen (劉毓文)

REMUNERATION AND EVALUATION COMMITTEE

Mr. Yuan Huagang (袁華剛) *(Chairman)*
Mr. Siu, Paul Yu Hay (蕭耀熙) *(Appointed on June 2, 2026)*
Ms. Cao Xiaochun (曹曉春)
Mr. Liu Kai Yu Kenneth (廖啟宇) *(Retired on June 2, 2026)*

NOMINATION COMMITTEE

Ms. Liu Yuwen (劉毓文) *(Chairwoman)*
Mr. Wen Zengyu (聞增玉)
Mr. Siu, Paul Yu Hay (蕭耀熙) *(Appointed on June 2, 2026)*
Mr. Liu Kai Yu Kenneth (廖啟宇) *(Retired on June 2, 2026)*

AUDITOR

BDO China Shu Lun Pan Certified Public Accountants LLP
4th Floor
61 Nanjing East Road
Shanghai, China

REGISTERED OFFICE

Room 601–610, 6/F
No. 508 Lujiatan Street
Puyan Sub-District
Binjiang District
Hangzhou, Zhejiang Province
China

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 601–610, 6/F
No. 508 Lujiatan Street
Puyan Sub-District
Binjiang District
Hangzhou, Zhejiang Province
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL BANKS

Bank of China
Hangzhou Binjiang Sub-branch
3806 Jiangnan Avenue
Binjiang District
Hangzhou, Zhejiang Province
China

China Merchants Bank
Hangzhou Fengqi Sub-branch
329 Moganshan Road
Hangzhou, Zhejiang Province
China

Industrial and Commercial Bank of China
Hangzhou Kaiyuan Sub-branch
1/F, Gongyuan Building
Xihu District
Hangzhou, Zhejiang Province
China

HONG KONG LEGAL ADVISER

Jia Yuan Law Office
Suites 3502–03, 35/F
One Exchange Square
8 Connaught Place, Central
Hong Kong

PRC LEGAL ADVISER

Jia Yuan Law Offices
32/F, Building S1
The Bund Finance Center
No. 600, Zhongshan No. 2 Road (E)
Huangpu District
Shanghai
200001
China

A SHARE REGISTRAR AND TRANSFER OFFICE IN THE PRC

China Securities Depository & Clearing Corporation Limited (CSDCC) Shenzhen Branch
22–28/F, Shenzhen Stock Exchange Building
2012 Shennan Blvd, Futian District
Shenzhen, China

H SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

A Share: 300347 (Shenzhen Stock Exchange)
H Share: 03347 (the Stock Exchange)

COMPANY'S WEBSITE

www.tigermedgrp.com

FINANCIAL HIGHLIGHTS

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2026, together with comparative figures for the six months ended June 30, 2025.

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

	For the six months ended June 30,		
	2026	2025	Change[2]
	RMB million	RMB million	
	(Unaudited)	(Unaudited)	
Operating results			
Revenue	**3,707.6**	3,250.4	14.1%
Gross Profit	**1,020.5**	978.0	4.3%
Net profit attributable to the owners of the Company	**(413.2)**	383.3	(207.8)%
Net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss[1]	**277.7**	210.7	31.8%
Profitability			
Gross Profit Margin	**27.5%**	30.1%	(2.6)%
Margin of net profit attributable to the owners of the Company	**(11.1)%**	11.8%	(22.9)%
Margin of net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss[1]	**7.5%**	6.5%	1.0%
Earnings per share (RMB)			
– Basic	**(0.48)**	0.45	(206.7)%
– Diluted	**(0.48)**	0.45	(206.7)%

Notes:

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

(2) Changes in percentage points for ratios.

The Board resolved not to declare any interim dividend for the six months ended June 30, 2026 (June 30, 2025: nil).

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

By the end of 2024, some small and medium-sized clinical CROs have begun to gradually scale back their operations. The consolidation trend on the supply side continues in the first half of 2026; the further integration of the clinical research outsourcing industry has gradually led to benign competition within the industry. Meanwhile, against the backdrop of this rapid industry development over the past few years, some earlier-stage R&D pipelines have become mismatched with the current phase of the industry, and the impact on the Company's order backlog has been largely cleared.

Driven by a global patient-centric and clinical value-oriented approach, China's innovative drug R&D remained active in the first half of 2026, sustaining the momentum that has been building since 2025, and its innovation capabilities were further upgraded. Both the quality and quantity of the innovative drug pipeline have ranked among the world's leading levels. In the first half of 2026, a total of 38 Class 1 new drugs were approved by the NMPA.

Simultaneously, the CDE under the NMPA announced 1,313 Phase I-III clinical trials for innovative drugs, significantly higher than the 1,012 announced for the corresponding period of 2025. In the first half of 2026, China had 1,908 IND applications approved, up 27% YoY, and 638 Phase I clinical trials announced, up 25% YoY.

In recent years, China has gradually integrated into the international R&D system, becoming an important contributor to global innovation. At the 2026 ASCO Annual Meeting, 95 studies from China were selected for oral presentations, a 30% increase from 2025. A total of 12 studies from China were selected into LBAs, accounting for nearly one-fifth of all 63 LBAs at this meeting.

On the global map of pharmaceutical innovation, innovative drugs created in China are becoming a powerful force that cannot be ignored. In the first half of 2026, the value of innovative drug assets in China has shown a significant rebound that has been underway since 2025. It is an inevitable process for these assets to be priced according to global asset standards as their R&D quality reaches a world leading level.

At a time when Chinese innovative assets are still considered undervalued by global asset holders, acquiring the overseas rights to these assets offers an attractive risk-reward profile, particularly for assets that have achieved early PoC in China. Simultaneously, to address future global market competition, patent expirations, and pressure to cut R&D costs, while continuing to create value for shareholders, multinational pharmaceutical companies have actively engaged in M&A and licensing deals globally.

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

Propelled by the resonance of these dual factors, the value of overseas licensing deals for Chinese innovative drugs has repeatedly reached new highs. According to data from PharmaCube (a Chinese pharmaceutical big data service platform), in the first half of 2026, upfront payments from domestic companies' outbound licensing deals reached USD4.97 billion, up 68.4% YoY, accounting for nearly 70% of the upfront payments in the entire year of 2025. The potential total deal value reached USD99.89 billion, up 42.0% YoY. The number of transactions was 116, up 28.9% YoY. Notably, domestic innovative pharmaceutical companies have secured a series of blockbuster deals with large upfront payments, becoming highlights in the "going global" journey of Chinese innovative drugs. Moreover, collaboration models have become more diversified, evolving from single-product licensing to platform-based partnerships and joint development. The continued rise in the value of domestic innovative drug licensing deals has proved the recognition of the quality assets and independent R&D capabilities of Chinese biotechnology by overseas pharmaceutical companies, and it also indirectly validated the global competitiveness of Chinese domestic biopharmaceutical industry.

Note: The above data is sourced from the NextPharma database; the transaction amounts only account for publicly disclosed data; statistics on Chinese transaction data include only the data from the Chinese Mainland, excluding the data from Hong Kong SAR, Macau SAR and Taiwan Region.

Active outbound licensing transactions not only allow innovative drug companies to realize part of their pipeline rights in advance, effectively alleviating the cash flow pressure faced by some unprofitable clients that rely on external financing; they also enable collaboration with overseas pharmaceutical companies, leveraging their clinical resources and distribution networks to accelerate the global approval and commercialization process of pipelines, helping companies achieve self-sufficiency sooner. More importantly, this trend has driven the value rebound of Chinese innovative drug assets, thereby picking up business sentiment in related industries. In the first half of 2026, the investment and financing activities in the primary market of biomedicine also remained highly active. According to data from PharmaCube, PE/VC financing for the domestic innovative drug industry in the first half of 2026 reached USD4.257 billion, up 189% YoY. Meanwhile, IPOs, M&A, and capital market liquidity continued to improve, and the exit mechanism for the primary market in the field of innovative drugs was effectively repaired and optimized.

Note: The above data is sourced from the NextPharma database, and it only includes primary market financing and excludes IPOs, M&A, follow-on offerings, and privatizations.

The triple drivers of policy, technology, and capital will be the core elements for China's innovative drug sector to enter a stage of high-quality development. In the first half of 2026, China continues to deepen reforms to promote the high-quality development of the pharmaceutical industry. On the one hand, biomedicine has been explicitly designated as a national "Emerging Pillar Industry" (新興支柱產業); on the other hand, the document rationalizes drug pricing mechanisms, allowing greater pricing flexibility for high-level innovative drugs.

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

With the recovery of the domestic biopharmaceutical industry, the demand for clinical research outsourcing services has rebounded, and since 2025, customer enthusiasm for early inquiries has noticeably increased. Meanwhile, as the demand for pharmaceutical companies of China to expand overseas increases, clinical CROs with global service capabilities have a remarkable competitive advantage. The record high upfront payment in license-out transactions obtained by domestic biopharmaceutical companies in the first half of 2026, high-speed growth of investment and financing in the primary market and the cash flow generated from new drug sales of innovative pharmaceutical companies provide financial security for a new round of R&D and are expected to bring about the growth of long-term clinical demand.

Meanwhile, China's clinical research industry has notable advantages in time and cost efficiency, particularly in patient recruitment. According to data from single-region clinical trials from 2020 to 2024, the patient recruitment speed in China is approximately 2-5 times faster than the global average, with recruitment efficiency in core therapeutic areas such as metabolism, oncology, and immunology significantly exceeding the global median. In oncology clinical studies, the median time for patient recruitment in Phase I to III clinical trials in China is significantly shorter than that in the U.S., showcasing outstanding R&D efficiency (data may not be comprehensive).

In 2025, clinical trial data from China was, for the first time, substantially replicated in clinical trials in the Europe and U.S., a significant milestone for China's clinical research industry. This is expected to greatly increase the willingness of global pharmaceutical companies and overseas biotechnology firms to conduct clinical research, especially early-stage PoC studies, in China. Building on its ability to serve local needs, China's efficient and economical clinical research capabilities will gradually begin to empower global R&D pipelines.

In the first half of 2026, with the recovery of the domestic biopharmaceutical industry and the further integration of China's innovative drug R&D industrial chain into the global landscape, the demand for clinical research outsourcing services has continued to show a recovery trend. Meanwhile, the clinical research outsourcing industry further consolidated in the first half of 2026, and competition within the industry has become more benign. The Company's BD Department and all employees continue to deeply cultivate relationships with high-quality domestic clients, continuously developing clinical R&D and related business orders, especially those from domestic pharmaceutical companies and high-quality biotech companies; on the other hand, they are also actively exploring business opportunities from large multinational pharmaceutical companies. It also actively promoted the implementation of early-stage clinical projects in China initiated by overseas sponsors, and made substantial progress in cooperation with both multinational pharmaceutical companies and overseas biotech companies. The Company signed strategic cooperation agreements with Hisun Pharmaceutical, Insilico Medicine, 3SBio, and an European leading multinational pharmaceutical company, deepening cooperation in clinical trials, AI empowerment, and early-stage R&D.

During the Reporting Period, the Company's net new bookings (newly signed orders subtracted by canceled orders) accelerated its growth compared to the Corresponding Period in 2025, and the average unit price of new bookings returned to a growth trend compared to the Corresponding Period in 2025.

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

In the first half of 2026, the Company maintained its leading position in China's clinical outsourcing services industry. According to Frost & Sullivan's data, the Company's market share in China's clinical outsourcing market reached 10.9% in 2025, up from 10.6% in 2024, and is the only China-based clinical services provider ranked among global top 10. In the first half of 2026, the Company provided services for 31 approved Class 1 new drugs and 5 approved innovative medical devices in China. We have cumulatively provided services for 62% of the marketed Class 1 new drugs in China over the past 20 years.

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

In the first half of 2026, AI technology in the clinical CRO industry accelerated from PoC to large-scale implementation, and industry applications evolved from single-point tools to platform-based and systematic solutions. The Company continued to position digitalization and intelligence as core development strategies, with the Intelligence Research Institute coordinating and steadily advancing various initiatives and expand the AI product matrix. During the Reporting Period, the Company has advanced multiple product R&D and scenario applications in areas such as intelligent writing, intelligent monitoring, intelligent data management and statistical analysis, intelligent agent platforms, intelligent site selection, and intelligent contracts.

During the Reporting Period, the Company continued to consolidate the data and technological foundation for intelligent applications. The enterprise-level general intelligent agent platform was completed, providing unified support for the construction, release, and operation of various business intelligent agents, lowering the threshold for construction, avoiding redundant development, and ensuring stable and controllable operation.

The application value of the Company's in-house developed AI intelligent agents in frontline business scenarios has been further verified. Taking the document revision record comparison scenario as an example, for documents ranging from 10 to 300 pages such as informed consent forms, contracts, protocols, investigator brochures, and recruitment advertisements, the frontline team used the Company's AI intelligent agent to automatically extract and integrate revision trace content. The processing time per instance was reduced from 30 minutes to 10 minutes, a decrease of 67%, and the processing speed increased to 3 times. The omission rate of revision records dropped from 5% to zero, and the comparison reports can be directly used for TMF archiving review and ethics submission. In scenarios such as intelligent document renaming, processing efficiency and accuracy have also achieved significant improvements. The Company will continue to collect frontline feedback to continuously optimize the product experience.

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

In the field of medical writing, the Company's intelligent writing product system has made phased progress. The intelligent writing-CSR plug-in version, as an AI-assisted writing system, can automatically extract statistical analysis results, subject data, and safety signals, and generate structured report content according to standard templates such as ICH E3. During the Reporting Period, commercial customer delivery was completed, which can reduce medical writing labor investment by about 40%-60% and achieve a data citation accuracy rate of nearly 100%, helping to submit marketing applications for new drugs and biologics on time. The protocol intelligent writing product CSP and the CER for medical device regulatory compliance scenarios have both completed their Beta version launches; R&D projects such as intelligent writing-M2, intelligent writing-CSR V2, and the unified writing product are progressing steadily as planned.

In clinical operation scenarios, the Company has deployed AI capabilities across site selection, contract budgeting, patient recruitment, and intelligent monitoring. The AI-Site intelligent site selection workbench is positioned as an intelligent decision-making system for the full lifecycle management of clinical research sites. It plans six major functions, including knowledge graphs, intelligent site recommendations, and cost and time estimation. Relying on a private operational data pool and core algorithmic capabilities, it aims to achieve a historical project data reuse rate of over 80%, compress the site selection cycle from 2-4 weeks to 1 hour, and output low, medium, and high-tier cost estimates while predicting the time for first subject enrollment and overall completion. The intelligent contract and budget generation capability can intelligently parse protocol documents, extract key variables, quickly generate detailed multi-center budget tables, and automatically check and generate risk summaries based on built-in compliance standards. The precise case screening product completed stability optimization and knowledge base retrieval technology upgrades during the Reporting Period, which can extract key indicators based on medical records and examination reports, and automatically determine whether they meet enrollment criteria in combination with inclusion/exclusion criteria. The intelligent monitoring product completed the requirements analysis and design of the unified monitoring product during the Reporting Period, aiming to assist manual verification through AI applications, achieving cost reduction, efficiency improvement, and risk control in source data verification.

In project management and document compliance, multiple AI capabilities are progressing as planned. In the project management direction, capability building and interface integration for knowledge bases, sensitive information identification and desensitization, and structured information extraction were completed during the Reporting Period. This enables automatic identification and desensitization of sensitive information during file uploads, and a project knowledge base with version control and intelligent retrieval has been established. TMF AI completed the development and optimization of capabilities for file renaming, classification, and attribute extraction, enabling intelligent file naming, automatic categorization, attribute extraction, and quality pre-inspection before warehousing.

The intelligent data management and statistical analysis product is based on multi-agent collaboration, an industry-standard rule library, and metadata-driven approaches. It plans to cover the generation, quality control, and traceability from raw data to standard datasets, analysis datasets, and statistical charts. During the Reporting Period, product design and feasibility verification of key links were completed.

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

In the second half of 2026, the Company will continue to increase R&D investment, closely follow AI technology development trends, expand the team of digital and intelligent professionals, deepen data fusion, unleash the value of data assets, and promote the completion of development and verification of various R&D products as planned. It will strengthen industry collaboration and explore innovative application models. The Company will continue to deepen its digitalization and intelligence strategy, expand its pool of AI algorithm, product, and engineering talents, and deepen technical exchanges and ecological collaboration with regulatory agencies and industry partners.

During the Reporting Period, the Company continued to deepen its global presence and service capabilities, consistently expanding its overseas business and accelerating the pace of internationalization. As of June 30, 2026, there are 59 clinical trial projects ongoing in the North America region. The number of ongoing projects increased by 45% YoY, and passed U.S. FDA inspections multiple times; the North American clinical operations team exceeded 200 people, with 46 newly signed contracts, including 16 clinical operation project contracts. In May 2026, the Company established a new subsidiary in New Zealand, and the first project application in New Zealand has been submitted and accepted. As of June 30, 2026, the Company's clinical team in Australia and New Zealand reached 50 people, and new clinical project orders increased by nearly 100% YoY. In the first half of 2026, the Company inaugurated a new office in Malaysia. As of June 30, 2026, the number of employees exceeded 20, mainly offering round-the-clock data management and statistical analysis services. As of June 30, 2026, the Company's clinical team in the EMEA region exceeded 100 people, with 14 ongoing clinical trial projects. In the first half of 2026, the Company's EMEA clinical team passed over ten inspections, including those by China's NMPA, the U.S. FDA, and Europe's EMA, with no critical findings. In Japan, the Company provides a full-chain service covering clinical operations, medical imaging, site management, data management, pharmacovigilance, medical devices, and registration through subsidiaries under Tigermed Japan. As of June 30, 2026, the Company had over 420 employees in South Korea, providing one-stop solutions from preclinical consulting to drug and device clinical trials and post-market studies.

In the first half of 2026, the Company's overseas clinical CRO business continued rapid growth in both revenue and profit. As of the end of the Reporting Period, the number of single-region clinical trials conducted by the Company overseas (primarily in the U.S., Australia, and South Korea) was 209, and the Company was conducting 55 international MRCTs, with cumulative experience across 184 MRCT projects.

Looking forward, the Company will continue global business expansion through team growth or potential M&A as it aims to achieve overseas business growth and enhance the synergy of clinical operations, build differentiated competitive advantages in Europe, North America, and emerging regional markets, strengthen local clinical trial operational capabilities, gradually enhance its global operational and round-the-clock service capabilities, provide high quality services to global clients, and help Chinese clients go global, serving as a bridge and link for the internationalization of innovative products.

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

In March 2026, the Company's new global headquarters building, i.e. Tigermed Park, was officially completed in Hangzhou, becoming the hub of the Company's global operations and innovative development, and providing new development momentum for the industry ecosystem. In the first half of 2026, the Company continued to seek mutually beneficial external partnerships with various participants in the healthcare industry to promote collaboration. It has built an integrated research center service platform that includes site management, institutional services, GCP center operations, and subject management.

As a global medical R&D empowerment platform, the Company is committed to contributing Tigermed solutions to the world, promoting its corporate vision "To be recognized as the leading global CRO" and its brand proposition of a "Passion for Innovation". Through a diversified, equitable, and inclusive corporate culture, the Company strives to ensure that talents from different countries, cultures, and backgrounds receive equality and support in the workplace, enabling every employee to better realize their value and gain a true sense of belonging. The Company actively fulfills its social responsibilities and continues to make progress in ESG management. From July 2022 to the present, the Company has maintained the highest AAA rating in the Shenzhen Stock Exchange Guozheng ESG ratings. In August 2025, the Company's MSCI ESG rating was upgraded from AA to the highest AAA rating.

As of the end of the Reporting Period, the Company had a total of 11,984 employees worldwide, covering 43 countries, including more than 2,000 overseas employees. There are over 1,360 professional CRAs, over 4,000 professional CRCs, more than 900 professionals in data management and statistical analysis, and over 1,800 staff in the laboratory services team. Below is a breakdown of our employees by function and by region as of June 30, 2026:

	Number of employees				
Function	PRC	Asia Pacific (excluding PRC)	Americas	EMEA	Total
Project operation	8,931	783	863	90	10,667
Marketing and business development	530	55	62	8	655
Management and administration	504	51	98	9	662
Total	**9,965**	**889**	**1,023**	**107**	**11,984**

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

Looking ahead, the Company will continue to embrace regulatory reform, AI, technological innovation, and global expansion and will continue to enhance and build an integrated clinical R&D service platform with high compliance barriers and an industry-leading technology platform, improving its end-to-end one stop service capabilities. The Company is committed to serving domestic and global high-quality start-up biotech companies and will continuously expand business with multinational pharmaceutical companies and large domestic pharmaceutical clients. Through sustainable growth and potential acquisitions, the Company aims to enhance its business development and operational capabilities in overseas developed markets. At the same time, the Company will strengthen mutually beneficial collaborative relationships with industry stakeholders, further consolidate its advantageous position in the domestic market, increase its global market share, and strive for sustainable business development and performance growth, continuously creating returns for its Shareholders.

Revenue

During the Reporting Period, the Company's revenue was RMB3,707.6 million, increased by 14.1% YoY from RMB3,250.4 million during the Corresponding Period. Among them, revenue generated from CTS segment was RMB1,773.4 million, increased by 20.7% YoY from RMB1,469.5 million during the Corresponding Period. Revenue generated from CRLS segment was RMB1,934.2 million, increased by 8.6% YoY from RMB1,780.9 million during the Corresponding Period.

Geographically, our revenue generated in the PRC increased by 24.0% YoY to RMB2,106.1 million from RMB1,697.9 million during the Corresponding Period. The reasons for the increase of our revenue generated in the PRC are detailed in the subsequent analysis by our business segment.

The Company's overseas business revenue was RMB1,601.5 million, increased by 3.2% YoY from RMB1,552.5 million during the Corresponding Period. The growth in overseas revenue was mainly contributed by the overseas clinical business. The continued appreciation of RMB against U.S. dollar in the first half of 2026 had a negative impact on the growth of our revenue generated from overseas.

- **CTS**

  During the Reporting Period, revenue from the CTS segment was RMB1,773.4 million, increased by 20.7% YoY from RMB1,469.5 million during the Corresponding Period, returning to a good growth trend. Benefiting from the clearance of legacy projects, the industry recovery, and the rebound in demand, revenue from domestic innovative drug clinical operations within the segment resumed a good growth trend YoY. Affected by the competitive landscape of the domestic industry since 2023, the average unit price of our new bookings for domestic clinical operations declined, resulting in a reduction in the revenue generated from the same amount of workload when executing such orders in the first half of 2026 compared to the Corresponding Period in 2025. In the first half of 2026, the average unit price of new bookings for the Company's domestic clinical operations returned to a growth trend compared to the Corresponding Period in 2025. We expect our domestic innovative drug clinical operations business to continue to improve in 2026.

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

Revenue (Continued)

- **CTS (Continued)**

During the Reporting Period, our overseas clinical operations business maintained relatively strong growth momentum, especially in Australia and New Zealand. During the Reporting Period, benefiting from the rebound in demand for earlier stage projects, the business related to early-stage clinical R&D has seen a notable recovery within the segment, with revenue resuming rapid YoY growth, and such growth momentum is expected to continue. Other businesses within CTS segment, such as medical device, pharmacovigilance businesses and medical translation within CTS segment maintained stable business performance during the Reporting Period.

As of June 30, 2026, the Company had 667 ongoing drug clinical research projects, an increase from 663 projects as of December 31, 2025 and 646 projects as of June 30, 2025. The ongoing drug clinical research projects were categorized by phase as follows:

	As of end of year/period		
	June 30, 2025	December 31, 2025	**June 30, 2026**
Stage of project			
Phase I (including PK studies)	276	284	**274**
Phase II	116	119	**128**
Phase III	144	140	**140**
Phase IV	15	14	**39**
Others	95	106	**86**
Total	646	663	**667**

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

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

Revenue (Continued)

- **CTS (Continued)**

As of June 30, 2026, 403 ongoing drug clinical research projects were being conducted in the PRC and 264 projects were being conducted overseas, of which 209 projects were single-region clinical trials conducted overseas (including South Korea, Australia, Southeast Asia, Europe, and the U.S.). The 55 ongoing MRCTs projects were being conducted across the Asia-Pacific, North America, Europe, and Africa with various therapeutic areas including oncology, respiratory, cardiovascular, endocrine, rheumatology/immunology, infection, rare diseases, and vaccines. The number of drug clinical research projects by region is as follows:

	As of end of year/period		
	June 30, 2025	December 31, 2025	**June 30, 2026**
Region			
Single Region			
PRC	409	422	**403**
Overseas	194	193	**209**
MRCTs	43	48	**55**
Total	646	663	**667**

As of June 30, 2026, the Company has cumulatively completed 1,640 registration and declaration projects. In the first half of 2026, an additional 28 IND projects from the U.S. FDA were added, with 21 FDA clinical approvals obtained. In the first half of 2026, the Company helped 5 products successfully receive market approval in China, and assisted 69 IND/MRCT applications to successfully obtain clinical approvals in multiple countries. The number of clients enjoying the Company's registration and declaration services increased from 967 at the end of 2025 to 1,014 as of June 30, 2026. In the first half of 2026, it continued to expand innovative registration services such as eCTD publishing. In the first half of 2026, applications for 97 products successfully reached the project acceptance milestone, of which 68 projects were accepted by the NMPA, 21 projects were accepted by the FDA, 1 MRCT was accepted (and approved) in Malaysia, Thailand, and Taiwan, 3 WHO INN applications, 1 EU EMA-PIP, and 1 EMA-Prime.

As of June 30, 2026, the Company had over 600 professionals in its medical device and IVD team. In the first half of 2026, the Company's medical device and IVD team assisted in the successful launch of five innovative medical device products in China (the world's first recombinant botulinum toxin Type A, the world's first spacer hydrogel for cervical cancer radiotherapy, China's first blue-light cystoscopy system, China's first 360-degree rotating beam proton therapy system, and China's first temporal PCL product). Meanwhile, as a lead drafter, the Company participated in formulating the group standard *Evaluation Method for Injectable Tissue-Derived Collagen for Skin Quality and Complexion Improvement* (Standard No. T/FDSA 0135-2026). This standard is China's first dedicated group standard for evaluating injectable tissue-derived collagen for skin quality and complexion improvement.

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

Revenue (Continued)

- **CTS (Continued)**

In the first half of 2026, the Company's PV business added 141 new projects, up 17% YoY, and 109 new clients, up 25% YoY. As of June 30, 2026, global pharmacovigilance team exceeded 200 people, with PV solution teams deployed across the United States, Europe, Japan, Southeast Asia, South Korea, and China. It has cumulatively provided pharmacovigilance services for 43 Class 1 new drugs approved for marketing in China.

In the first half of 2026, the Company's language, patent, and knowledge services business added 35 new language service clients, cumulatively completed approximately 220 million words of translation, and completed business integration and upgrading, expanding from single medical translation to an intelligent content platform covering language services, patent and intellectual property services, and medical academic services. In May 2026, the Company's subsidiary Taya was successfully selected as a member of the AI Subcommittee of the China National Information Technology Standardization Committee, officially becoming a unit member of this national-level AI standardization organization. In the first half of 2026, the patent and knowledge services were officially put into operation and completed multiple deliveries, adding 22 new clients covering pharmaceuticals, medical devices, IP agencies, etc., and building a patent service network covering over 100 countries.

In the first half of 2026, the Company's DCTs team jointly released the *China DCT Industry Practice: 2023-2025 Three-Year Longitudinal Survey Report* with the China Society for Drug Regulation and Beijing Collaborative Medical Advance Center, and independently developed the Statistical Analysis Plan system, with built-in safety report submission requirements for 645 centers. The system has been put into commercial operation and delivery. In the first half of 2026, the Company added 30 new DCT projects, and new orders for clinical trials with DCT elements exceeded RMB300 million, covering remote monitoring, eDiary, remote follow-up, remote informed consent, ePRO, and other modules.

In the first half of 2026, new orders for the Company's clinical center business (Tigermed co-built clinical center project contracting) increased by 13% YoY, of which Phase I clinical project orders accounted for 78%, reflecting the Company's efforts to expand new co-built clinical centers nationwide. As of June 30, 2026, the Company had a total of 6 co-built clinical research centers with a total of 620 research beds; its clinical centers cumulatively completed 9 project registration inspections, 2 routine supervision inspections, and 1 FDA unannounced inspection, all achieving a 100% pass rate.

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

Revenue (Continued)

- **CRLS**

Revenue generated from our CRLS segment during the Reporting Period increased by 8.6% YoY to RMB1,934.2 million from RMB1,780.9 million during the Corresponding Period. In the first half of 2026, benefiting from robust business demand, particularly orders from multinational pharmaceutical companies, our SMO business within CRLS segment maintained its favorable revenue growth YoY. Meanwhile, our revenue from DMSA business within the segment was affected by the continued appreciation of the RMB against the U.S. dollar in the first half of 2026; revenue from laboratory services achieved growth compared to the Corresponding Period last year, primarily due to the recovery of Frontage Holdings' business in the United States, but the revenue growth was also somewhat affected by the continued appreciation of the RMB against the U.S. dollar in the first half of 2026.

During the Reporting Period, the central laboratory business within CRLS segment benefited from the recovery of domestic clinical trial testing demand, with revenue achieving accelerated YoY growth; the medical imaging business within CRLS segment achieved another year of sound growth benefitting from rising demand for oncology clinical trials.

As of June 30, 2026, the Company's global DMSA professional team exceeded 900 people, including a over 20-person DMSA team newly established in Malaysia in 2026; the number of global clients was more than 440, and the number of projects under execution reached 1,126. In the first half of 2026, the Company's DMSA business cumulatively completed 91 projects, and provided DMSA analysis services for 4 approved Chinese Class 1 new drugs.

As of June 30, 2026, the Company's SMO team had 3,094 ongoing SMO projects, continuing its growth trend. As of June 30, 2026, the Company's total number of CRCs exceeded 4,000, covering 146 cities in China. In the first half of 2026, newly signed orders for the Company's SMO business continued to maintain solid YoY growth, with the number of completed projects reaching 154. It has also provided SMO services for 29 approved Class 1 new drugs in China.

After Frontage completed the acquisition of Teddy Clinical Research Laboratory in the first half of 2026, the global laboratory services team size exceeded 1,800 people, with 25 global laboratory R&D bases located in China, the United States, and Europe, covering a total area of over 200,000 square meters, providing integrated services from drug discovery to preclinical R&D and laboratory testing. In the first half of 2026, Frontage's 4,300-square-meter CDMO GMP production facility in Exton, USA, was put into operation, supporting Phase III clinical trials, PPQ, and small-scale commercial manufacturing; the 2,500-square-meter laboratory in Italy completed expansion, integrating bioanalytical and central laboratory platforms. The Wuxi operations center was upgraded into a GCLP-compliant integrated laboratory platform, capable of centralized testing and data delivery for radiopharmaceuticals, vaccines, CGT, bioanalysis, and central pathology. In the first half of 2026, Frontage obtained 5 qualifications and certifications, including AAALAC International and the laboratory accreditation certificate from the China National Accreditation Service for Conformity Assessment, and had cumulatively passed over 2 FDA inspections and 13 NMPA inspections.

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

Revenue (Continued)

- **CRLS (Continued)**

  In the first half of 2026, the Company's medical imaging team added 20 new clients and 35 new projects. As of June 30, 2026, the Company had cumulatively conducted over 400 clinical medical imaging assessment projects, covering Phase I to Phase IV clinical trials and real-world studies. In the first half of 2026, the Company's medical imaging team assisted in the successful approval and launch of 8 new drugs/new indications; as an independent central imaging service provider, it successfully passed two CDE on-site inspections with no major findings throughout the process, and its self-developed medical imaging related systems obtained 4 invention patent certificates. As of June 30, 2026, the medical imaging team had cumulatively assisted 57 projects in obtaining approval and launch, with 70 projects cumulatively submitted to the NMPA/FDA/EMA/PMDA/MHRA.

Gross Profit and Gross Profit Margin

During the Reporting Period, the Company realized a gross profit of RMB1,020.5 million compared to RMB978.0 million during the Corresponding Period, representing a 4.3% increase. The gross profit margin decreased from 30.1% during the Corresponding Period to 27.5% during the Reporting Period. This was primarily due to the YoY decline in the gross profit margin of the CTS segment. During the Reporting Period, the Company's costs were RMB2,687.1 million, compared to RMB2,272.5 million during the Corresponding Period, representing a YoY growth of 18.2%. The breakdown of costs by nature and their percentage of revenue is as follows:

Item	For the six months ended June 30, 2026 RMB million	2025 RMB million
Direct labour costs	**1,374.0**	1,233.1
% of revenue	***37.1%***	*37.9%*
Direct project-related costs	**1,008.8**	735.3
% of revenue	***27.2%***	*22.6%*
Overhead costs	**304.3**	304.1
% of revenue	***8.2%***	*9.4%*
Cost of services	**2,687.1**	2,272.5
% of revenue	***72.5%***	*69.9%*

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

Gross Profit and Gross Profit Margin (Continued)

- **CTS**

The gross profit of the CTS segment increased by 11.6% YoY from RMB335.2 million during the Corresponding Period to RMB374.1 million during the Reporting Period. The gross profit margin of the CTS segment decreased slightly to 21.1% during the Reporting Period from 22.8% during the Corresponding Period. It was primarily because the average unit price of orders executed for our domestic clinical operations business decreased YoY in the first half of 2026, correspondingly resulting in a reduction in revenue against the same cost incurred for the execution of such orders. Meanwhile, the Company maintained a professional and stable domestic clinical operations team to ensure high-quality clinical operation services for our customers. Moreover, since the second half of 2025, the Company has resumed the expansion of its operations team in certain regions in China to meet the business demand from higher backlogs in those areas. In the first half of 2026, the average unit price of new bookings for the Company's domestic clinical operations has returned to a growth trend compared to the Corresponding Period in 2025.

During the Reporting Period, the gross profit margins of other businesses within CTS segment, such as medical registration, and medical translation, remained relatively stable. Although these businesses were negatively affected by the development and cyclic changes of the domestic industry, and thus with a decline in the average unit price of executed projects, the Company's effective cost control on these businesses prevented substantial fluctuations in their gross profit margins.

- **CRLS**

The gross profit of the CRLS segment realized during the Reporting Period was RMB646.4 million as compared to RMB642.8 million during the Corresponding Period, representing a YoY growth of 0.6%. The profit margin of the CRLS segment decreased from 36.1% during the Corresponding Period to 33.4% during the Reporting Period.

In the first half of 2026, the gross profit margin of our SMO business remained relatively stable YoY. Our SMO business maintained its industry leading profitability, partly benefitting from the fact that our SMO team executed a meaningful number of orders from multinational pharmaceutical companies with relatively better profitability. However, because the SMO revenue growth was relatively faster than that of other businesses within the segment, and the gross profit margin of this business was lower than the overall level of the segment, it had a certain negative impact on the overall gross profit margin of the segment.

In the same period, the gross profit margin of our DMSA business declined YoY. This was primarily due to 1) an increase in the proportion of overseas execution teams bearing higher costs; and 2) the impact of the continued appreciation of RMB against the US dollar in the first half of 2026; however, the profitability of the Company's DMSA still remained at a relatively high level.

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

Gross Profit and Gross Profit Margin (Continued)

- **CRLS (Continued)**

  During the Reporting Period, the gross profit margin of our laboratory services was relatively stable YoY. The utilization rate of Frontage Holdings' preclinical lab facilities newly built in 2024 and before, as well as labs in both China and North America, continued to improve in the first half of 2026. The impact of fixed costs, associated with new businesses and new lab facilities on its gross profit margin continued to improve in the first half of 2026. Going forward, improved capacity utilization driven by new orders is expected to support a rebound in the gross margin of our laboratory services.

  During the Reporting Period, the gross profit margins of other businesses within CRLS segment, such as central laboratory services and medical imaging, were relatively stable compared with the Corresponding Period.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 1.7% YoY from RMB107.9 million during the Corresponding Period to RMB109.7 million during the Reporting Period. Excluding the slight increase resulting from the expanded consolidation scope, performance was basically flat.

Administrative Expenses

Our administrative expenses slightly decreased by 0.6% YoY from RMB355.3 million during the Corresponding Period to RMB353.2 million during the Reporting Period. The decrease was primarily due to i) a 4.9% YoY reduction in employee compensation; and ii) lower share-based payment expenses of Frontage during the Reporting Period, compared to that during the Corresponding Period. However, this decrease was partially offset by the consultation fee to external advisors and suppliers increasing by 37.7% YoY from RMB22.3 million during the Corresponding Period to RMB30.7 million during the Reporting Period.

R&D Expenses

Our R&D expenses increased by 9.8% YoY from RMB127.0 million during the Corresponding Period to RMB139.4 million during the Reporting Period. This increase was primarily driven by moderate growth in staff costs for R&D personnel and higher material expenses, which implies our continuing investment to advance long-term technology initiatives.

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

Investment Income

Our investment income recorded a RMB2.4 million loss during the Reporting Period, as compared to a gain of RMB233.0 million during the Corresponding Period. The fluctuation was mainly due to i) investment income on disposal of non-current financial assets incurred a loss of RMB46.1 million during the Reporting Period compared to a net income of RMB21.6 million during the Corresponding Period; ii) share of profit from associates plunged from RMB166.4 million during the Corresponding Period to RMB21.7 million in the Reporting Period; and iii) the income generated from negotiable certificates of deposit decreased by 48.2% from RMB41.7 million during the Corresponding Period to RMB21.6 million during the Reporting Period.

Changes in Fair Value

During the Reporting Period, we recorded a RMB443.3 million loss in changes in fair value as compared to a loss of RMB89.6 million during the Corresponding Period. This was mainly due to the share price decrease of some of our listed equity portfolio during the Reporting Period due to equity market volatilities during the second quarter of 2026. In particular, we recorded a RMB719.3 million loss in fair value with respect to our shareholdings in PegBio Co., Ltd. (stock code: 2565.HK) during the Reporting Period due to a decrease in the share price of the respective shares. The loss was partially offset by the change in fair value changes of unlisted equity investments, which amounting to a gain of RMB108.4 million during the Reporting Period, resulting in the increase in post-money valuation upon subsequent up-round financing.

Finance Cost (net)

Our finance costs, net decreased from RMB63.3 million during the Corresponding Period to RMB42.3 million during the Reporting Period, primarily due to the decrease in interest expense with the amount of RMB21.6 million. The Company utilized surplus operating cash flows to repay bank loans, reflecting its ongoing financial management strategy to deleverage and optimize the capital structure.

Income Tax Expense

Our income tax expense increased by 31.8% from RMB79.9 million during the Corresponding Period to RMB105.3 million during the Reporting Period. The Group reported a loss before tax of RMB80.2 million, primarily driven by unrealized fair value change losses of RMB443.3 million on mainly financial instruments, which are non-taxable. Consequently, the Group's taxable profit remains positive despite the accounting loss, resulting in an income tax expense of RMB105.3 million. Accordingly, the effective tax rate is not meaningful.

Profit for the Period

As a result of the foregoing discussions, our profit for the period decreased by 151.1% from a profit of RMB362.8 million during the Corresponding Period to a loss of RMB185.5 million during the Reporting Period. The profit attributable to owners of the Company decreased by 207.8% from a profit of RMB383.3 million during the Corresponding Period to a loss of RMB413.2 million during the Reporting Period.

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

Non-CASBE Measure

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

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

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

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

Non-CASBE Measure (Continued)

	For the six months ended June 30,	
	2026	2025
	RMB million	RMB million
Profit attributable to owners of the Company	**(413.2)**	383.3
Adjusted for:		
Gain on disposal of non-current assets[1]	**18.1**	(0.6)
Government grants[2] included in the profit or loss for the period	**(25.3)**	(19.4)
Gain on entrusting to invest or manage assets	**(21.6)**	(41.7)
Loss/(gain) arising from changes in fair value of financial assets and financial liabilities held and loss/(gain) arising from the disposal of financial assets and financial liabilities[3]	**481.0**	(96.8)
Other non-operating income and expenses apart from the above items	**1.8**	1.6
Effect of income tax	**34.1**	17.0
Effect of minority interests (after tax)	**202.8**	(32.7)
Net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss	**277.7**	210.7
Margin of net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss[4]	**7.5%**	6.5%

Notes:

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

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

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

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

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

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

During the Reporting Period, our non-CASBE net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss was RMB277.7 million, representing a YoY increase of 31.8% from RMB210.7 million during the Corresponding Period. Our margin of net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss increased from 6.5% during the Corresponding Period to 7.5% during the Reporting Period.

Cash Flows

	For the six months ended June 30,	
	2026	2025
	RMB million	RMB million
Net cash generated from operating activities	**425.8**	408.6
Net cash generated from investing activities	**48.8**	45.9
Net cash used in financing activities	**(130.6)**	(827.0)

During the Reporting Period, our net cash generated from operating activities was RMB425.8 million, representing a 4.2% increase from RMB408.6 million during the Corresponding Period. The increase was primarily due to a RMB733.5 million increase in cash received from selling goods and providing services during the Reporting Period, representing a 21.7% YoY growth compared to the Corresponding Period. This improvement reflects a higher collection rate of accounts receivable. However, this increase was partially offset by i) RMB337.6 million increase in cash paid for goods and services; ii) a RMB225.5 million increase in cash paid to and on behalf of employee; and iii) a RMB134.6 million increase in cash paid for taxes and surcharges.

During the Reporting Period, our net cash generated from investing activities was RMB48.8 million, representing an increase of RMB2.9 million compared with RMB45.9 million generated during the Corresponding Period. The change arose from the net effect of several factors. The increase was contributed by i) the cash received from disposal of and investment income from associates increased by RMB164.0 million, which was mainly distributed by Hangzhou Taikun; ii) the cash received from investment projects was increased by RMB110.3 million; and iii) the capital injected to the associates decreased from RMB500.0 million during the Corresponding Period to RMB15.6 million during the Reporting Period, representing a RMB484.4 million dropping. However, the increase was offset by i) total cash received from wealth management products decreased by RMB187.4 million compared to the Corresponding Period, while purchasing of wealth management products rose by RMB396.3 million, resulting in a RMB583.7 million decrease of net proceeds in investing activities; and ii) the cash paid for investment projects increased by RMB167.2 million.

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

Cash Flows (Continued)

During the Reporting Period, our net cash used in financing activities was RMB130.6 million, a decrease of RMB696.4 million compared with the Corresponding Period. The decrease in net use was mainly due to i) cash repayments fell by RMB827.0 million, dropping from RMB1,235.2 million during the Corresponding Period to RMB408.2 million during the Reporting Period while the proceeds from new borrowings slightly increased by RMB160.2 million during the Reporting Period; and ii) cash payments for interest expenses and distribution of dividends or profit were RMB218.4 million lower than those during the Corresponding Period.

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

Liquidity and Capital Resources

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

In order to effectively mitigate or hedge against the risks associated with foreign exchange rate fluctuation and to achieve robust business operation, the Company has established the Management System for Foreign Exchange Derivatives Trading Business, which stipulates the operation principles, approval authority, risk control and other aspects of hedging arrangements. Based on revenue and expenditure as well as market condition, the Company may utilize instruments such as forward foreign exchange settlement and sales, RMB and other foreign currency swaps, foreign exchange trading, foreign exchange swaps, foreign exchange options and other hedging businesses or a combination of the above businesses. During the Reporting Period, the Group had been using forward foreign currency contracts to hedge part of its foreign exchange risk. These forward foreign currency contracts did not qualify for hedge accounting and were accounted for at fair value through profit or loss.

Trade, Bills and Other Receivables

Our trade receivables decreased by 5.3% from RMB1,405.7 million as of December 31, 2025 to RMB1,331.7 million as of June 30, 2026, which was driven by the Group's continuing focus on enhancing accounts receivable management and collection efficiency.

Our bills receivables increased by RMB15.3 million from RMB7.0 million as of December 31, 2025 to RMB22.3 million as of June 30, 2026, primarily due to our flexible and diversified collection arrangements, which also reflect the sound and trusting relationship between our Company and the sponsors.

Our other receivables decreased by 5.5% from RMB109.4 million as of December 31, 2025 to RMB103.4 million as of June 30, 2026. This change was primarily due to the recovery of outstanding consideration receivable from the disposal of equity interests during the first half of this year, which had remained unsettled as of December 31, 2025.

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

Trade Payables and Other Payables

Our trade payables decreased by 13.1% from RMB365.2 million as of December 31, 2025 to RMB317.5 million as of June 30, 2026, primarily due to the decrease in payables of long term assets.

Our other payables increased by RMB118.8 million from RMB74.5 million as of December 31, 2025 to RMB193.3 million as of June 30, 2026, primarily due to an increase in dividends payable, which has been subsequently settled in July 2026.

Contract Assets and Contract Liabilities

Our contract assets increased by 5.3% from RMB2,585.0 million as of December 31, 2025 to RMB2,721.7 million as of June 30, 2026, due to increase in the total amount of contracts with our customers while we have not yet billed our customers upon meeting the billing milestones as specified in our customer service agreements or work orders, as we continued to grow our business.

Our contract liabilities increased by 25.5% from RMB1,079.2 million as of December 31, 2025 to RMB1,354.7 million as of June 30, 2026, as more prepayments were received from our customers in relation to our service agreements or work orders with them during the Reporting Period.

Property, Plant and Equipment

Our property, plant and equipment decreased by 1.3% from RMB1,188.2 million as of December 31, 2025 to RMB1,172.7 million as of June 30, 2026, primarily attributed to depreciation charges recorded during the six months ended June 30, 2026, partially offset by additions from the procurement of new property, plant and equipment.

Construction in Progress

Our construction projects decreased from RMB110.6 million as of December 31, 2025, to RMB79.3 million as of June 30, 2026, representing a 28.3% YoY decrease, which was due to the completion of construction of the Group's headquarter building. The asset has reached its intended usable state and has been reclassified to Property, Plant and Equipment during the Reporting Period.

Intangible Assets

Our intangible assets decreased by 14.7% from RMB276.3 million as of December 31, 2025 to RMB235.8 million as of June 30, 2026, primarily due to the amortization of the intangible assets during the Reporting Period.

Right-of-use Assets

Our right-of-use assets decreased by 17.8% from RMB408.9 million as of December 31, 2025 to RMB336.3 million as of June 30, 2026, primarily due to (i) the termination of certain existing lease contracts, resulting in the derecognition of RMB65.2 million; and (ii) depreciation expense of RMB39.0 million.

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

Long-term Equity Investment

Our long-term equity investment decreased from RMB4,498.8 million as of December 31, 2025 to RMB4,358.9 million as of June 30, 2026, primarily in relation to dividend distributions by Hangzhou Taikun Equity Investment Fund Partnership (Limited Partnership)* (杭州泰鯤股權投資基金合夥企業(有限合夥)) ("**Hangzhou Taikun**"), an associate of the Company, which reduced the carrying amount of the investment under the equity method of accounting.

Financial Assets

Our financial assets include listed equity securities, unlisted equity investments, unlisted fund investments, financial products, unlisted debt instruments and life insurance policies. Our financial assets decreased by 2.6% from RMB9,908.2 million as of December 31, 2025 to RMB9,646.6 million as of June 30, 2026. Such decrease was primarily due to the fair value losses incurred on listed equity investments we held during the Reporting Period.

Save for certain unlisted equity investments and unlisted fund investments to which were funded by the net proceeds from the H Shares Offering, the financial assets of the Company are funded by the Company's internal resources.

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

	As of June 30, 2026 RMB'000	As of December 31, 2025 RMB'000
Non-current Financial assets		
– Life insurance policies	**1,759**	1,541
– Listed equity securities	**709,240**	939,433
– Unlisted equity investments	**4,373,277**	4,124,166
– Unlisted fund investments	**4,412,678**	4,611,835
– Unlisted debt instrument	**121,807**	171,807
Total non-current financial assets	**9,618,761**	9,848,782
Current Financial assets		
– Financial products	**27,807**	54,595
– Unlisted debt instruments	**–**	4,864
Total current financial assets	**27,807**	59,459
Total financial assets	**9,646,568**	9,908,241

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

Financial Assets (Continued)

Investments in companies and investment funds

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

As of June 30, 2026, we were a strategic investor in 214 innovative companies and other related companies in the healthcare industry, as well as a limited partner in 55 professional investment funds.

During the Reporting Period, we realized a gain of RMB138.3 million from exiting our investments in companies and investment funds, as measured by the exit amount against our initial investment cost, compared with RMB467.0 million during the Corresponding Period.

Our investments in listed equity securities amounted to RMB709.2 million as of June 30, 2026, representing a 24.5% decrease from RMB939.4 million as of December 31, 2025. The decrease primarily arose from the share price decrease of some of our listed equity portfolio during the Reporting Period due to equity market volatilities during the second quarter of 2026. In particular, we recorded a RMB719.3 million loss in fair value with respect to our shareholdings in PegBio Co., Ltd. (stock code: 2565.HK) during the Reporting Period due to a decrease in the share price of the respective shares. Such decrease was partially offset by the portfolio transferred from non-listed companies valued at RMB258.9 million during the Reporting Period.

Equity investments amounted to RMB4,373.3 million as of June 30, 2026, representing a 6.0% increase from RMB4,124.2 million as of December 31, 2025. The increase is primarily due to i) our continuing investment in unlisted entities, which we believed have potential for growth in the future; and ii) a gain of RMB108.4 million in the fair value change during the Reporting Period. And the increase was offset by the transfer from the non-listed equity during the Reporting Period.

Our unlisted fund investments amounted to RMB4,412.7 million as of June 30, 2026, representing a 4.3% decrease from RMB4,611.8 million as of December 31, 2025. The decrease is primarily due to the decrease in fair value and disposal of investments of RMB85.2 million and RMB206.3 million respectively.

Our life insurance policies amounted to RMB1.8 million as of June 30, 2026, representing a 20.0% increase from RMB1.5 million as of December 31, 2025, which was mainly related to DreamCIS, our controlled subsidiary in South Korea.

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

Financial Assets (Continued)

Investments in companies and investment funds (Continued)

Our unlisted debt instruments amounted to RMB121.8 million as of June 30, 2026, representing a 31.1% decrease from RMB176.7 million as of December 31, 2025, primarily due to the disposal during the Reporting Period.

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

	Unlisted equity investments RMB'000	Unlisted fund investments RMB'000	Listed equity securities RMB'000	Life insurance policies RMB'000	Unlisted debt instrument RMB'000	Financial products RMB'000	Total RMB'000
Opening balance	4,124,166	4,611,835	939,433	1,541	176,671	54,595	9,908,241
Additions	413,960	115,893	–	947	10,000	45,341	586,141
(Transfer to listed companies)/ transfer from non-listed companies	(258,855)	–	258,855	–	–	–	–
(Transfer to non-listed companies)/ transfer from unlisted debt instrument	60,000	–	–	–	(60,000)	–	–
Fair value change during the Reporting Period	108,360	(85,155)	(466,825)	(567)	–	211	(443,976)
Disposals of shares	(57,172)	(206,310)	(9,497)	–	(4,625)	(72,340)	(349,944)
Exchange realignment	(17,182)	(23,585)	(12,726)	(162)	(239)	–	(53,894)
Ending balance	**4,373,277**	**4,412,678**	**709,240**	**1,759**	**121,807**	**27,807**	**9,646,568**

Unlisted fund investments

During the year ended December 31, 2025 and the Reporting Period, the Company's unlisted fund investments comprise investments in funds primarily focused in equity securities of companies within the healthcare industry.

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

Financial Assets (Continued)

Unlisted fund investments (Continued)

The details of movements of certain of the Company's unlisted fund investments are set forth below:

	Suzhou Taifu Huaijin Venture Capital L.P. (蘇州泰福懷謹創業投資合夥企業(有限合夥)) ("Taifu Huaijin") RMB'000	Hangzhou Fuyue Yize Equity Investment L.P. (杭州富悅亦澤股權投資合夥企業(有限合夥)) ("Fuyue Yize") RMB'000
Fund manager of fund	Shanghai TF Venture Capital Management Co., Ltd. (上海泰甫創業投資管理有限公司)[1]	Hangzhou Hengwei Management Consulting Co., Ltd. (杭州恒為管理諮詢有限公司)[2]
Underlying assets of the fund	unlisted shares of companies in the healthcare industry	shares of Jiangsu Wisdom Pharmaceutical Co., Ltd. (江蘇慧聚藥業股份有限公司)
Opening balance as at January 1, 2025	755,611	480,422
Additions	–	–
Fair value change during the year ended December 31, 2025	1,501	(27,487)
Disposals of shares	23,858	–
Exchange realignment	–	–
Ending Balance as at December 31, 2025	**733,254**	**452,935**
Opening balance as at January 1, 2026	733,254	452,935
Additions	–	–
Fair value change during the Reporting Period	25,656	–
Disposals of shares	17,242	–
Exchange realignment	–	–
Ending Balance as at June 30, 2026	**741,668**	**452,935**

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

Financial Assets (Continued)

Unlisted fund investments (Continued)

Note 1: Shanghai TF Venture Capital Management Co., Ltd. is a private equity fund manager registered with the Asset Management Association of China. The funds managed by Shanghai TF Venture Capital Management Co., Ltd. primarily invests in biomedicine and related fields. Notable investments within its investment portfolio include Shanghai Sanyou Medical Co., Ltd. (688085.SH), Jiangsu Asieris Pharmaceuticals Co., Ltd. (688176.SH), PharmaResources (Shanghai) Co., Ltd. (301230.SZ) and SMO Clinplus Co., Ltd. (301257.SZ), among others.

Note 2: Mr. Huang Hua is the director and general manager of Hangzhou Hengwei Management Consulting Co., Ltd and is responsible for the investment management of Fuyue Yize. Mr. Huang Hua is also the chairman of Jiangsu Wisdom Pharmaceutical Co., Ltd., a company engaged in the research & development, production and sales of complex small-molecule chemical drugs, polypeptide drugs, key intermediates for nucleic acid drugs, specialty APIs, and formulations, providing customers with customized development and manufacturing services (CDMO).

Save for the Company's investments in Hangzhou Taikun, Taifu Huaijin and Fuyue Yize, as at December 31, 2025 and June 30, 2026, none of the Company's investments in any unlisted funds individually accounts for more than 1% of the Company's total assets, respectively.

Risk management measures for financial asset investments

The Company has established a full-cycle risk management system covering pre-investment, investment, post-investment and exit stages. Risk identification, assessment, red flag and disposal mechanisms are adopted to control investment risks. The risk identification and response mechanisms of the Company's financial asset investments are set out below:

I. Risk Identification Mechanism

(A) Pre-investment Risk Identification and Assessment

1. *Due diligence and feasibility study:* Pursuant to the Detailed Rules for External Investment, the investment department of the Company conducts research and feasibility analysis on proposed projects and prepares investment proposals.

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

Risk management measures for financial asset investments (Continued)

I. Risk Identification Mechanism (Continued)

(A) Pre-investment Risk Identification and Assessment (Continued)

2. *Categorised risk identification:* In accordance with the Management Rules for Risk Control of Investment Business, the Company identifies and assesses four major categories of risks of target investments:

   (1) Market risk: risk of depreciation of underlying assets caused by changes in the industry and the market in which the underlying assets primarily operate;

   (2) Policy risk: risk arising from changes in macro policies governing the industry of the underlying assets;

   (3) Liquidity risk: risk that underlying assets cannot be disposed of in a timely manner and the principal and investment returns cannot be realized when due; and

   (4) Moral hazard: risk that persons managing the underlying assets make investment decisions detrimental to the Company while maximising their own gains.

(B) Investment Risk Monitoring

1. *Tiered approval and collective decision-making:* The Company adopts a multi-level approval system, where investments must be approved by the relevant decision-making body based on the size of the investment.

2. *Multi-department joint review via OA workflow:* After approval by the relevant decision-making body, the investment department of the Company submits investment proposals via the OA system for joint approval by the head of the relevant departments. Investments can only be executed once OA approval is granted. This mechanism ensures multi-department and multi-layer review and avoids unilateral decision made by a single department or individual.

3. *Segregation of duties and firewall system:* Pursuant to the Management Rules for Risk Control of Investment Business, the Company has adopted rigorous segregation of duties and established necessary firewalls between different departments and positions to ensure effective internal controls over investment activities and mitigate risks such as unclear responsibilities and benefit tunnelling. Information on investment activities is kept strictly confidential, and no investment information shall be disseminated to the public unless otherwise required by law or consent is obtained in advance from the investee.

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

Risk management measures for financial asset investments (Continued)

I. Risk Identification Mechanism (Continued)

(C) Ongoing Post-investment Risk Monitoring

1. *Regular collection and analysis of financial information:* Under the Management Rules for Post-Investment, the post-investment management team regularly collects and analyses quarterly and annual financial reports of the investees. Material adverse changes in financial conditions of the investees are promptly reported to the management of the Company with proposed countermeasures.

2. *Regular site visits and on-the-ground research:* After investment is made by the Company, each project is reviewed either on-site or online at least once every year. Meetings are held with the head of the research and development, production, sales and finance departments of the investees to obtain first-hand operational and market information.

3. *Investment ledgers and project management information system:* Pursuant to the Detailed Rules for External Investment, the Company maintains an investment project ledger recording the identity of the investees, investment amounts, shareholding ratios, term of the investment, rate of returns and other particulars for post-investment monitoring. All investment documents (including investment contracts and capital contribution certificates) are also filed in a timely and orderly manner.

4. *Valuation of fair value and impairment monitoring:* Pursuant to the Measures for Investment Project Valuation of the Company, the Company periodically values unlisted equity holdings with reference to the Guidelines on Valuation of Unlisted Equity Investments of Private Investment Funds issued by the Asset Management Association of China, and such valuations are reviewed regularly to prevent material valuation discrepancies. The investment department of the Company shall periodically issue questionnaires to and collect fund financial statements from fund managers. By coupling such inputs with the Company's project risk benchmarks, the Company conducts risk screening on the underlying assets of the investee, make corresponding impairment adjustments for projects with impairment risks, and engages external experts for project valuation when necessary.

5. *Operational reporting system:* Under the Management Rules for Post-Investment, the investment department of the Company prepares bi-annual operational analysis reports detailing the overall investment portfolio performance and the operation status of each investee and systematically reports portfolio conditions to the management of the Company.

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

Risk management measures for financial asset investments (Continued)

II. Risk Response Mechanism

(A) Risk Confirmation

Pursuant to the Management Rules for Post-Investment and Detailed Rules for External Investment, if a material unexpected event occurs in relation to an investee or a material breach under the investment agreement arises, the investment department of the Company shall immediately report to the management of the Company and propose appropriate remedies (including and not limited to impairment testing of the underlying assets and making provisions for impairment where necessary), which will be implemented after approval by the management of the Company.

(B) Risk Mitigation Measures

1. *Restructuring of transaction terms:* Pursuant to the Detailed Rules for External Investment, if, prior to completion of the target investment, the business, finance, legal status or other conditions of the target investee materially differs from its previous representations or the target investee fails to satisfy closing conditions, the investment department of the Company shall promptly report to the chairman or the investment decision committee of the Company and propose remedies including but not limited to delaying completion, amendment to the transaction agreements and/or termination of the transaction together with proper settlement arrangements.

2. *Exercise of shareholder rights:* Pursuant to the Post-investment Management Measures of the Company, the Company shall attend board meetings and shareholders' meetings of its investees, reviews their operational reports and exercises shareholder rights to participate in their governance. For material matters, appointed directors or designated representatives cast votes to safeguard the Company's legitimate interests as an investor.

3. *Exit arrangements:* Pursuant to the Detailed Rules for External Investment and the Management Rules for Post-Investment, the investment department of the Company shall design exit plans for invested projects. Based on the investee's development trajectory, market changes and the Company's investment strategy, appropriate exit plans (such as IPO, merger and acquisition, equity transfer or share repurchase) shall be made at the appropriate time.

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

Risk management measures for financial asset investments (Continued)

II. Risk Response Mechanism (Continued)

(C) Risk Management and Oversight

1. Under the Detailed Rules for External Investment, the audit department of the Company conducts independent supervision of investment projects and shall promptly propose remedial actions on irregularities and shall prepare specific reports on major problems.

2. The Company also implements full-cycle management of investment files, covering project screening and decision-making, ongoing project monitoring and investment exit stages.

Approval process for financial asset investments

The Company adopts a multi-level approval system for its investments in financial assets. The Board and Shareholders' general meeting of the Company constitute the decision-making bodies for all types of investment activities. In accordance with the Company Law of the PRC, Shenzhen Listing Rules, Listing Rules and the relevant laws and regulations issued by the CSRC, as well as the Articles of Association, Rules of Procedure for the General Meeting and Rules of Procedure of the Board, each decision-making body makes decisions on the Company's external investment activities within its authorised scope.

The Company's investment strategy is formulated by the Strategy Development Committee of the Board, which is responsible for providing professional advice for the analysis and research of external investment projects.

Pursuant to the Management Rules for External Investment, investments that require Board and Shareholders' approval must obtain the required approvals. If the investment does not require Board or Shareholders' approval, it shall be approved by the following:

(1) investments of RMB10 million or less shall be approved by the chairman of the Board; and

(2) investments exceeding RMB10 million but does not require Board or Shareholders' approval shall be approved by the investment decision committee authorized by the chairman of the Board.

The general manager of the investment department of the Company, who has more than 30 years of investment management experience, serves as the principal person responsible for the implementation of specific external investments. After approval is obtained by the relevant decision-making body, the investment department of the Company shall submit investment documents via the OA system for joint approval by the heads of the investment department, finance and other relevant departments, as well as the general manager of the Company and the chairman of the Board. Investments can only be executed once OA approval is granted. Upon obtaining all relevant OA approvals, the investment department of the Company carries out project implementation, monitors project progress and conducts post-implementation reviews upon project completion.

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

Indebtedness

Borrowings

The Group had RMB1,874.8 million outstanding borrowings as of June 30, 2026, of which RMB336.0 million were short-term and RMB1,538.8 million were long-term. During the Reporting Period, the majority of our borrowings carried floating interest rates. This structure reflects our proactive treasury management strategy in the current volatile market environment. As of June 30, 2026, 87.1% of our borrowings were denominated in RMB, while 12.5% were denominated in USD. As of June 30, 2026, the total unutilized banking facilities available to the Group was RMB5,575.1 million (December 31, 2025: RMB6,237.7 million).

Gearing Ratio

Gearing ratio is calculated using interest-bearing borrowings from banks and other entities divided by total equity and multiplied by 100%, and it was 8.1% as of June 30, 2026, as compared with 4.6% as of December 31, 2025.

Lease Liabilities

We had outstanding aggregated lease liabilities (for the remainder of relevant lease terms) of RMB380.8 million as of June 30, 2026, falling 17.3% from RMB460.3 million as of December 31, 2025, primarily due to the termination of certain existing lease contracts, resulting in the derecognition of related assets. Of the aggregated lease liabilities as of June 30, 2026, RMB74.1 million were due within one year and RMB306.7 million would be due in more than one year.

Pledges over Assets of the Group

The Group had no pledges over assets of the Group as of June 30, 2026.

Contingent Liabilities

As of June 30, 2026, the Group had no contingent liabilities.

Capital Commitments

As of June 30, 2026, the Group had total capital commitments entered but outstanding and not provided for in the financial statements amounting to approximately RMB162.6 million (December 31, 2025: approximately RMB364.8 million) and mainly included that not provided for the acquisition for the investments in the funds or companies was approximately RMB101.4 million (December 31, 2025: approximately RMB275.2 million).

In addition, the Group entered into a subscription agreement to subscribe 50% equity interests in an associate, Hangzhou Taikun, in 2021. The Group had committed to invest additional capital in Hangzhou Taikun, amounting to RMB6.0 billion as of June 30, 2026.

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

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

Indebtedness (Continued)

Significant Investments Held

As of June 30, 2026, saved for the investment as mentioned below, the Group did not hold any other significant investments.

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

Hangzhou Taikun was established on August 10, 2021 and became an associate of the Group. As of June 30, 2026, our Group has paid up RMB4 billion of the registered capital of Hangzhou Taikun.

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

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

As of June 30, 2026, the carrying amount of our investment in Hangzhou Taikun was RMB3,962.1 million, accounting for 14.2% of the total assets of the Group.

As of June 30, 2026, Hangzhou Taikun had a net asset of RMB7,912.5 million, and generated a profit of RMB4.8 million during the Reporting Period. The Group has received the amount of RMB188.0 million for the dividend in respect of its investment in Hangzhou Taikun during the Reporting Period.

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

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

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

Indebtedness (Continued)

Significant Investments Held (Continued)

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

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

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

Treasury Policy

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

Core Competence Analysis

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

1. Rich experience in project execution

As a leading clinical CRO in the industry, we have accumulated rich experience in innovative drug and medical device R&D services since its establishment more than 20 years ago. Our clients includes global multi-national pharmaceutical companies and domestic large pharmaceutical companies, and small to medium-sized innovative drug R&D enterprises. Our products cover a wide range of chemical drugs, biologics, vaccines, medical devices, and most of the therapeutic areas, including oncology, respiratory, infectious, endocrine, hematology, neurology, cardiovascular, dermatology, immunology, digestion, metabolism, rare diseases and other disease areas. Meanwhile, the Company closely follows the development pace of China's innovative drug industry, continuously enhancing its service capabilities in cutting-edge drug mechanisms, new targets, and emerging therapeutic areas. Concurrently, it is expanding its service scope to new business areas such as real-world studies and risk-based clinical monitoring. As of June 30, 2026, we have provided service for 210 approved Class 1 new drugs in China, accounting for 62% of all Class 1 innovative drugs approved during the same period. As of June 30, 2026, we had worked on 184 global MRCTs.

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

Core Competence Analysis (Continued)

2. Globally synchronized operation and management

We have set up branch offices and local operation teams in many countries and regions (including North America, Europe, Australia and Japan etc.), with professionals familiar with pharmaceutical regulations and clinical practices in various countries, and established synchronized operation and collaboration mechanisms, forming strong capabilities of synchronized execution of globalizing projects. We have provided global customers with high-quality round-the-clock research and development services. Meanwhile, we have further expanded its service coverage for both international clients and domestic clients pursuing global expansion, while continuously strengthening its global operational system. As of June 30, 2026, our global workforce has reached 11,984 employees, including over 2,000 overseas employees and covering 43 countries globally. Since the establishment of our International Headquarter in Hong Kong in 2023, it has gradually become a central hub for Tigermed's overseas functional support and business development initiatives. In March 2026, the new building of the Company's global headquarters was completed in Hangzhou, providing strong support for the enhancement of global management efficiency.

3. Covering the whole R&D industry chain

For clinical CRO companies, integrated services can increase the depth and breadth of cooperation with customers, reduce communication and interface costs in the R&D process, enhance efficiency and improve the stability of cooperation. Currently, we have established integrated R&D service platforms for both pharmaceutical and medical device customers. Our integrated service platform for drug R&D can provide full-process and end-to-end services including drug discovery, preclinical development, IND filing, clinical trial phase I-III, registration, post-market studies and real-world studies. Our integrated service platform for medical device R&D can provide R&D services throughout the entire life cycle of medical device R&D, including product design and R&D, pre-clinical, clinical development and evaluation, registration and application and post-market studies. In the first half of 2026, the Company successively completed the integration of Teddy and Bioquick, further improving its full-chain R&D service capabilities.

4. Excellent quality standards and delivery capabilities

Excellent quality management is a solid foundation for clinical research and vital reflection of our core competencies. We have set up a Quality Management Committee as the highest quality governance body to promote the operation and improvement of our quality management system, organize regular quality review activities and comprehensive assessment on the quality status, review and assess our quality risks and related corrective measures, etc. The general manager of the Company serves as the first person responsible for quality management. We take the initiative to embrace changes, actively explore the incorporation of "Quality by Design" into the entire clinical trial lifecycle, from design and operation to quality management and develop the Risk-Based Quality Monitoring System. Our DCT solution team has been set up to utilize the remote and intelligent hybrid clinical trial technologies such as e-informed, remote follow-up, direct-to-patient drug delivery, and e-payment, actively advance the application of AI models and platforms to empower clinical research, aiming to continuously improve the efficiency of clinical operation and quality management capabilities and to enhance the high-quality delivery.

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

Core Competence Analysis (Continued)

5. Leading industry position and influence

Since our establishment in 2004, we have witnessed and involved in the whole process of China's pharmaceutical industry from me-too drugs to fast-follow drugs and then to innovative drugs. After 20 years of development, we have grown from a local CRO to an international CRO that can cover all 5 continents with global synchronization of R&D service capabilities. As of the first half of 2026, we have provided services for 62% of the marketed Class 1 new drugs in China. According to Frost & Sullivan's report, we have the largest market share in China's clinical outsourcing market for many consecutive years with a 10.9% market share in 2025, and is the only China-based clinical services provider ranked among global top 10 with a global market share of 1.2%.

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

In China, we have a network of offices and operations covering almost all of the country's medium and large-sized cities, and we partner with more than 1,500 Chinese clinical trial institutions. We continue to strengthen and deepen cooperation with top clinical trial institutions, jointly develop professional clinical trial teams and build clinical sites, improve management and efficiency, and create a win-win and sustainable clinical study network. As of June 30, 2026, we have completed the construction of 6 jointly-established centers, with a total of 620 beds. At the international level, we collaborate with over 700 clinical study sites across 45 U.S. states and over 150 oncology study sites in North America, partner with over 300 study sites in Japan, and have established cooperative relationships with over 20 oncology study sites and research institutions in Australia.

7. In-house developed digital and AI platforms empowering clinical development

Centered on the digitalization and intelligence strategy, we continue to consolidate its technological foundation, accelerating the implementation and application of AI capabilities across all clinical research scenarios. In recent years, we have built an intelligent clinical research platform centered on DCTs, AI large models, and data visualization, and have successively advanced its commercial operation. Self-developed AI agents have been gradually applied in multiple business scenarios such as intelligent writing, intelligent monitoring, intelligent data management and statistical analysis, intelligent site selection, and intelligent contracts. During the Reporting Period, we established the "Intelligent Research Institute" to coordinate and lead technology empowerment and product development, and committed to becoming an industry-leading AI-driven clinical CRO.

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

Core Competence Analysis (Continued)

8. Building of ecosystem to provide full life-cycle services to innovative drug and medical device enterprises

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

Other Events

On February 2, 2026, the Company convened the twenty-first meeting of the fifth session of the Board, pursuant to which the Board resolved and approved, amongst others, the change of registered address of the company (the "**Proposed Change of Registered Address**") and proposed amendments to the articles of association of the Company (the "**First Proposed Amendment to the Articles of Association**"). The Proposed Change of Registered Address and the First Proposed Amendment to the Articles of Association were approved at the 2026 first extraordinary general meeting of the Company by way of special resolution. For details, please refer to the announcements of the Company dated February 2, 2026 and March 5, 2026 and the circular of the Company dated February 10, 2026.

On March 30, 2026, in light of the Company's operational and development needs and the Company's proposal to establish the positions of vice chairman and co-president, the Company convened the twenty-third meeting of the fifth session of the Board, pursuant to which the Board resolved and approved, amongst others, the proposed amendments to the articles of association of the Company (the "**Second Proposed Amendment to the Articles of Association**"). The Second Proposed Amendment to the Articles of Association was approved at the 2025 annual general meeting of the Company by way of special resolution. For details, please refer to the announcements of the Company dated March 30, 2026 and June 2, 2026 and the circular of the Company dated April 30, 2026.

On March 30, 2026, the Company convened the twenty-third meeting of the fifth session of the Board, pursuant to which the Board resolved and approved, amongst others, the proposal on the re-election and appointments of directors of the sixth session of the Board (the "**Proposed Re-election and Appointments**"). The Proposed Re-election and Appointments were approved at the 2025 annual general meeting of the Company by way of ordinary resolutions. For details, please refer to the announcements of the Company dated March 30, 2026 and June 2, 2026 and the circular of the Company dated April 30, 2026.

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

Other Events (Continued)

On June 2, 2026, the Company convened the first meeting of the sixth session of the Board, pursuant to which the Board resolved and approved, amongst others, the election of the chairman of the Board, the appointment of members of each of the Board committees of the Company, the engagement of senior management of the Company, the change in legal representative of the Company; and the engagement of the secretary to the Board and representative of securities affairs. On the same date, the employee representative meeting also completed the election of the employee Director of the sixth session of the Board. For details, please refer to the announcements of the Company dated June 2, 2026.

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

Industry Outlook

In the first half of 2026, the global biopharmaceutical industry continued the recovery trend that began in the second half of 2025, with all core indicators rebounding comprehensively. The total financing amount in the primary market for global innovative drugs reached USD26.75 billion, up 58.5% YoY compared with USD16.88 billion in the Corresponding Period of 2025, indicating that global capital market confidence in the biopharmaceutical sector is gradually being restored, and investors' recognition of the long-term value of innovative therapies continues to rise.

In terms of regulatory approval, in the first half of 2026, the U.S. FDA approved 24 new drugs, including 19 new molecular entities and 5 innovative biologics, with 9 of them being first-in-class new drugs. Meanwhile, structural changes have emerged in the global new drug R&D pipeline, with the proportion of global candidate molecules originating from China surging from 8% in 2018 to approximately 30%. China has transformed from a "bystander" to a "core participant" in global innovative drug R&D, and the global pharmaceutical innovation landscape is being redefined. In addition, multinational pharmaceutical companies face a patent cliff of approximately USD280 billion around 2031; their abundant cash reserves complement China's high-quality, cost-effective pipelines, making the systematic acquisition of Chinese innovative drug assets a long-term trend. This is not merely a short-term transactional behavior, but a profound driving force for the restructuring of the global pharmaceutical industry landscape.

China's biopharmaceutical and innovative drug industry has continued its strong growth momentum since 2025, hitting new record highs in core indicators such as outbound licensing deals, new drug approvals, and investment and financing. The industry as a whole has entered a new stage of high-quality development, marking that China's innovative drug sector has transitioned from a "period of adjustment and accumulation" to a "period of comprehensive explosion".

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

Industry Outlook (Continued)

With respect to outbound licensing deals, according to data from PharmaCube, in January to June in 2026, upfront payments from domestic companies' outbound licensing deals reached USD4.965 billion, up 68.4% YoY, representing nearly 70% of the total upfront payments recorded for the full year of 2025. The potential total deal value reaching USD99.89 billion, up 42.0% YoY. The number of transactions was 116, up 28.9% YoY. There were 23 blockbuster collaborations with a total transaction value exceeding USD1 billion, up 28% YoY, corresponding to a total amount of USD89.957 billion, up 49% YoY. In the top 10 global pharmaceutical transactions in the first half of 2026, Chinese pharmaceutical companies occupied 8 spots, fully demonstrating that Chinese innovative drug assets have become an indispensable strategic resource for the global pharmaceutical industry, and multinational pharmaceutical companies' recognition of China's innovation capacity has evolved from "isolated cases" to a "systematic trend".

The number and quality of new drug approvals have improved simultaneously. In the first half of 2026, the NMPA approved a total of 38 Class 1 global new innovative drugs, including 20 chemical drugs, 17 biologics, and 1 innovative traditional Chinese medicine; the total number of accepted drug marketing registration applications reached 2,318. The innovation value achieved a landmark breakthrough: among the 11 new-target and new-mechanism drugs approved in the full year of 2025, only 4 were domestic, whereas all 11 first-in-class new drugs approved in the first half of 2026 were independently developed by domestic enterprises, reversing the pattern where original new drugs were long dominated by overseas companies. The number of new drugs in development in China accounts for about 30% of the global total, ranking second in the world, and as of the end of 2025, it has surpassed the United States to rank first globally. The data from the first half of 2026 further indicates that China is striding from a "major R&D country" to an "R&D powerhouse", which is not only a quantitative transcendence but also means that China's voice and influence in the global pharmaceutical innovation landscape are undergoing a qualitative change.

Industry investment and financing continued to recover and achieve a bottoming rebound in the first half of 2026. The total financing amount in the primary market for Chinese innovative drugs reached USD4.257 billion, up 189% YoY, continuing the growth trend since 2025. In the first half of 2026, the combined total of primary market financing for Chinese innovative drugs and upfront payments from outbound licensing deals reached USD9.222 billion, exceeding USD8.485 billion in the first half of 2021, setting a new high for the past five years. The sustained recovery on the financing side has provided the industry with ample financial support, laying a solid foundation for R&D investment and pipeline advancement in the next stage.

In the first half of 2026, the global biopharmaceutical sector made significant breakthroughs in multiple frontier directions, with Chinese innovative forces playing an increasingly critical role. At the 2026 ASCO Annual Meeting, 95 studies of innovative drugs from China were selected for oral presentations, and 12 innovative drug studies were selected for LBAs, with both figures breaking historical records. The Phase III study of a monoclonal antibody product from a Chinese innovative drug company was successfully selected for the highest-level Plenary Session at the ASCO Annual Meeting, achieving a new breakthrough in the academic history of Chinese innovative drugs. The number of reports from China at ASCO has ranked second globally, second only to the United States. The enhancement of academic influence is not merely an honor; it also signifies that Chinese innovative drug research achievements are gaining recognition from top global academic platforms, and Chinese clinical data is becoming an important reference for global oncology treatment decisions.

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

Industry Outlook (Continued)

In terms of the policy environment, the 2026 Government Work Report of China listed biomedicine as an emerging pillar industry for the first time. On July 13, 2026, the State Council officially issued the *National Health Plan for the 15th Five-Year Plan Period*, which explicitly proposed to "support the development and application of innovative drugs and medical devices across the whole chain" for the first time, with innovative drugs mentioned 7 times, the most in any five-year plan. The plan clearly delineates key technological breakthrough directions such as cell and gene therapy, novel antibodies, novel vaccines, nucleic acid drugs, and radiopharmaceuticals, and proposes to improve the mechanism for medical insurance to support the high-quality development of innovative drugs and devices, refine the innovative drug catalog, and build a three-tier payment system comprising medical insurance negotiations, the essential drug list, and commercial insurance. Elevating innovative drugs to the height of national strategy provides the highest-level institutional guarantee and policy certainty for the long-term development of the industry. In terms of review and approval, the NMPA explicitly stated that it will strengthen service support across the whole chain – ranging from communication and consultation, clinical trials, and registration applications to review and approval – for innovative drugs with new mechanisms and new targets, to facilitate the "first launch in China" of innovative drugs, and proposes to include eligible cell and gene therapy drugs in the 30-day review and approval channel for innovative drug clinical trials. The improvement of review and approval efficiency directly shortens the market launch cycle of innovative drugs, creating institutional conditions for Chinese innovative drugs to be launched globally first.

In terms of payment support, the NHSA has conducted medical insurance catalog negotiations for 8 consecutive years, cumulatively including 199 innovative drugs in the medical insurance reimbursement scope. As of February 2026, the medical insurance fund has cumulatively spent RMB504.8 billion on negotiated drugs within the agreement period, driving sales of RMB740 billion and benefiting 1.17 billion person-times. The NHSA explicitly stated that "innovative drugs are not subject to centralized procurement, and centralized procurement is not for innovative drugs." The 2026 medical insurance catalog adjustment added a "pre-declaration" step, allowing innovative drugs to apply in advance to participate in the catalog adjustment. In May 2026, the NMPA issued the *Measures for the Implementation of Drug Clinical Trial Data Protection*, granting a data protection period of up to 6 years for innovative drugs that are not yet marketed domestically or internationally. In July 2026, the NHC issued the "*National Essential Drug List (2026 Edition)*", which included innovative drugs in the selection and adjustment scope of the essential drug list for the first time. The data protection period system provides innovative drug companies with crucial intellectual property guarantees, while the inclusion of innovative drugs in the essential drug list for the first time opens up a broader grassroots market space. From "entering medical insurance" to "entering the essential drug list", the accessibility of innovative drugs is achieving full coverage.

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

Industry Outlook (Continued)

Overall, in the first half of 2026, the state constructed the most comprehensive policy support system for innovative drug development, from top-level strategy to specific execution. Guided strategically by the positioning as an "emerging pillar industry" and the "15th Five-Year Plan", institutionally guaranteed by accelerated reviews and data protection, and provided with a market outlet through the three-tier payment system of medical insurance negotiations, the essential drug list, and commercial insurance, a policy closed-loop from R&D incentives to patient accessibility has been formed. This systematic policy layout not only provides Chinese innovative drug companies with unprecedented developmental certainty but also fundamentally reshapes the "China's accelerating pace" in global innovative drug competition.

In the technological field, Chinese innovative drugs have achieved milestone breakthroughs in source innovation, technology platforms, and interdisciplinary fields, and the industry is accelerating its transition from "fast follower" to "source innovation". Among the 11 new-target and new-mechanism drugs approved in the first half of the year, several "world's first" products were born, including the world's first bispecific ADC and the world's first CAR-T therapy for solid tumors, marking that Chinese enterprises already possess the capability to define new targets and mechanisms. AI-driven drug discovery has reached a clinical validation milestone, with the world's first drug whose target discovery and molecular design were completed by AI entering Phase III clinical trials; global sales of ADC drugs have grown by over 20% for five consecutive years, and domestic ADCs continue to lead in targets and indications, becoming the "trump card track" for Chinese innovative drugs going global; breakthroughs in interdisciplinary fields such as brain-computer interfaces, and the practice of "first launch in China, simultaneous global launch" for domestic new drugs, have further broadened the boundaries of industrial innovation. These breakthroughs collectively indicate that China's biopharmaceutical industry is moving from the "capability accumulation" stage to a new "technology leadership" stage, and its voice and competitiveness in the global innovation landscape are undergoing a qualitative leap.

In the first half of 2026, with the comprehensive recovery of the domestic biopharmaceutical industry, the CRO services welcomed a clear recovery in prosperity, officially entering a new cycle of "demand-side recovery" from the stage of "supply-side clearance". The comprehensive recovery on the order side and the continuous improvement on the performance side corroborate each other, with newly signed orders seeing increases in both volume and price, and segment revenue returning to a growth track after a prolonged adjustment, indicating that the R&D investment willingness of innovative drug companies is substantially strengthening; the superposition of multiple demand-driving factors, such as upfront payments from the overseas licensing of innovative drugs feeding back into R&D, and the sustained high growth of IND applications and newly initiated clinical trials, means that this recovery is not a short-term rebound, but a long-term trend driven by structural positives. Meanwhile, driven by structural positives, CRO companies with core competitiveness such as scarce resource barriers and safety evaluation are the first to benefit, industry concentration is expected to further increase, and leading companies are accelerating their pace toward becoming global leaders.

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

Industry Outlook (Continued)

Overall, in the first half of 2026, the CRO industry has emerged from the trough of industry consolidation since 2022 and entered a new cycle of upward prosperity. With the continuous growth of domestic innovative drug financing, the continuous increase of upfront payments in BD transactions, and the comprehensive recovery of overseas biopharmaceutical investment and financing, the demand foundation of the CRO industry is becoming increasingly solid. More importantly, the continuous growth in the "going global" demand of Chinese innovative drug companies sets higher requirements for clinical CROs with global service capabilities, which is not only a quantitative growth but also a qualitative upgrade. The CRO industry is transforming from a mere "executor" to a "global R&D strategic partner".

Potential Risks

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

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

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

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

The success of our business depends primarily on the number and size of service contracts with our customers, who are mostly biopharmaceutical and medical device companies. We have benefited from increasing demand for our services from our customers because of the continued growth of the global pharmaceutical market, increasing R&D budgets of our customers, and a greater degree of outsourcing by our customers. Any slowing or reversal of any of these trends could have an adverse effect on the demand for our services. Furthermore, if investments in pharmaceutical industries were to decrease, the demand for outsourced biopharmaceutical R&D services from companies in such industries may also decrease, and our business, financial condition, results of operations and prospects could also be adversely affected.

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

Potential Risks (Continued)

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

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

4. Risk of increasing competition

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

5. Risk of failure in business expansion and strategy implementation

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

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

Potential Risks (Continued)

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

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

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

Potential Risks (Continued)

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

We are required to obtain and maintain numerous approvals, licenses, assurances, accreditations, permits, registrations, and certificates from relevant authorities to operate our business. If we or our business partners fail to obtain approvals, licenses, assurances, accreditations, permits, registrations, and certificates necessary for our operations or to comply with the terms, conditions, and requirements thereunder, enforcement actions may be taken against us, including suspension or termination of licenses, approvals, assurances, accreditations, permits, registrations, and certificates, orders issued by the relevant regulatory authorities causing operations to cease, fines and other penalties, and may include corrective measures requiring capital expenditure or remedial actions. If such enforcement action is taken, our business operations could be materially and adversely disrupted. In addition, some of these approvals, licenses, assurances, accreditations, permits, registrations, and certificates are subject to periodic renewal by the relevant authorities, and the standards of such renewals may change from time to time. If we fail to obtain the necessary renewals and otherwise maintain all approvals, licenses, registrations, assurances, accreditations, permits and certificates necessary to carry out our business at any time, our business could be severely disrupted or discontinued, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, the interpretation or implementation of existing laws and regulations may change and new regulations may come into effect requiring us to obtain any additional approvals, permits, licenses, assurances, accreditations, permits, registrations, and certificates. If we fail to obtain the additional approvals, licenses, assurances, accreditations, permits, registrations and certificates, our business could be severely disrupted or discontinued, which could have a material adverse effect on our business, financial condition and results of operations.

8. Risk of failure in meeting customers' expectations

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

9. Risk of losing key customers and contracts

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

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

Potential Risks (Continued)

10. Risks of acquisitions and investments

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

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

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

12. Risk of talent loss

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

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

Potential Risks (Continued)

13. Risks related to financial assets at FVTPL

Financial assets at FVTPL include listed equities, unlisted equities, unlisted fund investments, structured deposits, and derivative financial instruments. The fair values of the aforementioned assets are subject to material fluctuations arising from market volatility. There is no guarantee that the changes in fair value of our financial assets will continue to generate positive gains, and the Company anticipates continuing to generate gains from the disposal of financial assets in the future. In the event that such losses materialize, the Company's financial performance may be subject to certain adverse effects. During the Reporting Period, the Company recorded negative changes in the fair value of financial assets in the amount of RMB443.3 million, compared to negative changes in the fair value of financial assets in the amount of RMB89.6 million during the Corresponding Period, and recorded disposal gains on financial assets in the amount of RMB45.7 million, as compared to the amount of RMB24.7 million during the Corresponding Period. There can be no assurance that the Company will continue to generate disposal gains on financial assets at FVTPL, and its financial results could be materially impacted.

14. Foreign exchange risk

Certain subsidiaries of the Company do have sales, costs, capital expenditures, cash and cash equivalents and borrowings in foreign currencies, which exposes the Company to foreign currency risks. In addition, certain subsidiaries of the Company also have receivables and payables which are denominated in currencies different from their functional currencies. The Company is mainly exposed to the foreign currency of US$. If RMB appreciates significantly against US$, our revenue growth could be negatively impacted, and our margins might also be pressured. In light of the above, the management of the Company has closely monitored its foreign exchange risk and taken appropriate measures to avoid foreign exchange risk. The Company has also established the Management System for Foreign Exchange Derivatives Trading Business, which stipulates the operation principles, approval authority, risk control and other aspects of the hedging business.

15. Risk of changes in international policies and situations

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

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

Potential Risks (Continued)

16. Risks related to data security and privacy protection

The Company accumulates and processes a large amount of clinical trial data, subjects' personal information, and customer sensitive data in its daily operations, involving data protection laws in multiple jurisdictions in China and overseas. With the increasingly stringent regulatory requirements of the *Personal Information Protection Law of the PRC* and *the European Union General Data Protection Regulation*, if the Company's information management system suffers hacker attacks, internal employees violate regulations, or cross-border data transfer arrangements are non-compliant, it may lead to the leakage of sensitive data. The Company will face risks such as regulatory penalties, legal proceedings, and loss of customer trust, thereby adversely affecting its reputation and operations.

17. Risks and uncertainties arising from the application of new technologies

The Company actively lays out the application of emerging technologies such as AI and big data in the field of clinical research. Although these investments aim to improve the efficiency of clinical operation and service value-added, the commercialization of frontier technologies still faces multiple uncertainties such as technology maturity, user acceptance, and regulatory compliance adaptation. If the relevant R&D investments fail to translate into mature products or services as expected, it may adversely affect the Company's resource utilization efficiency and the realization of its strategic objectives.

Employees

During the Reporting Period, the Company's workforce expanded. The number of our total employees increased from 11,130 at the end of 2025 to 11,984 at the end of the Reporting Period, with total remuneration amounting to RMB1,828.3 million.

The number of employees in the PRC increased to 9,965 at the end of the Reporting Period from 9,166 as of December 31, 2025. This was primarily because the Company hired new clinical operations and SMO teams during the Reporting Period to meet the increasing execution demand from the growing backlog.

The number of overseas employees increased to 2,019 at the end of the Reporting Period from 1,964 as of December 31, 2025. This was primarily because the Company expanded its team sizes in Australia, New Zealand, Malaysia, and Japan during the Reporting Period; meanwhile, the sizes of the North American laboratory services team and the European team decreased slightly, mainly due to strategic planning adjustments. As a key part of the business growth and sustainable development strategy, the Company is expected to continue expanding the relevant teams in key overseas markets in the future.

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

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

Employees (Continued)

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

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

SHARE INCENTIVE SCHEMES

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

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

1. Frontage Labs 2008 and 2015 Share Incentive Plans

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

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

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

SHARE INCENTIVE SCHEMES (Continued)

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

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

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

Category of participants	Date of grant	Exercise price per share (US$)	Outstanding as at January 1, 2026	Granted during the Reporting Period	Exercised during the Reporting Period	Canceled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2026	Vesting period
Senior management and other employees	June 16, 2016	0.049	6,650,000	–	6,350,000	300,000	–	–	exercisable at any time[1]
	September 14, 2017	0.057	9,850,000	–	–	700,000	–	9,150,000	exercisable at any time[1]
Total			**16,500,000**	**–**	**6,350,000**	**1,000,000**	**–**	**9,150,000**	

Notes:

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

(2) The weighted average closing price of the share of Frontage immediately before the dates on which the option were exercised was HK$1.01 during the six months ended June 30, 2026.

The exercise price of options outstanding is US$0.057 (equivalent to RMB0.39).

The estimated fair value of the share options granted under the 2015 Pre-IPO Share Incentive Plan in 2021 was approximately US$5,001,000. The fair value was calculated using the Black-Scholes model. There were no share options issued for the six months ended June 30, 2026 and no more options may be granted under the 2015 Pre-IPO Share Incentive Plan upon the listing of Frontage.

SHARE INCENTIVE SCHEMES (Continued)

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

The major inputs into the model are as follows:

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

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

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

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

The Group recognised total expense of nil for the six months ended June 30, 2026 (six months ended June 30, 2025: nil) in relation to share options granted under the Frontage Labs Schemes.

SHARE INCENTIVE SCHEMES (Continued)

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

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

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

In accordance with the Listing Rules, the maximum number of shares issued and to be issued and/or transferred and to be transferred upon the vesting or exercise of the awards granted to any eligible participant (including all vested, exercised and outstanding awards) in the 2018 Share Incentive Plan in any 12-month period shall not (when aggregated with any shares underlying the awards granted during such period pursuant to any other share award schemes of Frontage) exceed 1% of the shares of Frontage in issue from time to time. Any further grant of share awards in excess of this limit is subject to shareholders' approval in a general meeting. Share options granted to a director, chief executive or substantial shareholder of the Frontage, or to any of their close associates, are subject to approval in advance by the independent non-executive directors (excluding the independent non-executive directors who or whose close associates are the grantees of a share option). In addition, any grant of share options to a substantial shareholder or an independent non-executive director of Frontage, or to any of their respective associates, would result in the shares issued and to be issued in respect of all share options (excluding any options lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant: a) representing in aggregate over 0.1% of the relevant class of shares in issue; and b) having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK$5 million, such further grant of share options must be approved by shareholders of Frontage (voting by way of a poll). The remaining life of the 2018 Share Incentive Plan is approximately 2 years and 8 months until May 29, 2029. The offer of a grant of share options may be accepted a period to be determined by the board of Frontage upon payment of a consideration of US$1.00 by the grantee. Subject to such terms and conditions as the board of Frontage may determine, there is no minimum period for which any share option granted under the 2018 Share Incentive Plan must be held before it can be exercised. The exercise price of share options granted under the 2018 Share Incentive Plan will be determined by the board of Frontage, but in any event shall not be less than the highest of (i) the Stock Exchange closing price of the Frontage's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Frontage's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of a share of Frontage provided that for the purpose of determining the exercise price where the shares of Frontage have been listed on the Stock Exchange for less than five trading days, the issue price of the shares of Frontage in the global offering shall be used as the closing price of the shares of Frontage for any trading day falling within the period before the listing of the shares of Frontage on the Stock Exchange.

SHARE INCENTIVE SCHEMES (Continued)

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

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

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

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

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

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

Category of participants	Date of grant	Exercise price per share (HK$)	Outstanding as at January 1, 2026	Granted during the Reporting Period	Exercised during the Reporting Period	Canceled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2026	Vesting period
Director									
Dr. Song Li	October 7, 2022[1]	2.092	1,500,000	–	–	–	–	1,500,000	• 30% on September 1, 2023; • 30% on September 1, 2024; and • 40% on September 1, 2025
	December 20, 2023[2]	2.130	1,600,000	–	–	–	–	1,600,000	• 30% on December 20, 2024; • 30% on December 20, 2025; and • 40% on December 20, 2026
	October 30, 2024[3]	0.820	4,500,000	–	–	–	–	4,500,000	• 30% on October 30, 2025; • 30% on October 30, 2026; and • 40% on October 30, 2027
Employees	October 7, 2022[1]	2.092	22,192,000	–	–	1,055,000	–	21,137,000	• 30% on September 1, 2023; • 30% on September 1, 2024; and • 40% on September 1, 2025
	December 20, 2023[2]	2.130	20,388,000	–	–	1,843,000	–	18,545,000	• 30% on December 20, 2024; • 30% on December 20, 2025; and • 40% on December 20, 2026
	October 30, 2024[3]	0.820	27,650,000	–	–	1,050,000	–	26,600,000	• 30% on October 30, 2025; • 30% on October 30, 2026; and • 40% on October 30, 2027
Total			**77,830,000**	**–**	**–**	**3,948,000**	**–**	**73,882,000**	

SHARE INCENTIVE SCHEMES (Continued)

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

Notes:

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

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

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

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

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

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

The Group recognised total expenses of approximately US$290,000 (equivalent to approximately RMB1,996,000) for the Reporting Period (for the six months ended June 30, 2025: US$1,045,000 (equivalent to approximately RMB7,501,000)) in relation to share options granted under the 2018 Share Incentive Plan.

3. 2021 Frontage Share Award Scheme

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

SHARE INCENTIVE SCHEMES (Continued)

3. 2021 Frontage Share Award Scheme (Continued)

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

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

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

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

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

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

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

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

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

SHARE INCENTIVE SCHEMES (Continued)

3. 2021 Frontage Share Award Scheme (Continued)

During the Reporting Period, no grant has been made and there was no outstanding options or awards pursuant to the 2021 Frontage Share Award Scheme. Accordingly, there were no exercise, cancel and lapse of options or awards under the 2021 Frontage Share Award Scheme during the Reporting Period.

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

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

The 2021 Frontage Share Award Scheme expired in 2025 and the Group did not recognize expense for the Reporting Period (for the six months ended June 30, 2025: approximately US$67,000 (equivalent to RMB481,000)) in relation to share award granted under the 2021 Frontage Share Award Scheme.

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

4. 2018 DreamCIS Scheme

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

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

Each option granted has a contractual term of 5 years.

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

SHARE INCENTIVE SCHEMES (Continued)

4. 2018 DreamCIS Scheme (Continued)

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

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

Category of participants	Date of grant	Exercise price per share (KRW)	Outstanding as at January 1, 2026	Granted during the Reporting Period	Exercised during the Reporting Period	Forfeited during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2026	Vesting period
Other employees	May 20, 2019	2,670	–	–	–	–	–	–	May 19, 2021
	March 26, 2021	4,075	512,168	–	352,520	–	159,648	–	March 25, 2023
Total			**512,168**	**–**	**352,520**	**–**	**159,648**	**–**	

Notes:

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

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

The Group recognised total expense of nil for the Reporting Period (for the six months ended June 30, 2025: nil) in relation to share options granted under the 2018 DreamCIS Scheme.

5. 2021 DreamCIS Scheme

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

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

The number of options available for grant under 2021 DreamCIS Scheme at the beginning is nil and nil at the end of the Reporting Period. As at the Latest Practicable Date, no more shares would be available for issue under the 2021 DreamCIS Scheme.

SHARE INCENTIVE SCHEMES (Continued)

5. 2021 DreamCIS Scheme (Continued)

Upon adoption of the 2025 DreamCIS Scheme (as defined below), the provisions under the 2021 DreamCIS Scheme pursuant to which share options are granted shall cease to have effect and no further share option shall be granted pursuant to the 2021 DreamCIS Scheme, provided that share options previously granted under the 2021 DreamCIS Scheme shall remain valid and exercisable in accordance with the terms of the 2021 DreamCIS Scheme and their respective terms of grant.

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

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

The 2021 DreamCIS Scheme shall be valid and effective for a period of 10 years commencing on March 26, 2021. Subject to the above, in all other respects, in particular, in respect of options remaining outstanding on the expiry of the 10-year period referred to in this paragraph, the provisions of the 2021 DreamCIS Scheme shall remain in full force and effect. The remaining life of the 2021 DreamCIS Scheme is approximately 4 years and 6 months.

SHARE INCENTIVE SCHEMES (Continued)

5. 2021 DreamCIS Scheme (Continued)

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

No grant has been made since the adoption of the 2021 DreamCIS Scheme and up to June 30, 2026. Accordingly, there were no exercise, cancel and lapse of options under the 2021 DreamCIS Scheme since the adoption of such scheme and up to June 30, 2026.

6. DreamCIS 2023 Share Option Scheme

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

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

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

SHARE INCENTIVE SCHEMES (Continued)

6. DreamCIS 2023 Share Option Scheme (Continued)

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

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

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

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

As the DreamCIS 2023 Share Option Scheme was adopted on July 14, 2023, the number of options available for grant under DreamCIS 2023 Share Option Scheme at the beginning and the end of the Reporting Period is nil and nil, respectively. As at the Latest Practicable Date, no more shares are available for issue under the 2023 DreamCIS Scheme.

SHARE INCENTIVE SCHEMES (Continued)

6. DreamCIS 2023 Share Option Scheme (Continued)

Upon adoption of the 2025 DreamCIS Scheme (as defined below), the provisions under the 2023 DreamCIS Scheme pursuant to which share options are granted shall cease to have effect and no further share option shall be granted pursuant to the 2023 DreamCIS Scheme, provided that share options previously granted under the 2023 DreamCIS nScheme shall remain valid and exercisable in accordance with the terms of the 2023 DreamCIS Scheme and their respective terms of grant.

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

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

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

SHARE INCENTIVE SCHEMES (Continued)

6. DreamCIS 2023 Share Option Scheme (Continued)

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

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

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

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

Category of participants	Date of grant	Exercise price per share (KRW)	Outstanding as at January 1, 2026	Granted during the Reporting Period	Exercised during the Reporting Period	Forfeited during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2026	Vesting period
Other employees	August 31, 2023	3,520	833,600	–	448,600	–	–	385,000	August 30, 2025

SHARE INCENTIVE SCHEMES (Continued)

6. DreamCIS 2023 Share Option Scheme (Continued)

The closing price of the shares of DreamCIS on the day immediately preceding the exercise date (January 13, 2026) was KRW6,110.

The stock options granted in 2023 were exercised once, on January 14, 2026.

The Group recognised total expense of nil for the Reporting Period (for the six months ended June 30, 2025: RMB1.34 million) in relation to share options granted under the DreamCIS 2023 Share Option Scheme.

7. DreamCIS 2025 Share Option Scheme

On March 31, 2025, DreamCIS proposed to adopt a share option scheme (the "**DreamCIS 2025 Share Option Scheme**") to provide incentive or reward to directors or employees of DreamCIS for their contribution to, and continuing efforts to promote the interests of DreamCIS and its subsidiaries and for such other purposes as the DreamCIS Board may approve from time to time. The total number of shares in respect of which the options and awards may be granted pursuant to the DreamCIS 2025 Share Option Scheme and other share incentive schemes of DreamCIS is 15% of the total issued shares of DreamCIS.

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

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

For the purpose of the DreamCIS 2025 Share Option Scheme, a "Related Company" means any of the following, provided that the shares held less than that of (a) or (b) below, but the business scope of the corporations shall be limited to those engaging in manufacturing or sales which affect the results of export of DreamCIS, or those engaging in research and development projects for technical innovation of DreamCIS: (a) a foreign corporation in which investments made by the related company as the largest investor are at least 30% of the corporation's total equity capital; (b) a foreign corporation in which investments made by the foreign corporation mentioned in above (a) as the largest investor are at least 30% of the former foreign corporation's equity capital, or a foreign corporation in which investments made by such foreign corporation as the largest investor are at least 30% of the former foreign corporation's equity capital; or (c) if the related company is a financial holding company as defined in the Financial Holding Companies Act of Korea, an unlisted corporation among subsidiaries and sub-subsidiaries of such financial holding company.

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

SHARE INCENTIVE SCHEMES (Continued)

7. DreamCIS 2025 Share Option Scheme (Continued)

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

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

As the DreamCIS 2025 Share Option Scheme was adopted on March 31 2025, the number of options available for grant under DreamCIS 2025 Share Option Scheme at the beginning and the end of the Reporting Period is 1,061,531 and 2,160,467, respectively. As at the Latest Practicable Date, not more than 2,160,467 shares are available for issue under the DreamCIS 2025 Share Option Scheme, representing 8.78% of the total shares in issue of DreamCIS as at the Latest Practicable Date.

The maximum number of Shares to be granted to a participant under the DreamCIS 2025 Share Option Scheme shall not exceed 1% of the total issued share capital of DreamCIS 2025 Share Option Scheme.

Each offer shall be in writing made to a participant by letter in such form as may be determined by a special resolution of the general meeting of DreamCIS shareholders or the DreamCIS board may from time to time determine at its discretion (the "**2025 Offer Letter**"). The 2025 Offer Letter shall state, among others, the option period during which the option may be exercised, which period shall be determined in the 2025 Offer Letter to grant the option and shall not exceed five years from the date a grantee has served in office for at least two years from the date of the resolution of a general meeting of DreamCIS shareholders or the DreamCIS board granting the option (subject to the provisions for early termination contained in the DreamCIS 2025 Share Option Scheme). The DreamCIS shareholders or the DreamCIS board, as the case may be, may specify any other conditions which must be satisfied before the option may be exercised, including without limitation minimum periods for which an option must be held before it can be exercised, and any other terms in relation to the exercise of the option, including without limitation such percentages of the options that can be exercised during a certain period of time, as the DreamCIS board or the DreamCIS shareholders, as the case may be, may determine from time to time. Options to be granted under the DreamCIS 2025 Share Option Scheme have no performance target.

SHARE INCENTIVE SCHEMES (Continued)

7. DreamCIS 2025 Share Option Scheme (Continued)

The DreamCIS shareholders or the DreamCIS board, as the case may be, shall specify in the 2025 Offer Letter a date by which the grantee must accept the offer, being a date no later than 28 days after the date on which the option is offered or the date on which the conditions for the offer are satisfied, whichever is earlier. No amount is payable on application or acceptance of the option.

The DreamCIS 2025 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which it is adopted by ordinary resolution of the Shareholders at the general meeting or on the date on which it is approved by the DreamCIS board, whichever is later, after which period no further options shall be granted. Subject to the above, in all other respects, in particular, in respect of options remaining outstanding on the expiry of the 10-year period referred to in this paragraph, the provisions of the DreamCIS 2025 Share Option Scheme shall remain in full force and effect. The remaining life of the DreamCIS 2025 Share Option Scheme is four years and three months.

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

For the purpose of the DreamCIS 2025 Share Option Scheme, "substantial price" means: (x) average of final quotations of the stocks traded on the securities market and disclosed on a daily basis for two months (if any adjustment to a trading reference price is made due to ex-dividends or ex-rights during the same period, and the day immediately preceding the date of granting the stock option comes after at least seven days from the date the ex-dividends or ex-rights occur, it shall be such period) before the day immediately preceding the date the resolution of the Board is made, weighted by trading volume by real transactions; (y) average of final quotations of the stocks traded on the securities market and disclosed on a daily basis for one month (if any adjustment is made to a trading reference price due to ex-dividends or ex-rights during the same period, and the day immediately preceding the date of granting of the stock option comes after at least seven days from the date the ex-dividends or ex-rights occur, it shall be such period) before the day immediately preceding the date of granting stock option, weighted by trading volume by real transactions; and (z) average of final quotations of the stocks traded on the securities market and disclosed on a daily basis for one week before the day immediately preceding the date the stock option is granted, weighted by trading volume by real transactions.

SHARE INCENTIVE SCHEMES (Continued)

7. DreamCIS 2025 Share Option Scheme (Continued)

During the year ended December 31, 2025, the board of directors of DreamCIS has resolved to grant a total of 1,162,600 share options. Set out below are details of the movements of the outstanding options granted under the DreamCIS 2025 Share Option Scheme during the Reporting Period:

Category of participants	Date of grant	Exercise price per share (KRW)	Outstanding as at January 1, 2026	Granted during the Reporting Period	Exercised during the Reporting Period	Forfeited during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2026	Vesting period
Other employees	September 29, 2025	3,900	1,162,600	–	–	18,000	–	1,144,600	September 29, 2027

The number of shares that may be issued in respect of options and awards granted under all schemes of DreamCIS during the financial period divided by the weighted average number of shares in issue for the financial period is 8.78%.

The Group recognised total expense of approximately RMB2.1 million for the Reporting Period in relation to share options granted under the DreamCIS 2025 Share Option Scheme.

8. Fantastic Bioimaging Scheme

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

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

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

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

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

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

SHARE INCENTIVE SCHEMES (Continued)

8. Fantastic Bioimaging Scheme (Continued)

During the Reporting Period, no grant has been made and there was no outstanding restricted shares pursuant to the Fantastic Bioimaging Scheme. Accordingly, there were no exercise, cancel and lapse of restricted shares under the Fantastic Bioimaging Scheme during the Reporting Period.

The Group recognised total expense of nil for the Reporting Period (for the six months ended June 30, 2025: nil) in relation to restricted shares granted under the Fantastic Bioimaging Scheme.

9. Meditip Scheme

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

Each share option granted has a contractual term of 6 years. As of the Latest Practicable Date, the remaining life of the Meditip Scheme is approximately seven months.

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

Pursuant to the bonus share issuance completed during the year ended December 31, 2025, all the then outstanding share options granted and the exercise price are adjusted on a one-to-fourteen basis.

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

Category of participants	Date of grant	Exercise price per restricted share (KRW)	Outstanding as at January 1, 2026	Granted during the Reporting Period	Exercised during the Reporting Period	Forfeited during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2026	Vesting period
Other employees	September 8, 2021	3,869	275,380	–	–	–	–	275,380	September 7, 2024
	December 27, 2024	12,500	199,920	–	–	17,920	–	182,000	December 26, 2027

The Group recognized total expense of approximately RMB0.7 million for the six months ended Reporting Period (for the six months ended June 30, 2025: RMB1.1 million) in relation to restricted shares granted under the Meditip Scheme.

SHARE INCENTIVE SCHEMES (Continued)

10. Teddy Clinical Shanghai Scheme

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

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

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

Each restricted share granted has a contractual term of 3 years.

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

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

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

On August 1, 2025, Teddy Clinical Shanghai resolved to repurchase the remaining restricted shares granted under all schemes and complete the corresponding capital reduction procedures.

During the Reporting Period, no grant has been made and there was no outstanding restricted shares pursuant to the Teddy Clinical Shanghai Scheme. Accordingly, there were no exercise, cancel and lapse of restricted shares under the Teddy Clinical Shanghai Scheme during the Reporting Period.

The scheme has expired and recognised no expense for the six months ended June 30, 2026 in relation to restricted shares granted under the Teddy Clinical Shanghai Scheme. For the six months ended June 30, 2025, a reversal of RMB99,000 was recorded.

USE OF NET PROCEEDS FROM OUR HONG KONG INITIAL PUBLIC OFFERING

The total net proceeds from the H Shares Offering amounted to approximately HK$11,817.4 million[1], after deducting the underwriting commission and other estimated expenses payable by the Company in connection with H Shares Offering.

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

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

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

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

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

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

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

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

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

On August 28, 2026, the Company convened the second meeting of the sixth session of the Board, during which the Board resolved and approved, amongst others, the further change in use of proceeds from the H Shares IPO (the "**Further Change in Use of Proceeds from the H Shares Offering in 2026**") to enable the Company to better allocate its financial resources to opportunities that could drive sustainable growth for the Group and deliver returns to shareholders in the near future.

The Further Change in Use of Proceeds from the H Shares Offering in 2026 is subject to the approval by the Shareholders at the 2026 third extraordinary general meeting of the Company by way of ordinary resolution. For details, please refer to the announcement of the Company dated August 28, 2026.

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

	Original use of net proceeds as stated in the Prospectus		Allocation of net proceeds after revision as set out in the Announcement on First Change in Use of Proceeds		Allocation of net proceeds after revision as set out in the Announcement on Further Change in Use of Proceeds		Allocation of net proceeds after revision as set out in Further Change in Use of Proceeds from the H Shares Offering in 2025	Net proceeds unutilized as at the beginning of the Reporting Period	Actual use of proceeds during the Reporting Period	Net proceeds unutilized as at the end of the Reporting Period	Expected timeframe for utilizing the remaining unutilized net proceeds
	(HK$ million)	Approximate percentage	(HK$ million)	Approximate percentage	(HK$ million)	Approximate percentage	(HK$ million)	(HK$ million)	(HK$ million)	(HK$ million)	
to organically expand and enhance our service offerings and capabilities across clinical trial solutions services and clinical-related services to meet the rising demands for our services in overseas markets	1,772.6	15%	–	–	–	–	–	–	–	–	N/A
to organically expand and enhance our service offerings and capabilities across clinical trial solutions services and clinical-related services to meet the rising demands for our services in both domestic and overseas markets	–	–	1,594.4	15%	713.8	15%	295.8	13.4	13.1	0.3	60 months from October 8, 2024

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

	Original use of net proceeds as stated in the Prospectus		Allocation of net proceeds after revision as set out in the Announcement on First Change in Use of Proceeds		Allocation of net proceeds after revision as set out in the Announcement on Further Change in Use of Proceeds		Allocation of net proceeds after revision as set out in Further Change in Use of Proceeds from the H Shares Offering in 2025	Net proceeds unutilized as at the beginning of the Reporting Period	Actual use of proceeds during the Reporting Period	Net proceeds unutilized as at the end of the Reporting Period	Expected timeframe for utilizing the remaining unutilized net proceeds
	(HK$ million)	Approximate percentage	(HK$ million)	Approximate percentage	(HK$ million)	Approximate percentage	(HK$ million)	(HK$ million)	(HK$ million)	(HK$ million)	
to fund potential acquisitions of attractive overseas clinical CROs that are complementary to our existing businesses as part of our global expansion plan	4,727.0	40%	–	–	–	–	–	–	–	–	N/A
to fund potential acquisitions of attractive domestic and overseas clinical CROs that are complementary to our existing businesses as part of our global expansion plan to 1) further strengthen and diversify our service offerings and 2) expand globally and increase capabilities in key markets	–	–	4,727.0	40%	1,998	40%	1,475.8	1,467.2	237.4	1,229.8	60 months from October 8, 2024
to foster our biopharmaceutical R&D ecosystem by making minority investments in companies with innovative business models and growth potential, such as biotech companies, healthcare IT companies, hospitals, medical device and diagnostic research companies (including (i) HK1,418.1 million (representing 60% of the net proceeds for investment purposes) in the PRC and (ii) HK$945.4 million (representing 40% of the net proceeds for investment purposes) in overseas markets)	2,363.5	20%	–	–	–	–	–	–	–	–	N/A

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

	Original use of net proceeds as stated in the Prospectus		Allocation of net proceeds after revision as set out in the Announcement on First Change in Use of Proceeds		Allocation of net proceeds after revision as set out in the Announcement on Further Change in Use of Proceeds		Allocation of net proceeds after revision as set out in Further Change in Use of Proceeds from the H Shares Offering in 2025	Net proceeds unutilized as at the beginning of the Reporting Period	Actual use of proceeds during the Reporting Period	Net proceeds unutilized as at the end of the Reporting Period	Expected timeframe for utilizing the remaining unutilized net proceeds
	(HK$ million)	Approximate percentage	(HK$ million)	Approximate percentage	(HK$ million)	Approximate percentage	(HK$ million)	(HK$ million)	(HK$ million)	(HK$ million)	
to foster our biopharmaceutical R&D ecosystem by making minority investments in domestic and overseas companies with innovative business models and growth potential, such as biotech companies, healthcare IT companies, hospitals, medical device and diagnostic research companies	–	–	296.7	20%	–	–	–	–	–	–	N/A
to repay certain of our outstanding borrowings as of May 31, 2020	1,181.7	10%	1,181.7	10%	–	–	–	–	–	–	N/A
to repay certain of our outstanding borrowings as of June 30, 2024	–	–	–	–	1,181.7	25%	–	–	–	–	N/A
to repay certain of our outstanding borrowings as of December 31, 2024	–	–	–	–	–	–	535.0	–	–	–	N/A
to develop advanced technologies to enhance the quality and efficiency of our comprehensive service offerings, such as cloud-based virtual clinical trial platforms and laboratory automation, medical data platforms and site management capabilities, through recruiting qualified technical and scientific professionals and undertaking specific R&D projects	590.9	5%	590.9	5%	–	–	–	–	–	–	N/A

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

	Original use of net proceeds as stated in the Prospectus		Allocation of net proceeds after revision as set out in the Announcement on First Change in Use of Proceeds		Allocation of net proceeds after revision as set out in the Announcement on Further Change in Use of Proceeds		Allocation of net proceeds after revision as set out in Further Change in Use of Proceeds from the H Shares Offering in 2025	Net proceeds unutilized as at the beginning of the Reporting Period	Actual use of proceeds during the Reporting Period	Net proceeds unutilized as at the end of the Reporting Period	Expected timeframe for utilizing the remaining unutilized net proceeds
	(HK$ million)	Approximate percentage	(HK$ million)	Approximate percentage	(HK$ million)	Approximate percentage	(HK$ million)	(HK$ million)	(HK$ million)	(HK$ million)	
to working capital and general corporate purposes	1,181.7	10%	1,181.7	10%	1,024.2	20%	312.3	307.8	307.6	0.2	60 months from October 8, 2024
Total	**11,817.4**	**100%**	**9,572.4**	**100%**	**4,917.7**	**100%**	**2,618.9**	**1,788.4**	**558.1**	**1,230.3**	

For the unutilized net proceeds of approximately HK$1,230.3 million as at the end of the Reporting Period, the Company intends to use them in the same manner and proportions as described above and proposes to use the unutilized net proceeds in accordance with the expected timetable disclosed above.

Note:

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

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend during the Reporting Period (June 30, 2025: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

On May 13, 2026, the Company convened the twenty-fifth meeting of the fifth session of the Board to approve the Resolution on Plan for the Repurchase of the Shares of the Company, pursuant to which the Company approved the share repurchase (the "**Share Repurchase**"), the Shares repurchased under which will be subsequently used to implement the A Share equity incentive scheme or A Share employee stock ownership plan or for the reduction of registered capital of the Company. The total amount of the fund for the Share Repurchase shall be not less than RMB500 million and not more than RMB1 billion. The price of the Share Repurchase shall be not more than RMB60.00 per Share (inclusive). In the event of any distribution of dividends or bonus shares, conversion of capital reserve into share capital, stock split or stock consolidation, share placing, issuance of equity warrants and other ex-rights or ex-dividend matters during the period of the Share Repurchase, the Company will adjust the maximum price for the Share Repurchase pursuant to relevant requirements of CSRC and the Shenzhen Stock Exchange.

Please refer to the announcement of the Company dated May 13, 2026 and the circular of the Company dated May 19, 2026 for details.

During the Reporting Period, the Company repurchased a total of 20,963,478 A Shares through centralized price bidding, representing 2.4% of the total share capital of the Company. The highest transaction price was RMB42.78 per Share and the lowest transaction price was RMB38.22 per Share, with an average repurchase price of RMB39.32 per Share and a total transaction amount of RMB824,339,556.29 (excluding transaction fees). Details of the repurchase during the Reporting Period are as follows:

Date	Number of repurchased A Shares (Shares)	The highest repurchase price (RMB/Share)	The lowest repurchase price (RMB/Share)	Total Consideration (RMB)
June 10, 2026	1,550,700	39.50	38.22	60,065,628.58
June 11, 2026	3,072,400	39.96	39.13	121,701,391.27
June 12, 2026	4,435,700	39.93	38.40	175,371,630.96
June 15, 2026	5,313,078	39.58	38.84	208,322,402.65
June 16, 2026	3,411,400	39.78	38.66	133,443,661.44
June 17, 2026	833,600	39.97	38.78	33,029,939.39
June 18, 2026	542,400	39.98	39.33	21,616,309.00
June 22, 2026	1,761,100	39.98	38.79	68,950,565.00
June 25, 2026	43,100	42.78	42.44	1,838,028.00

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

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. During the Reporting Period, the Company purchased a total of 20,963,478 A Shares which were held by the Company as treasury shares. As of the end of the Reporting Period, the Company held 26,847,258 A Share treasury shares which could be used to implement the A Share equity incentive scheme or A Share employee stock ownership plan or for the reduction of registered capital of the Company.

CHANGE OF INFORMATION OF DIRECTORS

At the first meeting of the sixth session of the Board convened by the Company on June 2, 2026, Mr. Wen Zengyu was appointed as the general manager, legal representative and chairman of the Compliance, Environmental, Social and Corporate Governance Management Committee of the Company with effect from June 2, 2026.

On even date, Ms. Cao Xiaochun ceased to be the general manager, legal representative and chairperson of the Compliance, Environmental, Social and Corporate Governance Management Committee of the Company.

Mr. Wu Hao retired as an executive Director and was elected as an employee Director of the sixth session of the Board by the employee representative meeting of the Company, both effective on June 2, 2026, following the expiry of the fifth session of the Board.

Save as disclosed in this report, there was no change to information which was required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) 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 June 30, 2026, interests or short positions of Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which are registered in the register that the Company must keep in accordance with section 352 of the SFO; or which shall be separately notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

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

Name of Director	Nature of Interest	Number and class of interested in	Approximate percentage of shareholding in the relevant class of Shares**	Approximate percentage of shareholding in the total Shares in issue of the Company***
Dr. Ye Xiaoping[1]	Beneficial owner; Interest of person acting in concert	228,553,715 A Shares (L)*	30.97% (L)*	26.54% (L)*
Ms. Cao Xiaochun[1]	Beneficial owner; Interest of person acting in concert	228,553,715 A Shares (L)*	30.97% (L)*	26.54% (L)*

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

Interests of our Directors in the Shares or Underlying Shares of the Company (Continued)

Notes:

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

** Refers to the percentage of the number of relevant class of Shares involved divided by the number of Shares in issue of the relevant class of Shares of the Company as at June 30, 2026.

*** Refers to the percentage of the number of relevant class of Shares involved divided by the number of all Shares in issue of the Company (Total: 861,026,050 Shares including 737,901,250 A Shares and 123,124,800 H Shares) as at June 30, 2026.

(1) Dr. Ye Xiaoping and Ms. Cao Xiaochun entered into the Concert Agreement on June 9, 2010 and each of them is deemed to be interested in the A Shares that the other person is interested in under section 317 of the SFO. Dr. Ye Xiaoping holds 177,239,541 of our A Shares, representing 20.58% of our total issued share capital of our Company. Ms. Cao Xiaochun holds 51,314,174 of our A Shares, representing 5.96% of our total issued share capital of our Company. Therefore, Dr. Ye Xiaoping and Ms. Cao Xiaochun are deemed to be interested in a total of 228,553,715 of our A Shares, representing 30.97% of the total number of A Shares of our Company and 26.54% of our total issued share capital.

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

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

Save as disclosed above, so far as the Directors are aware, as at June 30, 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

As at June 30, 2026, so far as it was known to the Directors or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which are required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or had interests or short positions in 5% or more of the respective type of Shares which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number and class of shares*	Approximate percentage of shareholding in relevant class of shares**	Approximate percentage of the Company's issued share capital***
JPMorgan Chase & Co.	Beneficial owner/Investment manager/Approved lending agent	20,388,212 H Shares (L)	16.56%	2.37%
		1,278,800 H Shares (S)	1.04%	0.15%
		3,712,917 H Shares (P)	3.02%	0.43%
Ninety One UK Limited	Investment manager	7,560,500 H Shares (L)	6.14%	0.88%
興證全球基金管理有限公司	Investment manager	7,812,700 H Shares (L)	6.35%	0.91%
Schroders PLC	Investment manager	7,194,000 H Shares (L)	5.84%	0.84%
Citigroup Inc.	Interest in controlled corporation/ Approved lending agent	10,031,261 H Shares (L)	8.15%	1.17%
		108,900 H Shares (S)	0.09%	0.01%
		9,915,872 H Shares (P)	8.05%	1.15%
Norges Bank	Beneficial owner	10,042,208 H Shares (L)	8.16%	1.17%
Massachusetts Financial Services Company(1)	Investment manager/ Interest in controlled corporation	7,458,787 H Shares (L)	6.06%	0.87%
Sun Life of Canada (U.S.) Financial Services Holdings, Inc.(1)	Interest in controlled corporation	7,458,787 H Shares (L)	6.06%	0.87%
Sun Life Financial Inc.(1)	Interest in controlled corporation	7,458,787 H Shares (L)	6.06%	0.87%

Notes:

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

** Refers to the percentage of the number of relevant class of Shares involved divided by the number of Shares in issue of the relevant class of Shares of the Company as at June 30, 2026.

*** Refers to the percentage of the number of relevant class of Shares involved divided by the number of all Shares in issue of the Company (Total: 861,026,050 Shares including 737,901,250 A Shares and 123,124,800 H Shares) as at June 30, 2026.

(1) Massachusetts Financial Services Company was directly and indirectly interested in 7,458,787 H Shares. Massachusetts Financial Services Company was owned as to approximately 95.89% by Sun Life of Canada (U.S.) Financial Services Holdings, Inc., which was in turn controlled by Sun Life Financial Inc. through intermediate holding companies. Therefore, under the SFO, Sun Life of Canada (U.S.) Financial Services Holdings, Inc. and Sun Life Financial Inc. were deemed to be interested in the Shares held by Massachusetts Financial Services Company.

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

Save as disclosed above, to the best knowledge of the Directors or chief executive of the Company, as at June 30, 2026, no person (other than the Directors and the chief executive) had informed the Company that he/she had interests or short positions in the Shares or underlying Shares of equity derivatives of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or held any interests or short position in 5% or more of the respective types of capital in issue of the Company.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

COMPLIANCE WITH THE CG CODE

The Company has adopted the principles and code provisions as set out in Part 2 of the CG Code contained in Appendix C1 to the Listing Rules and has complied with the code provisions in Part 2 of the CG Code during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

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

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

During the Reporting Period, the Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to June 30, 2026, the following significant events took place:

1. On August 28, 2026, the Company convened the second meeting of the sixth session of the Board, during which the Board resolved and approved, amongst others, (1) the proposed change of the intended use of 5,883,780 treasury shares repurchased originally intended for "subsequent implementation of equity incentive plans or employee stock ownership plans" to "cancellation to reduce registered capital"; and (2) the proposed amendments to the articles of association of the Company (the "**Proposed Amendments to the Articles of Association**") to reflect the cancellation of the said treasury shares and reduction of the registered capital of the Company. The Proposed Amendments to the Articles of Association are subject to the approval of the Shareholders at the 2026 third extraordinary general meeting of the Company by way of special resolution. For details, please refer to the announcement of the Company dated August 28, 2026.

2. On August 28, 2026, the Company convened the second meeting of the sixth session of the Board, during which the Board resolved and approved "Resolution on 2026 Restricted A Share Incentive Scheme of Hangzhou Tigermed Consulting Co., Ltd. (Draft) and its summary" (《關於〈杭州泰格醫藥科技股份有限公司2026年A股限制性股票激勵計劃(草案)〉及其摘要的議案》), the "Resolution on Management Measures for Assessment Relating to the Implementation of the 2026 Restricted A Share Incentive Scheme of Hangzhou Tigermed Consulting Co., Ltd." (《關於〈杭州泰格醫藥科技股份有限公司2026年A股限制性股票激勵計劃實施考核管理辦法〉的議案》) and the "Resolution on Requesting the General Meeting of Shareholders to Grant Authority to the Board to Handle Matters in relation to the 2026 Restricted A Share Incentive Scheme" (《關於提請股東會授權董事會辦理公司2026年A股限制性股票激勵計劃有關事項的議案》) (the "**Adoption of Restricted Share Incentive Scheme**"). The Adoption of Restricted Share Incentive Scheme is subject to the approval by the Shareholders at the 2026 third extraordinary general meeting of the Company by way of special resolution. For details, please refer to the announcement of the Company dated August 28, 2026.

REVIEW OF INTERIM RESULTS AND INTERIM REPORT

The Audit Committee comprises three independent non-executive Directors, namely Mr. Yuan Huagang, Ms. Liu Yuwen and Mr. Siu, Paul Yu Hay. The chairman of the Audit Committee is Mr. Siu, Paul Yu Hay, who holds the appropriate qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has reviewed the Group's 2026 interim results announcement, interim report and unaudited condensed consolidated financial information of the Group for the six months ended June 30, 2026 with the management of the Company. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

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

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

Hong Kong, August 28, 2026

CONSOLIDATED BALANCE SHEET

(All amounts in RMB Yuan unless otherwise stated)

Items	note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current assets:			
Cash at bank and on hand		**2,099,264,132.82**	1,777,491,807.26
Financial assets held for trading	6(1)	**27,806,525.03**	59,459,161.12
Notes receivables		**22,260,839.21**	7,004,266.15
Accounts receivables	6(2)	**1,331,736,207.22**	1,405,728,258.63
Receivables financing		**3,809,747.40**	3,953,348.43
Advances to suppliers	6(3)	**157,272,413.74**	122,972,634.86
Other receivables	6(4)	**103,362,007.40**	109,395,716.23
Inventories		**65,619,741.10**	41,501,796.41
Contract assets	6(5)	**2,721,740,798.39**	2,584,975,822.49
Other current assets		**75,461,550.67**	64,713,930.31
Total current assets		**6,608,333,962.98**	6,177,196,741.89
Non-current assets:			
Long-term equity investments		**4,358,850,805.85**	4,498,839,308.43
Other equity instrument investments	6(1)	**5,812,568.73**	8,545,553.12
Other non-current financial assets	6(1)	**9,612,948,804.69**	9,840,237,126.48
Investment properties	6(6)	**13,861,426.82**	15,388,440.06
Fixed assets	6(7)	**1,172,680,165.80**	1,188,210,085.11
Construction in progress	6(8)	**79,293,924.37**	110,604,207.57
Right-of-use assets	6(9)	**336,336,396.88**	408,905,731.66
Intangible assets	6(10)	**235,775,056.60**	276,312,305.22
Goodwill	6(11)	**3,454,545,054.58**	3,520,215,745.68
Long-term prepaid expenses		**177,844,712.01**	189,282,477.31
Deferred tax assets		**149,058,870.08**	145,119,832.23
Other non-current assets	6(12)	**1,687,852,740.16**	1,979,937,603.41
Total non-current assets		**21,284,860,526.57**	22,181,598,416.28
TOTAL ASSETS		**27,893,194,489.55**	28,358,795,158.17

CONSOLIDATED BALANCE SHEET

(All amounts in RMB Yuan unless otherwise stated)

Items	note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current liabilities:			
Short-term borrowings	6(13)	**245,644,743.91**	511,020,767.84
Notes payables		**3,239,727.72**	5,889,386.05
Accounts payables	6(14)	**317,521,441.32**	365,228,858.73
Contract liabilities		**1,354,710,037.30**	1,079,154,504.24
Employee benefits payable		**240,585,573.05**	327,858,233.53
Taxes payable		**94,817,105.19**	231,541,815.12
Other payables	6(15)	**193,280,248.56**	74,461,840.09
Non-current liabilities due within one year		**164,431,909.14**	201,525,360.57
Other current liabilities		**44,513,060.29**	38,793,286.00
Total current liabilities		**2,658,743,846.48**	2,835,474,052.17
Non-current liabilities:			
Long-term borrowings	6(13)	**1,538,813,310.47**	510,560,589.95
Bonds payable	6(16)	**88,240,090.20**	92,473,704.64
Lease liabilities		**306,674,720.06**	360,616,779.32
Long-term payables		**11,980,000.00**	102,518,850.00
Long-term employee benefits payable		**10,033,512.53**	10,897,307.43
Deferred income		**15,398,772.46**	16,408,677.01
Deferred tax liabilities		**171,744,272.28**	173,420,006.70
Total non-current liabilities		**2,142,884,678.00**	1,266,895,915.05
TOTAL LIABILITIES		**4,801,628,524.48**	4,102,369,967.22
Owners' equity:			
Share capital	6(17)	**861,026,050.00**	861,026,050.00
Capital reserve	6(18)	**10,580,069,339.15**	10,584,957,589.83
Less: Treasury shares	6(19)	**1,124,475,008.61**	300,069,890.00
Other comprehensive income		**-77,700,568.81**	57,068,522.37
Surplus reserve		**436,529,393.76**	436,529,393.76
Undistributed profits	6(20)	**8,801,768,375.13**	9,319,994,848.81
Total equity attributable to equity owners of the Company		**19,477,217,580.62**	20,959,506,514.77
Non-controlling interests		**3,614,348,384.45**	3,296,918,676.18
Total owners' equity		**23,091,565,965.07**	24,256,425,190.95
TOTAL LIABILITIES AND OWNERS' EQUITY		**27,893,194,489.55**	28,358,795,158.17

CONSOLIDATED INCOME STATEMENT

(All amounts in RMB Yuan unless otherwise stated)

Items	note	For the six months ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
I. Total operating revenue		**3,707,560,174.20**	3,250,444,279.63
Including: Operating revenue		**3,707,560,174.20**	3,250,444,279.63
II. Total operating costs		**3,348,891,613.17**	2,942,263,124.15
Including: Operating costs		**2,687,044,293.79**	2,272,465,808.39
Taxes and surcharges		**17,215,270.85**	16,314,692.38
Selling expenses	6(21)	**109,736,247.02**	107,910,230.35
Administrative expenses	6(22)	**353,246,010.52**	355,285,023.64
Research and development expenses	6(23)	**139,365,219.43**	127,004,932.88
Finance expenses	6(24)	**42,284,571.56**	63,282,436.51
Including: Interest expenses		**32,816,589.51**	54,401,937.67
Interest income		**7,477,747.22**	8,422,574.46
Add: Other income		**27,398,667.55**	21,404,223.43
Investment income ("-" for losses)	6(25)	**-2,431,886.75**	233,000,832.99
Including: Share of profit of associates and joint ventures		**21,662,200.34**	166,385,559.89
Gains from changes in fair values ("-" for losses)	6(26)	**-443,323,794.17**	-89,643,957.92
Credit impairment losses ("-" for losses)		**2,721,374.18**	-25,015,431.51
Asset impairment losses ("-" for losses)		**-3,598,601.99**	-4,294,719.20
Gains on disposals of assets ("-" for losses)		**-18,083,068.74**	625,757.46
III. Operating Profit ("-" for losses)		**-78,648,748.89**	444,257,860.73
Add: Non-operating income		**595,900.99**	497,380.27
Less: Non-operating expenses		**2,162,460.04**	2,065,905.52
IV. Total Profit ("-" for losses)		**-80,215,307.94**	442,689,335.48
Less: Income tax expenses	6(27)	**105,256,011.83**	79,861,031.64

CONSOLIDATED INCOME STATEMENT

(All amounts in RMB Yuan unless otherwise stated)

Items	note	For the six months ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
V. Net Profit ("-" for losses)		**-185,471,319.77**	362,828,303.84
(I) Classified by continuity of operations			
1. Net profit from continuing operations ("-" for losses)		**-185,471,319.77**	362,828,303.84
2. Net profit from discontinued operations ("-" for losses)			
(II) Classified by ownership of the equity			
1. Attributable to equity owners of the Company ("-" for losses)		**-413,159,500.41**	383,337,133.84
2. Non-controlling interests ("-" for losses)		**227,688,180.64**	-20,508,830.00
VI. Other comprehensive income, net of tax		**-176,529,004.82**	48,983,183.82
Attributable to equity owners of the Company		**-134,769,091.18**	36,845,539.93
(I) Other comprehensive income that will not be reclassified to profit or loss		**-1,030,603.02**	444,801.15
1. Changes in fair value of other equity instrument investments		**-1,030,603.02**	444,801.15
(II) Other comprehensive income that will be reclassified to profit or loss		**-133,738,488.16**	36,400,738.78
1. Translation differences of foreign currency financial statements		**-133,738,488.16**	36,400,738.78
Attributable to Non-controlling interests		**-41,759,913.64**	12,137,643.89
VII. Total comprehensive income		**-362,000,324.59**	411,811,487.66
Attributable to equity owners of the Company		**-547,928,591.59**	420,182,673.77
Attributable to Non-controlling interests		**185,928,267.00**	-8,371,186.11
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)	6(28)	**-0.48**	0.45
(II) Diluted earnings per share (RMB/share)	6(28)	**-0.48**	0.45

CONSOLIDATED CASH FLOW STATEMENT

(All amounts in RMB Yuan unless otherwise stated)

Items	note	For the six months ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		**4,111,313,981.51**	3,377,830,010.85
Refund of taxes and surcharges		**17,056,864.28**	478,422.27
Cash received relating to other operating activities		**54,184,102.13**	44,497,393.35
Sub-total of cash inflows from operating activities		**4,182,554,947.92**	3,422,805,826.47
Cash paid for goods and services		**1,321,495,382.25**	983,894,406.19
Cash paid to and on behalf of employees		**1,828,304,817.50**	1,602,792,496.76
Payments of taxes and surcharges		**338,391,468.73**	203,828,742.69
Cash paid relating to other operating activities		**268,580,944.15**	223,671,172.89
Sub-total of cash outflows from operating activities		**3,756,772,612.63**	3,014,186,818.53
Net cash flows from operating activities		**425,782,335.29**	408,619,007.94
II. Cash flows from investing activities:			
Cash received from disposal of investments		**859,983,284.40**	1,029,475,120.59
Cash received from returns on investments		**250,455,802.79**	21,077,608.36
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**467,631.24**	2,016,439.00
Cash received relating to other investing activities			6,423,003.84
Sub-total of cash inflows from investing activities		**1,110,906,718.43**	1,058,992,171.79
Cash paid to acquire fixed assets, intangible assets and other long-term assets		**106,102,426.90**	100,831,158.12
Cash paid to acquire investments		**949,339,788.82**	874,389,321.69
Net cash paid to acquire subsidiaries and other business units		**400,000.00**	2,258,635.58
Cash paid relating to other investing activities		**6,252,217.70**	35,623,000.00
Sub-total of cash outflows from investing activities		**1,062,094,433.42**	1,013,102,115.39
Net cash flows from investing activities		**48,812,285.01**	45,890,056.40

CONSOLIDATED CASH FLOW STATEMENT

(All amounts in RMB Yuan unless otherwise stated)

Items	note	For the six months ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
III. Cash flows from financing activities:			
Cash received from capital contributions		**166,913,467.37**	92,600,000.00
Including: Cash received from capital contributions by minority shareholders of subsidiaries		**166,913,467.37**	92,600,000.00
Cash received from borrowings		**1,169,980,559.50**	1,009,796,907.23
Cash received relating to other financing activities		**2,140,799.60**	
Sub-total of cash inflows from financing activities		**1,339,034,826.47**	1,102,396,907.23
Cash repayments of borrowings		**408,214,609.43**	1,235,205,515.51
Cash payments for distribution of dividends, profits or interest expenses		**69,717,365.87**	288,157,666.74
Including: Payments for the dividends and profits distributed to minority shareholders of subsidiaries		**30,568,995.29**	16,655,591.75
Cash payments relating to other financing activities		**991,682,109.58**	405,984,045.92
Sub-total of cash outflows from financing activities		**1,469,614,084.88**	1,929,347,228.17
Net cash flows from financing activities		**-130,579,258.41**	-826,950,320.94
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**-23,544,743.26**	14,360,075.82
V. Net increase in cash and cash equivalents		**320,470,618.63**	-358,081,180.78
Add: Ending balance of cash and cash equivalents at beginning of period		**1,722,608,377.68**	2,048,493,852.84
VI. Ending balance of cash and cash equivalents at end of period		**2,043,078,996.31**	1,690,412,672.06

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

(All amounts in RMB Yuan unless otherwise stated)

	For the six months ended 30 June 2026 (unaudited)												
	Attributable to equity owners of the Company												
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Undistributed profits	Subtotal	Non-controlling interests	Total owners' equity
		Preference shares	Perpetual bonds	Others										
I. Balance at the end of prior year	861,026,050.00				10,584,957,589.83	300,069,890.00	57,068,522.37		436,529,393.76		9,319,994,848.81	20,959,506,514.77	3,296,918,676.18	24,256,425,190.95
II. Balance at the beginning of current year	861,026,050.00				10,584,957,589.83	300,069,890.00	57,068,522.37		436,529,393.76		9,319,994,848.81	20,959,506,514.77	3,296,918,676.18	24,256,425,190.95
III. Increase/decrease for the period (decrease expressed with "-")					-4,888,250.68	824,405,118.61	-134,769,091.18				-518,226,473.68	-1,482,288,934.15	317,429,708.27	-1,164,859,225.88
(I) Total comprehensive income							-134,769,091.18				-413,159,500.41	-547,928,591.59	185,928,267.00	-362,000,324.59
(II) Capital contribution and withdrawal by owners					12,405,789.54	824,405,118.61						-811,999,329.07	147,926,779.98	-664,072,549.09
1. Ordinary shares paid by owners					9,784,107.91							9,784,107.91	146,482,642.96	156,266,750.87
2. Amount of share-based payments recognized in owners' equity					2,621,681.63							2,621,681.63	1,444,137.02	4,065,818.65
3. Others						824,405,118.61						-824,405,118.61		-824,405,118.61
(III) Profit distribution											-105,066,973.27	-105,066,973.27		-105,066,973.27
1. Profit distributed to owners (or shareholders)											-105,066,973.27	-105,066,973.27		-105,066,973.27
(IV) Others					-17,294,040.22							-17,294,040.22	-16,425,338.71	-33,719,378.93
IV. Balance at the end of current period	861,026,050.00				10,580,069,339.15	1,124,475,008.61	-77,700,568.81		436,529,393.76		8,801,768,375.13	19,477,217,580.62	3,614,348,384.45	23,091,565,965.07

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

(All amounts in RMB Yuan unless otherwise stated)

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

1. GENERAL INFORMATION

Hangzhou Tigermed Consulting Co., Ltd. (the "Company") was established in the People's Republic of China (the "PRC") on December 15, 2004 as a joint stock limited liability company. On August 17, 2012 the Company's shares were listed on the ChiNext ("創業板") of the Shenzhen Stock Exchange with stock code 300347. On August 7, 2020, the Company's shares were listed on the Main Board of the Stock Exchange with Stock Code 3347. Its latest registered office and the principal place of business activities is located at Room 601–610, Floor 6, No. 508 Lujiatan Street, Puyan Subdistrict, Binjiang District, Hangzhou, the PRC.

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

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

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation

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

2.2 Going concern

The financial statements are prepared on a going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

3.1 Statement of compliance with the Accounting Standard for Business Enterprises

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect the consolidated financial position as at 30 June 2026, and the consolidated operating results for the six months ended 30 June 2026.

3.2 Accounting period

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

3.3 Operating cycle

The operating cycle of the Company is 12 months.

3.4 Recording currency

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

4. MAIN TAXES AND RATES

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

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

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

5 SEGMENT INFORMATION

(1) Basis for determining reportable segments and accounting policies

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

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

The Group's reportable segments are as follows:

1) Segment revenues and results

For the six months ended June 30, 2026	Clinical trial solutions (Unaudited)	Clinical-related and laboratory services (Unaudited)	Total (Unaudited)
Revenue	**1,773,393,481.98**	**1,934,166,692.22**	**3,707,560,174.20**
Gross profit	**374,091,966.70**	**646,423,913.71**	**1,020,515,880.41**

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

5 SEGMENT INFORMATION (Continued)

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

2) Geographical information

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

Revenue from external customers	**Six months ended June 30, 2026 (Unaudited)**	Six months ended June 30, 2025 (Unaudited)
– Domestic	**2,106,063,983.36**	1,697,863,113.29
– Overseas	**1,601,496,190.84**	1,552,581,166.34
Total	**3,707,560,174.20**	3,250,444,279.63

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

Item	**As at 30 June 2026 (Unaudited)**	As at 31 December 2025 (Audited)
Non-current assets (excluding financial assets and deferred tax assets)		
– Domestic	**8,679,803,759.53**	9,750,023,294.68
– Overseas	**2,837,236,523.54**	2,248,697,157.52
Total	**11,517,040,283.07**	11,998,720,452.20

6. NOTES TO THE ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

(1) Financial Assets at Fair Value/Financial Products

Item	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Current assets		
Financial assets at FVTPL		
Financial Products	**27,806,525.03**	54,595,099.23
Unlisted equity investments		
Unlisted debt instruments		4,864,061.89
Sub-total	**27,806,525.03**	59,459,161.12
Non-current assets		
Financial assets at FVTPL		
Life insurance policies	**1,758,613.41**	1,540,803.39
Listed equity securities	**707,190,868.02**	935,041,317.74
Unlisted debt instruments	**121,807,345.29**	171,807,345.29
Unlisted equity investments	**4,369,513,676.21**	4,120,012,309.32
Unlisted fund investments	**4,412,678,301.76**	4,611,835,350.74
Sub-total	**9,612,948,804.69**	9,840,237,126.48
Financial assets at FVOCI		
Listed equity investment	**2,049,598.97**	4,392,013.93
Unlisted equity investments	**3,762,969.76**	4,153,539.19
Sub-total	**5,812,568.73**	8,545,553.12
Total	**9,646,567,898.45**	9,908,241,840.72

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

(2) Accounts receivables

The Group allows a credit period ranging from 30 to 90 days to its customers. The following is an aging analysis of accounts receivables (net of credit impairment losses), presented based on the invoice dates, at the end of each reporting period:

Aging	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Within 90 days	**1,050,272,536.13**	1,165,368,502.72
90 to 180 days	**114,880,552.78**	103,580,456.00
180 days to 1 year	**110,886,257.68**	106,493,086.55
Over 1 year	**191,612,045.90**	172,726,020.11
Subtotal	**1,467,651,392.49**	1,548,168,065.38
Less: Bad debt provisions	**135,915,185.27**	142,439,806.75
Total	**1,331,736,207.22**	1,405,728,258.63

(3) Advances to suppliers

Aging	**30 June 2026 (Unaudited)**		31 December 2025 (Audited)	
	Amount	**Percentage (%)**	Amount	Percentage (%)
Within 1 year	**152,408,204.64**	**96.91**	119,929,874.85	97.52
1 to 2 years	**4,173,530.12**	**2.65**	2,492,737.30	2.03
2 to 3 years	**485,844.18**	**0.31**	306,419.81	0.25
Over 3 years	**204,834.80**	**0.13**	243,602.90	0.20
Total	**157,272,413.74**	**100.00**	122,972,634.86	100.00

(4) Other receivables

Item	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Interest receivable		
Other receivables	**103,362,007.40**	109,395,716.23
Total	**103,362,007.40**	109,395,716.23

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

(4) Other receivables (Continued)

1. Other receivables

Aging	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Within 1 year (inclusive)	**84,435,173.02**	92,744,110.76
1 to 2 years	**11,423,344.67**	11,044,601.01
2 to 3 years	**4,399,924.05**	8,472,859.99
3 to 4 years	**7,253,870.11**	2,532,631.17
4 to 5 years	**2,015,573.64**	2,770,558.81
Over 5 years	**5,206,624.35**	3,120,587.83
Subtotal	**114,734,509.84**	120,685,349.57
Less: Bad debt provisions	**11,372,502.44**	11,289,633.34
Total	**103,362,007.40**	109,395,716.23

(5) Contract assets

Item	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Gross carrying amount	Impairment provision	Carrying amount	Gross carrying amount	Impairment provision	Carrying amount
Contract assets with bad debt provisions based on the general model of expected credit losses	**2,784,708,217.52**	**62,967,419.13**	**2,721,740,798.39**	2,645,478,911.96	60,503,089.47	2,584,975,822.49

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

(6) Investment properties

Item	Houses and buildings	Land use rights	Total
1. Cost			
(1) 31 December 2025 (Audited)	5,297,759.40	10,164,260.65	15,462,020.05
(2) Increase in the current period	-498,163.79	-955,775.13	-1,453,938.92
– Additions			
– Foreign currency translation differences	-498,163.79	-955,775.13	-1,453,938.92
(3) Decrease in the current period			
– Disposal			
(4) 30 June 2026 (Unaudited)	4,799,595.61	9,208,485.52	14,008,081.13
2. Accumulated depreciation and amortization			
(1) 31 December 2025 (Audited)	73,579.99		73,579.99
(2) Increase in the current period	73,074.32		73,074.32
– Provision	83,953.86		83,953.86
– Foreign currency translation differences	-10,879.54		-10,879.54
(3) Decrease in the current period			
– Disposal			
(4) 30 June 2026 (Unaudited)	146,654.31		146,654.31
3. Net carrying amount			
(1) 30 June 2026 (Unaudited)	4,652,941.30	9,208,485.52	13,861,426.82
(2) 31 December 2025 (Audited)	5,224,179.41	10,164,260.65	15,388,440.06

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

(7) Fixed assets

6.1 Information on fixed assets

Item	Houses and buildings	Machinery and other equipment	Specialized equipment	Transport equipment	Total
1. Cost					
(1) 31 December 2025 (Audited)	884,160,753.93	258,238,801.96	930,991,675.59	28,921,322.39	2,102,312,553.87
(2) Increase in the current period	22,385,309.68	6,023,952.08	12,258,845.84	203,730.84	40,871,838.44
– Additions	8,309,033.52	11,715,593.05	27,761,175.02	326,855.64	48,112,657.23
– Transfers from construction in progress	24,773,159.11	230,001.27	4,415,150.11		29,418,310.49
– Foreign currency translation differences	-10,696,882.95	-5,921,642.24	-19,917,479.29	-123,124.80	-36,659,129.28
(3) Decrease in the current period		2,078,331.70	25,836,126.94	160,100.00	28,074,558.64
– Disposal or retirement		2,078,331.70	25,836,126.94	160,100.00	28,074,558.64
(4) 30 June 2026 (Unaudited)	906,546,063.61	262,184,422.34	917,414,394.49	28,964,953.23	2,115,109,833.67
2. Accumulated depreciation					
(1) 31 December 2025 (Audited)	110,231,172.25	169,905,375.96	618,995,429.10	14,829,371.50	913,961,348.81
(2) Increase in the current period	17,018,005.68	11,143,107.32	24,895,351.02	749,064.27	53,805,528.29
– Provision	19,354,274.74	14,643,814.75	38,599,860.56	810,679.03	73,408,629.08
– Foreign currency translation differences	-2,336,269.06	-3,500,707.43	-13,704,509.54	-61,614.76	-19,603,100.79
(3) Decrease in the current period		1,600,332.02	24,620,647.25	152,095.20	26,373,074.47
– Disposal or retirement		1,600,332.02	24,620,647.25	152,095.20	26,373,074.47
(4) 30 June 2026 (Unaudited)	127,249,177.93	179,448,151.26	619,270,132.87	15,426,340.57	941,393,802.63
3. Provision for impairment					
(1) 31 December 2025 (Audited)			141,119.95		141,119.95
(2) Increase in the current period		894,745.29			894,745.29
– Provision		894,745.29			894,745.29
– Foreign currency translation differences					
(3) Decrease in the current period					
– Disposal or retirement					
(4) 30 June 2026 (Unaudited)		894,745.29	141,119.95		1,035,865.24
4. Net book value					
(1) 30 June 2026 (Unaudited)	779,296,885.68	81,841,525.79	298,003,141.67	13,538,612.66	1,172,680,165.80
(2) 31 December 2025 (Audited)	773,929,581.68	88,333,426.00	311,855,126.54	14,091,950.89	1,188,210,085.11

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

(7) Fixed assets (Continued)

6.2 Details of fixed assets for which certificates have not yet been obtained

Item	Carrying amount	Reasons for outstanding certificates of title
Hangzhou Building	319,833,942.53	All procedures yet to be completed

(8) Construction in progress

Item	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Construction in progress	**79,293,924.37**	110,604,207.57
Total	**79,293,924.37**	110,604,207.57

Item	30 June 2026 (Unaudited)			31 December 2025 (Audited)		
	Gross carrying amount	Impairment Provision	Carrying amount	Gross carrying amount	Impairment Provision	Carrying amount
Equipments to be installed and Laboratory decoration	**76,955,272.95**		**76,955,272.95**	100,294,207.57		100,294,207.57
Others	**2,338,651.42**		**2,338,651.42**	10,310,000.00		10,310,000.00
Total	**79,293,924.37**		**79,293,924.37**	110,604,207.57		110,604,207.57

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

(9) Right-of-use assets

Item	Rental buildings	Specialized equipment	Office equipment	Total
1. Cost				
(1) 31 December 2025 (Audited)	682,855,342.51	89,693,528.64	460,153.08	773,009,024.23
(2) Increase in the current period	-4,452,718.58	-2,748,813.76		-7,201,532.34
– Increase in leases	10,333,764.30	166,829.32		10,500,593.62
– Foreign currency translation differences	-14,786,482.88	-2,915,643.08		-17,702,125.96
(3) Decrease in the current period	64,470,759.70	280,118.23	460,153.08	65,211,031.01
– Disposal	64,470,759.70	280,118.23	460,153.08	65,211,031.01
(4) 30 June 2026 (Unaudited)	613,931,864.23	86,664,596.65		700,596,460.88
2. Accumulated depreciation				
(1) 31 December 2025 (Audited)	313,674,851.73	49,968,287.76	460,153.08	364,103,292.57
(2) Increase in the current period	34,348,811.82	4,691,984.43		39,040,796.25
– Provision	41,329,364.27	6,398,849.85		47,728,214.12
– Foreign currency translation differences	-6,980,552.45	-1,706,865.42		-8,687,417.87
(3) Decrease in the current period	38,166,596.22	257,275.52	460,153.08	38,884,024.82
– Disposal	38,166,596.22	257,275.52	460,153.08	38,884,024.82
(4) 30 June 2026 (Unaudited)	309,857,067.33	54,402,996.67		364,260,064.00
3. Net carrying amount				
(1) 30 June 2026 (Unaudited)	304,074,796.90	32,261,599.98		336,336,396.88
(2) 31 December 2025 (Audited)	369,180,490.78	39,725,240.88		408,905,731.66

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

(10) Intangible assets

Item	Land use right	Others	Customer relationship	Total
1. Cost				
(1) 31 December 2025 (Audited)	64,513,904.00	239,604,936.33	383,171,131.36	687,289,971.69
(2) Increase in the current period	-477,805.08	954,105.91	-14,645,591.07	-14,169,290.24
– Additions		5,675,166.53		5,675,166.53
– Foreign currency translation differences	-477,805.08	-4,721,060.62	-14,645,591.07	-19,844,456.77
(3) Decrease in the current period				
– Disposal				
(4) 30 June 2026 (Unaudited)	64,036,098.92	240,559,042.24	368,525,540.29	673,120,681.45
2. Accumulated amortisation				
(1) 31 December 2025 (Audited)	5,331,230.32	170,872,219.06	234,711,497.09	410,914,946.47
(2) Increase in the current period	562,312.14	10,465,515.94	15,340,130.30	26,367,958.38
– Provision	562,312.14	13,392,450.60	24,008,915.44	37,963,678.18
– Foreign currency translation differences		-2,926,934.66	-8,668,785.14	-11,595,719.80
(3) Decrease in the current period				
(4) 30 June 2026 (Unaudited)	5,893,542.46	181,337,735.00	250,051,627.39	437,282,904.85
3. Provision for impairment				
(1) 31 December 2025 (Audited)		62,720.00		62,720.00
(2) Increase in the current period				
– Provision				
– Foreign currency translation differences				
(3) Decrease in the current period				
– Disposal or retirement				
(4) 30 June 2026 (Unaudited)		62,720.00		62,720.00
4. Net carrying amount				
(1) 30 June 2026 (Unaudited)	58,142,556.46	59,158,587.24	118,473,912.90	235,775,056.60
(2) 31 December 2025 (Audited)	59,182,673.68	68,669,997.27	148,459,634.27	276,312,305.22

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

(11) Goodwill

Item	31 December 2025 (Audited)	Increase in the current period: Business combination	Increase in the current period: Impairment	Decrease in the current period: Disposal	Decrease in the current period: Foreign currency translation differences	30 June 2026 (Unaudited)
Goodwill	3,614,936,091.53				66,477,999.77	**3,548,458,091.76**
Less: Impairments	94,720,345.85				807,308.67	**93,913,037.18**
Total	3,520,215,745.68				65,670,691.10	**3,454,545,054.58**

(12) Other non-current assets

Item	30 June 2026 (Unaudited) Book balance	Impairment provision	Carrying amount	31 December 2025 (Audited) Book balance	Impairment provision	Carrying amount
Prepayment for investments				188,975,452.25		188,975,452.25
Prepayment for fixed assets and intangible asset, etc.	**7,033,718.59**		**7,033,718.59**	18,801,425.80		18,801,425.80
Certificate of deposit and interest	**1,674,747,017.91**		**1,674,747,017.91**	1,766,862,407.85		1,766,862,407.85
Others	**6,072,003.66**		**6,072,003.66**	5,298,317.51		5,298,317.51
Total	**1,687,852,740.16**		**1,687,852,740.16**	1,979,937,603.41		1,979,937,603.41

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

(13) Borrowings

Item	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Secured and unguaranteed bank loans (Note (a))	**653,767,019.16**	531,927,895.81
Unsecured and guaranteed bank loans (Note (b))	**2,379,300.00**	2,287,040.00
Unsecured and unguaranteed bank loans (Note (c))	**1,218,653,134.17**	589,143,607.77
Total	**1,874,799,453.33**	1,123,358,543.58
Loan interest at a rate per annum in the range of	**1.29% – 5.82%**	0.39% – 6.09%
Total current and non-current borrowings were scheduled to repay as follows:		
Due within one year	**335,986,142.86**	612,797,953.63
Due within 1 to 2 years	**368,256,989.04**	137,216,232.85
Due within 2 to 5 years	**957,016,371.43**	370,341,547.50
Over 5 years	**213,539,950.00**	3,002,809.60
Total	**1,874,799,453.33**	1,123,358,543.58

Notes:

(a) As at June 30, 2026, the Group had obtained bank credit facilities in an aggregate amount of approximately RMB648,679,000 (December 31, 2025: RMB622,174,000) through certain restricted bank deposits, of which RMB419,813,000 (December 31, 2025: RMB211,061,000) were utilized.

On May 31, 2022, Frontage Labs, one of the subsidiaries of the Company, entered into a four-year committed senior secured revolving credit agreement with a bank under which the bank has agreed to extend to Frontage Labs a revolving line of credit in the maximum principal amount of US$54,000,000 and to extend the maturity date to seven years from the loan commencement date. As at June 30, 2026, US$20,500,000 (2025: US$20,500,000) of the facility were utilized as borrowings. Frontage Labs is obligated to grant to the bank security interest in and to the collateral of some of its designated subsidiaries in the U.S.

On July 22, 2022, Frontage Labs entered into a credit agreement with a bank under which the bank agreed to provide Frontage Labs a non-revolving term loan facility in an aggregate principal amount of US$49,000,000. As at June 30, 2026, US$13,850,000 (December 31, 2025: US$25,150,000) of the facility were utilized. Frontage Holdings Corporation, as the guarantor, is obligated to guarantee for the liabilities, obligations and the full satisfaction of Frontage Labs under this facility. This facility is collateralized by Frontage Labs' assets in some of its designated subsidiaries in the U.S.

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

(13) Borrowings (Continued)

Notes: (Continued)

(b) As of June 30, 2026, bank borrowings approximately amounting to RMB2,379,000 (December 31, 2025: approximately RMB2,287,000) were secured by personal guarantees provided by directors of the subsidiaries.

(c) As of June 30, 2026, the Group had banking facilities approximately RMB6,408,554,000 (December 31, 2025: approximately RMB6,229,081,000). The aforesaid bank loans outstanding as at June 30, 2026 were approximately RMB1,218,653,000 (December 31, 2025: approximately RMB589,144,000).

(d) The Group had aggregated revolving banking facilities of approximately RMB5,575,089,000 (December 31, 2025: RMB6,237,677,000) which were unutilized as at June 30, 2026.

(14) Accounts payables

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

Aging	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Within 90 days	**154,823,836.38**	178,262,102.63
90 days to 1 year	**118,069,868.01**	64,970,498.07
Over 1 year	**44,627,736.93**	121,996,258.03
Total	**317,521,441.32**	365,228,858.73

(15) Other payables

Item	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Interests payable	**2,453,240.56**	1,388,432.36
Dividends payable	**107,547,867.66**	3,752,582.61
Other payables	**83,279,140.34**	69,320,825.12
Total	**193,280,248.56**	74,461,840.09

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

(16) Bonds payable

Item	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Convertible bonds	**88,240,090.20**	92,473,704.64

16.1 Aging profile of bonds payable

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
In one year		
In the second to fifth years, inclusive	**88,240,090.20**	92,473,704.64

16.2 Increase/decrease in bonds payable

Bond name	Nominal value	Coupon rate	Date of issue	Term of bonds	Issue amount	Opening balance	Interests issued during the year	Interests provided during the year	Changes in fair value	Amortisation of discount and premium	Repaid during the year	Others	Closing balance	Default status
Dream CIS Co., Ltd. Series 1 Unsecured Private Convertible Bonds	76,170,000.00	0.00%	2025/9/30	3years	76,170,000.00	92,473,704.64				-4,682,877.32		449,262.88	88,240,090.20	Non-default

The Company's subsidiary, Hong Kong Tigermed, purchased KRW3.00 billion(equivalent to RMB15,234,000) of convertible bonds in 2025.

Notes:

(a) As of September 30, 2025, DreamCIS, Inc., a subsidiary of the Company, issued "DreamCIS, Inc. 1st Unregistered Coupon Unsecured Private Placement Convertible Bonds" in an aggregate principal amount of KRW 15 billion. The bonds carry a nominal interest rate of 0.0% per annum, with no interest payable prior to maturity, and provide a guaranteed yield to maturity of 1.0% per annum, compounded quarterly on the electronically registered amount. The bonds will mature on September 30, 2028, and are redeemable at 103.0415% of the electronically registered principal amount.

(b) The Bonds are redeemable at the option of the bondholders (put option) on September 30, 2027 and every three months thereafter until maturity, at redemption prices ranging from 102.0175% to 102.7846% of the principal amount, representing a yield of 1.0% per annum compounded quarterly. The conversion rights may be exercised from September 30, 2026 to August 30, 2028 for registered common shares of the Issuer. The conversion price is initially determined based on the higher of the weighted average arithmetic mean prices for the one-month, one-week, and most recent trading day prior to the board resolution date, subject to anti-dilution adjustments for certain corporate actions and regular adjustments every seven months, provided that the conversion price shall not fall below 70% of the initial conversion price or the par value of KRW 500 per share.

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

(17) Share capital

		Movement in the current period (increase+/decrease-)					
	31 December 2025 (Audited)	Issuance of new shares	Share donation	Conversion of reserves into shares	Others	Subtotal	30 June 2026 (Unaudited)
Total amount of shares	861,026,050.00						**861,026,050.00**

(18) Capital reserve

Item	31 December 2025 (Audited)	Increase in the current period	Decrease in the current period	30 June 2026 (Unaudited)
Capital premium (Share premium)	10,466,692,779.91	10,625,733.39	18,135,665.70	**10,459,182,847.60**
Other capital reserve	118,264,809.92	2,621,681.63		**120,886,491.55**
Total	10,584,957,589.83	13,247,415.02	18,135,665.70	**10,580,069,339.15**

(19) Treasury shares

Item	31 December 2025 (Audited)	Increase in the current period	Decrease in the current period	30 June 2026 (Unaudited)
Repurchased share	300,069,890.00	824,405,118.61		**1,124,475,008.61**

(20) Undistributed profits

Item	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Undistributed profits of prior year-end before adjustment	**9,319,994,848.81**	8,688,647,453.50
Undistributed profits at the beginning of period after adjustment	**9,319,994,848.81**	8,688,647,453.50
Add: Net profits attributable to the Company's shareholders in the period	**-413,159,500.41**	887,890,076.31
Less: Appropriation to statutory surplus reserve		
Dividend distribution to shareholders	**105,066,973.27**	256,542,681.00
Undistributed profits at the end of the period	**8,801,768,375.13**	9,319,994,848.81

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

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

(21) Selling expenses

Item	For the six months ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Employee benefits	**83,681,880.28**	83,527,311.31
Advertising expenses	**9,066,196.19**	5,961,760.03
Travel expenses and business entertainment expenses	**7,220,654.31**	6,431,682.87
Other expenses	**9,767,516.24**	11,989,476.14
Total	**109,736,247.02**	107,910,230.35

(22) Administrative expenses

Item	For the six months ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Employee benefits	**168,287,265.49**	176,899,696.23
Office facilities and site expenses	**19,022,471.14**	22,795,468.76
Depreciation and amortization	**58,296,779.59**	64,980,447.95
Travel expenses and business entertainment expenses	**16,980,727.15**	14,216,220.37
Consulting expenses and communication expenses	**33,046,019.59**	23,963,642.34
Share-based payment	**3,423,041.07**	8,784,302.63
Other expenses	**54,189,706.49**	43,645,245.36
Total	**353,246,010.52**	355,285,023.64

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

(23) Research and development expenses

Item	For the six months ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Employee benefits	**128,414,769.49**	115,766,731.65
Depreciation and amortization	**4,419,559.30**	4,301,421.10
Service expenses and cost of materials	**5,110,126.55**	3,115,375.35
Other expenses	**1,420,764.09**	3,821,404.78
Total	**139,365,219.43**	127,004,932.88

(24) Finance expenses

Item	For the six months ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Interest expenses	**32,816,589.51**	54,401,937.67
Including: Interest expenses on lease liabilities	**10,583,772.01**	13,456,028.89
Less: Interest income	**7,477,747.22**	8,422,574.46
Exchange gains or losses	**9,573,571.34**	14,809,278.84
Others	**7,372,157.93**	2,493,794.46
Total	**42,284,571.56**	63,282,436.51

(25) Investment income

Item	For the six months ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Share of profit from associates	**21,662,200.34**	166,385,559.89
Investment income from disposal of financial assets held for trading	**32,934.45**	70,610.17
Interest income from debt investment during the holding period		259,965.63
Dividend income from other non-current financial assets during the holding period	**288,723.60**	3,036,534.59
Investment income from disposal of other non-current financial assets	**-46,056,908.16**	21,565,539.05
Investment income from certificates of deposit and wealth management products	**21,641,163.02**	41,682,623.66
Total	**-2,431,886.75**	233,000,832.99

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

(26) Gains from changes in fair values

Source of gains from changes in fair value	For the six months ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Financial assets held for trading	**211,425.80**	
Other non-current financial assets	**-443,535,219.97**	-89,643,957.92
Total	**-443,323,794.17**	-89,643,957.92

(27) Income tax expenses

Item	For the six months ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Current income tax expenses	**109,466,663.77**	97,806,189.29
Deferred income tax expenses	**-4,210,651.94**	-17,945,157.65
Total	**105,256,011.83**	79,861,031.64

(28) Earnings per share

1. Basic earnings per share

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

Item	For the six months ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Consolidated net profit attributable to ordinary shareholders of the parent company	**-413,159,500.41**	383,337,133.84
Weighted average number of ordinary shares outstanding of the Company	**855,142,270.00**	856,599,303.33
Basic earnings per share	**-0.48**	0.45
Including: Basic earnings per share from continuing operations	**-0.48**	0.45
Basic earnings per share from discontinued operations		

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

(28) Earnings per share (Continued)

2. Diluted earnings per share

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

Item	For the six months ended 30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Consolidated net profit attributable to ordinary shareholders of the parent company (diluted)	**-413,159,500.41**	383,337,133.84
Weighted average number of ordinary shares outstanding (diluted) of the Company	**855,142,270.00**	856,599,303.33
Diluted earnings per share	**-0.48**	0.45
Including: Diluted earnings per share from continuing operations	**-0.48**	0.45
Diluted earnings per share from discontinued operations		

7 DISCLOSURE OF FAIR VALUE

The input value used in the fair value measurement is divided into three levels:

Level 1 input value is the unadjusted quotation in the active market for the same assets or liabilities that can be obtained on the measurement date.

Level 2 input value is the direct or indirect observable input value of related assets or liabilities except for the first level input value.

Level 3 input value is the unobservable input of related assets or liabilities.

The level of the fair value measurement shall be decided according to the minimum level of input value that is of significance to the overall fair value measurement.

7 DISCLOSURE OF FAIR VALUE (Continued)

7.1 Assets and liabilities measured at fair value

Item	Fair value as at June 30, 2026 Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement Financial assets held for trading		**27,806,525.03**		**27,806,525.03**
1. Financial assets at fair value through profit or loss		**27,806,525.03**		**27,806,525.03**
(1) Debt instrument investments				
(2) Wealth management products		**27,806,525.03**		**27,806,525.03**
Investments in other equity instruments	**2,049,598.97**		**3,762,969.76**	**5,812,568.73**
Other non-current financial assets	**115,421,251.49**	**593,528,229.94**	**8,903,999,323.26**	**9,612,948,804.69**
1. Financial assets at fair value through profit or loss	**115,421,251.49**	**593,528,229.94**	**8,903,999,323.26**	**9,612,948,804.69**
(1) Debt instrument investments			**121,807,345.29**	**121,807,345.29**
(2) Equity instrument investments	**115,421,251.49**	**593,528,229.94**	**8,782,191,977.97**	**9,491,141,459.40**
Total assets measured at fair value on a recurring basis	**117,470,850.46**	**621,334,754.97**	**8,907,762,293.02**	**9,646,567,898.45**
Financial liabilities held for trading			**28,700,217.59**	**28,700,217.59**
1. Financial liabilities at fair value through profit or loss			**28,700,217.59**	**28,700,217.59**
(1) Corporate bonds			**28,700,217.59**	**28,700,217.59**
Total liabilities measured at fair value on a recurring basis			**28,700,217.59**	**28,700,217.59**

7.2 Basis for determining market prices of Level 1 fair value measurements on a recurring and non-recurring basis

Level 1 fair value measurements refer to measurements based on quoted prices in active markets for identical assets or liabilities.

7 DISCLOSURE OF FAIR VALUE (Continued)

7.3 Recurring and non-recurring Level 2 fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used

Item	Fair value as at June 30, 2026	Valuation technique	Key Parameters	
			Qualitative information	Quantitative information
Wealth management products	**27,806,525.03**	Discounted Cash flow method	N/A	N/A
Restricted shares of listed companies	**591,769,616.53**	Public market trading quotes adjusted for lack of marketability discount	N/A	N/A
Debt investments		Quotation offered by the asset management company	N/A	N/A
Insurance	**1,758,613.41**	Quotation offered by the insurance company	N/A	N/A

7 DISCLOSURE OF FAIR VALUE (Continued)

7.4 Recurring and non-recurring Level 3 fair value measurement items, qualitative and quantitative information on the valuation techniques and significant parameters used

Item	Fair value as at June 30, 2026	Valuation technique	Unobservable input value	Range (weighted average)
Equity investment in non-listed companies	**4,373,276,645.97**	Market multiples adjusted for lack of marketability discount	Lack of marketability discount	The larger the discount is, the lower the valuation will become.
		Equity value allocation model	Priority, the probability of initial public offering	The higher the priority is, the greater the valuation of preferred shares becomes; the higher the probability is, the greater the valuation of original shares becomes.
		Backward Price Adjustment Method based on Recent Transactions	Due to considerations of time, sales conditions and agreement terms, the scale and nature of similar businesses can be estimated for their value	The greater the value of similar transactions, the higher the valuation will be.
		Discounted cash flow method	Expected growth rate, discount rate	The greater the expected growth rate, the higher the valuation; the higher the discount rate, the lower the valuation.
		Asset-based Approach	Entity-specific financial forecast	The lower financial forecasts, the lower valuation.
Non-listed fund investment	**4,412,678,301.76**	Net asset value on relevant transactions	Net asset value	The higher the net asset value, the higher the valuation.
Convertible bonds	**121,807,345.29**	Binomial tree model	Discount rate	The higher the discount rate is, the lower the valuation becomes.
DreamCIS, Inc. convertible bonds	**28,700,217.59**	Binomial tree model	Discount rate	The higher the discount rate, the lower the valuation.

7 DISCLOSURE OF FAIR VALUE (Continued)

7.5 The adjustment information and sensitivity analysis for recurring Level 3 fair value measurements

7.5.1 Reconciliation of recurring Level 3 fair value measurements

Item	December 31 2025	Transfer to Level 3	Transfer out of Level 3	Total amount of current gains or losses: Recognized in fair value change profit and loss	Total amount of current gains or losses: Recognized in other comprehensive income	Purchase, issuance, sale and settlement: Purchase	Purchase, issuance, sale and settlement: Change in exchange rate	Purchase, issuance, sale and settlement: Sale	Purchase, issuance, sale and settlement: Other changes	**June 30, 2026**	For the assets held at the end of the reporting period, the unrealized gains or changes that are recognized in current profit or loss
Financial assets held for trading											
Financial assets at fair value through current profit or loss – Equity instrument investments											
Other equity instrument investments	4,153,539.19						-390,569.43			**3,762,969.76**	
Other non-current financial assets	8,903,655,005.35		258,855,491.84	23,204,582.45		539,852,961.51	-40,375,849.92	263,481,884.29		**8,903,999,323.26**	23,204,582.45
Financial assets at fair value through profit or loss	8,903,655,005.35		258,855,491.84	23,204,582.45		539,852,961.51	-40,375,849.92	263,481,884.29		**8,903,999,323.26**	23,204,582.45
– Debt instrument investments	171,807,345.29					10,000,000.00			-60,000,000.00	**121,807,345.29**	
– Equity instrument investments	8,731,847,660.06		258,855,491.84	23,204,582.45		529,852,961.51	-40,375,849.92	263,481,884.29	60,000,000.00	**8,782,191,977.97**	23,204,582.45
Total	8,907,808,544.54		258,855,491.84	23,204,582.45		539,852,961.51	-40,766,419.35	263,481,884.29		**8,907,762,293.02**	23,204,582.45
Including: Profit or loss related to financial assets				23,204,582.45							23,204,582.45
Financial liabilities held for trading	31,679,095.50						2,978,877.91			**28,700,217.59**	
Financial liabilities at fair value through profit or loss	31,679,095.50						2,978,877.91			**28,700,217.59**	
– Corporate bonds	31,679,095.50						2,978,877.91			**28,700,217.59**	
Other non-current financial liabilities – Contingent considerations											
Total	31,679,095.50						2,978,877.91			**28,700,217.59**	
Including : Profit or loss related to financial liabilities											

7 DISCLOSURE OF FAIR VALUE (Continued)

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

1. The Company's investment in Insight Lifetech Co., Ltd. was listed on February 5, 2026, and the relevant quotations can be obtained from the active public market. The shares held by the Company were subject to a lock-up period until February 4, 2027. As of June 30, 2026, the investment shares were in the restricted period. Therefore, the Company transferred this investment from Level 3 fair value to Level 2 fair value measurement for other non-current financial assets.

2. The Company's investment in PegBio Co., Ltd. was listed on May 27, 2025, and the relevant quotations can be obtained from the active public market. The shares held by the Company were subject to a lock-up period until May 26, 2026. As of June 30, 2026, the investment shares were out of the restricted period. Therefore, the Company transferred this investment from Level 2 fair value to Level 1 fair value measurement for other non-current financial assets.

8 SHARE-BASED PAYMENTS

During the six months ended June 30, 2026, the Company and its subsidiaries adopted certain share option schemes to its employees.

Details of the schemes are as follows:

(a) Frontage Holdings:

(i) 2021 share awards scheme

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

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

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

8 SHARE-BASED PAYMENTS (Continued)

(a) Frontage Holdings: (Continued)

(i) 2021 share awards scheme (Continued)

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

	Six months ended June 30	
	2026	2025
	Number	Number
	(Unaudited)	(Unaudited)
Outstanding at beginning of period	**–**	4,090,064
Vested during the period	**–**	-4,087,564
Forfeited during the period	**–**	-2,500.00
Outstanding at end of period	**–**	–

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

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

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

On January 25, 2021, 22,950,500 shares of Frontage Holdings Corporation was issued for the 2021 Frontage Share Award Scheme. As at June 30, 2026, there are 4,460,438 shares (six months ended June 30, 2025: 4,460,438 shares) held for such scheme with carrying amount of US$nil (six months ended June 30, 2025: US$nil) accumulated in equity under the heading of "Treasury Shares".

The scheme expired in 2025 and the Group did not recognize expense for the six months ended June 30, 2026 (six months ended June 30, 2025: US$67,000) in relation to share award granted under the 2021 Frontage Share Award Scheme.

8 SHARE-BASED PAYMENTS (Continued)

(a) Frontage Holdings: (Continued)

(ii) Frontage Labs Scheme

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

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

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

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

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

	Six months ended June 30,			
	2026		2025	
	Weighted average exercise price (RMB) (Unaudited)	**Number (Unaudited)**	Weighted average exercise price (RMB) (Unaudited)	Number (Unaudited)
Outstanding at beginning of period	**0.36**	**16,500,000**	0.36	16,500,000
Forfeited during the period	**0.34**	**-1,000,000**	–	–
Exercised during the period	**0.34**	**-6,350,000**	–	–
Outstanding at end of period	**0.39**	**9,150,000**	0.36	16,500,000
Options exercisable		**9,150,000**		16,500,000
Weighted average contractual life (years)		**1.2**		1.7

8 SHARE-BASED PAYMENTS (Continued)

(a) Frontage Holdings: (Continued)

(ii) Frontage Labs Scheme (Continued)

The exercise price of options outstanding was approximately US$0.057 (equivalent to RMB0.39).

The weighted average closing price of the shares of Frontage Holdings immediately before the dates on which the option were exercised was HK$1.01 (equivalent to RMB0.89) during the six months ended June 30, 2026.

The Group recognised total expense of nil for the six months ended June 30, 2026 (six months ended June 30, 2025: nil) in relation to share options granted under the Frontage Labs Schemes.

(iii) 2018 Frontage Share Incentive Scheme

On May 11, 2019, the board of directors of Frontage Holdings approved an incentive plan to grant share options, restricted share units and any other types of award to eligible employees, including the directors and employees of the Frontage Holdings Group ("2018 Frontage Share Incentive Scheme"). The total number of shares in respect of which the awards may be granted pursuant to the 2018 Frontage Share Incentive Scheme and any other equity-based incentive plans of Frontage Holdings, being 10% of the shares of Frontage Holdings.

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

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

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

8 SHARE-BASED PAYMENTS (Continued)

(a) Frontage Holdings: (Continued)

(iii) 2018 Frontage Share Incentive Scheme (Continued)

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

	Six months ended June 30,			
	2026		2025	
	Weighted average exercise price (RMB) (Unaudited)	Number (Unaudited)	Weighted average exercise price (RMB) (Unaudited)	Number (Unaudited)
Outstanding at beginning of period	**1.42**	**77,830,000**	1.42	80,878,000
Forfeited during the period	**1.42**	**-3,948,000**	1.44	-2,528,500
Outstanding at end of period	**1.42**	**73,882,000**	1.44	78,349,500
Options exercisable		**44,402,800**		21,950,400
Weighted average contractual life (years)		**2.5**		3.5

The exercise price of options outstanding ranges from HK$0.82 to HK$2.13 (equivalent to RMB0.71 to RMB1.85).

The Group recognised total expenses of approximately US$290,000 (equivalent to approximately RMB1,996,000) for the six months ended June 30, 2026 (six months ended June 30, 2025: US$1,045,000 (equivalent to approximately RMB7,501,000)), in relation to share options granted by Frontage Holdings Corporation under 2018 Frontage Share Incentive Scheme.

(b) DreamCIS:

(i) 2018 DreamCIS Scheme

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

8 SHARE-BASED PAYMENTS (Continued)

(b) DreamCIS: (Continued)

(i) 2018 DreamCIS Scheme (Continued)

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

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

	Six months ended June 30,			
	2026		2025	
	Weighted average exercise price (RMB) (Unaudited)	**Number (Unaudited)**	Weighted average exercise price (RMB) (Unaudited)	Number (Unaudited)
Outstanding at beginning of period	**21.35**	**512,168**	21.35	512,168
Exercised during the period	**21.35**	**-352,520**	–	–
Lapsed during the period	**21.35**	**-159,648**	–	–
Outstanding at end of period	**–**	**–**	20.76	512,168

The exercise price of options outstanding is KRW4,080 (equivalent to RMB21.35).

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

Grant date	**2021**
Share price	KRW3,950 (Equivalent to RMB22.43)
Expected volatility	47.75%
Expected life (years)	2.5
Risk-free rate	1.03%
Expected dividend yield	–

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

8 SHARE-BASED PAYMENTS (Continued)

(b) DreamCIS: (Continued)

(i) 2018 DreamCIS Scheme (Continued)

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

The Group recognised total expense of nil for the six months ended June 30, 2026 (six months ended June 30, 2025: nil) in relation to share options granted under the DreamCIS Scheme.

(ii) 2021 DreamCIS Share Option Scheme

On March 26, 2021, the board of directors of DreamCIS approved the adoption of the share option scheme ("2021 DreamCIS Share Option Scheme") to provide incentive or reward to directors or employees of DreamCIS for their contribution to, and continuing efforts to promote the interests of DreamCIS and its subsidiaries. No grant has been made since the adoption of the 2021 DreamCIS Scheme and up to June 30, 2026. Accordingly, there were no exercise, cancel and lapse of options under the 2021 DreamCIS Scheme since the adoption of such scheme and up to June 30, 2026.

(iii) 2023 DreamCIS Share Option Scheme

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

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

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

	Six months ended June 30,			
	2026		2025	
	Weighted average exercise price (RMB) (Unaudited)	**Number (Unaudited)**	Weighted average exercise price (RMB) (Unaudited)	Number (Unaudited)
Outstanding at beginning of period	**20.31**	**833,600**	18.42	912,000
Granted during the period	**–**	**–**	–	–
Exercised during the period	**20.31**	**-448,600**	–	–
Forfeited during the period	**–**	**–**	17.91	-54,400
Outstanding at end of period	**20.31**	**385,000**	17.91	857,600

8 SHARE-BASED PAYMENTS (Continued)

(b) DreamCIS: (Continued)

(iii) 2023 DreamCIS Share Option Scheme (Continued)

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

Grant date	2023
Share price	KRW3,750 (equivalent to RMB20.69)
Expected volatility	42.80%
Expected life (years)	2.75
Risk-free rate	3.71%
Expected dividend yield	–

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

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

The Group recognised total expense of nil for the six months ended June 30, 2026 (six months ended June 30, 2025: RMB1,343,000) in relation to share options granted under the DreamCIS Scheme.

(iv) 2025 DreamCIS Share Option Scheme

In 2025, the board of directors of DreamCIS approved the adoption of the share option scheme of DreamCIS ("2025 DreamCIS Share Option Scheme") to provide incentive or reward to directors or employees of DreamCIS for their contribution to, and continuing efforts to promote the interests of DreamCIS and its subsidiaries.

During the year ended December 31, 2025, the board of directors of DreamCIS has resolved to grant a total of 1,162,600 share options.

8 SHARE-BASED PAYMENTS (Continued)

(b) DreamCIS: (Continued)

(iv) 2025 DreamCIS Share Option Scheme (Continued)

Set out below are details of the movements of the outstanding options granted under the 2025 DreamCIS Share Option Scheme during the current and prior period:

	Six months ended June 30,			
	2026		2025	
	Weighted average exercise price (RMB)	Number	Weighted average exercise price (RMB)	Number
Outstanding at beginning of period	19.69	1,162,600	–	–
Forfeited during the period	19.69	-18,000	–	–
Outstanding at end of period	19.69	1,144,600	–	–

The estimated fair value was approximately RMB10,370,000 for the share options granted in 2025. The fair value was calculated based on binomial model. The major inputs into the model are as follows:

Grant date	2025
Share price	KRW3,915 (approximately equivalent to RMB19.76)
Expected volatility	70.45%
Expected life (years)	2.58
Risk-free rate	2.54%
Expected dividend yield	–

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

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

The Group recognized total expense of approximately RMB2,071,000 for the six months ended June 30, 2026 in relation to share options granted under the DreamCIS Scheme.

8 SHARE-BASED PAYMENTS (Continued)

(c) Meditip

(i) 2021 Meditip Plan

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

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

Grant date	2021
Share price	KRW8,512 (approximately equivalent to RMB48.34)
Expected volatility	61.36% – 63.24%
Expected life (years)	2.9 years – 4.9 years
Risk-free rate	2.64% – 2.85%
Expected dividend yield	–

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

8 SHARE-BASED PAYMENTS (Continued)

(c) Meditip (Continued)

(i) 2021 Meditip Plan (Continued)

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

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

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

	Six months ended June 30,			
	2026		2025	
	Weighted average exercise price (RMB) (Unaudited)	**Number (Unaudited)**	Weighted average exercise price (RMB) (Unaudited)	Number (Unaudited)
Outstanding at beginning of period	**20.07**	**275,380**	283.5	19,670
Outstanding at end of period	**20.07**	**275,380**	275.7	19,670

The exercise price of options outstanding is KRW3,869 (equivalent to RMB20.07).

Pursuant to the bonus share issuance completed during the year ended December 31, 2025, all the then outstanding share options granted and the exercise price are adjusted on a one-to-fourteen basis.

The Group recognised total expense of RMB256,000 for the six months ended June 30, 2026 (six months ended June 30, 2025: RMB528,000) in relation to share options granted under the Meditip Scheme.

8 SHARE-BASED PAYMENTS (Continued)

(c) Meditip (Continued)

(ii) 2024 Meditip Scheme

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

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

Grant date	2024
Share price	KRW10,232 (approximately equivalent to RMB53.55)
Expected volatility	62.65% – 65.23%
Expected life (years)	4 years – 6 years
Risk-free rate	2.83% – 2.90%
Expected dividend yield	–

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

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

8 SHARE-BASED PAYMENTS (Continued)

(c) Meditip (Continued)

(ii) 2024 Meditip Scheme (Continued)

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

	Six months ended June 30,			
	2026		2025	
	Weighted average exercise price (RMB) (Unaudited)	**Number (Unaudited)**	Weighted average exercise price (RMB) (Unaudited)	Number (Unaudited)
Outstanding at beginning of period	**65.43**	**199,920**	915.95	15,000
Forfeited during the period	**65.43**	**-17,920**	890.58	-720
Outstanding at end of period	**65.43**	**182,000**	890.58	14,280

Pursuant to the bonus share issuance completed during the year ended December 31, 2025, all the then outstanding share options granted and the exercise price are adjusted on a one-to-fourteen basis.

The exercise price of options outstanding is KRW12,500 (equivalent to RMB65.43).

The Group recognized total expense of approximately RMB418,000 for the six months ended June 30, 2026 (six months ended June 30, 2025: RMB544,000) in relation to share options granted under the 2024 Meditip Scheme.

8 SHARE-BASED PAYMENTS (Continued)

(d) Teddy Clinical Shanghai

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

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

Each option granted has a contractual term of 3 years.

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

	Six months ended June 30,			
	2026		2025	
	Weighted average exercise price (RMB) (Unaudited)	**Number (Unaudited)**	Weighted average exercise price (RMB) (Unaudited)	Number (Unaudited)
Outstanding at beginning of period	–	–	1.5	15,454,050
Forfeited during the period	–	–	1.5	-424,577
Outstanding at end of period	–	–	1.5	15,029,473

The scheme has expired and recognised no expense for the six months ended June 30, 2026 (six months ended June 30, 2025: -98,923.17) in relation to share options granted under the Teddy Clinical Shanghai Scheme.

9 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

9.1 Information about the Parent company of the Group

The actual controllers of the Group are Mr. Ye Xiaoping and Ms. Cao Xiaochun: Mr. Ye Xiaoping holds 177,239,541.00 shares of the Company, with a shareholding ratio of 20.58%; Ms. Cao Xiaochun holds 51,314,174.00 shares of the Company, with a shareholding ratio of 5.96%.

9.2 Information on the Group's joint ventures and associates

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

Name of Joint ventures and associates	Relationship
Hangzhou Taikun Equity Investment Fund Partnership Enterprise (Limited Partnership)	Associates
Tigerise, Inc.	Associates
Chenghong Pharmaceutical (Weihai) Co., Ltd	Associates
Beijing Jingwei Legend Pharmaceutical Technology Co., LTD.	Associates
Tigermed co., Ltd. (Thailand)	Associates
PT Tigermed Medical Indonesia	Associates
Tigermed Vietnam Co., Limited	Associates
Taihe Pharmaceutical (Weihai) Co., Ltd.	Associates
Clinflash Healthcare Technology (Jiaxing) Co.,Ltd	Associates

9.3 Other related parties

Name of Other Related Parties	Relationship
Zhiding Medical Technology Co., LTD.	The actual controller, Ms. Cao Xiaochun, serves as a Director, and her child serves as Chairman.
Shenzhen Robb Medical Technology Co., LTD.	The child of the actual controller, Ms. Cao Xiaochun, serves as a Director.
Hangzhou Laimai Medical Information Technology Co., LTD.	The child of the actual controller, Ms. Cao Xiaochun, serves as a Director (resigned in May 2025).
Hangzhou Fasikl Technology Co., Ltd.	The child of the actual controller, Ms. Cao Xiaochun, serves as the Supervisor in Hangzhou Fansiquan Technology Co., Ltd., the parent company of Hangzhou Fansikai Technology Co., Ltd.
Hangzhou Hezheng Pharmaceutical Co., LTD.	The spouse of the actual controller, Ms. Cao Xiaochun, serves as a Director (resigned in November 2025).

9 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.3 Other related parties (Continued)

Name of Other Related Parties	Relationship
Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., Ltd.	The actual controller, Ms. Cao Xiaochun, serves as Chairman. The Chief Operating Officer Mr. Peng Yifei, serves as Manager.
Shanghai Youyin Pharmaceutical Biotechnology Co., Ltd.	The son-in-law of the actual controller, Mr. Ye Xiaoping, serves as a Director.
Hangzhou Zhilan Health Co., LTD.	The actual controller, Ms. Cao Xiaochun, serves as Chairman.
New Trials Medical Technology (Hangzhou) Co., Ltd.	Co-president Mr. Wu Hao serves as a Director.
Shanghai ClinMega Pharmaceutical Technology Co., Ltd.	The actual controller, Ms. Cao Xiaochun, serves as a Director of Clinflash Healthcare Technology (Jiaxing) Co.,Ltd.
Hangzhou Hekang Pharmaceutical Co., LTD.	The spouse of the actual controller, Ms. Cao Xiaochun, serves as Shareholder and Executive Director.
Hangzhou Patsy Medical Technology Co., LTD.	The spouse of the actual controller, Ms. Cao Xiaochun, serves as executive Director.
Suzhou RocRock No. 1 Biotechnology Co., Ltd.	The son-in-law of the actual controller, Mr. Ye Xiaoping, serves as a Director.
Hangzhou Taiyuan Lice Biotechnology Co., Ltd.	The actual controller, Ms. Cao Xiaochun, serves as Chairman of Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., Ltd.. The Chief Operating Officer, Mr. Peng Yifei, serves as the Manager of Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., Ltd. The Chief Operating Officer, Mr. Peng Yifei, serves as a Director.
Hangzhou Dian Medical Laboratory Center Co. LTD.	The actual controller, Mr. Ye Xiaoping, serves as a Director of Dian Diagnostics Group Co., Ltd.
Hangzhou Mostech Technology Co., LTD.	The Child of the actual controller, Ms. Cao Xiaochun, serves as Executive Director and Manager.
Zhejiang Di'an Deep Sea Cold Chain Logistics Co., Ltd.	The actual controller, Mr. Ye Xiaoping, serves as a Director of Dian DiagnosticsGroup Co., Ltd.

9 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.3 Other related parties (Continued)

Name of Other Related Parties	Relationship
Hangzhou Robb Medical Technology Co., LTD.	The child of the actual controller, Ms. Cao Xiaochun, serves as a Director of Shenzhen Robb Medical Technology Co., LTD.
Fasikl International Co., Ltd.	The Child of the actual controller, Ms. Cao Xiaochun, serves as the Supervisor in Hangzhou FanSiquan Technology Co., Ltd., a subsidiary of Fasikl International Co., Ltd.
Jiaxing Yifu Pharmaceutical Technology Development Co., Ltd.	The actual controller, Ms. Cao Xiaochun, serves as a Director of Clinflash Healthcare Technology (Jiaxing) Co., Ltd.
Hangzhou Zhiding Medical Device Management Co., Ltd.	The child of Ms. Cao Xiaochun, the actual controller of the Company, serves as Executive Director and Manager.
Shanghai Dian Medical Laboratory Co., Ltd.	The actual controller, Mr. Ye Xiaoping, serves as a Director of Dian Diagnostics Group Co., Ltd.
Hangzhou D. a. Gene & Engineering Co., Ltd.	The actual controller, Mr. Ye Xiaoping, serves as a Director of Dian Diagnostics Group Co., Ltd.
Hangzhou Dian Biotechnology Co., LTD.	The actual controller, Mr. Ye Xiaoping, serves as a Director of Dian Diagnostics Group Co., Ltd.
KunShan Dian Medical Laboratory	The actual controller, Mr. Ye Xiaoping, serves as a Director of Dian Diagnostics Group Co., Ltd.
Beijing Laimai Medical Information Technology Co., Ltd.	The child of the actual controller, Ms. Cao Xiaochun, serves as a Director of Hangzhou Laimai Medical Information Technology Co., LTD.
EPS Tigermed (Suzhou) Co., Ltd.	The actual controller, Mr. Ye Xiaoping, serves as a Director.
Changsha Dian Medical Laboratory Co., Ltd.	The actual controller, Mr. Ye Xiaoping, serves as a Director of Dian Diagnostics Group Co., Ltd.

9 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.4 Related Party Transactions

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

Information of goods purchased/services received

		For the six months ended	
		30 June 2026	30 June 2025
Related parties	Related party transactions	**(Unaudited)**	(Unaudited)
Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**24,177.00**	2,358.49
Shanghai ClinMega Pharmaceutical Technology Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**2,266,760.52**	2,220,488.21
Hangzhou Taikun Equity Investment Fund Partnership Enterprise (Limited Partnership)	Fund Services	**763,207.55**	754,716.98
Clinflash Healthcare Technology (Jiaxing) Co.,Ltd	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**19,530,964.89**	15,578,270.80
Tigerise, Inc.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**18,806,016.16**	15,274,542.93
Hangzhou Zhilan Health Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**26,364.75**	50,843.01
Shanghai Bioquick Pharmaceutical Supply Chain Management Co., Ltd	Warehousing, transportation services	**–**	6,251,841.77
Hangzhou Laimai Medical Information Technology Co., LTD.	Conference and Exhibition Services	**494,339.62**	191,537.74
New Trials Medical Technology (Hangzhou) Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**–**	182,050.79
Zhiding Medical Technology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**–**	41,422.27
Chenghong Pharmaceutical (Weihai) Co., Ltd	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**999,811.32**	846,715.74

9 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.4 Related Party Transactions (Continued)

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

Information of goods purchased/services received (Continued)

		For the six months ended	
		30 June 2026	30 June 2025
Related parties	Related party transactions	**(Unaudited)**	(Unaudited)
Hangzhou D. a. Gene & Engineering Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**12,021.24**	47,128.36
Hangzhou Dian Biotechnology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**1,194.69**	796.46
Hangzhou Dian Medical Laboratory Center Co. LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**2,186,388.95**	2,482,869.67
Zhejiang Di'an Deep Sea Cold Chain Logistics Co., Ltd.	Warehousing, transportation services	**1,432,741.43**	119,016.49
Jiaxing Yifu Pharmaceutical Technology Development Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**328.20**	–
Hangzhou Zhiding Medical Device Management Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**3,960.00**	–

9 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.4 Related Party Transactions (Continued)

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

Information of goods sales/services provided

		For the six months ended	
		30 June 2026	30 June 2025
Related parties	Related party transactions	**(Unaudited)**	(Unaudited)
Hangzhou Fasikl Technology Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**876,562.25**	885,543.43
Shanghai ClinMega Pharmaceutical Technology Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**766.56**	291,527.09
Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**1,121,159.48**	605,776.79
Clinflash Healthcare Technology (Jiaxing) Co.,Ltd	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**1,503,299.28**	5,293,615.66
Hangzhou Zhilan Health Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**378,369.31**	-91,932.78
Zhiding Medical Technology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**1,237,399.56**	30,254.87
Shenzhen Robb Medical Technology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**162,114.96**	435,177.53
Shanghai Bioquick Pharmaceutical Supply Chain Management Co., Ltd	Warehousing, transportation services	**–**	69,612.25
Hangzhou Laimai Medical Information Technology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**26,608.46**	49,066.01
Hangzhou Hezheng Pharmaceutical Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**4,140,196.13**	2,512,672.46
Hangzhou Mostech Technology Co., LTD	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**357,271.63**	4,124.00

9 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.4 Related Party Transactions (Continued)

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

Information of goods sales/services provided (Continued)

		For the six months ended	
		30 June 2026	30 June 2025
Related parties	Related party transactions	**(Unaudited)**	(Unaudited)
Hangzhou Taikun Equity Investment Fund Partnership Enterprise (Limited Partnership)	Fund Services	**51,374,515.38**	43,460,156.46
Hangzhou Hekang Pharmaceutical Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**477,717.07**	19,299.08
Hangzhou Taiyuan Lice Biotechnology Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**-187,583.95**	811,059.19
Shanghai Youyin Pharmaceutical Biotechnology Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**1,072,323.72**	257,967.35
Suzhou RocRock No. 1 Biotechnology Co., Ltd.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**45,203.27**	–
Chenghong Pharmaceutical (Weihai) Co., Ltd	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**87,610.62**	–
Hangzhou Dian Medical Laboratory Center Co. LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**-4,716.98**	–
Hangzhou Robb Medical Technology Co., LTD.	Clinical Trial Technical Services, Clinical Trial Related Services and Laboratory Services	**323,590.19**	–

9 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.4 Related Party Transactions (Continued)

9.4.2 Information on related party leases

The company as lessor

Name of lessee	Type of leased asset	Lease income recognized in the current period	Lease income recognized in the prior period
Clinflash Healthcare Technology (Jiaxing) Co.,Ltd	Office premises	481,732.86	–
Zhiding Medical Technology Co., LTD.	Office premises	990,836.73	–
Hangzhou Mostech Technology Co., LTD.	Office premises	322,547.93	–
Hangzhou Robb Medical Technology Co., LTD.	Office premises	303,646.95	–
Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., Ltd.	Office premises	1,021,330.50	–
Hangzhou Fasikl Technology Co., Ltd.	Office premises	534,715.42	–

9.4.3 Related party guarantees

The Company as guarantor

Guaranteed party	Amount Guaranteed	Beginning Date of Guarantee	Maturity date of guarantee	Guarantee fulfilled
Acme Biopharma (Wuhan) Co., Ltd	32,000,000.00	2023/4/26	2028/4/26	Not yet
Acme Biopharma (Shanghai) Co., Ltd	5,000,000.00	2024/12/18	2027/11/24	Not yet
Frontage Pharma (Suzhou) Co., Ltd	5,000,000.00	2025/2/18	2026/2/18	Fulfilled
Frontage Pharma (Suzhou) Co., Ltd	10,000,000.00	2025/3/28	2026/3/28	Fulfilled
Frontage Pharma (Suzhou) Co., Ltd	3,000,000.00	2026/2/3	2027/2/3	Not yet
Frontage Pharma (Suzhou) Co., Ltd	10,000,000.00	2026/4/29	2027/4/29	Not yet
Frontage Pharma (Suzhou) Co., Ltd	10,000,000.00	2026/6/16	2027/6/16	Not yet

9 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.5 Receivables and payables of related parties

9.5.1 Receivables

Item	Related Party	30 June 2026 (Unaudited) Book value balance	30 June 2026 (Unaudited) Bad debt provisions	31 December 2025 (Audited) Book value balance	31 December 2025 (Audited) Bad debt provisions
Accounts Receivables					
	Clinflash Healthcare Technology (Jiaxing) Co.,Ltd	**1,469,164.07**	**224,292.38**	1,097,529.11	152,241.11
	Hangzhou Hezheng Pharmaceutical Co., LTD.	**672,724.25**	**15,136.29**	1,474,227.42	33,313.76
	Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., Ltd.	**–**	**–**	615,350.21	61,658.09
	Shanghai Youyin Pharmaceutical Biotechnology Co., Ltd.	**1,002,432.07**	**79,915.61**	723,645.95	28,206.57
	Hangzhou Laimai Medical Information Technology Co., LTD.	**18,000.00**	**405.00**	–	–
	Chenghong Pharmaceutical (Weihai) Co., Ltd	**99,000.00**	**7,584.30**	82,000.00	5,897.90
	Hangzhou Fasikl Technology Co., Ltd.	**10,500.00**	**1,052.10**	–	–
	Hangzhou Hekang Pharmaceutical Co., LTD.	**301,117.70**	**30,171.99**	–	–
	Suzhou RocRock No. 1 Biotechnology Co., Ltd.	**15,392.76**	**346.34**		
Advances to suppliers					
	Clinflash Healthcare Technology (Jiaxing) Co.,Ltd	**1,615,527.53**	**–**	776,104.50	–
	Chenghong Pharmaceutical (Weihai) Co., Ltd	**322,147.11**	**–**	1,923,802.28	–
	Hangzhou D. a. Gene & Engineering Co., Ltd.	**20,000.00**	**–**	10,775.88	–
	Hangzhou Zhilan Health Co., LTD.	**7,550.94**	**–**	10,067.92	–
	Hangzhou Laimai Medical Information Technology Co., LTD.	**6,000.00**	**–**	–	–

9 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.5 Receivables and payables of related parties (Continued)

9.5.1 Receivables (Continued)

		30 June 2026 (Unaudited)		31 December 2025 (Audited)	
Item	Related Party	**Book value balance**	**Bad debt provisions**	Book value balance	Bad debt provisions
Other Receivables					
	Clinflash Healthcare Technology (Jiaxing) Co.,Ltd	**544,530.99**	**27,226.55**	394,183.20	22,928.16
	Tigermed co., Ltd. (Thailand)	**1,537,834.84**	**261,882.42**	1,537,834.84	261,882.42
	PT Tigermed Medical Indonesia	**530,398.24**	**85,557.26**	530,398.24	85,557.26
	Tigermed Vietnam Co., Limited	**852,797.08**	**66,411.78**	852,797.08	66,411.78
	Shanghai ClinMega Pharmaceutical Technology Co., Ltd.	**121,883.00**	**6,094.15**	–	–
Contract assets					
	Clinflash Healthcare Technology (Jiaxing) Co.,Ltd	**6,719,781.76**	**151,195.09**	6,833,230.52	153,747.69
	Hangzhou Hezheng Pharmaceutical Co., LTD.	**5,064,029.37**	**113,940.66**	4,196,491.28	94,421.05
	Beijing Laimai Medical Information Technology Co., Ltd.	**–**	**–**	6,416.00	144.36
	Hangzhou Hekang Pharmaceutical Co., LTD.	**768,640.61**	**17,294.41**	563,378.22	12,676.01
	Hangzhou Laimai Medical Information Technology Co., LTD.	**17,931.79**	**403.47**	57,224.34	1,287.55
	Hangzhou Patsy Medical Technology Co., LTD.	**1,537,053.01**	**34,583.69**	1,537,053.01	34,583.69
	Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., Ltd.	**20,131.93**	**452.97**	31,510.55	708.99
	Hangzhou Zhilan Health Co., LTD.	**20,689.03**	**465.50**	81,839.87	1,841.40
	Shanghai Youyin Pharmaceutical Biotechnology Co., Ltd.	**407,912.09**	**9,178.02**	343,484.84	7,897.77
	Shanghai ClinMega Pharmaceutical Technology Co., Ltd.	**325,617.99**	**7,326.40**	363,895.73	8,187.65
	Suzhou RocRock No. 1 Biotechnology Co., Ltd.	**–**	**–**	15,496.00	348.66

9 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.5 Receivables and payables of related parties (Continued)

9.5.1 Receivables (Continued)

		30 June 2026 (Unaudited)		31 December 2025 (Audited)	
Item	Related Party	**Book value balance**	**Bad debt provisions**	Book value balance	Bad debt provisions
	Hangzhou Fasikl Technology Co., Ltd.	**78,815.98**	**1,773.36**	1,401,551.05	31,534.90
	Hangzhou Taiyuan Lice Biotechnology Co., Ltd.	**165,360.00**	**3,720.60**	364,198.99	8,194.48
	Shenzhen Robb Medical Technology Co., LTD.	**150,319.87**	**3,382.20**	19,867.05	447.01
	Beijing Jingwei Legend Pharmaceutical Technology Co., LTD.	**45,000.06**	**1,012.50**	45,000.06	1,012.50
	Hangzhou Dian Medical Laboratory Center Co. LTD.	**4,900.00**	**110.25**	9,900.00	222.75
	Hangzhou Mostech Technology Co., LTD.	**34,157.10**	**768.53**	–	–
	Zhiding Medical Technology Co., LTD.	**1,145,707.33**	**25,778.41**	–	–
	Fasikl International Co., Ltd.	**12,230.36**	**275.18**		

9 RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

9.5 Receivables and payables of related parties (Continued)

9.5.2 Payables

Item	Related Party	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Accounts Payables			
	Clinflash Healthcare Technology (Jiaxing) Co.,Ltd	**15,093,685.26**	53,314,488.00
	Tigerise, Inc.	**–**	4,698,950.85
	Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., Ltd.	**7,839.95**	7,839.95
	Shanghai ClinMega Pharmaceutical Technology Co., Ltd.	**–**	175,837.35
	Chenghong Pharmaceutical (Weihai) Co., Ltd	**222,888.25**	1,252,975.88
	Hangzhou Dian Medical Laboratory Center Co. LTD.	**764,404.95**	426,651.36
	Shanghai Dian Medical Laboratory Co., Ltd.	**–**	21,000.00
	Changsha Dian Medical Laboratory Co., Ltd.	**–**	108,200.00
	Zhejiang Di'an Deep Sea Cold Chain Logistics Co., Ltd.	**–**	181,607.67
	Hangzhou Zhilan Health Co., LTD.	**133,006.58**	–
Other Payables			
	Zhiding Medical Technology Co., LTD.	**413,914.87**	413,914.87
	Hangzhou Fasikl Technology Co., Ltd.	**212,685.64**	212,685.64
	Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., Ltd.	**408,591.60**	57,683.52
	Hangzhou Mostech Technology Co., LTD.	**129,037.93**	129,037.93
	Taihe Pharmaceutical (Weihai) Co., Ltd.	**3,000,000.00**	3,000,000.00
	Clinflash Healthcare Technology (Jiaxing) Co.,Ltd	**398,270.00**	398,270.00
	Hangzhou Robb Medical Technology Co., LTD.	**120,005.98**	–
	Hangzhou Zhilan Health Co., LTD.	**200,169.04**	–
Contract liabilities			
	Clinflash Healthcare Technology (Jiaxing) Co.,Ltd	**893,839.92**	1,158,851.51
	Hangzhou Hezheng Pharmaceutical Co., LTD.	**617,722.08**	692,605.81
	Hangzhou Laimai Medical Information Technology Co., LTD.	**243,123.74**	272,598.60
	Hangzhou Taiyuan Pharmaceutical Innovation Research Institute Co., Ltd.	**1,073,153.82**	4,037.74
	Hangzhou Zhilan Health Co., LTD.	**190,377.51**	658,034.92
	Zhiding Medical Technology Co., LTD.	**41,940.00**	112,292.99
	Shanghai ClinMega Pharmaceutical Technology Co., Ltd.	**–**	8,915.09
	Hangzhou Fasikl Technology Co., Ltd.	**485,155.99**	4,009.43
	Hangzhou Taiyuan Lice Biotechnology Co., Ltd.	**2,300.00**	93,600.00
	Shenzhen Robb Medical Technology Co., LTD.	**161,766.92**	318,939.46
	Hangzhou Robb Medical Technology Co., LTD.	**31,001.40**	–
	Suzhou RocRock No. 1 Biotechnology Co., Ltd.	**63,490.69**	–

10. CAPITAL COMMITMENTS

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

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Commitments for the investments in the funds or companies	**101,420,587.43**	275,233,123.08
Acquisition of property, plant and equipment	**61,186,422.25**	89,520,288.90

In addition, the Group entered into a subscription agreement to subscribe 50% equity interests in an associate, Hangzhou Taikun, in 2021. The Group had committed to invest additional capital in Hangzhou Taikun, amounting to RMB6.00 billion as of June 30, 2026. The capital commitment by the Group shall be paid subject to the notice issued by the general partner of Hangzhou Taikun according to the capital needs of Hangzhou Taikun.

11. OTHER SIGNIFICANT MATTERS

1. Net current assets/(liabilities)

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
Item	Group	Company	Group	Company
Current assets	**6,608,333,962.98**	**2,735,340,739.73**	6,177,196,741.89	2,520,408,378.51
Less: Current liabilities	**2,658,743,846.48**	**4,967,880,645.40**	2,835,474,052.17	5,154,428,399.78
Net current assets/(liabilities)	**3,949,590,116.50**	**-2,232,539,905.67**	3,341,722,689.72	-2,634,020,021.27

2. Total assets less current liabilities

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
Item	Group	Company	Group	Company
Total assets	**27,893,194,489.55**	**18,332,775,967.10**	28,358,795,158.17	18,587,763,403.68
Less: Current liabilities	**2,658,743,846.48**	**4,967,880,645.40**	2,835,474,052.17	5,154,428,399.78
Total assets less current liabilities	**25,234,450,643.07**	**13,364,895,321.70**	25,523,321,106.00	13,433,335,003.90

12. SUBSEQUENT EVENTS

1. On August 28, 2026, the Company convened the second meeting of the sixth session of the Board, during which the Board resolved and approved, amongst others, (1) the proposed change of the intended use of 5,883,780 Treasury Shares repurchased originally intended for "subsequent implementation of equity incentive plans or employee stock ownership plans" to "cancellation to reduce registered capital"; and (2) the proposed amendments to the articles of association of the Company (the "Proposed Amendments to the Articles of Association") to reflect the cancellation of the said Treasury Shares and reduction of the registered capital of the Company. The Proposed Amendments to the Articles of Association are subject to the approval of the Shareholders at the 2026 third extraordinary general meeting of the Company by way of special resolution. For details, please refer to the announcement of the Company dated August 28, 2026.

2. On August 28, 2026, the Company convened the second meeting of the sixth session of the Board, during which the Board resolved and approved, amongst others, the further change in use of proceeds from the H Shares IPO (the "Further Change in Use of Proceeds from the H Shares Offering in 2026") to enable the Company to better allocate its financial resources to opportunities that could drive sustainable growth for the Group and deliver returns to shareholders in the near future. The Further Change in Use of Proceeds from the H Shares Offering in 2026 is subject to the approval by the Shareholders at the 2026 third extraordinary general meeting of the Company by way of ordinary resolution. For details, please refer to the announcement of the Company dated August 28, 2026.

3. On August 28, 2026, the Company convened the second meeting of the sixth session of the Board, during which the Board resolved and approved "Resolution on 2026 Restricted A Share Incentive Scheme of Hangzhou Tigermed Consulting Co., Ltd. (Draft) and its summary" (《關於〈杭州泰格醫藥科技股份有限公司2026年A股限制性股票激勵計劃(草案)〉及其摘要的議案》), the "Resolution on Management Measures for Assessment Relating to the Implementation of the 2026 Restricted A Share Incentive Scheme of Hangzhou Tigermed Consulting Co., Ltd." (《關於〈杭州泰格醫藥科技股份有限公司2026年A股限制性股票激勵計劃實施考核管理辦法〉的議案》) and the "Resolution on Requesting the General Meeting of Shareholders to Grant Authority to the Board to Handle Matters in relation to the 2026 Restricted A Share Incentive Scheme" (《關於提請股東會授權董事會辦理公司2026年A股限制性股票激勵計劃有關事項的議案》) (the "Adoption of Restricted Share Incentive Scheme"). The Adoption of Restricted Share Incentive Scheme is subject to the approval by the Shareholders at the 2026 third extraordinary general meeting of the Company by way of special resolution. For details, please refer to the announcement of the Company dated August 28, 2026.

DEFINITIONS

"A Share(s)"	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in Renminbi and are listed for trading on the Shenzhen Stock Exchange
"AAALAC International"	Association for Assessment and Accreditation of Laboratory Animal Care International
"AI"	artificial intelligence
"ASCO"	American Society of Clinical Oncology
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	our board of Directors
"CASBE"	China Accounting Standards for Business Enterprises, the financial reporting standards and interpretations for business enterprises issued by the China Accounting Standards Committee of the China Ministry of Finance
"CDE"	Center for Drug Evaluation
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this interim report and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Company" or "our Company" or "Tigermed"	Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司), the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300347) and the H Shares of which are listed on the Stock Exchange (stock code: 03347)
"Corresponding Period"	the six months ended June 30, 2025
"CRAs"	clinical research associates
"CRCs"	clinical research coordinators
"CRLS"	Clinical-related and Laboratory Services
"CRO"	Contract Research Organization, a company focused on providing R&D services to companies in the pharmaceutical and agrochemical markets

"CTS"	Clinical Trial Solutions
"DCTs"	decentralized clinical trials
"Detailed Rules for External Investment"	the detailed rules for external investment of the Company
"Director(s)"	the director(s) of the Company or any one of them
"DMSA"	Data Management and Statistical Analysis
"DreamCIS"	DreamCIS Inc., a joint stock company incorporated under the laws of Korea on April 27, 2000, the shares of which are listed on the Korean Securities Dealers Automated Quotations of the Korea Exchange (stock code: A223250) and a subsidiary of the Company
"EMA"	European Medicines Agency
"EMEA"	Europe, Middle East and Africa
"Fantastic Bioimaging"	Fantastic Bioimaging Co., Ltd. (杭州英放生物科技有限公司), a limited liability company established under the laws of the PRC on January 4, 2013, and a subsidiary of the Company, in which we held 67.5% equity interest as of the Latest Practicable Date
"FDA"	U.S. Food and Drug Administration
"Frontage" or "Frontage Holdings"	Frontage Holdings Corporation, a company incorporated under the laws of the Cayman Islands with limited liability on April 16, 2018, the shares of which are listed on the Stock Exchange (stock code: 1521) and a subsidiary of the Company
"Frontage Holdings Group"	Frontage and its subsidiaries
"Frontage Labs"	Frontage Laboratories, Inc., a company incorporated under the laws of Pennsylvania, United States on April 21, 2004 and a subsidiary of the Company
"FVOCI"	fair value through other comprehensive income
"FVTPL"	fair value through profit or loss
"Group" or "we"	the Company and its subsidiaries

DEFINITIONS

"H Share(s)"	ordinary share(s) in the share capital of our Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange
"H Shares Offering"	the issuance of H Shares by the Company in its listing on the Stock Exchange
"HK$"	Hong Kong dollars and cents, both are the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"IND"	Investigational New Drug
"KRW"	South Korean Won, the lawful currency of the South Korea
"Latest Practicable Date"	September 18, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this report prior to its publication
"LBAs"	Late Breaking Abstracts
"Listing" or "IPO"	the listing of the H Shares on the Main Board of the Stock Exchange on August 7, 2020
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"Management Rules for External Investment"	the management rules for external investment of the Company
"Management Rules for Post-Investment"	the management rules for post-Investment of the Company
"Management Rules for Risk Control of Investment Business"	the management rules for risk control of investment business of the Company
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules
"MRCTs"	Multi-regional Clinical Trials
"M&A"	mergers and acquisitions

"NMPA"	China National Medical Products Administration
"Nomination Committee"	the nomination committee of the Board
"PMDA"	Pharmaceuticals and Medical Devices Agency
"PoC"	Proof of concept
"Prospectus"	the prospectus issued by the Company dated July 28, 2020
"PV"	pharmacovigilance
"Remuneration and Evaluation Committee"	the remuneration and evaluation committee of the Board
"Reporting Period"	the six months ended June 30, 2026
"RMB"	Renminbi, the lawful currency of the PRC
"R&D"	research & development
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of Shares
"Shenzhen listing rules"	the Rules Governing the Listing of Shares on Shenzhen Stock Exchange (as amended from time to time)
"SMO"	Site Management Organization
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategic Development Committee"	the strategic development committee of the Board
"Taya"	Beijing Taya Ltd. (北京雅信誠醫學資訊科技有限公司), a limited liability company established under the laws of the PRC on July 20, 2000 and a subsidiary of the Company

DEFINITIONS

"Teddy Clinical Shanghai"	Teddy Clinical Research Laboratory (Shanghai) Limited, a company incorporated under the laws of the PRC on March 3, 2016 and a subsidiary of the Company
"TMF"	Trial Master File
"treasury shares"	has the meaning ascribed to it under the Listing Rules
"U.S."	United States
"USD" or "US$"	United States dollars, the lawful currency of the United States
"YoY"	year-over-year
"%"	percentage

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

杭州泰格医药科技股份有限公司
www.tigermedgrp.com