昭衍
JOINN

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

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

Stock Code: 6127

2025 INTERIM REPORT

Contents

Definitions

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

"2022 H Shares Incentive Scheme"	a H Shares award scheme adopted and approved by the Company on 24 June 2022, the principal terms of which are set out in the circular dated 26 May 2022
"A Shares"	ordinary shares issued by our Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in Renminbi and are listed for trading on the Shanghai Stock Exchange
"Associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Biomere"	Biomedical Research Models, Inc., a limited liability company incorporated in Massachusetts, the United States, on 11 December 1996 and acquired by our Company on 10 December 2019 to become a wholly-owned subsidiary of Joinn Laboratories (Delaware) Corporation, which is in turn wholly-owned by our Company
"Board"	the board of Directors of our Company
"CG Code" or "Corporate Governance Code"	the "Corporate Governance Code" as contained in Part 2 Appendix C1 of the Listing Rules
"Chief Executive Officer"	chief executive officer of our Company
"Chief Financial Officer"	chief financial officer of our Company
"China" or "PRC"	the People's Republic of China, but for the purpose of this report and for geographical reference only and except where the context requires otherwise, references in this report to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"Company", "Our Company" or "JOINN"	JOINN Laboratories (China) Co., Ltd. (北京昭衍新藥研究中心股份有限公司) which was incorporated in the PRC on 11 August 1995 and converted into a joint-stock company on 26 December 2012, the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 603127) and the H Shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 6127)
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Ms. Feng and Mr. Zhou

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

Definitions

"Prospectus"	the prospectus of the Company dated 16 February 2021
"Reporting Period"	the six months ended 30 June 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Share(s)"	shares (including the A Shares and the H Shares) in the share capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of our Share(s)
"Staidson"	Staidson (Beijing) Biopharmaceuticals Co., Ltd. (舒泰神(北京)生物製藥股份有限公司), a joint stock limited company incorporated under the laws of the PRC on August 16, 2002 and whose shares are listed on the Shenzhen Stock Exchange (stock code: 300204), which includes approximately 31.01% by Yizhao (Beijing) Medical Science & Technology Co., Ltd. (熠昭(北京)醫藥科技有限公司) (which is held as to 85% in aggregate by Ms. Feng and Mr. Zhou), approximately 1.96% by Mr. Zhou through Huatai Securities Asset Management – China Merchants Bank – Huatai – Juli Collective Asset Management Scheme No. 16 (華泰證券資管－招商銀行－華泰聚力16號集合資產管理計劃), and approximately 6.20% by Mr. Zhou directly. Mr. Zhou is also the chairperson of the board of directors and legal representative of Staidson
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	member(s) of our supervisory committee
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "U.S. dollar(s)"	United States dollar(s), the lawful currency of the United States

Glossary of Technical Terms

"ADC"	antibody drug conjugate
"antibody"	means a large, Y-shaped protein produced mainly by plasma cells that is used by the immune system to identify and neutralize pathogens such as bacteria and viruses
"assay"	means an investigative analytical process in medicine, pharmacology or biology that aims to identify either the qualitative or quantitative presence or function of the analytical target, which can be a drug or biochemical substance or a cell in an organism or organic sample
"CRO"	contract research organization, an entity that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
"drug discovery"	means the process through which potential new medicines are identified and may involve a wide range of scientific disciplines, including biology, chemistry and pharmacology
"GLP"	good laboratory practice
"metabolism"	means the chemical processes that occur within a living organism in order to maintain life, comprising catabolism (breakdown of large molecules into components) and anabolism (the synthesis of smaller molecules into larger ones with specific structures, characteristics and purposes)
"pharmacology"	means the branch of medicine concerned with the uses, effects, and modes of action of drugs
"R&D"	means research and development

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. Feng Yuxia *(Chairperson of the Board)*
Mr. Gao Dapeng
Ms. Sun Yunxia
Mr. Gu Jingliang *(appointed on 23 January 2025)*
Ms. Luo Xi *(appointed on 23 January 2025)*

Independent Non-executive Directors

Mr. Zhang Fan
Mr. Yang Fuquan *(appointed on 23 January 2025)*
Mr. Yang Changyun *(appointed on 23 January 2025)*
Mr. Ying Fangtian *(appointed on 23 January 2025)*
Mr. Sun Mingcheng *(resigned on 23 January 2025)*
Dr. Zhai Yonggong *(resigned on 23 January 2025)*
Mr. Ou Xiaojie *(resigned on 23 January 2025)*

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

REGISTERED OFFICE

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

H SHARE REGISTRAR

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

JOINT COMPANY SECRETARIES

Mr. Gao Dapeng
Ms. Cheung Ka Lun Karen

AUTHORIZED REPRESENTATIVES

Ms. Feng Yuxia
Ms. Cheung Ka Lun Karen

AUDIT COMMITTEE

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

REMUNERATION AND EVALUATION COMMITTEE

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

NOMINATION COMMITTEE

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

STRATEGIC DEVELOPMENT COMMITTEE

Ms. Feng Yuxia *(Chairperson)*
Ms. Sun Yunxia
Ms. Luo Xi
Mr. Ying Fangtian

STOCK CODE

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

AUDITOR

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

LEGAL ADVISOR TO OUR COMPANY

As to Hong Kong law
Jingtian & Gongcheng LLP
Suites 3203-3207, 32/F
Edinburgh Tower, The Landmark
15 Queen's Road, Central
Hong Kong

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

COMPANY'S WEBSITE

https://www.joinnlabs.com

Financial Summary

	Six months ended 30 June		
	2025	2024	Change
	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	
Operating results			
Revenue	**668,575**	849,357	–21.3%
Gross profit	**104,995**	211,301	–50.3%
Profit/(loss) for the period	**60,932**	(172,238)	N/A
Profit/(loss) for the period attributable to equity shareholders of the Company	**60,932**	(169,742)	N/A
Profitability			
Gross profit margin	**15.7%**	24.9%	Decrease of 9.2 percentage point
Profit margin for the period	**9.1%**	–20.3%	Increase of 29.4 percentage point
Earnings/(loss) per share			
Basic (RMB)	**0.08**	(0.23)	N/A
Diluted (RMB)	**0.08**	(0.23)	N/A

	At	At	
	30 June	31 December	
	2025	2024	Change
	RMB'000	RMB'000	
	(Unaudited)	(Audited)	
Total assets	**9,473,462**	9,396,152	0.8%
Total liabilities	**1,368,396**	1,316,964	3.9%
Net assets	**8,105,066**	8,079,188	0.3%
Equity attributable to the equity shareholders of the Company	**8,104,696**	8,078,818	0.3%

Chairperson's Statement

Dear Shareholders,

In the first half of 2025, although the domestic innovative drug industry remained in a cyclical downturn, its development has begun to usher in a glimmer of hope driven by industry policies and the overall environment. In the face of various new challenges in the industry and the market, the Board and the management of the Company adhered to the established strategic direction while responding flexibly to the changes. During the Reporting Period, the Company remained committed to technological innovation, enhanced research and development capabilities, consolidated and leveraged its strengths, and continuously fortified its core competitiveness to adapt to the changing industry trends. On this basis, the Company persisted in capability building and technological improvements across multiple fields, while adopting various innovative measures to enhance operation efficiency and service quality. Moreover, the Company leveraged its comprehensive international industry qualifications to actively expand into international markets. Furthermore, the Company has been expanding and improving its upstream and downstream business capabilities to further enhance its one-stop service standards, thereby better meeting customer needs and enhancing market competitiveness.

During the Reporting Period, the Company achieved revenue of RMB668.6 million, and net profit attributable to the parent company of RMB60.9 million, realizing a year-on-year turnaround from loss to profit. In the first half of 2025, the Company achieved new projects signed amounting to approximately RMB1.02 billion, representing a year-on-year increase of 13.3%, and new projects signed amounted to approximately RMB0.59 billion in the second quarter only, representing a year-on-year increase of 18.0%. Relying on the inherent advantages in proprietary experimental models and years of technical expertise, the number of contracts secured for antibody projects of the Company increased by 20% year-on-year; the number of contracts secured for small nucleic acid projects and integrated ADC projects increased by over 50% year-on-year; in the fields of self-immune target drugs, metabolic system drugs and central nervous system (CNS) drugs, the number of new project contracts remained stable, and challenging tests such as reproductive, carcinogenic and long-cycle animal tests continued to grow steadily, fully underscoring clients' confidence in the Company's technology strength. As of the end of the Reporting Period, the overall orders on hand of the Company amounted to approximately RMB2.3 billion.

In the future, the Board and the management of the Company will continue to uphold its mission of "serve drug innovation, focus on safety assessment and monitoring of drug full-life cycle", and will be committed to providing full-life cycle services and solutions for global pharmaceutical research and development, so as to ensure the drug use safety of patients and protect human healthy life! The Company will take effective measures to improve the its comprehensive service capability and customer satisfaction level, so as to create value for shareholders.

Ms. Feng Yuxia
Chairperson of the Board

26 August 2025

I. DISCUSSION AND ANALYSIS ON BUSINESS OPERATION

(I) Marketing

In the first half of 2025, the domestic biopharmaceutical industry maintained a stable investment and financing momentum, showing a modest recovery overall. The Company remained committed to strengthening innovation in technology and business, and continued to deepen its presence in the industry. During the Reporting Period, the Company's overall orders on hand amounted to approximately RMB2.3 billion, with signed orders amounting to approximately RMB1.02 billion. The Company's marketing work in the first half of 2025 focused on:

1. Actively developing new customers while prioritizing key accounts, resulting in a significant increase in large-client projects signed.

2. Relying on our inherent advantages in proprietary experimental models and years of technical expertise, the number of contracts secured for antibody projects increased by 20% year-on-year.

3. By further refining our integrated bioanalytical solutions, the number of contracts secured for small nucleic acid projects and integrated ADC projects, including those targeting novel targets and new molecular entities, increased by over 50% year-on-year.

4. In the fields of self-immune target drugs, metabolic system drugs and central nervous system (CNS) drugs, the number of new project contracts remained stable.

5. Challenging tests such as reproductive, carcinogenic and long-cycle animal tests continued to grow steadily, underscoring clients' confidence in the Company's capabilities for high-difficulty projects.

6. Becoming the first organization in China to complete a non-human-primate reproductive-toxicity trial, thereby enabling a client's program to secure approval and reach the market.

7. Providing a full suite of non-clinical studies that supported the first domestic stem cell product to obtain marketing authorization.

(II) Business Capacity Development

In the first half of 2025, the Company, as always, gave priority to the quality of business, emphasizing the standardization of business operation, aiming to ensure data authenticity and accuracy. Meanwhile, the Company continued to organize professional training and capacity enhancement programs for its staff, while strictly controlling the quality from program design, experimental process to report delivery, striving to ensure the scientificity and uniformity of our projects. In addition, the Company further optimized its project management process and quality management system, while conducting its business in a rational and orderly manner through management and technological innovation, aiming to enhance customer satisfaction and provide strong support for its further business growth.

1. Drug Non-clinical Services

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

(1) Continuous Improvement of Quality System

The Company has obtained a number of GLP qualification certifications including NMPA in China, FDA in the U.S., OECD, MFDS in South Korea and PMDA in Japan. The Company ensures its research quality by continuously improving its quality management system and quality management methods, reflecting its GLP operation and management capabilities in compliance with international standards. Meanwhile, such a diversified international certification system not only demonstrates the Company's exceptional ability in quality management and research compliance, but also further enhances its competitiveness in global pharmaceutical research and development. The acquisition of these qualifications has provided strong support for the Company's expansion into overseas markets and consolidation of its overseas presence, enabling it to better serve the needs of customers in different regions.

Suzhou facilities successfully passed the CMA certification review for medical device testing and inspection institutions in July 2025, marking the Company's formal qualification to conduct medical device biocompatibility testing, large animal trials, and other testing and inspection projects, as well as non-clinical research. Combining the Company's existing FDA and OECD GLP qualifications, and given the current industry backdrop of widespread skepticism from the US FDA regarding Chinese medical device testing and inspection institutions, the Company is well-positioned to further consolidate its technological barriers and significantly enhance its core market competitiveness during this critical period of accelerated development in the medical aesthetics, medical devices, and drug-device combination products sectors, by leveraging its comprehensive and authoritative qualification system. Meanwhile, it has also laid a solid foundation for it to further develop overseas markets in the future, reinforcing the implementation of its internationalization strategy, and promoting its business distribution and sustainable development globally.

(2) Further Enhancement of Business Capabilities

The Company has further improved the construction of its audiovisual platform. In the field of ophthalmic drug evaluation, the Company has further developed and optimized more ophthalmic disease models, including non-human primate dry AMD model, non-human primate autoimmune uveitis model, mouse retinoblastoma model, and further sorted out the Company's internal elderly non-human primate resources and spontaneous eye disease models to meet the market's diversified R&D needs. In addition, new inspection and evaluation indicators for ophthalmic drugs have been further improved, including visual function evaluation of rodents and dogs.

A steady progress has been made in the evaluation of otology drugs. Hearing impairment and hearing loss are among the greatest challenges confronting the medical profession today, with the disease incidence increasing year by year, and the age of onset of the disease tending to be younger and younger, the current solution to the problem of deafness is mostly the use of hearing aids, vibrating sound bridges, and cochlear implants and other physical methods, with a lack of fundamental treatment, and so far, there is no globally approved treatment. In order to meet market demand, the Company has established auditory function evaluation for animals of different species, round window inner ear dosage technology for large animals and hearing loss animal models, further enriching and improving the evaluation methods and technologies of otology drugs.

For the evaluation of central nervous system drugs, the Company has continuously improved various drug delivery methods, established long-term catheterization methods in the sheath/medullar cistern/lateral ventricle of primates, intrathecal/lateral ventricle drug delivery methods for newborn mice, and intramedullary drug delivery methods for rat/mice, and verified their effectiveness, providing guarantees for the evaluation of central nervous system drugs. The Company has also added new models for psychotropic drugs and behavioral evaluation methods, further expanding its client base.

In the field of inhalation toxicity evaluation, PDE3/4 target inhalation formulations have opened up a new path for the treatment of respiratory diseases with their precise targeting characteristics. With years of accumulated technical strength and rich project experience, the Company has provided comprehensive services from compound screening to formulation optimization, and from inhalation device matching to non-clinical efficacy verification.

Meanwhile, the Company continues to update and improve various models to support drug evaluation for current popular drugs, including the establishment of GLP-1, GCG and other receptor affinity detection, HPV neutralizing antibody detection methods; alanine scanning and PBMC cross-reaction tests to evaluate the off-target of immune cells in vitro, etc.

Among them, a systematic non-clinical evaluation method for GLP-1R/GCGR/GIPR target drugs has been established. We have established a complete non-clinical research system for metabolic target drugs such as GLP-1R, GCGR and GIPR, covering the whole process of methodology development from in vitro receptor binding and function detection to in-vivo drug efficacy and safety evaluation. The system can efficiently support the screening and optimization of multi-target metabolic drugs and enhance the efficiency of new drug development.

In the construction of analytical detection platforms, the construction of in vitro metabolism platform for small molecule drugs has been strengthened to systematically evaluate in-vitro metabolism research. In particular, MSD detection methods have been established for oligonucleotide drugs; mass spectrometry detection methods have been established for small molecules in drug conjugates for ADC drugs, and a platform technology for detection of PEG and cationic lipids by mass spectrometry has been established. Meanwhile, the detection capability of the Gas Chromatography-Mass Spectrometer (GC-MS/MS) has been established for the platform to realize the detection and analysis of samples with good thermal stability and low boiling point, such as volatile organic compounds. For macromolecular drugs, from a single ELISA platform to today's various qPCR, ELISPOT, WB, FLOW and other platforms, the service capabilities are comprehensive, covering conventional biological products (antibody drugs, fusion protein drugs), gene therapy products (viral vectors), cell therapy products (stem cells, immune cells, genemodified cells, etc.), nucleic acid drugs (mRNA, siRNA, etc.) and other drugs. A large number of technical innovations have been made in analytical methods, such as using flow cytometry to detect protein expression on single cells, mass spectrometry to detect target gene expression, and droplet digital PCR platform-based detection of mRNA integrity.

On the basis of platform construction, the Company keeps up with the popular products of cutting-edge drugs, and constantly updates and improves the non-clinical safety evaluation system and ideas of innovative drugs, including the evaluation of small nucleic acid drugs, new ADC drugs and PROTAC drugs, and the evaluation of various types of cell therapy and gene therapy products; it also participates in and follows up in real time on the formulation of the latest guidelines for drug evaluation, such as the guidelines for non-clinical evaluation of stem cell products and tumor vaccine products, improves the evaluation system of corresponding categories of products, and further consolidates the core competitiveness of the Company.

(3) An Integrated New Drug R&D Platform

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

The Company has a full range of one-stop new drug development solutions which, with our drug discovery and screening platform as the core, consist of the drug discovery platform, molecular biology interaction research and screening, in-vitro bio-drug efficacy verification and activity screening, in-vivo pharmacological efficacy, in-vivo and in-vitro metabolism analysis, durability evaluation, and toxicity prediction and screening, among which, the drug discovery platform has the capability of early discovery of biopharmaceuticals, covering protein expression and cell line construction as well as the discovery of clinical candidate antibodies. After years of accumulation, the Company has established a number of cutting-edge technology platforms such as the All-Human Antibody Development Platform, Bispecific Antibody Research and Development Platform, Mono-B Cell Antibody Discovery Platform, Antibody Competence Evaluation Platform, ADC Integrated R&D Platform, Integrated Platform for Small Molecule in Vitro Screening and Functional Testing and Functional Testing and Safety Evaluation Platform for Gene Therapy Products. Among which:

The Comprehensive Protein and Antibody R&D Platform covers every aspect of the development process, from antibody discovery to drug development. As for our protein platform, it has a variety of antibody expression systems, which supports the expression of human, rabbit, mouse, non-human primate and nano-antibodies, and can realize the transient expression of 300-500mg antibodies. In addition, it also provides a variety of recombinant protein expression and purification services, covering prokaryotic, eukaryotic and yeast systems, using Protein A and other labels for efficient purification. Our endotoxin-depleted animal experiment sample expression platform is able to ensure high quality and suitability of the samples.

As for our antibody discovery platform, the Company provides high-throughput antibody discovery technology based on single B-cell PCR, 10X genomics single B-cell sequencing and eukaryotic cell demonstration, which is capable of rapid screening and identification of high-affinity antibodies.

For the R&D service platform of Antibody Drug Conjugate (ADC), the Company provides one-stop service, covering antibody development, medicinal chemistry, bio-coupling and characterization, in-vivo/in-vitro pharmacological efficacy, pharmacokinetics, and toxicity evaluation starting from the target, which can provide customers with integrated ADC drug R&D service from antibody development to IND filing. We have various ADC coupling platforms and provide quality control and in-vivo/in-vitro activity evaluation of ADC molecules.

In terms of the dual-antibody platform, it supports the construction of various dual-antibody structures and facilitates the development of highly effective dual-antibody drugs.

In terms of the Integrated Platform for Small Molecule in Vitro Screening and Functional Testing, it serves as an "accelerator" for the development of small molecule innovative drugs, and integrates technologies including high-throughput screening, flow cytometry sorting, and multi-functional verification to build a full-process research and development system from compound screening to candidate molecule confirmation. As for the functional testing, the affinity, selectivity, and cellular level activity evaluation of compounds towards targets can be simultaneously completed on the platform, leading to a qualitative improvement in screening accuracy as compared to traditional methods. Currently, the platform has completed the screening process for over 20 potential targets against the fields of tumors, metabolic diseases and neurodegenerative diseases, and successfully discovered more than ten candidate small molecules with development potential, some of which have entered the non-clinical research stage, significantly shortening the early R&D cycle.

In terms of the Functional Testing and Safety Evaluation Platform for Gene Therapy Products, focusing on the critical bottlenecks of the development of gene therapy products including viral vectors, cell therapy products, nucleic acid drugs, etc., it has developed an integrated solution covering in vitro functional verification, in vivo pharmacokinetics and safety evaluation. As for safety evaluation, a comprehensive immunogenicity detection system and a toxicity assessment module of animal models have been established for the platform, strictly following the relevant guiding principles of FDA and EMA, to ensure that the data meets international declaration standards.

The Integrated Platform for Small Molecule in Vitro Screening and Functional Testing and the Functional Testing and Safety Evaluation Platform for Gene Therapy Products have provided new development directions and customer base to our business. The synergistic operation of these two platforms not only enabled the Company to carry out deep R&D in the fields of small molecules and gene therapy, but also allowed us to offer our customers customized research services through standardized and modularized technology outputs, facilitating the establishment of an innovative ecosystem in the industry.

The Company is committed to providing customers with customized and reliable solutions to help them resolve uncertainties in the stages of new drug discovery and development, standing with them in facing the challenging complexity in the new drug development process. Overall, through multi-dimensional business capacity building and technological innovation in the first half of 2025, the Company has not only enhanced its comprehensive strength in drug research and development services but also made positive contributions to the overall advancement of the industry.

2. *Drug Clinical Services*

The Company's clinical service sector has accumulated rich resources and experience in the fields of endocrinology, respiratory medicine, infectious diseases, oncology, rheumatology and immunology, dermatology and neurology. The Company has conducted multiple gene drugs clinical studies and initiated the first registered clinical trial of gene drugs in China, accumulating extensive experience in the field of gene drugs clinical studies. The Company has also conducted numerous drug clinical trials in fields such as pediatrics, reproduction and radioactive drugs. The number of clinical trials of gene drugs and rare diseases conducted gives the Company a competitive edge in the CRO industry, making it one of the few CRO companies with a robust operational system, resources and experience in clinical trials in special fields.

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

In the first half of 2025, the Company has achieved multiple accomplishments. Firstly, a number of service items have passed the on-site inspection of clinical trials conducted by the National Medical Products Administration of China (NMPA), including: supported a number of innovative gene therapy products to enter the key Phase III clinical trial stage, supported PK/immunogenicity/biomarker studies of multiple TCE drugs, supported PK/immunogenicity/biomarker studies of multiple drugs for the treatment of autoimmune diseases, supported immunogenicity studies of multiple preventive and therapeutic vaccines and supported clinical trials of multiple nucleic acid and peptide drugs. Secondly, in terms of technical capabilities, the Company has steadily advanced the establishment of ability to detect biomarkers of neurological diseases (such as Alzheimer's disease (AD), Amyotrophic Lateral Sclerosis (ALS)), and continuously strengthened the application of automated workstations and self-assembled detection kits in clinical testing business to help improve the efficiency and quality of testing.

In January 2025, the clinical testing laboratory's full functional relocation was finalized, significantly enhancing production capacity. In April 2025, the new site achieved "zero defects" in the CNAS 17025 surveillance review. "JOINN Clinical Testing" achieved high scores in the first half of the year in the external quality assessment by the Shanghai Center for Clinical Laboratory in 11 major fields, including viral nucleic acids, non-viral nucleic acids, human papillomavirus genotyping, coagulation function, lymphocyte subsets (flow cytometry), autoantibodies, antibodies against the novel coronavirus, endocrine hormones, glycated hemoglobin and special proteins, further demonstrating its comprehensive professional capabilities in the field of clinical testing.

"JOINN New Drug Clinical Testing" is committed to becoming a world-class clinical testing platform, providing one-stop clinical trial sample testing services for innovative drugs in both domestic and global markets.

3. *Experimental model research*

The Company's experimental model research primarily covers three major categories to meet diverse research needs and application scenarios. Non-human primate experimental models, with physiological and pathological characteristics highly similar to those of humans, serve as indispensable key tools for studying complex disease mechanisms and evaluating drug safety and efficacy. Small animal experimental models, benefiting from advantages such as rapid reproduction, cost-effectiveness, and ease of management, are widely utilized in the early stages of drug research and development, providing strong support for preliminary screening and fundamental research. Meanwhile, the organoid platform, leveraging cutting-edge technology to closely replicate the physiological and pathological characteristics of human organs, offers a more precise and efficient experimental approach for drug screening, toxicity assessment, and the development of personalized medical treatment plans.

(1) Non-human primate experimental models

The Company continued its endeavor to maintain high quality and high standards of existing key experimental models. In the first half of 2025, the overall stock of non-human primate experimental models maintained a steady growth, and continued to maintain a high level of breeding and management, and the main management indicators were further upgraded and optimized. Among them, the Company has conducted systematic screening and model validation for obesity, diabetes, hypertension, hyperlipidemia, metabolism-related steatohepatitis, atherosclerosis, neurological diseases and ophthalmology-related diseases in the field of elderly non-human primate disease models. It has also established a research system that integrates natural morbidity models with induced models, developed an allogeneic hematopoietic stem cell transplantation (allo-HSCT) induced graft-versus-host disease (GvHD) model, as well as optimized and established the screening method for the monkey spontaneous atherosclerosis model, providing essential data support for aging disease mechanism research, drug screening, and non-clinical evaluation.

(2) Small animal experimental models

In terms of gene editing, the Company has improved on the original gene-edited mouse model, upgraded the antibody diversity and affinity for the Nano-antibody mouse platform, and used the first-generation Nano-antibody mouse for Nano-antibody screening. On the basis of the immunodeficient mouse model, the Company has developed mouse with immune deficiency and liver failure. By combining self-developed liver organoid transplantation, the Company has successfully reproduced the function of human hepatocytes in such mouse, achieving a humanized liver mouse model, providing a cutting-edge platform for evaluating pharmacological efficacy, pharmacokinetics and toxicology, and empowering non-clinical studies.

(3) Organoid platform construction

The Company has always adhered to the internationally recognized 3R principle and continuously optimized its management system for laboratory animal welfare. In the first half of 2025, the Company's businesses expanded from "human multifunctional stem cell production" to various "organoid platforms". While ensuring the stability of the cell genome to the greatest extent possible, the Company has successfully induced the generation of cells into pluripotent stem cells (CiPSCs) from multiple independent individuals through cutting-edge chemical reprogramming technology. Through the organoid differentiation platform, the Company has independently developed CiPSCs-liver organoid and actively promoted the application of non-clinical pharmacological and toxicological evaluation using liver organoids. The Company has been dedicated to the research and development of multiple organ systems/chips, with plans to integrate organoids of heart, brain, liver and gut to improve in vitro pharmacological and toxicological evaluation models.

The Company has integrated the data foundation of the organoid platform with its rich resources of non-clinical trial models to actively train a non-clinical "drug toxicity large model", and continuously promote the digital transformation of new drug research and development. In the future, the Company plans to further advance its AI platform into the market to serve a wider array of clinical and non-clinical research institutions.

4. Drug quality research and testing business

Currently, the Company has comprehensive capabilities in research and testing of quality standards for biotechnological drugs. After years of accumulation, the Company has completed the development and validation of all relevant testing methods and established a complete service system and technical capabilities. The Company has successfully established a key technology platform for biotechnology drug quality research, and has applied for and published 12 patents based on its innovative strength. The main testing methods of the business have passed CNAS certification and GLP certification, ensuring the scientific, accurate and authoritative testing results.

The Company is able to provide quality research and testing services for a wide range of innovative drugs, such as protein drugs, therapeutic vaccines, gene and cell therapy products. The scope of business covers: cell bank and virus strain bank testing, virus removal and inactivation process verification, gene and cell therapy product quality research and testing, biological activity and structural characterization analysis of recombinant protein drugs and antibody drugs, establishment of transgenic cell activity assay method, etc.

During the Reporting Period, the Company has issued multiple test reports covering CHO/3T3 cell banks, stem cell products, NK cell products, umbilical cord mesenchymal stem cell injection, identification of somatic lung epithelial stem cells, tenecteplase activity standard collaborative calibration, construction of recombinant cell libraries for growth factor testing and in vivo animal experiment, demonstrating its expertise in the field of biotechnology drug quality research and testing. During the Reporting Period, the Company and NIFDC jointly completed the Beijing 2022 Science and Technology Program project, and built a testing platform for JOINN drug-tested cells and gene products. The Company has participated in the formulation of group standards: Technical Specifications for the Production of Recombinant Oncolytic Herpes Simplex Virus Type II (T/CBPIA 0008–2024), and Quality Standards for Serum-Free Cell Culture Media for Biopharmaceutical Use (T/CBPIA 0011–2025).

In addition, the Company has published several articles in the Journal of Pharmaceutical Analysis, an important core journal in the domestic drug analysis field, reflecting the Company's deep technical accumulation and professional strength in this field, while highlighting its leading position in this field. Besides, the Company has already provided services to stem cell enterprises by issuing test reports in compliance with the regulatory requirements of the CDE in China and the FDA in the United States, emphasizing the Company's leading position in the industry and its international competitiveness.

(III) Staff Building

1. Continuous deepening of the construction of talent system

Focusing on our strategic development goals as well as two core business including the research and development of innovative drugs and the capability construction of drug non-clinical services, the Company further optimizes its talent structure and enhances organizational efficiency. In the first half of 2025, the Company closely followed the new trends of the industry and its business needs. On the one hand, it made adaptive adjustments to the management mechanisms of various departments; on the other hand, it enhanced the introduction of high-end talents in key areas such as drug non-clinical services, biological analysis and data statistics, and simultaneously, it continued to improve the professional abilities of existing talents through internal training mechanisms. The Company closely monitored the policy trends regarding talents, actively implemented various talent retention measures, and ensured team stability. As of 30 June 2025, the Company has built a talent team of 2,551 members with reasonable structure and outstanding professionalism, providing solid support for the sustainable development of the business.

2. Outstanding results in cultivation of professional talents

The Company continues to improve its talent development system and promotes the enhancement of employee's competency through internal communication, experience sharing and other means. A systematic training and certification system has been established against the operational needs of non-clinical drug services. In the first half of the year alone, more than 400 professional and technical training sessions covering all technical personnel were completed to ensure the reliability and standardization of research data. At the same time, the Company further strengthened the cross-departmental cooperation mechanisms, promoted team integration, and enhanced overall collaboration efficiency.

Talents are always the first engine of enterprise development. The Company will continue to deepen the reform of human resource management, optimize the construction of talent team, and improve the talent development mechanism that combines internal training with external introduction. At the same time, the Company will continue to explore more efficient team management models based on business development needs, further enhance organizational efficiency, and build a biopharmaceutical research and development team with international competitiveness, providing solid talent support for the achievement of the Company's strategic goals.

(IV) Production Capacity Building

20,000 m^2 facilities of JOINN Suzhou's Phase II have been successively put into operation. The design and planning of the facilities fully combines the Company's existing facilities and changing future development needs. The layout is more reasonable and the functions are more consummate. The construction of the new facilities will further improve the Company's business throughput and provide guarantees for future business operation and performance growth. In order to better assist business development and provide employees with a more comfortable working and living environment, the 20,000 m^2 supporting facilities in Suzhou have been successively put into use.

According to the Company's strategic planning and business needs, the Guangzhou facility is now in the final completion and acceptance stage, which will further enhance the overall scale and quality of services after being put into operation.

II. FINANCIAL REVIEW

Overview

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

Revenue

During the Reporting Period, revenue generated from our non-clinical studies services accounted for substantially all of our total revenue. The Group's revenue for the six months ended 30 June 2025 was RMB668.6 million, representing a decrease of 21.3% compared to RMB849.4 million for the six months ended 30 June 2024. The decrease was primarily driven by a reduction in project unit prices due to intensified competition.

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

	For the six months ended 30 June			
	2025		2024	
	RMB'000	**%**	RMB'000	%
Non-clinical studies services	**639,077**	**95.6**	809,704	95.3
Clinical trial and related services	**29,018**	**4.3**	39,653	4.7
Sales of research models	**480**	**0.1**	–	–
Total revenue	**668,575**	**100.0**	849,357	100.0

Cost of Services

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

The Groups' cost of services for the six months ended 30 June 2025 was RMB563.6 million, representing a decrease of 11.7% compared to RMB638.1 million for the six months ended 30 June 2024, which was mainly driven by the decrease of research models cost.

Gross Profit and Gross Profit Margin

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

For the six months ended 30 June 2025, the gross profit and gross profit margin was RMB105.0 million and 15.7%, respectively, as compared to RMB211.3 million and 24.9%, respectively, for the six months ended 30 June 2024. The decrease in gross profit was mainly driven by our decreased gross profit of our non-clinical studies services, which accounted for substantially all of our total revenue during the Reporting Period. Our gross profit margin decreased for the six months ended 30 June 2025, primarily driven by a reduction in project unit prices due to intensified competition.

Other Gains and Losses, Net

For the six months ended 30 June 2025, other gains and losses, net was RMB82.9 million, represent an increase of 3.5% as compared to RMB80.1 million for the six months ended 30 June 2024. Our other gains and losses, net remained relatively stable for the six months ended 30 June 2025.

Gains/(losses) arising from changes in fair value of biological assets

For research models that remained as our biological assets at the end of the Reporting Period, we recognized gains of RMB95.0 million arising from changes in fair value of biological assets for the six months ended 30 June 2025, as compared to loss of RMB254.4 million for the six months ended 30 June 2024. The gains generated during the six months ended 30 June 2025 is mainly due to the natural growth of biological assets, and the loss incurred during the six months ended 30 June 2024 was primarily due to the decrease in the unit fair value of biological assets, which is consistent with the decrease in the market value of the research model.

Selling and Marketing Expenses

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

The Group's selling and marketing expenses for the six months ended 30 June 2025 was RMB14.6 million, representing an increase of 20.1% compared to RMB12.2 million for the six months ended 30 June 2024. The rise in selling and marketing expenses was primarily driven by higher costs in customer development due to intensified competition.

General and Administrative Expenses

Our general and administrative expenses primarily consist of staff costs relating to our administrative and management personnel, office expenses, depreciation and amortization expenses, expenses for research models, and others. The Group's general and administrative expenses for the six months ended 30 June 2025 was RMB143.9 million, representing a decrease of 14.6% compared to RMB168.6 million for the six months ended 30 June 2024. Our general and administrative expenses remained relatively stable for the six months ended 30 June 2025.

Research and Development Expenses

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

The Group's research and development expenses for the six months ended 30 June 2025 was RMB43.4 million, representing a decrease of 9.2% compared to RMB47.8 million for the six months ended 30 June 2024. Our research and development expenses remained relatively stable for the six months ended 30 June 2025.

Finance Costs

The Group's finance costs for the six months ended 30 June 2025 was RMB0.8 million, representing a decrease of 37.9% compared to RMB1.2 million for the six months ended 30 June 2024. The decrease in finance costs was primarily due to the decrease in interest on lease liabilities.

Income Tax (Expense)/Benefit

The Group's income tax expense for the six months ended 30 June 2025 was RMB19.2 million, as compared to income tax benefit of RMB5.1 million for the six months ended 30 June 2024. The increase was primarily due to the changes in fair value of biological assets discussed above.

The Group's effective tax rate for the six months ended 30 June 2025 was 23.9% (for the six months ended 30 June 2024: 2.9%). The lower effective tax rate for the six months ended 30 June 2024 was primarily due to the losses arising from negative changes in fair value of biological asset with relatively low tax rate.

Profit/(Loss) for the Period

As a result of the foregoing reasons, our profit/(loss) for the period increased from loss of RMB172.2 million for the six months ended 30 June 2024 to profit of RMB60.9 million for the six months ended 30 June 2025. Our net profit margin increased from -20.3% for the six months ended 30 June 2024 to 9.1% for the six months ended 30 June 2025. The increase in net profit was primarily due to the changes in fair value of biological assets discussed above.

Capital Management

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

Liquidity and Financial Resources

The Group's cash and cash equivalent as at 30 June 2025 were RMB662.2 million, representing a decrease of 31.4% compared to RMB965.2 million as at 31 December 2024. The decrease was primarily due to the addition of investments in certificates of deposits and financial assets at FVTPL.

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

Gearing ratio

As at 30 June 2025, the gearing ratio, calculated as total liabilities over total assets, was 14.4% and remained relatively stable compared with 14.0% as at 31 December 2024.

Foreign Exchange Exposure

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

Significant Investments Held

During the Reporting Period, the Group did not have any significant investments, acquisitions or disposals.

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

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

Employee and Remuneration Policy

As at 30 June 2025, the Group had 2,551 employees, whose salaries and allowances were determined based on their performance, experience and the then prevailing market rates. We have also invested in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries, project and stock incentive plans to our employees especially key employees.

During the Reporting Period, the total staff costs (including Director's emoluments) were approximately RMB294.6 million (for the same period in 2024: RMB284.3 million).

Future Plans for Material Investments

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

Capital Expenditure and Commitments

The Group's capital expenditures for the six months ended 30 June 2025 primarily related to purchase of property, plant and equipment in relation to the expansion and enhancement of our facilities. For the six months ended 30 June 2025, the Group incurred RMB93.4 million in relation to capital expenditures as compared to RMB106.1 million for the same period in 2024.

Charges on Group Assets

As at 30 June 2025, the Group did not have any material charges over its assets.

Contingent Liabilities

The Group had no material contingent liabilities as of 30 June 2025.

Event after the end of the Reporting Period

There are no material subsequent events from 30 June 2025 to the date of this report.

III. CHALLENGES AHEAD

Risk of changes in the international economic situation and weak development of the industry

Our business depends on the demand for drug research and development, and the biopharmaceutical industry is currently affected by a combination of factors, while investment in the pharmaceutical industry and drug innovation is reduced. In addition, there is a potential increase in the risk of geopolitical instability and rising trade protectionism, which may affect the Company's revenue from international business and lead to the risk of exchange loss.

Risk of adherence and compliance of regulations

Since the Company provides pharmaceutical research and development services to customers in various countries and nations, the commencement of our projects is subject to various applicable legal and regulatory requirements. If the Company fails to comply with the relevant laws, regulations, industry standards or any future changes thereof properly, the reputation, business, financial condition, operating results and prospects of the Company may be negatively affected.

Risk of talents

Along with the expansion of business scale and expansion of business scopes of the Company, the Company has a greater need for talents with expertise in management, technology and marketing. However, the cultivation period of talents in the industry is long, and the Company's business development depends significantly on the cultivation and introduction of talents necessary for the current business and future business development of the Company. Along with the globalization of market competitions and increasing labor costs, introduction of required talents may become a difficult problem of the Company. At the same time, after recruiting relevant talents, the Company is also required to establish ideal career promotion paths for employees to avoid loss of talents.

Risk of market competition

During the Reporting Period, along with the initial recovery of investment and financing in the global biopharmaceutical industry, customer demand showed signs of gradually recovering, while any significant fluctuations in investment and financing in the future may slow down the growth rate of customer demand. In addition, the fierce competition between the Company and other service institutions in the same industry amid the current sufficient supply and capacity in the market may finally cause adverse challenges to the Company's profitability.

Risk of raw materials supply

The Company mainly procures research models for non-clinical studies from third parties. If the supplier cannot guarantee stable supply or increase the sale price of research models, the smooth progress of projects will be affected or the project costs of the Company will be increased, which ultimately brings negative impacts to the operating results of the Company.

Risk of failure to keep up with the times and not emphasizing technological innovation

An increasing number of pharmaceutical research and development institutions are being tilted to innovative drugs and new drug targets have been emerging, which requires the Company to follow the development trend of the industry to actively establish new technologies and methodologies, so as to maintain our leading position in the industry. If we fail to develop or adapt to new technologies and methodologies in a timely manner, the demands of customers for our services may decrease, thereby harming our business and prospects.

Risk of new business development

In order to maintain its industry leadership, the Company needs to continuously expand its business, including entering into new service areas, building new facilities and establishing new technological capabilities. These expansions require substantial investment in manpower and material resources. If they are not well organized, or the introduction of talents is not as expected, or the projects are not in good progress, new revenues and profits will not be generated, which will result in idle funds and difficulties in cost recovery, and put pressure on the Company's current and future performance growth.

IV. DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT

Development Strategy of the Company

The Company's overall development strategy is as follows: Taking drug non-clinical evaluation services as its core business, the Company actively expands upstream and downstream service capabilities, including drug early-stage discovery, drug screening, cell testing, clinical CRO services, clinical testing services, etc. It also expands the production scale and capacity of experimental models, creating a unique golden industrial chain of non-clinical safety evaluation, clinical trials and related services, and high-quality experimental model supply, and providing one-stop services. Guided by market demand, the Company actively develops new technologies and methods to meet the needs of innovative drugs, forming new service advantages. It further enhances its international service capabilities to participate in global competition. Ultimately, it aims to build itself into a comprehensive CRO company with international competitiveness.

Business Plan

1. Drug Non-clinical Services

(1) The Company will increase business investment, continuously develop and introduce new technologies and methods to improve service quality standards and accelerate business development. Meanwhile, it will continuously optimize the internal management system to enhance service efficiency. In addition, to achieve higher performance targets, the Company will further expand production capacity and strengthen staff building. Through a series of measures, we will continuously consolidate and enhance the Company's market share and leading position in the field of drug non-clinical services. In 2025, the Company will continue to make efforts in multiple key areas to promote the high-quality development of its businesses. Firstly, we will continue to improve our capabilities in pharmacology and toxicology research and evaluation, and further enhance project management capabilities and project operation efficiency. At the same time, the Company will increase investment and continuously promote the optimization of work processes based on artificial intelligence to improve labor productivity and service quality, ensuring the continuous improvement of service standards. Moreover, the Company will fully ensure the smooth operation of new experimental facilities, continuously improve the GLP system, enhance regulatory compliance levels, and ensure that all work is carried out smoothly and in compliance. Through these comprehensive measures, the Company will provide more efficient and better services to customers and further consolidate its leading position in the industry.

(2) Based on the existing pharmacology and toxicology technology system, the Company will continuously enrich and improve the evaluation platform and technology system to meet the non-clinical evaluation needs of drugs with new targets and new technologies. It will strengthen the construction of new capabilities in otology drug evaluation, small nucleic acid metabolite analysis, etc., and continuously improve disease models of the respiratory system and central nervous system. It will improve drug screening service capabilities, provide comprehensive biological services and solutions, keep up with the trends and hotspots of domestic and foreign new drug R&D, provide high-throughput screening and customized services for customers, closely follow the R&D process of customers, and establish a rapid and efficient screening platform. It will expand its capabilities in the biological evaluation of medical devices and the toxicology evaluation of veterinary drugs and pet drugs. The Company will actively explore the possibility of mergers and acquisitions and adopt various cooperation methods to quickly establish R&D capabilities, seize the market, and form new points of profit growth.

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

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

(5) Increase talent cultivation and introduction. In 2025, the Company will focus on strategic needs, strengthen staff building, and focus on introducing and cultivating domestic and abroad high-end and compound talents to reserve strength for future development. At the same time, it will optimize the performance appraisal system, strengthen the application of results, and stimulate employees' motivation; dynamically adjust the salary and welfare system to enhance the salary competitiveness of core positions and key talents, attracting and retaining outstanding talents. In addition, the Company will also promote the digital construction of human resources, strengthen the digital and intelligent transformation of various modules, use big data analysis to support talent strategy decision-making, and improve management efficiency.

2. Drug Clinical Services

Leveraging its existing non-clinical business, customer resources, and the in-depth understanding of drug safety by its professional technical team as well as the full knowledge of GLP and GCP, the Company will gradually strengthen the following aspects:

(1) Brand building for early-stage clinical trials of innovative drugs. By leveraging the project resources of its non-clinical business, and giving full play to the experience advantages of the expert team, the Company will closely cooperate with more early-stage clinical bases, provide precise clinical development strategies and medical plan designs for early-stage clinical projects of innovative drugs, and through high-quality and efficient clinical operations, help R&D enterprises save R&D time and promote projects to enter confirmatory clinical trials quickly.

(2) Broaden the scope of clinical testing services, increase the capabilities and qualifications of medical testing laboratories, and expand the scale of the clinical testing team to better support the development of the overall clinical business.

(3) Strengthen the construction of the clinical operation team to ensure operation and delivery capabilities. Through efficient management and internal training system, improve the project management capabilities of the operation team, enhance project operation quality, and establish a guarantee mechanism for on-time delivery.

(4) Improve international registration capabilities. To meet the overseas application needs of customers, the Company continues to enhance its dual-registration capabilities in China and the United States, helping more new drug R&D enterprises complete their product export plans.

3. Experimental Model Research

In order to promote innovation and development in the biopharmaceutical field, the Company will increase investment in innovation, especially in the construction and application of new experimental models and organoids. The Company will actively respond to national policy support and conduct innovative explorations in tumor research and new drug development using organoid technology. Through these investments and constructions, the Company can not only enhance its competitiveness in the biopharmaceutical field, but also provide more efficient and accurate experimental models for the industry, facilitating the rapid development of new drug R&D and clinical applications.

(1) To ensure the stable supply of non-human primate experimental models, the Company will further promote the development of innovative technologies, continuously advance innovation in the experimental model business, and improve the regulated and standardized quality assurance system for experimental models. Firstly, the Company will optimize the population structure of non-human primate to increase productivity and ensure the stable supply of experimental models. Secondly, the Company will vigorously conduct the development of elderly non-human primate disease models, especially in fields such as obesity, diabetes, hyperlipidemia, atherosclerosis, nervous system diseases and ophthalmic-related diseases. Through strict genetic screening and environmental control, the innovative models that highly simulate the pathological characteristics of human diseases will be developed, providing strong technical support for disease mechanism research, drug screening and pre-clinical evaluation.

(2) Building on the liver humanized mouse model to support liver disease drug development; maximizing the advantages of immunodeficient mouse models, the Company plans to launch more immune cell humanized mouse models in 2025; providing proprietary oncogenic mouse models to support drug safety evaluation.

(3) The Company will also increase investment in the construction of the organoid platform, combine more clinical resources, further improve and optimize existing technologies, and promote the developed organoid platform to the market to serve more clinical research institutions. Meanwhile, the drug sensitivity platform will be expanded to cover more tumor organoids, benefiting more tumor patients.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025 to the Shareholders.

DISCLOSURE OBLIGATIONS AND CONTINUING DISCLOSURE UNDER THE LISTING RULES

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

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

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

INTERESTS IN THE SHARES OF THE COMPANY

Name of Directors and Supervisors	Title	Nature of Interest	Class of Shares	Number of Underlying Shares held[2]	Approximate percentage in the relevant class of Shares[3]	Approximate percentage in total Shares[3]
Ms. Feng[1]	Chairperson of the Board, Executive Director	Beneficial Owner	A Shares	167,160,633 (L)	26.51%	22.30%
		Interest of Spouse	A Shares	74,725,981 (L)	11.85%	9.97%
		Other	A Shares	3,303,034 (L)	0.52%	0.44%
Ms. Sun Yunxia	Executive Director	Beneficial Owner	A Shares	2,698,907 (L)	0.43%	0.36%
Mr. Gao Dapeng	Executive Director, Secretary to the Board, Joint Company Secretary	Beneficial Owner	A Shares	288,746 (L)	0.05%	0.04%
Mr. Gu Jingliang	Executive Director	Beneficial Owner	A Shares	269,801 (L)	0.04%	0.04%
Ms. Li Ye	Supervisor	Beneficial Owner	A Shares	102,481 (L)	0.02%	0.01%

Notes:

(1) Mr. Zhou is the spouse of Ms. Feng. Under the SFO, each of Ms. Feng and Mr. Zhou is deemed to be interested in the A Shares that the other person is interested in. Ms. Feng held 167,160,633 of our A Shares, representing 22.30% of our total issued share capital as of 30 June 2025. Mr. Zhou held 74,725,981 of our A Shares, representing 9.97% of our total issued share capital as of 30 June 2025. In addition, Ms. Feng is taken to have interest in 3,303,034 of our A Shares which the Company holds as treasury shares, representing 0.44% of our total issued share capital as of 30 June 2025. Therefore, Ms. Feng and Mr. Zhou are each deemed to be interested in a total of 245,189,648 Shares, representing 32.71% of our total issued share capital as of 30 June 2025.

(2) The letter "L" denotes the person's long position in the Shares.

(3) As at 30 June 2025, the Company had 749,477,334 issued shares in total, comprised of 630,482,128 A Shares (including 3,303,034 treasury shares of the Company) and 118,995,206 H Shares.

Save as disclosed above, so far as the Directors are aware, as of 30 June 2025, none of our Directors, Supervisors or chief executives has any interest and/or short position in the Shares, underlying Shares and debentures of the Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

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

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

Name of substantial shareholder	Nature of Interest	Class of Shares	Number of Shares interested[1]	Approximate percentage in the relevant class of Shares[2]	Approximate percentage in total Shares[2]
Mr. Zhou	Beneficial owner	A Shares	74,725,981 (L)[3]	11.85%	9.97%
	Interest of spouse	A Shares	167,160,633 (L)[3]	26.51%	22.30%
FIL Limited[4]	Interest in a controlled corporation	H Shares	16,997,800 (L)	14.28%	2.27%
Pandanus Associates Inc.[4]	Interest in a controlled corporation	H Shares	16,997,800 (L)	14.28%	2.27%
Pandanus Partners L.P.[4]	Interest in a controlled corporation	H Shares	16,997,800 (L)	14.28%	2.27%
FIDELITY FUNDS[4]	Beneficial owner	H Shares	15,495,100 (L)	13.02%	2.07%
Futu Trustee Limited	Trustee	H Shares	13,238,580 (L)	11.13%	1.77%
Brown Brothers Harriman & Co.	Approved lending agent	H Shares	12,155,680 (L) 12,155,680 (P)	10.22%	1.62%

Notes:

(1) The letter "L" denotes the person's long position in the Shares. The letter "P" denotes the person's lending pool in the Shares.

(2) As at 30 June 2025, the Company had 749,477,334 issued shares in total, comprised of 630,482,128 A Shares (including 3,303,034 treasury shares of the Company) and 118,995,206 H Shares.

(3) Please refer to note (1) in the sub-section "Interests in the Shares of the Company" above.

(4) Pandanus Associates Inc. holds 100% interests of Pandanus Partners L.P., which in turn holds 47.90% interests of FIL Limited. FIL Limited holds 93.62% interests of FIL Investment Management (Hong Kong) Limited. FIDELITY FUNDS is a series of funds managed by FIL Investment Management (Hong Kong) Limited, it directly holds 15,495,100 H Shares and other subsidiaries of FIL Limited hold 1,502,700 H Shares. Therefore, Pandanus Associates Inc., Pandanus Partners L.P. and FIL Limited are deemed to be interested in the Shares held by a series of companies controlled by FIL Limited under the SFO.

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

Name of Subsidiaries	Authorized share capital/ Registered capital	Parties with 10% or more equity interest	Approximate percentage of shareholding (%)
Shikang Frontier Biotechnology Co., Ltd. (北京視康前沿技術有限公司)	RMB1,000,000	Yao Ning (姚寧)	35

Except as disclosed in this section, to the best knowledge of the Company, as of 30 June 2025, no person owns interests and short positions in the Shares and underlying Shares which shall be disclosed in accordance with Divisions 2 and 3 of Part XV of the SFO, or interests or short positions in 5% or above of relevant class of Shares that the Company must record in the register according to section 336 of the SFO.

2022 H SHARES INCENTIVE SCHEME

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

Summary of Terms

(a) Purpose of the Scheme

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

(b) Type of Awards

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

(c) Participants of the Scheme

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

(d) Source

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

(e) Maximum Number of Shares

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

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

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

(f) Vesting Period

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

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

(g) Term

Subject to the termination provisions under the 2022 H Shares Incentive Scheme, the term of the 2022 H Shares Incentive Scheme shall be 10 years commencing on the date of adoption, 24 June 2022. The remaining life of the 2022 H Shares Incentive Scheme is around 7 years.

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

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

LIST OF GRANTEES UNDER THE 2022 H SHARES INCENTIVE SCHEME

During the Reporting Period, no H Shares have been awarded to the eligible participants under the 2022 H Shares Incentive Scheme. During the Reporting Period, the Company did not repurchase any H shares.

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

On 28 March 2024, the seventh meeting of the fourth session of the Board of Directors of the Company was convened, at which the Board of Directors resolved and approved the repurchase of A Shares through centralised price bidding for an aggregate consideration of no more than RMB100,000,000. For details, please refer to the overseas regulatory announcement dated 28 March 2024. During the Reporting Period, the Company totally repurchased 613,720 A Shares at an aggregate consideration of RMB10,333,513 (excluding transaction fees).

During the Reporting Period, the Company did not repurchase any H shares.

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

As at 30 June 2025, the Company had 3,303,034 treasury A Shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the principles and code provisions as set out in the CG Code, and has complied with the applicable code provisions during the six months ended 30 June 2025.

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

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Specific enquiries have been made to all the Directors and they have confirmed that they have complied with the Model Code during the six months ended 30 June 2025.

AUDIT COMMITTEE

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

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal controls, risk management and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results of the Group for the six months ended 30 June 2025. The Audit Committee considers that the interim financial results for the six months ended 30 June 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

MATERIAL LITIGATION AND ARBITRATION

For the six months ended 30 June 2025, the Group did not have any material litigation or arbitration.

CHANGE IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(i) Change in Directors and Composition of Board Committees

Mr. Sun Mingcheng, Dr. Zhai Yonggong and Mr. Ou Xiaojie resigned on 23 January 2025; whilst Mr. Gu Jingliang and Ms. Luo Xi were appointed as executive Directors, and Mr. Yang Changyun, Mr. Yang Fuquan and Mr. Ying Fangtian were appointed as independent non-executive Directors, all on 23 January 2025.

(ii) Change in Supervisors

For the six months ended 30 June 2025, there were no changes in Supervisors.

(iii) Change in Biographies of Directors and Supervisors

For the six months ended 30 June 2025, there were no changes in biographies of Directors and Supervisors.

(iv) Change in Senior Management

For the six months ended 30 June 2025, there were no changes in senior management.

For the six months ended 30 June 2025, there was no change in the employees and remuneration policies of the Company. A review of the employees and remuneration policies of the Group during the Reporting Period is set out in "Management Discussion and Analysis – II. Financial Review – Employees and Remuneration Policy" in this report.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

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

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

For the period from the Listing Date up to 30 June 2025, the Company has used RMB2,843.1 million for the following purposes.

Use of Proceeds	Approximate percentage of the total amount (%)	Original allocation of the Proceeds (RMB million)	New allocation of the proceeds (RMB million)	Amount of net proceeds utilized as at 30 June 2025 (RMB million)	Amount of net proceeds utilised during the Reporting Period (RMB million)	Balance of the unutilized net proceeds after proposed re-allocation (RMB million)	Expected timeframe for utilizing the remaining unutilized net proceeds after proposed re-allocation
(A) Expand the capacity of our Suzhou facilities for nonclinical Studies	**16.0**	**845.6**	**57.7**	**57.7**	**–**	**–**	
(i) Renovating our existing laboratory and research model facilities in Suzhou	7.9	417.5	16.0	16.0	–	–	
(ii) Constructing the infrastructure of our new facilities in Suzhou	1.7	89.8	36.7	36.7	–	–	
(iii) Procurement of cutting-edge equipment and laboratory technologies and investment in the research and development of novel, customized research models	5.5	290.7	5.0	5.0	–	–	
(iv) Upgrading our technical and scientific research capabilities with international background at our Suzhou facilities	0.9	47.6	–	–	–	–	

Use of Proceeds		Approximate percentage of the total amount (%)	Original allocation of the Proceeds (RMB million)	New allocation of the proceeds (RMB million)	Amount of net proceeds utilized as at 30 June 2025 (RMB million)	Amount of net proceeds utilised during the Reporting Period (RMB million)	Balance of the unutilized net proceeds after proposed re-allocation (RMB million)	Expected timeframe for utilizing the remaining unutilized net proceeds after proposed re-allocation
(B)	**Strengthen our U.S. operations to cater to the rising customer demand for services provided by Biomere**	**10.0**	**528.5**	**751.7**	**325.2**	**30.3**	**426.5**	
(i)	Upgrading our existing facilities and service team in northern California	7.6	401.7	401.7	175.5	22.1	226.2	By the end of 2028
(ii)	Investing in business development efforts, expanding service teams and upgrading laboratory equipment for Biomere	2.4	126.8	350.0	149.7	8.2	200.3	By the end of 2028
(C)	**Further expand our facility network and service capabilities in China**	**39.0**	**2,061.3**	**1,264.3**	**256.6**	**23.2**	**1,007.7**	
(i)	Building the Phase I of our new Guangzhou facilities with a focus on non-GLP and GLP-compliant non-clinical studies in Guangzhou	17.0	898.5	500.0	205.4	19.0	294.6	By the end of 2027
(ii)	Building the Phase I of our new laboratories, research model breeding facilities and clinical operations in Chongqing	17.0	898.5	500.0	12.0	0.3	488.0	By the end of 2028
(iii)	Enhancing our technical and scientific research capabilities at our Guangzhou and Chongqing facilities	2.6	137.4	137.4	39.2	3.9	98.2	By the end of 2028
(iv)	Developing cutting-edge laboratory and research model technologies	2.4	126.9	126.9	–	–	126.9	By the end of 2028

Use of Proceeds	Approximate percentage of the total amount (%)	Original allocation of the Proceeds (RMB million)	New allocation of the proceeds (RMB million)	Amount of net proceeds utilized as at 30 June 2025 (RMB million)	Amount of net proceeds utilised during the Reporting Period (RMB million)	Balance of the unutilized net proceeds after proposed re-allocation (RMB million)	Expected timeframe for utilizing the remaining unutilized net proceeds after proposed re-allocation
(D) Broaden and deepen our integrated CRO service offerings with a particular focus on further expanding our clinical trial and related services	**5.0**	**264.3**	**33.1**	**33.1**	**–**	**–**	
(i) Hiring approximately 220 experienced clinical trial operation professionals who hold at least a bachelor's degree and who have at least two years of work experience in clinical operations, medicine, quality control, statistical analysis and analysis of clinical samples, with a focus on early-stage clinical trial projects	0.6	31.7	8.4	8.4	–	–	
(ii) Investing in business development efforts for our growing clinical trial business	0.4	21.2	–	–	–	–	
(iii) Procuring new equipment, technologies, systems, databases and infrastructure for use in clinical trials, as well as in the related services such as bioanalytical services, to strengthen our service quality and customer experience	4.0	211.4	24.7	24.7	–	–	

Use of Proceeds	Approximate percentage of the total amount (%)	Original allocation of the Proceeds (RMB million)	New allocation of the proceeds (RMB million)	Amount of net proceeds utilized as at 30 June 2025 (RMB million)	Amount of net proceeds utilised during the Reporting Period (RMB million)	Balance of the unutilized net proceeds after proposed re-allocation (RMB million)	Expected timeframe for utilizing the remaining unutilized net proceeds after proposed re-allocation
(E) Fund potential acquisitions of suitable (i) CROs focused on non-clinical studies, (ii) CROs focused on clinical trials, and/or (iii) research model production facilities in both China and overseas	20.0	1,057.0	2,649.9	1,895.7	–	754.2	By the end of 2028
(F) Working capital and general corporate purposes	10.0	528.5	528.5	274.8	42.4	253.7	

Ms. Feng Yuxia
Chairperson of the Board

Hong Kong, 26 August 2025

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

For six months ended 30 June 2025
(Expressed in RMB)

	Note	**Six months ended 30 June 2025 RMB'000 (Unaudited)**	Six months ended 30 June 2024 RMB'000 (Unaudited)
Revenue	4	**668,575**	849,357
Cost of services		**(563,580)**	(638,056)
Gross profit	4(b)	**104,995**	211,301
Other gains and losses, net	5	**82,919**	80,124
Gains/(losses) arising from changes in fair value of biological assets		**94,977**	(254,441)
Selling and marketing expenses		**(14,609)**	(12,163)
General and administrative expenses		**(143,941)**	(168,555)
Research and development expenses		**(43,446)**	(47,840)
Profit/(loss) from operations		**80,895**	(191,574)
Finance costs	6 (a)	**(776)**	(1,249)
Share of gains of an associate		**–**	15,472
Profit/(loss) before taxation	6	**80,119**	(177,351)
Income tax (expense)/benefit	7	**(19,187)**	5,113
Profit/(loss) for the period		**60,932**	(172,238)
Other comprehensive (expense)/income for the period (after tax)			
Items that will not be reclassified to profit or loss:			
– Equity investments at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserve (non-recycling)		**–**	–
Items that may be reclassified subsequently to profit or loss			
– Exchange differences on translation of financial statements of foreign operations		**(2,334)**	3,025
		(2,334)	3,025
Total comprehensive income/(expense) for the period		**58,598**	(169,213)

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

For six months ended 30 June 2025
(Expressed in RMB)

	Note	**Six months ended 30 June 2025 RMB'000 (Unaudited)**	Six months ended 30 June 2024 RMB'000 (Unaudited)
Profit/(loss) for the period attributable to:			
Equity shareholders of the Company		**60,932**	(169,742)
Non-controlling interests		**–**	(2,496)
Profit/(loss) for the period		**60,932**	(172,238)
Total comprehensive income/(expense) for the period attributable to:			
Equity shareholders of the Company		**58,598**	(166,717)
Non-controlling interests		**–**	(2,496)
Total comprehensive income/(expense) for the period		**58,598**	(169,213)
Earnings/(loss) per share	8		
Basic (RMB)		**0.08**	(0.23)
Diluted (RMB)		**0.08**	(0.23)

Unaudited Consolidated Statement of Financial Position

At 30 June 2025
(Expressed in RMB)

	Note	**At 30 June 2025 RMB'000 (Unaudited)**	At 31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	9	**1,430,812**	1,430,974
Intangible assets		**40,664**	45,834
Goodwill		**137,465**	138,037
Biological assets	10	**376,213**	383,305
Financial assets at FVOCI		**91,000**	91,000
Financial assets at fair value through profit or loss("FVTPL")	11	**683,834**	624,974
Certificates of deposits and term deposits		**1,370,536**	1,590,715
Other non-current assets	12	**33,547**	26,759
Deferred tax assets	21(b)	**29,439**	33,356
		4,193,510	4,364,954
Current assets			
Inventories	13	**147,912**	163,564
Contract costs	14	**722,958**	628,883
Biological assets	10	**690,099**	686,100
Contract assets	15(a)	**93,231**	121,997
Trade and bills receivables	16	**187,033**	218,003
Prepayments and other receivables	17	**85,175**	121,478
Certificates of deposits and term deposits		**1,187,479**	729,847
Financial assets at FVTPL	11	**1,503,833**	1,396,123
Cash at bank and on hand	18	**662,232**	965,203
		5,279,952	5,031,198
Current liabilities			
Trade payables	19	**52,821**	50,222
Contract liabilities	15(b)	**896,149**	827,161
Other payables	20	**178,684**	172,290
Lease liabilities		**30,395**	39,374
Income tax payable	21(a)	**9,099**	21,521
		1,167,148	1,110,568
Net current assets		**4,112,804**	3,920,630
Total assets less current liabilities		**8,306,314**	8,285,584

Unaudited Consolidated Statement of Financial Position

At 30 June 2025
(Expressed in RMB)

	Note	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities		**10,177**	21,600
Deferred tax liabilities	21(b)	**114,226**	116,875
Deferred income		**76,845**	67,921
		201,248	206,396
NET ASSETS		**8,105,066**	8,079,188
CAPITAL AND RESERVES			
Share capital	23	**749,477**	749,477
Reserves		**7,355,219**	7,329,341
Total equity attributable to equity shareholders of the Company		**8,104,696**	8,078,818
Non-controlling interests		**370**	370
TOTAL EQUITY		**8,105,066**	8,079,188

Unaudited Consolidated Statement of Changes in Equity

For six months ended 30 June 2025
(Expressed in RMB)

	Attributable to equity shareholders of the Company									
	Share capital RMB'000 Note (23)	Capital reserve RMB'000	Share award reserve RMB'000	Statuary reserve RMB'000	Exchange reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total Equity RMB'000
Balance at 1 January 2025	749,477	5,237,666	(220,565)	167,794	14,627	34,850	2,094,969	8,078,818	370	8,079,188
Changes in equity for six months ended 30 June 2025:										
Profit for the period	-	-	-	-	-	-	60,932	60,932	-	60,932
Other comprehensive expense	-	-	-	-	(2,334)	-	-	(2,334)	-	(2,334)
Total comprehensive income/(expense)	-	-	-	-	(2,334)	-	60,932	58,598	-	58,598
Share held for Share Incentive Schemes	-	-	(10,335)	-	-	-	-	(10,335)	-	(10,335)
Dividends declared in respect of the previous year	-	-	-	-	-	-	(22,385)	(22,385)	-	(22,385)
Balance at 30 June 2025	749,477	5,237,666	(230,900)	167,794	12,293	34,850	2,133,516	8,104,696	370	8,105,066

Unaudited Consolidated Statement of Changes in Equity

For six months ended 30 June 2025
(Expressed in RMB)

	Attributable to equity shareholders of the Company									
	Share capital RMB'000	Capital reserve RMB'000	Share award reserve RMB'000	Statuary reserve RMB'000	Exchange reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total Equity RMB'000
Balance at 1 January 2024	749,889	5,267,128	(146,452)	144,260	7,154	93,364	2,163,973	8,279,316	1,725	8,281,041
Changes in equity for six months ended 30 June 2024:										
Loss for the period	–	–	–	–	–	–	(169,742)	(169,742)	(2,496)	(172,238)
Other comprehensive income	–	–	–	–	3,025	–	–	3,025	–	3,025
Total comprehensive income/(expense)	–	–	–	–	3,025	–	(169,742)	(166,717)	(2,496)	(169,213)
Share held for Share Incentive Schemes	–	–	(76,609)	–	–	–	–	(76,609)	–	(76,609)
Dividends declared in respect of the previous year	–	–	–	–	–	–	(119,977)	(119,977)	–	(119,977)
Balance at 30 June 2024	749,889	5,267,128	(223,061)	144,260	10,179	93,364	1,874,254	7,916,013	(771)	7,915,242

Unaudited Consolidated Cash Flow Statement

For six months ended 30 June 2025
(Expressed in RMB)

	Six months ended 30 June 2025 RMB'000 (Unaudited)	Six months ended 30 June 2024 RMB'000 (Unaudited)
Operating activities		
Cash generated from operations	**187,400**	229,494
Income tax paid	**(38,649)**	(73,217)
Net cash generated from operating activities	**148,751**	156,277
Investing activities		
Proceeds from disposal of an associate	**–**	35,000
Payment for acquisition of RMB wealth management products	**(1,058,000)**	(1,154,000)
Payment for investments in unlisted funds	**(59,800)**	(29,900)
Purchase of property, plant and equipment	**(86,026)**	(128,349)
Purchase of intangible assets	**(3,278)**	(1,680)
Payment for acquisition of certificates of deposits and term deposits	**(266,385)**	(1,346,229)
Proceeds from disposal of RMB wealth management products	**967,268**	308,902
Proceeds from disposal of certificates of deposits and term deposits	**62,175**	1,557,839
Dividends received from unlisted funds	**8,996**	3,000
Proceeds from disposal of property, plant and equipment	**37**	545
Release of restricted deposits	**–**	9,200
Government grant received related to assets	**14,022**	1,440
Net cash used in investing activities	**(420,991)**	(744,232)
Financing activities		
Share held for Share Incentive Schemes	**(10,335)**	(76,558)
Payments for cancellation of restricted shares	**–**	(16,368)
Capital element of lease rentals paid	**(17,622)**	(14,145)
Interest element of lease rentals paid	**(223)**	(179)
Net cash used in financing activities	**(28,180)**	(107,250)
Effect of foreign exchange rate changes on cash and cash equivalents	**(2,551)**	(247)
Net decrease in cash and cash equivalents	**(302,971)**	(695,452)
Cash and cash equivalents at 1 January	**965,203**	2,853,647
Cash and cash equivalents at 30 June	**662,232**	2,158,195

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, including compliance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, issued by the International Accounting Standards Board (the "IASB"). It was authorised for issue on 26 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

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

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The interim condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs issued by the IASB to this interim financial report for the current accounting period:

- Amendments to IAS 21, *the effects of changes in foreign exchange rates: Lack of Exchangeability*

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

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

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

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
Rendering services:		
Non-clinical studies services	**639,077**	809,704
Clinical trial and related services	**29,018**	39,653
Sales of goods:		
Sales of research models	**480**	–
	668,575	849,357

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

As at 30 June 2025, the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied was approximately RMB2,300 million (31 December 2024: RMB2,200 million). Management of the Group expects the majority of the transaction price allocated to the unsatisfied contracts as of the end of Reporting Period will be recognised within 3 years from the end of the Reporting Period.

4. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting

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

- ***Non-clinical studies services***

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

- ***Clinical trial and related services***

  These services include (i) clinical CRO services, (ii) co-managed phase I clinical research units, and (iii) bioanalytical services.

- ***Sales of research models***

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

(i) Segment results

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

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

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

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

4. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Segment results (continued)

	Six months ended 30 June 2025			
	Non-clinical studies services RMB'000	**Clinical trial and related services RMB'000**	**Sales of research models RMB'000**	**Total RMB'000**
Disaggregated by timing of revenue recognition				
Point in time	**639,077**	**4,128**	**480**	**643,685**
Over time	**–**	**24,890**	**–**	**24,890**
Revenue from external customer	**639,077**	**29,018**	**480**	**668,575**
Inter-segment revenue	**1,249**	**–**	**158,955**	**160,204**
Reportable segment revenue	**640,326**	**29,018**	**159,435**	**828,779**
Reportable segment gross profit	**99,751**	**3,545**	**6,640**	**109,936**

	Six months ended 30 June 2024			
	Non-clinical studies services RMB'000	Clinical trial and related services RMB'000	Sales of research models RMB'000	Total RMB'000
Disaggregated by timing of revenue recognition				
Point in time	809,704	9,468	–	819,172
Over time	–	30,185	–	30,185
Revenue from external customer	809,704	39,653	–	849,357
Inter-segment revenue	427	–	226,740	227,167
Reportable segment revenue	810,131	39,653	226,740	1,076,524
Reportable segment gross profit	196,940	9,996	9,276	216,212

4. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(ii) Reconciliations of reportable segment gross profit

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
Reportable segment gross profit	**109,936**	216,212
Elimination of inter-segment gross profit	**(4,941)**	(4,911)
Consolidated gross profit	**104,995**	211,301

(iii) Geographic information

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

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
The PRC	**416,564**	614,120
The others	**252,011**	235,237
	668,575	849,357

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

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
The PRC	**1,652,462**	1,643,135
The USA	**332,692**	355,015
	1,985,154	1,998,150

5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
Government grants (including amortisation of deferred income)	**19,183**	9,571
Interest income	**41,323**	61,632
Net foreign exchange losses	**(2,984)**	(213)
Net gains/(losses) on disposal of property, plant and equipment	**108**	(555)
Gains on financial assets at FVTPL	**13,135**	12,548
Change in fair value of financial assets at FVTPL	**12,042**	(2,749)
Others	**112**	(110)
	82,919	80,124

6. PROFIT/(LOSS) BEFORE TAXATION

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

(a) Finance costs

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
Interest on lease liabilities	**776**	1,249

6. PROFIT/(LOSS) BEFORE TAXATION (CONTINUED)

(b) Staff costs

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
Salaries, wages and other benefits	**269,603**	260,622
Contributions to defined contribution retirement schemes	**25,016**	23,673
	294,619	284,295

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

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

6. PROFIT/(LOSS) BEFORE TAXATION (CONTINUED)

(c) Other items

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
Amortisation of intangible assets	**5,460**	4,268
Depreciation charge		
– Self-owned property, plant and equipment	**54,386**	41,184
– Right-of-use assets	**16,673**	15,151
(Reversal)/recognition of expected credit loss	**(5,391)**	8,167
Impairment losses on non-current assets	**10,469**	–
Cost of inventories	**248,905**	335,968

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

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
Current tax		
Provision for the period	**17,901**	38,264
Deferred tax		
Origination and reversal of temporary differences	**1,286**	(43,377)
	19,187	(5,113)

(Expressed in RMB unless otherwise indicated)

8. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share is based on the profit attributable to equity shareholders of the Company of RMB60,932,000 (Six months ended 30 June 2024: the loss of RMB169,742,000) and the weighted average number of ordinary shares calculated as below:

	Six months ended 30 June 2025	Six months ended 30 June 2024
Issued ordinary shares at 1 January	**749,477,334**	749,888,699
Effect of restricted shares	**–**	(411,365)
Weighted average number of ordinary shares at 30 June	**749,477,334**	749,477,334

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

(b) Diluted earnings/(loss) per share

The calculation of the diluted earnings/(loss) per share is based on the profit attributable to equity shareholders of the Company of RMB60,932,000 (Six months ended 30 June 2024: the loss of RMB169,742,000), and the weighted average number of ordinary shares (diluted) calculated as below:

	Six months ended 30 June 2025	Six months ended 30 June 2024
Weighted average number of ordinary shares at 30 June	**749,477,334**	749,477,334
Effect of restricted shares outstanding	**–**	411,365
Weighted average number of ordinary shares (diluted) at 30 June	**749,477,334**	749,888,699

9. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired property, plant and equipment of approximately RMB85,551,000 (six months ended 30 June 2024: RMB120,148,000) for the expansion of production facilities and research capacity.

10. BIOLOGICAL ASSETS

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

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Non-current assets		
– Non-human primates for breeding	**376,041**	383,129
– Rodents for breeding	**172**	176
	376,213	383,305
Current assets		
– Non-human primates for non-clinical studies	**689,916**	685,770
– Rodents for non-clinical studies	**183**	330
	690,099	686,100
	1,066,312	1,069,405

10. BIOLOGICAL ASSETS (CONTINUED)

(a) Analysis of non-human primates

	Non-human primates for breeding RMB'000	Non-human primates for non-clinical studies RMB'000	Total RMB'000
At 1 January 2024	558,874	905,741	1,464,615
Increase due to purchasing/raising	–	8,812	8,812
Breeding cost*	–	29,029	29,029
Decrease due to sales	–	(305,569)	(305,569)
Decrease due to mortality	(477)	(4,569)	(5,046)
Changes in fair value of biological assets	(193,528)	70,586	(122,942)
Transfer	18,260	(18,260)	–
At 31 December 2024	**383,129**	**685,770**	**1,068,899**
Increase due to purchasing/raising	**–**	**40,000**	**40,000**
Breeding cost*	**–**	**18,531**	**18,531**
Decrease due to sales	**–**	**(153,050)**	**(153,050)**
Decrease due to mortality	**(216)**	**(3,184)**	**(3,400)**
Changes in fair value of biological assets	**(22,140)**	**117,117**	**94,977**
Transfer	**15,268**	**(15,268)**	**–**
At 30 June 2025	**376,041**	**689,916**	**1,065,957**

Note:

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

(Expressed in RMB unless otherwise indicated)

10. BIOLOGICAL ASSETS (CONTINUED)

(b) Fair value measurement of biological assets

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

The Group's non-human primates were revalued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer at 31 December 2024. At 30 June 2025, the valuations were carried out by management.

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

Information about Level 3 fair value measurements:

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

As at 30 June 2025, the average market price of the non-human primates research model of 3 to 5 years old is RMB80,000 per head.

The estimated fair value of non-human primates increases/decreases as a result of an increase/decrease in the market price. As at 30 June 2025 if market price increases/decreases by 10%, the estimated fair value of biological assets would have increased/decreased by RMB106,596,000 (31 December 2024: RMB106,890,000).

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

11. FINANCIAL ASSETS AT FVTPL

	At June 30 2025 RMB'000	At 31 December 2024 RMB'000
Non-Current assets		
Equity investment in an unlisted company	**345,245**	345,245
Investments in unlisted funds	**338,589**	279,729
	683,834	624,974
Current assets		
RMB wealth management products	**1,503,833**	1,396,123
	1,503,833	1,396,123
	2,187,667	2,021,097

12. OTHER NON-CURRENT ASSETS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Prepayment for land use rights	**17,794**	17,794
Prepayments for acquisition of property, plant and equipment	**13,256**	5,784
Others	**2,497**	3,181
	33,547	26,759

13. INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Raw materials and consumables	**153,697**	170,867
Less: write-down of inventories	**(5,785)**	(7,303)
	147,912	163,564

For the six months ended 30 June 2025, the Group's amount of inventories recognised as expense and included in the consolidated statement of profit or loss is RMB248,905,000 (six months ended 30 June 2024: RMB335,968,000).

14. CONTRACT COSTS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Costs to fulfil contracts	**801,132**	677,268
Less: write-down of contract costs	**(78,174)**	(48,385)
	722,958	628,883

15. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Contract assets	**93,700**	122,610
Less: loss allowance	**(469)**	(613)
	93,231	121,997

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

(b) Contract liabilities

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Amounts received in advance of the delivery of services	**896,149**	827,161

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
Revenue recognised during the period that was included in the contract liabilities at the beginning of the period	**324,262**	468,637

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

16. TRADE AND BILLS RECEIVABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade receivables	**185,523**	213,593
Less: loss allowance	**(26,368)**	(32,425)
	159,155	181,168
Bills receivables	**27,878**	36,835
	187,033	218,003

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

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year	**101,512**	125,697
1 to 2 years	**34,062**	32,182
2 to 3 years	**22,696**	23,090
Over 3 years	**885**	199
	159,155	181,168

Trade receivables are due within 21 to 45 days from the date of billing.

17. PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Prepayments for purchase of inventories and receiving of services	**26,959**	77,186
Value added tax recoverable	**38,524**	35,965
Prepayments for miscellaneous expenses	**4,640**	11,073
Deposits	**7,245**	8,480
Income tax recoverable	**10,674**	2,348
Others	**40**	8
	88,082	135,060
Less: loss allowance	**(2,907)**	(13,582)
	85,175	121,478

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

18. CASH AT BANK AND ON HAND

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Cash at bank	**662,232**	965,203
Cash at bank and on hand included in the consolidated statement of financial position	**662,232**	965,203
Less: restricted deposits	**–**	–
Cash and cash equivalents included in the consolidated cash flow statement	**662,232**	965,203

19. TRADE PAYABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables	**52,821**	50,222

As at 30 June 2025, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year	**51,613**	47,904
1 to 2 years	**1,208**	2,318
	52,821	50,222

As at 30 June 2025, all trade payables of the Group are expected to be settled within one year or are payable on demand.

20. OTHER PAYABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Payables for staff related costs	**78,177**	103,371
Payables for acquisition of property, plant and equipment	**70,414**	60,810
Dividends payable (Note 22)	**22,385**	–
Payables for other taxes	**4,824**	6,272
Others	**2,884**	1,837
	178,684	172,290

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

21. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

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

	six months ended 30 June 2025 RMB'000	six months ended 30 June 2024 RMB'000
Net balance of income tax payable at 1 January	**19,173**	40,416
Provision for the period	**17,901**	38,264
Income tax paid	**(38,649)**	(73,217)
Net balance of income tax payable at 30 June	**(1,575)**	5,463
Represented by:		
Income tax recoverable included in prepayments and other receivables (Note 17)	**(10,674)**	(9,081)
Income tax payable	**9,099**	14,544
	(1,575)	5,463

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

(b) Deferred tax assets and liabilities recognised:

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

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Deferred tax assets	**29,439**	33,356
Deferred tax liabilities	**(114,226)**	(116,875)
	(84,787)	(83,519)

22. DIVIDENDS

(a) Interim dividend

The directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB Nil).

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

On 18 June 2025, the 2024 profit distribution plan of the Company was approved at the 2024 annual general meeting of the Company as follows:

- a dividend of RMB0.03 per ordinary share (inclusive of tax) to shareholders on the record date for determining the shareholders' entitlement to the 2024 profit distribution plan.

Pursuant to the above 2024 profit distribution plan, the total dividend was paid by the Company in August 2025.

23. SHARE CAPITAL

	No. of shares	**Amount RMB'000**
Ordinary shares, issued:		
At 1 January 2024	749,888,699	749,889
Cancellation of restricted shares	(411,365)	(412)
At 31 December 2024	749,477,334	749,477
At 30 June 2025	**749,477,334**	**749,477**

(Expressed in RMB unless otherwise indicated)

24. FAIR VALUES MEASUREMENT

(a) Fair value hierarchy

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

– Level 1 valuations: Fair value measured using only Level 1 inputs, i.e., unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs, i.e., observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

(b) Financial assets measured at fair value

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

Financial assets	**Fair value at 30 June 2025**	Fair value at 31 December 2024	**Fair value hierarchy**
Equity investment in an unlisted company designated at FVOCI	**91,000**	91,000	Level 3
Equity investment in an unlisted company at FVTPL (Note 11)	**345,245**	345,245	Level 3
Investments in unlisted funds (Note 11)	**338,589**	279,729	Level 3
RMB wealth management products (Note 11)	**1,503,833**	1,396,123	Level 3

During the six months ended 30 June 2025, there were no transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the Reporting Period in which they occur.

24. FAIR VALUES MEASUREMENT (CONTINUED)

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

(i) Information about Level 3 fair value measurements

The fair value of equity investment in an unlisted company at FVOCI is determined using the price to book ratio of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. At 30 June 2025, if the discount for lack of marketability had been one percentage point higher/lower, the Group's total comprehensive income would have been RMB918,000 lower/higher.

The fair value of equity investment in an unlisted company at FVTPL is determined based on the price to book ratio of comparable listed companies and the equity allocation model, and the fair value measurement is negatively correlated to the expected volatility. At 30 June 2025, if the expected volatility had been one percentage point higher/lower, the Group's total comprehensive income would have been RMB1,491,000 lower/higher.

The fair value of RMB wealth management products is determined by calculating based on the discounted cash flow method. The main level 3 inputs used by the Group for RMB wealth management products are the expected rates of return. As at 30 June 2025, if the expected rate of return of the investment in RMB wealth management products held by the Group had been one percentage point higher/lower, the Group's profit for the year and retained profits would have been RMB4,238,000 higher/lower.

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

24. FAIR VALUES MEASUREMENT (CONTINUED)

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

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

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

	Equity investment in an unlisted company designated at FVOCI RMB'000	Equity investment in an unlisted company at FVTPL RMB'000	RMB wealth management products RMB'000	Investments in unlisted funds RMB'000
At 1 January 2024	159,840	354,639	373,354	233,145
Additions in investments	–	–	2,755,998	49,900
Net realised and unrealised gains or losses recognised in profit or loss during the period	–	(9,394)	26,665	(3,838)
Changes in fair value recognised in other comprehensive income	(68,840)	–	–	–
Exchange adjustments	–	–	–	522
Disposal of financial assets	–	–	(1,759,894)	–
At 31 December 2024	91,000	345,245	1,396,123	279,729
Additions in investments	**–**	**–**	**1,058,000**	**59,800**
Net realised and unrealised gains or losses recognised in profit or loss during the period	**–**	**–**	**16,978**	**(796)**
Exchange adjustments	**–**	**–**	**–**	**(144)**
Disposal of financial assets	**–**	**–**	**(967,268)**	**–**
At 30 June 2025	**91,000**	**345,245**	**1,503,833**	**338,589**

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

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2025.

25. COMMITMENTS

Capital commitments outstanding at 30 June 2025 not provided for in the consolidated financial statements were as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Purchase of property, plant and equipment:		
– Contracted for	**106,064**	131,756

26. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

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

Name of related parties	Relationship
Staidson (Beijing) Biopharmaceuticals Co., Ltd. ("Staidson group") 舒泰神(北京)生物製藥股份有限公司	A company controlled by the controlling shareholders
Beijing SoloBio Genetechnology Company Ltd. ("Staidson group") 北京三諾佳邑生物技術有限責任公司	A company controlled by the controlling shareholders
Staidson Biopharma Inc. ("Staidson group")	A company controlled by the controlling shareholders
Jiangsu Beijietai Biotechnology Co., LTD ("Staidson group") 江蘇貝捷泰生物科技有限公司	A company controlled by the controlling shareholders
Biorichland LLC	A company controlled by close family members of the controlling shareholders
Beijing Heyu Pharmaceutical Technology Co., Ltd. ("Heyu group") 北京和輿醫藥科技有限公司	A company controlled by close family members of the director of the Company
Heyu (Suzhou) Pharmaceutical Technology Co., Ltd. ("Heyu group") 和輿(蘇州)醫藥科技有限公司	A company controlled by close family members of the director of the Company

26. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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

Beijing Joinn Biologics Co. Ltd., ("Joinn Biologics group") 北京昭衍生物技術有限公司	A company controlled by the controlling shareholders
JOINN Biologics Inc., ("Joinn Biologics group")	A company controlled by the controlling shareholders
Suzhou Qixi Bio-Valley Co., Ltd. ("Qixi group") 蘇州七溪生物矽谷有限公司	A company controlled by the controlling shareholders
Suzhou Qixi Operating Management Co., Ltd. ("Qixi group") 蘇州七溪運營管理有限公司	A company controlled by the controlling shareholders
Hexin (Beijing) Pharmaceutical Technology Co., Ltd. ("Hexin group") 核欣(北京)醫藥科技有限公司	A company controlled by close family members of the director of the Company
Hexin (Suzhou) Pharmaceutical Technology Co., Ltd. ("Hexin group") 核欣(蘇州)醫藥科技有限公司	A company controlled by close family members of the director of the Company
Hexin (Heze) Pharmaceutical Technology Co., Ltd. ("Hexin group") 核欣(菏澤)醫藥科技有限公司	A company controlled by close family members of the director of the Company
Yizhao (Beijing) Pharmaceutical Technology Co., Ltd. ("Yizhao") 熠昭(北京)醫藥科技有限公司	A company controlled by the controlling shareholders
BioAI Technology, Co., Ltd. ("BioAI") 生仝智能科技(北京)有限公司	A company controlled by close family members of the controlling shareholders

26. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Transactions with related parties

	six months ended 30 June 2025 RMB'000	six months ended 30 June 2024 RMB'000
Sales of research models to Staidson group	**450**	–
Provision of services to Staidson group	**9,991**	10,385
Provision of service to Joinn Biologics group	**262**	592
Provision of services to Heyu group	**942**	–
Provision of services to Hexin group	**5,515**	–
Purchase of services from Joinn Biologics group	**560**	258
Purchase of services from Qixi group	**166**	159
Purchase of services from BioAI	**2,236**	–
Lease expenses of offices from Biorichland LLC	**258**	–
Lease expenses of offices from Joinn Biologics group	**21**	8
Lease expenses of offices from Yizhao	**192**	223
Lease expenses of offices from Qixi group	**247**	–

26. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(c) Leasing arrangements

In 2021, the Group entered into a lease agreement in respect of certain premises including research model facilities, laboratories and office, together with all equipment to be used for research and development space, from Biorichland LLC.

At the commencement date of the lease, the Group recognised a right-of-use asset and a lease liability of USD6,025,000, which is equivalent to RMB43,140,000. The rental paid/payable by the Company during the six months ended 30 June 2025 amounted at USD691,000, which is equivalent to RMB4,965,000.

In 2023, the Group entered into a lease agreement in respect of buildings, from Qixi group.

At the commencement date of the lease, the Group recognised a right-of-use asset and a lease liability of RMB7,563,000. The rental paid/payable by the Company during the six months ended 30 June 2025 amounted at RMB1,505,000.

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

At the commencement date of the lease, the Group recognised a right-of-use asset and a lease liability of RMB2,429,000. The rental paid/payable by the Company during the six months ended 30 June 2025 amounted at RMB441,000.

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

After the amendments of the lease, the Group recognised five right-of-use assets and five lease liabilities of RMB18,416,000. The rental paid/payable by the Company during the six months ended 30 June 2025 amounted at RMB3,174,000.

26. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(d) Balances with related parties

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

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Contract assets	**792**	1,130
Trade and bills receivables	**16,154**	29,028
Prepayments and other receivables	**1,955**	1,772
Contract liabilities	**4,286**	8,442
Trade payables and other payables	**817**	559

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

(e) Key management personnel remuneration

Remuneration for key management personnel of the Group is RMB5,126,000 during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB5,421,000).