Shanghai Haohai Biological Technology Co., Ltd.*

上海昊海生物科技股份有限公司

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

(Stock Code: 6826)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

HIGHLIGHTS OF INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

- During the Reporting Period, the Group recorded a revenue of approximately RMB1,292.64 million (the corresponding period in 2024: approximately RMB1,397.11 million), representing a decrease of approximately RMB104.47 million or approximately 7.48% as compared to the corresponding period in 2024.

- During the Reporting Period, R&D expenses of the Group was approximately RMB98.40 million, representing a decrease of approximately RMB27.00 million, or approximately 21.53% as compared to the corresponding period in 2024. R&D expenses of the Group accounted for 7.61% of its revenue (corresponding period in 2024: 8.98%).

- During the Reporting Period, the profit attributable to the ordinary equity holders of the Company was approximately RMB211.07 million (the corresponding period in 2024: approximately RMB235.28 million), representing a decrease of approximately 10.29% as compared to the corresponding period in 2024.

- During the Reporting Period, the basic earnings per share of the Company was RMB0.91 (the corresponding period in 2024: RMB1.01).

- The Board has declared an interim dividend of RMB0.40 (inclusive of tax) per share for the six months ended 30 June 2025 (the corresponding period in 2024: RMB0.40).

INTERIM RESULT (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

The board of directors (the "**Board**") of Shanghai Haohai Biological Technology Co., Ltd.* (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**", "**we**", "**our**" or "**us**") for the six-month period ended 30 June 2025 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2024.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		RMB'000	*RMB'000*
	Notes	***(Unaudited)***	*(Unaudited)*
REVENUE	*4*	**1,292,636**	1,397,112
Cost of sales		**(386,361)**	(413,817)
Gross profit		**906,275**	983,295
Other income and gains, net	*4*	**53,710**	45,584
Selling and distribution expenses		**(392,384)**	(405,272)
Administrative expenses		**(206,188)**	(210,191)
(Impairment losses)/reversal of impairment losses on financial assets, net		**(2,166)**	473
Research and development costs		**(98,401)**	(125,400)
Other expenses		**(19,455)**	(18,779)
Finance costs		**(5,699)**	(7,523)
Share of profits and losses of:			
an associate		**(62)**	305
PROFIT BEFORE TAX	*5*	**235,630**	262,492
Income tax expense	*6*	**(33,965)**	(44,834)
PROFIT FOR THE PERIOD		**201,665**	217,658
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**40,669**	1,821
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		**40,669**	1,821

	Note	Six months ended 30 June **2025** ***RMB'000*** ***(Unaudited)***	 2024 *RMB'000* *(Unaudited)*
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value		**10,620**	(25,269)
Income tax effect		**(1,141)**	2,527
		9,479	(22,742)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		**9,479**	(22,742)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**50,148**	(20,921)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**251,813**	196,737
Profit attributable to:			
Owners of the parent		**211,065**	235,283
Non-controlling interests		**(9,400)**	(17,625)
		201,665	217,658
Total comprehensive income attributable to:			
Owners of the parent		**252,078**	214,345
Non-controlling interests		**(265)**	(17,608)
		251,813	196,737
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)			
– For profit for the period	*8*	**0.91**	1.01

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 June 2025

	Notes	**30 June 2025** ***RMB'000*** ***(Unaudited)***	31 December 2024 *RMB'000* *(Audited)*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,740,253**	1,700,688
Right-of-use assets		**183,067**	193,954
Other intangible assets		**543,188**	559,880
Goodwill		**425,049**	422,928
Investment in an associate		**4,780**	4,473
Equity investments designated at fair value through other comprehensive income		**507,181**	496,561
Deferred tax assets		**58,243**	59,300
Other non-current assets		**21,318**	25,340
Total non-current assets		**3,483,079**	3,463,124
CURRENT ASSETS			
Inventories		**495,704**	490,651
Trade and bills receivables	*9*	**339,174**	324,280
Prepayments, other receivables and other assets		**202,015**	125,286
Financial assets at fair value through profit or loss		**103,608**	87,846
Pledged deposits		**900**	899
Cash and bank balances		**2,561,316**	2,629,306
Total current assets		**3,702,717**	3,658,268
CURRENT LIABILITIES			
Trade payables	*10*	**70,002**	62,099
Other payables and accruals		**588,035**	480,711
Interest-bearing bank and other borrowings	*11*	**322,747**	305,683
Tax payable		**13,173**	17,400
Total current liabilities		**993,957**	865,893

	Notes	**30 June 2025** ***RMB'000*** ***(Unaudited)***	31 December 2024 *RMB'000* *(Audited)*
NET CURRENT ASSETS		**2,708,760**	2,792,375
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,191,839**	6,255,499
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*11*	**117,018**	142,744
Deferred tax liabilities		**148,323**	151,766
Deferred income		**15,911**	15,406
Provision		**28,329**	28,542
Total non-current liabilities		**309,581**	338,458
NET ASSETS		**5,882,258**	5,917,041
EQUITY			
Equity attributable to ordinary equity holders of the parent			
Share capital	*12*	**233,194**	233,194
Treasury shares	*12*	**(311,121)**	(228,341)
Reserves		**5,689,525**	5,570,406
		5,611,598	5,575,259
Non-controlling interests		**270,660**	341,782
Total equity		**5,882,258**	5,917,041

1. CORPORATE AND GROUP INFORMATION

Shanghai Haohai Biological Technology Co., Ltd. (the "**Company**") was established as a limited liability company on 24 January 2007 in the People's Republic of China (the "**PRC**"), and the Company was transformed into a joint stock company with limited liability on 2 August 2010. The registered office of the Company is located at No. 5 Tongjing Road, Songjiang Industrial Zone, Shanghai, PRC. The Company issued 40,000,000 H shares and 45,300 H shares on 30 April 2015 and 28 May 2015, respectively. The H shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 30 April 2015. The Company issued 17,800,000 A shares on 30 October 2019 ("**A Share Offering**"). The A shares of the Company have been listed on the Sci-tech Innovation Board of the Shanghai Stock Exchange (the "**SSE**") since 30 October 2019. Total number of issued shares of the Company after the A Share Offering was 177,845,300 shares (comprising 40,045,300 H shares and 137,800,000 A shares).

As of 30 June 2025, the Company repurchased and cancelled its own shares as follows:

Repurchase of H shares

During the period from March 2020 to December 2024, the Company repurchased an aggregate of 12,938,800 H shares, among which, 12,742,900 H shares have been cancelled as of 31 December 2024. During the Reporting Period, the Company repurchased 416,700 H shares. Subsequently on 28 July 2025, the Company cancelled an aggregate of 612,600 H shares.

Repurchase of A shares

During the period from August 2023 to August 2024, the Company completed its first round of A share repurchase and a total of 2,015,674 A shares were repurchased. The Company then implemented its second round of A share repurchase plan and a total of 1,832,421 A shares were repurchased from November 2024 to June 2025. As of 30 June 2025, none of these repurchased A shares were cancelled.

During the period from May 2023 to June 2024, a total of 1,308,603 A shares were issued to eligible participants pursuant to the completion of attribution of the first and reserved grants under the Company's 2021 Restricted A Share Incentive Scheme.

In June 2024, the Company issued additional 66,782,692 capitalisation shares (comprising 54,943,252 A shares and 11,839,440 H shares) by transferring from capital reserve to share capital.

During the Reporting Period, the Company and its subsidiaries (the "**Group**") was principally engaged in the manufacture and sale of biologicals, medical hyaluronate and ophthalmology products, research and development of biological engineering, manufacture and sale of pharmaceutical and ophthalmology products and the provision of related services.

In the opinion of the directors of the Company (the "**Directors**"), the ultimate controlling shareholders of the Company are Mr. Jiang Wei and his spouse, Ms. You Jie (the "**Controlling Shareholders**").

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") No. 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. They have been prepared under historical cost convention, except for certain equity instruments and certain other payables and accruals, which have been measured at fair value. The interim condensed consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024.

2.2 Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21 *Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating activities are related to a single operating segment, the manufacture and sale of biologicals, medical hyaluronate and intraocular lens, research and development of biological engineering and pharmaceutical products and the provision of related services. Therefore, management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resources allocation and performance assessment.

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Mainland China	**1,075,292**	1,179,576
Europe	**83,036**	74,918
United States of America ("**USA**")	**59,117**	66,171
Other regions and countries	**75,191**	76,447
	1,292,636	1,397,112

The revenue information of continuing operations above is based on the locations of the customers.

(b) Non-current assets

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Mainland China	**2,466,018**	2,471,771
United Kingdom (U.K.)	**303,818**	286,531
USA	**37,566**	38,982
Other regions and countries	**110,253**	109,979
	2,917,655	2,907,263

The non-current asset information of continuing operations above is based on the locations of the assets and excludes equity investments designated at fair value through other comprehensive income and deferred tax assets.

Information about major customers

No revenue from a single customer contributed to 10% or more of the Group's revenue during the Reporting Period (six months ended 30 June 2024: none).

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Revenue from contracts with customers	**1,292,636**	1,397,112

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Revenue from contracts with customers		
(a) Disaggregated revenue information		
Type of goods sold		
Medical aesthetics and wound care products	**573,270**	631,817
Ophthalmology products	**366,148**	449,659
Orthopedics products	**225,948**	231,822
Anti-adhesion and hemostasis products	**109,976**	68,874
Other products	**17,294**	14,940
Total	**1,292,636**	1,397,112
Timing of revenue recognition		
Goods transferred at a point in time	**1,292,636**	1,396,280
Services rendered over time	**–**	832
Total	**1,292,636**	1,397,112

(b) Performance obligation

Information about the Group's performance obligation is summarised below:

Sale of products

The performance obligation is satisfied upon delivery of products and payment is generally due within six months from delivery, except for distributors, where payment in advance is normally required.

Equipment technical service

The performance obligation is satisfied over time as services are rendered. Service contracts are billed based on the time incurred or monthly.

An analysis of other income and gains is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Bank interest income	**33,091**	36,759
Government grants *(note)*	**7,907**	6,963
Fair value gain of financial assets at fair value through profit or loss	**641**	–
Dividend income from equity investments at fair value through other comprehensive income	**33**	16
Gain on disposal of items of property, plant and equipment	**464**	406
Foreign exchange differences, net	**4,663**	–
Others	**6,911**	1,440
	53,710	45,584

Note:

Various government grants have been received from local government authorities in various regions in the PRC, for compensating research activities. The government grants released have been recorded in other income and gains, among which there were no unfulfilled conditions or contingencies relating to these recognised government grants.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Cost of inventories sold	**386,361**	413,817
Depreciation of property, plant and equipment	**57,853**	57,336
Depreciation of right-of-use assets	**13,181**	11,398
Amortisation of other intangible assets	**32,305**	29,838
Research and development costs	**98,401**	125,400
Lease payments not included in the measurement of lease liabilities	**1,038**	1,348
Employee benefit expenses:		
–Wages and salaries	**309,829**	299,998
–Pension scheme contributions	**34,246**	34,923
Equity-settled share option expenses	**–**	2,379
Foreign exchange differences, net	**(4,663)**	3,758
Impairment/(reversal of impairment) of financial assets, net	**2,166**	(473)
Write-down of inventories to net realisable value	**14,730**	12,517
Bank interest income	**(33,091)**	(36,759)
Dividend income from equity investments at fair value through other comprehensive income	**(33)**	(16)
Fair value gain of financial assets at fair value through profit or loss	**(641)**	–
Net gain on disposal and obsolescence of items of property, plant and equipment	**(464)**	(406)

6. INCOME TAX

The Company is registered in the PRC and is subject to PRC corporate income tax ("**CIT**") on the taxable income as reported in its PRC statutory accounts adjusted in accordance with relevant PRC income tax laws.

The Company, Shanghai Qisheng Biologics Company Limited ("**Shanghai Qisheng**"), Shanghai Jianhua Fine Biological Products Company Limited ("**Shanghai Jianhua**"), Henan Universe Intraocular Lens Research and Manufacture Company Ltd. ("**Henan Universe**") and Qingdao Huayuan Fine Biological Product Co., Ltd. ("**Qingdao Huayuan**") were accredited as high and new-tech enterprises (the "**HNTE**") for the three years from 2023 to 2025 by the relevant authorities. Therefore, the preferential income tax rate of 15% was applied during the Reporting Period for the Company, Shanghai Qisheng, Shanghai Jianhua, Henan Universe and Qingdao Huayuan.

Shenzhen New Industries Material of Ophthalmology Co., Ltd. ("**NIMO**"), Hangzhou Aijinglun Technology Co., Ltd. ("**Hangzhou Aijinglun**") and Sanhe Leike Optoelectronics Technology Co., Ltd. ("**Laserconn**") were accredited as HNTE for the three years from 2022 to 2024 by the relevant authorities. During the Reporting Period, NIMO, Hangzhou Aijinglun and Laserconn are in the process of HNTE renewal for the next three years from 2025 to 2027. Based on the experiences and current feedback from the authorities, the Directors believe that the renewal would be successful. Therefore, the preferential income tax rate of 15% was applied during the Reporting Period for NIMO, Hangzhou Aijinglun and Laserconn.

Henan Simedice Biotechnologies Co., Ltd ("**Henan Simedice**") was accredited as HNTE for the three years from 2024 to 2026 by the relevant authorities. Therefore, the preferential income tax rate of 15% was applied during the Reporting Period for Henan Simedice.

The applicable tax rate for the other subsidiaries registered in Mainland China was 25% (six months ended 30 June 2024: 25%) during the Reporting Period.

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the Reporting Period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The profits tax for subsidiaries in the USA has been provided at the rate of 21% (six months ended 30 June 2024: 21%) on the estimated assessable profits arising in the USA during the Reporting Period.

The profits tax for subsidiaries in the U.K. has been provided at the rate of 25% (six months ended 30 June 2024: 25%) on the estimated assessable profits arising in the U.K. during the Reporting Period.

The profits tax for subsidiaries in France has been provided at the rate of 25% (six months ended 30 June 2024: 25%) on the estimated assessable profits arising in France during the Reporting Period.

The profits tax for subsidiaries in Israel has been provided at the rate of 23% (six months ended 30 June 2024: 23%) on the estimated assessable profits arising in Israel during the Reporting Period.

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Current		
Charge for the period	**40,054**	53,676
Under/(over) provision in prior periods	**1,184**	(2,280)
Deferred	**(7,273)**	(6,562)
Total tax charge for the period	**33,965**	44,834

7. DIVIDENDS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Proposed interim – RMB0.40 (six months ended 30 June 2024: RMB0.40) per ordinary share	**91,493**	93,192

On 22 August 2025, the directors proposed to declare the interim dividend of RMB0.40 (inclusive of tax) per ordinary share, amounting to RMB91,493,200 for the six months ended 30 June 2025, based on the total number of shares issued by the Company and deducting total shares which have been repurchased but not cancelled by the Company as of 22 August 2025.

The proposed final dividend of RMB0.60 (inclusive of tax) per ordinary share of the Company for the year ended 31 December 2024 was declared payable by the shareholders of the Company at the annual general meeting of the Company on 10 June 2025.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the Reporting Period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 232,526,846 (for the six months period ended 30 June 2024: 233,870,378) outstanding during the Reporting Period.

The Group had no potentially dilutive ordinary shares outstanding during the Reporting Period (for the six months period ended 30 June 2024: nil).

The calculation of basic and diluted earnings per share is based on:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**211,065**	235,283
Shares		
Weighted average number of ordinary shares outstanding used in the basic and diluted earnings per share calculation	**232,526,846**	233,870,378

9. TRADE AND BILLS RECEIVABLES

	30 June	31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Bills receivable	**6,069**	8,170
Trade receivables	**366,686**	347,533
Impairment	**(33,581)**	(31,423)
	339,174	324,280

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to twelve months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade and bills receivables are non-interest-bearing.

An ageing analysis of trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Within 1 year	**327,642**	313,591
1 to 2 years	**9,113**	8,665
2 to 3 years	**2,419**	2,024
	339,174	324,280

10. TRADE PAYABLES

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Trade payables	**70,002**	62,099

An ageing analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Within 3 months	**64,931**	52,489
3 months to 1 year	**1,271**	8,902
Over 1 year	**3,800**	708
	70,002	62,099

11. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	**30 June 2025** ***RMB'000*** ***(Unaudited)***	31 December 2024 *RMB'000* *(Audited)*
Current			
Lease liabilities		**16,118**	18,595
Bank loans:			
– Unsecured	*(1)*	**236,394**	211,500
Current portion of long term bank loans:			
– Guaranteed	*(2)*	**1,274**	1,168
– Unsecured	*(3)*	**67,491**	73,291
Current portion of long term other loans:			
– Guaranteed	*(2)*	**1,470**	1,129
		322,747	305,683

	Notes	**30 June 2025** ***RMB'000*** ***(Unaudited)***	31 December 2024 *RMB'000* *(Audited)*
Non-Current			
Lease liabilities		**28,550**	32,023
Bank loans:			
– Unsecured	*(3)*	**88,082**	109,082
– Guaranteed	*(2)*	**176**	698
Other loans:			
– Guaranteed	*(2)*	**210**	941
		117,018	142,744
		439,765	448,427
Analysed into:			
Bank loans repayable:			
Within one year or on demand		**305,159**	285,959
In the second year		**88,258**	76,680
In the third to fifth years, inclusive		**–**	33,100
		393,417	395,739
Other borrowings repayable:			
Within one year or on demand		**17,588**	19,724
In the second year		**11,425**	13,355
In the third to fifth years, inclusive		**12,148**	14,093
Beyond five years		**5,187**	5,516
		46,348	52,688
		439,765	448,427

Notes:

(1) The short term unsecured bank loans represent the loans obtained by the Company, Shanghai Qisheng, Shanghai Jianhua and Shanghai Haoleyuan Biotechnology Co., Ltd. with interest rates ranging from 2.08% to 2.40% (31 December 2024: 2.22% to 2.40%) per annum.

(2) The guaranteed bank and other loans represent the loans obtained by Bioxis guaranteed by the government.

(3) The long term unsecured bank loans represent the loans obtained by the Company, Shanghai Qisheng and Haohai Development with interest rates ranging from 1.80% to 2.25% (31 December 2024: 1.80% to 2.50%) per annum.

12. SHARE CAPITAL

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Issued and fully paid: 233,193,695 (31 December 2024: 233,193,695) ordinary shares of RMB1.00 each	**233,194**	233,194

There was no movement in the Company's share capital during the Reporting Period.

Treasury Shares

During the Reporting Period, the Company repurchased 416,700 H shares, which accounted for approximately 0.1787% of the Company's total share capital, at a total consideration of approximately HK$10,210,000 (equivalent to RMB9,445,000).

During the Reporting Period, the Company also repurchased 1,339,675 A shares, which accounted for approximately 0.5745% of the Company's total share capital, at a total consideration of approximately RMB73,335,000. These repurchased H shares and A shares were not cancelled and accounted for as treasury shares as of 30 June 2025.

As of 30 June 2025, treasury shares were amounted to RMB311,121,000 (comprising 612,600 H shares and 3,848,095 A shares) and as of 31 December 2024, treasury shares were amounted to RMB228,341,000 (comprising 195,900 H shares and 2,508,420 A shares). These treasury shares will be either used for implementing of future shares incentive scheme or to be cancelled.

13. EVENTS AFTER THE REPORTING PERIOD

On 28 July 2025, the Company cancelled an aggregate of 612,600 H shares, which were repurchased from December 2024 to May 2025 at a total consideration of approximately RMB14,344,000. Pursuant to the cancellation of the H shares, the Company's issued shares decreased from 233,193,695 shares to 232,581,095 shares.

There was no other material subsequent event undertaken by the Group after 30 June 2025.

Operation Overview

In the first half of 2025, focusing on four core business sectors of medical aesthetics, ophthalmology, orthopedics, anti-adhesion and hemostasis, the Group actively responded to opportunities and challenges from external environment, and continued to deepen product innovation, market exploration and lean management. Against the backdrop of the progress of the HEALTHY CHINA Initiative, the deepening integrated reforms in health insurance, medical services and pharmaceutical systems, and in particular the reform of health insurance payment method and expansion of centralized procurement of drugs and high-value consumables, the overall operation of the Group maintained steady development.

During the Reporting Period, the Group recorded revenue of RMB1,292.64 million, representing a decrease of 7.48% as compared to the corresponding period of the previous year.

Pursuant to the requirements of the State Taxation Administration's "Guidelines for the Implementation of the VAT Policy Applicable to Biologicals", the relevant products produced by Shanghai Qisheng, a subsidiary of the Company, were no longer recognized as biologicals subject to the simplified method of value-added tax ("**VAT**"), and the VAT rate was adjusted from 3% to 13%, which caused a decrease in unit price and revenue after deduction of VAT of relevant Shanghai Qisheng products during the Reporting Period, due to the fact that the Group was unable to absorb the impact of the aforesaid adjustment of VAT rate by adjusting the tax-inclusive sales price.

During the Reporting Period, the breakdown of the Group's revenue from the main business of each product line by therapeutic areas is as follows (by the amount and as a percentage of the total revenue of the Group):

Unit:'000 Currency:RMB

	January to June 2025		January to June 2024		
Product Line	***Amount (unaudited)***	***Percentage (%)***	*Amount (unaudited)*	*Percentage (%)*	Change (%)
Medical aesthetics and wound care products	**573,270**	**44.35**	631,817	45.22	-9.27%
Ophthalmology products	**366,148**	**28.33**	449,659	32.18	-18.57%
Orthopedics products	**225,948**	**17.48**	231,822	16.59	-2.53%
Anti-adhesion and hemostasis products	**109,976**	**8.51**	68,874	4.93	59.68%
Other products	**17,294**	**1.33**	14,940	1.08	15.76%
Total	**1,292,636**	**100.00**	1,397,112	100.00	-7.48%

During the Reporting Period, the overall gross profit margin of the Group was 70.11%, maintaining stable as compared to 70.38% for the corresponding period of the previous year.

During the Reporting Period, the Group's R&D expenses were RMB98.40 million, representing a decrease of RMB27.00 million or 21.53% as compared to the corresponding period of the previous year, and at 7.61% of the Group's revenue (corresponding period in 2024:8.98%). It was mainly due to that several core R&D projects of the Group were conducting clinical trials in the later stages during the Reporting Period or had already entered the registration stage. This led to a temporary decrease in related R&D expenses, especially in direct R&D personnel costs and expenditures on direct materials used in the trials. During the Reporting Period, the hydrophobic molded toric aspheric intraocular lens ("**IOL**"), and the preloaded hydrophobic molded toric aspheric IOL products were approved in January 2025 and February 2025 respectively; the bio-gel products for intraocular fillers, the hydrophilic aspheric multifocal IOL, and the hydrophobic molded aspheric trifocal IOL products entered the registration application stage; the Group's first painless cross-linked injectable sodium hyaluronate gel for injection (HA Dermal Filler product) has entered into the review process at the Medical Device Evaluation and Inspection of National Medical Products Administration ("**NMPA**"); the clinical trials of several key R&D projects such as aqueous humor permeable Phakic Refractive Lens ("**PRL**"), high gas permeable scleral lens, extended-depth-of-focus ("**EDOF**") IOL, new ultra-high gas permeable (DK180) Orthokeratology Lenses, medical cross-linked chitosan gel and enhanced HA hydro-dermabrasion injection have all successfully proceeded. Furthermore, the high gas permeable scleral lens and the enhanced HA hydro-dermabrasion injection have completed their clinical trials and reached the conclusion stage respectively in July 2025 and August 2025, the aqueous humor permeable PRL entered the registration application stage in August 2025.

During the Reporting Period, the Group's net profit attributable to shareholders of the Company and net profit attributable to shareholders of the Company after deducting non-recurring gains or losses were RMB211.07 million and RMB204.21 million, respectively, representing decreases of 10.29% and 11.35% as compared to the corresponding period of the previous year, respectively, which were mainly attributable to the reduction in revenues during the Reporting Period.

As at the end of the Reporting Period, the total assets of the Group were RMB7,185.80 million, and the net assets of the Group attributable to shareholders of the Company were RMB5,611.60 million, representing increases of 0.90% and 0.65% as compared to those at the end of 2024, respectively.

Management Discussion and Analysis by Product Line

Medical aesthetics and wound care products

In the field of medical aesthetics and wound care, the Group has formed a business matrix covering four categories, namely HA Dermal Filler, genetic-engineering preparations for epidermal repair, radio frequency devices and laser equipment. Through the multi-level business arrangements, the Group was able to meet the comprehensive demand of end customers for medical aesthetics in relation to epidermis, dermis and subcutaneous tissue.

During the Reporting Period, the Group's medical aesthetics and wound care products recorded revenue in aggregate of RMB573.27 million, representing a decrease of RMB58.55 million or 9.27% as compared to the corresponding period of previous year. The breakdown of product revenue by specific product type is as follows:

Unit:'000 Currency: RMB

	January to June 2025		January to June 2024		
Item	***Amount (Unaudited)***	***Percentage (%)***	*Amount (Unaudited)*	*Percentage (%)*	Change (%)
HA Dermal Filler	**345,822**	**60.32**	415,479	65.76	-16.77
Radio frequency devices and laser equipment	**135,418**	**23.63**	135,455	21.44	-0.03
hEGF	**92,030**	**16.05**	80,883	12.80	13.78
Total	**573,270**	**100.00**	631,817	100.00	-9.27

At present, China's medical aesthetics industry is shifting from the previous model of focusing on scale and speed of expansion to one that pays more attention to quality and value. Against the backdrop of China's economic growth being under pressure from the transformation of old and new kinetic energy, the medical aesthetic market is experiencing a series of challenges such as slowing down of growth rate of end-user organizations and tightening of compliance. Meanwhile, China's per capita disposable income continues to rise steadily, the public acceptance of medical aesthetics is constantly improving, China has become the world's second-largest medical aesthetics market. However, compared with other countries with a well-developed medical aesthetic industry, the penetration rate is still low, the number of medical aesthetic treatments per 1,000 people in China is only 17 times/thousand people (data in 2022), is only 1/3 of that in Brazil and the USA, and only 1/5 of that in South Korea. The low penetration rate of China's medical aesthetic market will continue to increase in the coming years.

According to "China Medical Aesthetic Industry Outlook 2025" jointly published by Chinese Association of Plastics and Aesthetics and Allergan and Deloitte Consulting, from 2022 to 2024, the CAGR of China's medical aesthetics market size was about 10~15%, and medical aesthetics market size is expected to maintain a CAGR of 10% in future. The survey results of the report show that the high-end consumers' demand for medical aesthetics rises against the odds, project upgrading and demand expansion drive the growth in dual way. In terms of treatment projects, light medical aesthetic is still the mainstream choice, while surgery demands significantly shrink. In terms of injection projects, the consumption willingness remains high, botulinum toxin injection, HA Dermal Filler injection and wrinkle removal/anti-aging photoelectric projects take the lead steadily and continue to grow. Amongst them, the percentage of people accepted HA filling/plastic and wrinkle removal/anti-aging photoelectric projects increased from 54% and 52% in 2023 to 72% and 62% in 2024, respectively.

The Group's HA Dermal Filler products portfolio has been widely recognized in the market and has become a leading brand of domestic HA Dermal Filler products for injections. Leveraging on its competitive R&D efforts in biomedical materials, manufacturing and marketing platforms, the Group has independently developed and mastered the cross-linking processes such as monophase cross-linking, low-temperature secondary cross-linking, linear non-particle crosslinking, and organic cross-linking, and together with the comprehensive advantages in crafts and techniques and quality control for HA Dermal Filler products, we have developed the characteristics of differentiated positioning and complementary development in terms of products features and efficacy.

- The Group's first-generation HA Dermal Filler "Matrifill" is the first mono-phase sodium hyaluronate gel for injection approved by the NMPA in the PRC. It is mainly positioned as a popular entry-level HA.

- The Group's second-generation HA Dermal Filler "Janlane" is mainly positioned at the mid-to-high end and mainly features the dynamic filling function. In addition, on top of the original indication for nasolabial fold injections, "Janlane" has also expanded its indications to include lip augmentation, further expanding its clinical application scenarios.

- The third generation HA Dermal Filler "Hyalumatrix" produced by the Group won the market's recognition for its high-end HA Dermal Filler due to its non-particle and high cohesion features, and is positioned for high-end consumers by providing the "precise embellishment" function, making it less susceptible to deformation and displacement after injection. The clinical trial of rectifying indications for temporal depression for "Hyalumatrix"is also smoothly carried out.

- The fourth-generation HA Dermal Filler product "Hyalumatrix MoonWhite" has better long-term safety, longer-lasting characteristics and stimulation of collagen hyperplasia. "Hyalumatrix MoonWhite" continued the brand DNA of "Hyalumatrix" series, and together with "Hyalumatrix" and "Hyalumatrix YUN", will form the Group's high-end HA Dermal Filler product series.

In terms of marketing, the Group provides multidimensional and all-round services to medical institutions, doctors, consumers, conducts client-side education through new media channels and builds personal brand (IP) for doctors, continuously launches rich comprehensive offline solutions for facial rejuvenation through a diversified product matrix, thus leading the trend of combined application of HA Dermal Filler in the non-invasive medical aesthetic market in the PRC, and continuously strengthens the stickiness among brands, institutions and consumers to drive the expansion of influence of brands.

During the Reporting Period, the Group's HA Dermal Filler products recorded sales revenue of RMB345.82 million, representing a decrease of RMB69.66 million, or 16.77%, as compared to the corresponding period of the previous year. Except the decrease in income from sales, net of tax of a subsidiary Shanghai Qisheng due to the change in VAT rate, the Group's first generation and second generation HA Dermal Filler products which positioned at entry-level have encountered the impacts of decrease in consumption demands in stages, the sales revenue decreased significantly as compared to the corresponding period of last year. Meanwhile, "Hyalumatrix MoonWhite", the HA Dermal Filler products approved in July 2024 has gained outstanding outcomes after being rolled out, which contributed significant incremental revenue to the HA Dermal Filler product line. "Hyalumatrix" HA Dermal Filler products continued to maintain a momentum of sales growth.

Through the high-end "Hyalumatrix" series products, i.e. "Hyalumatrix", "Hyalumatrix YUN" and "Hyalumatrix MoonWhite", the Group solidified its leading academic position in the industry, enhanced the customer stickiness to HA Dermal Filler products of the Group and ensured that its market share led steadily.

The Group's revenue from radio frequency devices ("**RF**") and laser equipment product line was mainly generated by its subsidiary Ouhua Meike (Tianjin) Medical Technology Co., Ltd. ("**Juva Medical**"), the Israel subsidiary of which EndyMed Ltd. ("**EndyMed**") focuses on RF beauty equipment, and a subsidiary of which Laserconn focuses on laser beauty equipment, with its presence covering domestic and overseas markets. During the Reporting Period, the Group's revenue from the radio frequency and laser equipment product line was RMB135.42 million, substantially unchanged as compared to the corresponding period in 2024. From the analysis of the sales region, the sales were polarized. Impacted by the IP disputes in U.S., intense situation in Middle East and the slowdown of macroeconomic in Europe and U.S., the sales revenue of overseas market decreased by approximately RMB16.41 million, while the Group's medical grade RF equipment product "EndyMed Pro" exhibited great growth momentum in domestic market. During the Reporting Period, the domestic sales revenue of "EndyMed Pro" high-frequency skin treatment device and Intensif treatment needle increased RMB10.69 million and RMB17.92 million, respectively, as compared to the corresponding period of the previous year, representing an increase of 53.15% and 76.37% respectively.

Through continuous market education, microneedling has become the current mainstream wrinkle removal/anti-aging photoelectric project in domestic market. Through the mechanical stimulation of micro-needle, radiofrequency thermal effect and transdermal drug delivery of the combination of three technologies, the project effectively promote collagen denaturation, reorganization, coagulation, can be used to repair acne marks, oil control and acne removal, and shrink pore size, and can be used to combat aging, facial contour rejuvenation, to achieve the overall state of the skin condition to improve.

The "EndyMed Pro" Microneedling product produced by EndyMed has passed the regulatory approval of various countries and regions, including U.S. FDA certification, EU CE certification, and is one of a few imported RF products which have gained Class III registration certificates for medical devices in PRC, making it scarce in domestic market. EndyMed products have been sold to over 50 countries globally, with broad international recognition and great market demands. This product uses non-insulated phased microneedles to heat the entire needle body, ensuring a gentle insertion process with minimal damage to the epidermis. It offers technical advantages such as minimal bleeding, faster healing, and a shorter recovery period, making it the leading brand in Microneedling. In February 2025, the Group has completed the privatization and delisting of EndyMed, which has become a wholly-owned subsidiary of the Company.

During the Reporting Period, the Group's hEGF products "Healin" achieved revenue of RMB92.03 million, representing an increase of RMB11.15 million or 13.78% as compared to the corresponding period of the previous year. In recent years, the Group strengthened the academic promotion of this product, the awareness of product efficacy has been continuously strengthened, and the application of the product has been gradually extended from traditional departments such as burns and dermatology to pediatrics, oncology, stomatology, general surgery, obstetrics and gynecology, endocrinology, gastroenterology and other departments. "Healin" is the only epidermal growth factor product in China that has exactly the same quantity, sequence and spatial structure of amino acids as human natural epidermal growth factor and the first registered hEGF product for external use in the world. According to the research reports of Guangzhou Biaodian Medical Information Co., Ltd.* ("**Biaodian Medical**"), the market share of "Healin" products in 2024 was 26.96% (2023: 26.91%), continuing to be ranked second in the domestic market share.

Ophthalmology products

Focusing on the leading technologies in the global ophthalmology field, the Group is committed to expediting the localization of China's ophthalmology industry through independent R&D and investment integration, with the goal of becoming an internationally renowned manufacturer of comprehensive ophthalmology products. During the Reporting Period, the Group's ophthalmology business covered the therapeutic fields including cataract treatment, myopia prevention and control, refractive correction, and ocular surface, and has owned a number of products under development in the field of fundus disease treatment.

The Group is the largest ophthalmic viscoelastic device ("**OVD**") product manufacturer in the PRC. According to the research reports of Biaodian Medical, the market share of the Group's OVD products increased from 46.98% in 2023 to 51.42% in 2024, ranking first in China for the past 18 consecutive years. Meanwhile, the Group is a major supplier in the domestic IOL market. In addition, Contamac Holdings Limited ("**Contamac**"), a subsidiary, is one of the world's largest independent manufacturers of ophthalmology and optometry materials, such as providing materials for IOL and Orthokeratology Lens to customers in more than 70 countries worldwide.

During the Reporting Period, the Group's revenue from the sales of ophthalmology products was RMB366.15 million, representing a decrease of RMB83.51 million, or 18.57%, as compared to the corresponding period of the previous year. The breakdown of revenue from ophthalmology products by specific products is as follows:

Unit:'000 Currency: RMB

	January – June 2025		January – June 2024		
Item	***Amount (Unaudited)***	***Percentage (%)***	*Amount (Unaudited)*	*Percentage (%)*	Change (%)
Cataract product line	**164,549**	**44.94**	230,874	51.35	-28.73
IOL products	**126,812**	**34.63**	180,667	40.18	-29.81
OVD products	**37,737**	**10.31**	50,207	11.17	-24.84
Myopia prevention and control, and refractive correction product line	**184,826**	**50.48**	200,187	44.52	-7.67
Ophthalmology and optometry materials	**106,613**	**29.12**	107,056	23.81	-0.41
Ophthalmology and optometry end products	**78,213**	**21.36**	93,131	20.71	-16.02
Other ophthalmology products	**16,773**	**4.58**	18,598	4.13	-9.81
Total	**366,148**	**100.00**	449,659	100.00	-18.57

IOL and OVD products are mainly used for cataract surgery. During the Reporting Period, the revenue of the Group from the cataract product line amounted to RMB164.55 million, representing a decrease of RMB66.33 million or 28.73% as compared to the corresponding period of the previous year. Specifically, the revenue from IOL products was RMB126.81 million, representing a decrease of RMB53.86 million or 29.81% as compared to the corresponding period of the previous year. The revenue of OVD products was RMB37.74 million, representing a decrease of RMB12.47 million or 24.84% as compared to the corresponding period of the previous year.

In November 2023, the Group's IOL products from 5 brands and OVD products from 4 brands were fully selected in the first centralized volume-based procurement of intraocular lens medical consumables organized by the state. The selection results were gradually implemented in the first half of 2024, leading to a significant reduction in the selling price per unit of the Group's selected IOL products. Additionally, with the further implementation of DRG (Diagnosis-Related Groups) and DIP (Diagnosis-Intervention Packet) payment models, changes in medical insurance policies of cataract surgery in some provinces have significantly impacted the sales volume of the Group's ordinary spherical and aspheric IOL products. The Group has actively optimized its sales structure to offset the gross margin loss caused by the decline in the selling price per unit. In particular, mid-end preloaded aspheric IOL products have rapidly replaced ordinary spherical and aspheric products, with sales volume increasing by 73.82% as compared to the corresponding period of the previous year, and its proportion of sales revenue from IOL products has risen from 13.11% in the corresponding period of the previous year to 29.36%. Sales volume of high-end regionally refractive bifocal products has also continued to increase.

During the Reporting Period, the revenue of the Group from the myopia prevention and control, and refractive correction product line amounted to RMB184.83 million, representing a decrease of RMB15.36 million or 7.76% as compared to the corresponding period of the previous year. The revenue from the ophthalmology and optometry materials business in the upstream part of the supply chain was RMB106.61 million during the Reporting Period, remaining basically flat, as compared to the corresponding period of the previous year. The revenue of the Group from the ophthalmology and optometry end products amounted to RMB78.21 million, representing a decrease of RMB14.92 million or 16.02% as compared to the corresponding period of the previous year.

Ophthalmology and optometry end products cover Orthokeratology Lenses and eye drops used in conjunction, specialty frame glasses, "Yijing" PRL and other products. During the Reporting Period, the sales revenue from Orthokeratology Lens products recorded a decrease of 10.83% as compared to the corresponding period of the previous year. Since the second half of 2023, the domestic consumption market has experienced fatigue, which has also affected the consumption of overall orthokeratology lens category. At the same time, the approval of a number of new orthokeratology lenses in recent years has intensified the internal competition within such category, and the addition of new categories such as functional frame glasses has also created a certain diversion effect on orthokeratology lenses customers. In this environment, during the Reporting Period, "Hiline" Orthokeratology Lens products, as a matured product launched in 2011, was significantly impacted, and its sales volume and revenue decreased significantly. Meanwhile, the sales volume of prescription lens of "Maierkang myOK" and "Optoshare" (童享) Orthokeratology Lens products, which rely on higher gas permeable materials and more advanced design concepts, increased by 18.39% and 86.01%, respectively, as compared to the corresponding period of the previous year, thereby partially offsetting the impact from the decrease in sales volume of "Hiline" products.

Cataract is the biggest cause of blindness in the PRC. The only effective treatment for cataract is IOL implantation through surgery. In terms of industrial chain construction, the Group currently has initially completed the layout of the entire industrial chain of IOL products. We have opened up the upstream raw material production link of the IOL industrial chain through our subsidiary Contamac, mastered the R&D and production process of hydrophilic and hydrophobic IOL products through our subsidiaries Aaren, Henan Universe, and Henan Simedice and strengthened the downstream sales channels of IOL products through the professional ophthalmology high-value consumables marketing platform of our subsidiary NIMO at the same time. In terms of the layout of product lines, leveraging on its domestic and foreign brands, the Group has covered a full range of products from ordinary spherical monofocal IOL to multifocal IOL. In addition, the Group created synergy among the ophthalmology R&D innovation platforms in the PRC, the USA and the U.K. to promote the R&D and registration activities for high-end multifocal and EDOF IOL products. The Group adopts the one-time injection molding process that is different from the traditional turning and milling process, thus achieving a comprehensive layout of high-end IOL materials, complex optical features, and innovative processing technology. Among them:

- the hydrophobic molded toric aspheric IOL and the preinstalled hydrophobic molded toric aspheric IOL products obtained the registration certificate for Class III medical devices approved by the NMPA in January and February 2025, respectively;

- the hydrophilic aspheric multifocal IOL has completed the clinical trials, and entered the registration application stage in January 2025;

- innovative hydrophobic molded aspheric trifocal IOL has completed the clinical trials, and entered the registration application stage in February 2025. In addition, the project has passed the evaluation by the Center for Medical Device Evaluation of the NMPA and entered the special review "green channel" of innovative medical devices; and

- the hydrophilic EDOF IOL and the hydrophobic molded EDOF IOL have been progressing smoothly during the Reporting Period.

China is one of the countries with the largest number of blind and visually impaired patients in the world, with cataracts accounting for 32.5% and refractive errors accounting for 44.2% of visual impairment factors, while the prevalence of ophthalmic diseases in the highly myopic population is much higher than that in the normal-vision population. In 2019, the number of myopia patients worldwide was approximately 1.4 billion, among which, the number of myopia patients in China exceeded 600 million, and as a result the capacity of China's myopia prevention and control and refractive correction market is considerable while the penetration rate is low.

In the field of myopia prevention, control and refractive correction management, developed using the self-developed optical design system, based on the world's leading high oxygen permeability material of Contamac, the self-developed "Optoshare" (童享) series of new Orthokeratology Lens products was approved and registered in China in December 2022, with an oxygen permeability coefficient of 125 DK. At the same time, the Group's "TongLiang" (童靚) series Orthokeratology Lens product made of the same materials obtained the registration certificate for Class III medical devices approved by the NMPA in August 2024. In 2024, the Group started clinical trials for another new type of ultra-high oxygen permeable Orthokeratology Lens product, which is made of high oxygen permeable material Contamac Infinite with a DK coefficient of up to 180, which will become one of the Orthokeratology Lens products with the highest oxygen permeability in the world.

In the terminal product line used in conjuaction with Orthokeratology Lens and other products, the Group's self-developed eye drops product "Eyesucom" is made of our exclusive patented ingredients including medical chitosan and sodium hyaluronate, and is packaged in an aseptic packaging method without preservatives. The product has the functions of natural antibacterial, moisturizing and lubricating, promoting the repair of corneal epithelial damage and reducing staining, etc. It can comprehensively protect the eye surface health of the wearers of Orthokeratology Lens. Moxifloxacin hydrochloride eye drops used in the treatment of bacterial conjunctivitis belong to the fourth-generation fluoroquinolones and is one of the mainstream drugs used in the treatment of bacterial conjunctivitis. In addition, the sodium hyaluronate eye drops developed by the Group were approved by the NMPA in March 2024. The sodium hyaluronate eye drops can be used for the treatment and relief of endogenous diseases such as dry eye syndrome, as well as conjunctival epithelial damage caused from operations, drugs-induced, trauma, wearing of contact lenses and other exogenous diseases.

In the field of refractive correction, our subsidiary Hangzhou Aijinglun is mainly engaged in the R&D, production and sales of PRL products, and has independent intellectual property rights of its own developed "Yijing" PRL product, which has a refractive correction range of -10.00D~ -30.00D and has been approved by the NMPA. PRL surgery with crystalline lens can correct myopia without cutting normal corneal tissues and has the advantages of preserving the adjustment function of the human lens and surgical reversibility, so it is a safe and effective method to correct myopia. Currently, there are only three such products approved for sale in the Chinese market, and "Yijing" PRL is the only choice for patients with severe myopia above 1,800 degrees. In addition, the Group began the process of upgrading its PRL products after the acquisition of Hangzhou Aijinglun, with the second generation of the aqueous humor permeable PRL product conducting clinical trials, which, compared with the first generation, will enable aqueous humor circulation and provide a wider range of vision correction. On 17 July 2025, according to the Review Results of the Special Review Application for Innovative Medical Devices in 2025 (No. 6) (2025 年第 6 號創新醫療器械特別審查申請審查結果) announced by the NMPA, the project's product entered the innovative approval channel. In August 2025, the project officially entered the product registration application stage.

Through the above product layout, the Group has been able to provide a variety of myopia solutions from prevention and control to correction for all age groups.

Orthopedics products

In the field of orthopedics, the Group is the largest domestic manufacturer of orthopedic intra-articular viscoelastic supplements. According to the research reports of Biaodian Medical, in 2024, the Group has been ranked the largest manufacturer of orthopedic intra-articular viscoelastic supplements in the PRC for eleven consecutive years, with a market share significantly increasing from 41.61% in 2023 to 44.43%.

During the Reporting Period, the revenue of the Group from orthopedics products was RMB225.95 million, representing a decrease of RMB5.87 million or 2.53% as compared to the corresponding period of the previous year. The breakdown of the revenue from the orthopedics products by specific products is as follows:

Unit:'000 Currency: RMB

	January – June 2025		January – June 2024		
Item	***Amount (Unaudited)***	***Percentage (%)***	*Amount (Unaudited)*	*Percentage (%)*	Change (%)
Sodium hyaluronate injection	**158,616**	**70.20**	149,217	64.37	6.30
Medical chitosan used for intra-articular viscosupplement	**67,332**	**29.80**	82,605	35.63	-18.49
Total	**225,948**	**100.00**	231,822	100.00	-2.53

Orthopedic intra-articular viscoelastic supplements are mainly used in degenerative osteoarthritis. Degenerative osteoarthritis is also a common disease in the senior population. According to statistics, the incidence of osteoarthritis in men over the age of 65 is 58%, and that in women is 65% to 67%; the incidence of people over the age of 75 is as high as 80%. At present, there are more than 100 million osteoarthritis patients in China. The Group is the only manufacturer having sodium hyaluronate injection products with full series of specifications of 2mL, 2.5mL and 3mL in the PRC market. The Group's medical chitosan product (for intra-articular viscosupplement) is the only intra-articular viscoelastic supplement registered as a Class III medical device in the PRC. Such product combined with the sodium hyaluronate injection product has formed unique therapeutic effects and synergic advantages. With a good pricing system, the product portfolio continued to expand its market share.

During the Reporting Period, sodium hyaluronate injection products entered the implementation stage in the provincial volume-based procurement in Sichuan, Guizhou, Yunnan, Gansu and Hebei Provinces and other regions, resulting in a decrease in product sales prices. However, the Group managed to increase the sales volume of this product through various means of actively completed the selection of quantities, expanded sales channels, etc. Meanwhile, the Group also actively expanded the external contract manufacturing business of sodium hyaluronate injection products, which effectively utilized the existing capacity and further helped the steady development of this product line.

During the Reporting Period, except the impacts of the VAT rate adjustments of Shanghai Qisheng, the sales model of medical chitosan product (for intra-articular viscosupplement) switched more toward distribution and the proportion of direct sales somewhat decreased, and the average unit sales price also followed to decrease.

Anti-adhesion and hemostasis products

According to the research report of Biaodian Medical, the Group was the largest supplier of anti-adhesion materials in China, with our share of the anti-adhesion materials market reaching 25.87% in 2024.

During the Reporting Period, the Group's anti-adhesion and hemostasis products recorded revenue of RMB109.98 million, representing an increase of RMB41.10 million, or 59.68%, as compared to the corresponding period of the previous year. The breakdown of the revenue from the anti-adhesion and hemostasis products by specific products is as follows:

Unit:'000 Currency: RMB

	January to June 2025		January to June 2024		
Item	***Amount (unaudited)***	***Percentage (%)***	*Amount (unaudited)*	*Percentage (%)*	Change (%)
Medical chitosan used for anti-adhesion	**26,721**	**24.30**	30,492	44.27	-12.37
Medical sodium hyaluronate gel	**25,454**	**23.15**	27,474	39.89	-7.35
Collagen sponge	**13,955**	**12.68**	10,908	15.84	27.93
Porcine Fibrin Sealant Kit	**43,846**	**39.87**	–	–	N/A
Total	**109,976**	**100.00**	68,874	100.00	59.68

Among them, revenue from the anti-adhesion material medical chitosan and medical sodium hyaluronate gel products decreased by 12.37% and 7.35%, respectively, as compared to the corresponding period of the previous year, which was mainly influenced by policy factors such as cost and volume control of high-value consumables, and centralized volume-based procurement in some provinces.

Collagen sponge product, a new hemostasis material, recorded a revenue of RMB13.96 million during the Reporting Period, representing an increase of 27.93% as compared to the corresponding period of the previous year, which was mainly due to the fact that the Group's product was successfully selected as the first rank in the centralized volume-based procurement under the "3+N" League of Hebei Province, together with Anhui Province, Guangxi Province, Yunnan Province and other regions. The implementation of such procurement has successfully driven the increase in sales volume and revenue of collagen sponge products.

During the Reporting Period, the Porcine Fibrin Sealant Kit product of "Kangrui Gel (康瑞膠)" researched and produced by the Group achieved revenue of RMB43.85 million. This product is a novel biomaterial made from pig blood protein, which has the functions of reducing bleeding, closing wounds, and promoting wound healing. It can be widely used in general surgery, gynecology, cardiovascular and cerebrovascular surgery, neurosurgery, thoracic surgery, hepatobiliary surgery, and other departments, and can be used as an adjunct to conventional surgical procedures for unsatisfactory bleeding control. The "Kangrui Gel" product was included in the Product Catalog of Biological Pharmaceutical "New and Quality Medical Devices" of Shanghai (《上海市生物醫藥"新優藥械"產品目錄》) (the fourth batch) in December 2024. The products included in the catalog can be permitted by public hospitals of Shanghai to enter into green channel and gain priority access to Shanghai medical insurance negotiation recommendation qualifications, accelerating the speed to enter into medical insurance catalog in local areas while improving patients's willingness to make payment. During the Reporting Period, the Group quickly completed the market access of "Kangrui Gel" product in certain regions such as Shanghai, Henan, opening new opportunities for marketing.

Discussion and Analysis of Future Development

Development strategy

The Group always aims to continuously improve the health quality of Chinese people and promote the rehabilitation of patients, focusing on differentiated development as its corporate strategy. The Group will continue to focus on four fast-growing therapeutic areas, including medical aesthetics and wound care, ophthalmology, orthopedics and surgery. The Group will pay attention to scientific research innovation and achievement transformation, and strengthen professional services; continue to maintain its leading position in technology through cooperation with domestic and foreign well-known R&D institutions, independent R&D and technology introduction; continuously optimize and improve management capabilities and improve operational efficiency; continuously expand and improve product lines and integrate the industrial chain through the combination of endogenous growth and mergers and acquisitions; strengthen the Company's brand building and enhance brand value, making the Group a leading domestic and internationally renowned biomedical company in the field of biomedical materials.

Business plan

In the second half of 2025, the Group will continue to deeply promote the deployment of internal resources within the Group, and further strengthen the integration of merged and acquired enterprises in all aspects of R&D, production, sales and services, enabling merged and acquired enterprises to quickly integrate into the Group's management system. This aims to maximize synergy, improve operational efficiency, develop innovative technologies, and expand market space, while continuing to enhance core competitiveness.

In the field of medical aesthetics and wound care, the Group will take advantage of the efficacy and price positioning of the "Matrifill", "Janlane", "Hyalumatrix" and "Hyalumatrix MoonWhite" series of four generation HA Dermal Filler products to continue to focus on building the brand image of "Hyalumatrix" high-end HA Dermal Filler products, strengthen the market promotion of the new indications of "Janlane Lips" under "Janlane" HA Dermal Filler products, assist downstream medical and aesthetic institutions to develop unique injection solutions for the indications, further expand the market penetration, improve the overall market share of the Group's HA Dermal Filler series products and strengthen the leading position of the Group's domestic HA Dermal Filler brand for injection through the extensive online and offline sales network. Meanwhile, the Group will continue to take forward the clinical trials of important R&D projects as planned such as painless cross-linked HA Dermal Filler products etc. In addition, the Group will accelerate the integration of the advantageous resources of Juva Medical to capitalize on the high degree of synergy between the Group and Juva Medical in terms of technology R&D, product layout and marketing. The Group will focus on the promotion of EndyMed Microneedling (EndyMed 3Deep phased RF skin therapeutic platform), which has become a popular choice for anti-aging and skin repairing because of its advanced technology, significant effect, good safety profile and comfort. The Group will provide customers with comprehensive assistance through training, marketing, new media and other measures, to facilitate the rapid increase in sales volume of the product. Under the new industry compliance trend, the Group will continue to adhere to standardized and professional development, take advantage of the combined use of the EndyMed RF skin beauty device and the Group's sodium hyaluronate gel products to achieve the superimposed sales effect of 1+1>2.

In the field of ophthalmology, the Group will continue to adhere to the development strategy of quality improvement and innovation orientation, proactively advance the R&D activities and registration of its high-end products, and promote the improvement and upgrade of its product portfolio. Including the hydrophobic molded toric aspheric IOL which was approved in January 2025, the Group expects that a number of high-end products will be approved in 2025, such as the hydrophilic aspheric multifocal IOL and the hydrophobic molded aspheric trifocal IOL products, which will form a robust product portfolio together with its existing products and realize the overall upgrade and improvement of IOL product line. In addition, we will continue to promote clinical trials and registration application of important R&D projects such as the second generation of the aqueous humor permeable PRL, new ultra-high oxygen permeable Orthokeratology Lens products and EDOF IOL. In the field of marketing, the Group will pay close attention to changes in industry policies and environment, especially the subsequent implementation dynamics of the second-round selection of quantities and renewals of national centralized volume-based procurement of IOL. The Group will leverage on its multiple-brand and full-product line advantage, channel advantage and cost advantage to adjust supply chain and sales strategies in a timely manner and actively respond to the new marketing landscape in the post volume-based procurement era. In the field of myopia prevention and control, the Group will continue to explore the integrated marketing and brand operation of the Group's orthokeratology lenses and accelerate the market penetration based on the changes of consumers market, so as to obtain higher market shares.

In the field of Orthopedic, the Group will continue to monitor policy developments related to centralized volume-based procurement by provinces and provincial alliances, and will actively promote its relevant products to participate in tenders, further enhancing their market share. In the surgical field, the Group will focus on advancing the market access of innovative products, expediting the hospital adoption of collagen sponge and "Kangrui Gel" products, and increasing their market share.

In second half of 2025, the Group will continue to use its own funds effectively, explore the fast-growing therapeutic areas such as medical aesthetics, ophthalmology, orthopedics and surgery, actively seek advanced technologies and excellent products and take the opportunity to introduce technologies or invest in cooperation, so as to increase the product reserve and ensure the long-term sustainable development of the Group.

FINANCIAL REVIEW

Revenue, Cost and Gross Profit Margin

During the Reporting Period, the Group recorded an aggregate revenue of approximately RMB1,292.64 million (corresponding period of 2024: approximately RMB1,397.11 million), a decrease of approximately RMB104.47 million compared to the same period in 2024, representing a decline of approximately 7.48%. During the Reporting Period, the Group focused on its four core business segments – medical aesthetics, ophthalmology, orthopedics, and anti-adhesion and hemostasis – actively addressing the opportunities and challenges presented by the external environment. The Group continued to deepen product innovation, market expansion, and lean management, maintaining a steady growth trajectory in overall operations. During the Reporting Period, influenced by factors such as the gradual implementation of national centralized procurement policies and the weakening of the domestic consumer market, the Group's ophthalmology product line saw a decrease in total revenue of approximately RMB83.51 million compared to the same period in 2024, representing a decline of approximately 18.57%. During the Reporting Period, the revenue of the Group's medical aesthetics and wound care product lines decreased by approximately RMB58.55 million compared to the same period in 2024, representing a decrease of approximately 9.27%. This was primarily due to the Group's first – and second-generation HA Dermal Filler products being affected by a temporary decline in domestic consumer demand, resulting in a significant decrease in revenue; additionally, pursuant to the requirements of the State Taxation Administration's "Guidelines for the Implementation of the VAT Policy Applicable to Biologicals", the relevant products produced by Shanghai Qisheng, a subsidiary of the Company, were no longer recognized as biologicals subject to the simplified method of VAT, and the VAT rate was adjusted from 3% to 13%, which caused a decrease in unit price and revenue after deduction of VAT of relevant Shanghai Qisheng products during the Reporting Period, as the Group was unable to offset the impact of this rate adjustment by adjusting the tax-inclusive sales price. During the Reporting Period, the revenue of the Group's anti-adhesion and hemostasis product lines increased by approximately RMB41.10 million, with an increase rate of approximately 59.68%, compared with the same period in 2024, mainly because the "Kangrui Gel" product was included in the Product Catalog of Biological Pharmaceutical "New and Quality Medical Devices" of Shanghai (《上海市生物醫藥"新優藥械"產品目錄》) (the fourth batch) in December 2024. The products included in the catalog can be permitted by public hospitals of Shanghai to enter into green channel and gain priority access to Shanghai medical insurance negotiation recommendation qualifications, accelerating the speed to enter into medical insurance catalog in local areas while improving patients 's willingness to make payment. During the Reporting Period, the Group quickly completed the market access of "Kangrui Gel" product in certain regions such as Shanghai, Henan, opening new opportunities for marketing.

During the Reporting Period, the Group's overall gross margin was 70.11%, which remained stable compared with 70.38% in the same period in 2024.

R&D Expenses

During the Reporting Period, the Group's R&D expenses amounted to approximately RMB98.40 million, a decrease of approximately RMB27.00 million compared to RMB125.40 million in the same period of 2024, representing a decrease of approximately 21.53%. This decrease was primarily due to the fact that certain core R&D projects entered the late stages of clinical trials or had already progressed to the regulatory review phase during the Reporting Period, resulting in a temporary decrease in related R&D expenses, particularly direct R&D labor costs and trial-related direct materials. During the Reporting Period, the Group's R&D expenses accounted for 7.61% of revenue (corresponding period of 2024: 8.98%), consistently maintaining a high level.

Income Tax Expense

During the Reporting Period, the Group's income tax expense was approximately RMB33.97 million (corresponding period of 2024: approximately RMB44.83 million), a decrease of approximately RMB10.86 million compared to the corresponding period in 2024, representing a decrease of approximately 24.22%, primarily due to the decrease in the Group's overall pre-tax profit compared to the corresponding period in 2024. Additionally, the Group's effective tax rate for the Reporting Period was 14.41%, a decrease of approximately 2.67 percentage points compared to 17.08% for the corresponding period in 2024. This decrease was primarily due to certain companies that had previously incurred losses achieving profitability or significantly reducing their losses during the reporting period.

Performance for the Reporting Period

During the Reporting Period, the profit attributable to ordinary equity holders of the Company was approximately RMB211.07 million (corresponding period of 2024: RMB235.28 million), a decrease of approximately RMB24.21 million compared to the corresponding period in 2024, representing a decline of approximately 10.29%, primarily due to a decrease in gross profit resulting from a decline in operating revenue.

Basic earnings per Share for the Reporting Period were RMB0.91 (corresponding period of 2024: RMB1.01).

Liquidity and Capital Resources

As at 30 June 2025, the total current assets of the Group were approximately RMB3,702.72 million, representing an increase of approximately RMB44.45 million or 1.22% as compared with that of as at 31 December 2024.

As at 30 June 2025, the total current liabilities of the Group amounted to approximately RMB993.96 million, an increase of approximately RMB128.06 million compared to 31 December 2024, representing an increase of approximately 14.79%. The primary reasons include: there remained unpaid cash dividends for 2024 totaling approximately RMB54.61 million; due to settlement time differences and other factors, the balance of accrued expenses at the end of the Reporting Period increased by approximately RMB44.07 million compared to the end of 2024; and the portion of bank and other borrowings classified as current liabilities increased by approximately RMB17.06 million compared to the end of 2024.

As at 30 June 2025, the Group's current assets to liabilities ratio was approximately 3.73 (31 December 2024: 4.22), representing a slight decrease as compared with that as at the year end of 2024, but it was still at a relatively high and stable level.

Employees and Remuneration Policy

The Group had 2,156 employees as at 30 June 2025. The breakdown of the total number of employees by function was as follows:

Production	849
R&D	371
Sales and Marketing	634
Finance	75
Administration	227
Total	2,156

During the Reporting Period, the remuneration policy for the Group's employees had no material change, and the employees' remuneration is based on their working experience, daily performance, the operation situation of the Company and external market competition. During the Reporting Period, the total employee remuneration of the Group was approximately RMB344.08 million, an increase of approximately RMB6.78 million from approximately RMB337.30 million in the corresponding period of 2024. The Company will continue to integrate human resources management with corporate strategy and recruit and cultivate professional and diversified talent in accordance with changes in internal and external conditions.

The Group provides various targeted training programs to its employees regularly. During the Reporting Period, there was no material change in the Group's training programs.

Treasury Policies

In order to strengthen the monitoring of bank deposits and to ensure that the Group's funds are used effectively, the Group adopts centralized financing and treasury policies designed to strengthen the control on bank deposits and to ensure the secured and efficient use of the Group's capital. Surplus cash of the Group is generally placed in short-term deposits denominated in RMB, US Dollars and Hong Kong Dollars. It is the Group's policy to enter into principal guaranteed and conservative deposits transactions only and the Group is restricted from investing in high-risk financial products.

Asset Pledge

As at 30 June 2025, the Group had bank deposits of approximately RMB0.90 million (31 December 2024: approximately RMB0.90 million) as guarantee deposits for the issuance of performance guarantee.

Gearing Ratio

As at 30 June 2025, the total liabilities of the Group amounted to approximately RMB1,303.54 million and the gearing ratio (the percentage of total liabilities to total assets) was 18.14%, representing an increase of 1.23 percentage points from 16.91% as at 31 December 2024, which was mainly due to the increase in the balances of dividend payable and other payables at the end of the Reporting Period.

Cash and Cash Equivalents

As at 30 June 2025, the Group's cash and cash equivalents were approximately RMB614.29 million, down by approximately RMB498.62 million from approximately RMB1,112.91 million on 31 December 2024. The main reasons include: during the Reporting Period, the Group continued to invest in the International Medical R&D and Industrialization Project by Shanghai Haohai Biological Technology ("**208 Project**"); according to the need of cash management, the bank deposit receipt of the Group with a large term of more than three months is approximately RMB430.63 million; as a result of the repurchase of the Company's shares and the acquisition of minority interests, the cash decreased by approximately RMB249.44 million; at the same time, the net cash outflow from the above investment and financing activities is partially offset by the net cash flow from operating activities of approximately RMB302.88 million.

Bank Borrowings

As at 30 June 2025, the Group had total interest-bearing bank borrowings of approximately RMB393.42 million (31 December 2024: approximately RMB395.74 million), of which approximately RMB305.16 million (31 December 2024: approximately RMB285.96 million) of the bank borrowings will expire within one year, and the remaining bank borrowings of approximately RMB88.26 million (31 December 2024: approximately RMB109.78 million) will mature within two to five years.

Risk of Exchange Rate Fluctuations

The sales, costs and expenses of the Group were principally and mostly denominated in RMB. Despite the fact that the Group might be exposed to foreign exchange risk, the Board expects that exchange rate fluctuation of the foreign currencies held by the Group will not have any material adverse impact on the Group in the future. During the Reporting Period and as at 30 June 2025, the Group did not enter into any hedging transactions.

Future Plans for Material Investments and Capital Assets

Saved as disclosed in this announcement, the Group has no other material investment plans or capital asset plans as at the date of this announcement.

Significant Investment, Material Acquisitions or Disposal of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group had no other significant investment, material acquisitions or disposal of subsidiaries, associates or joint ventures.

Contingent Liabilities

As at 30 June 2025, the Group did not have any material contingent liabilities.

Significant subsequent event

Please refer to note 13 to the financial statements in this results announcement for the details of significant subsequent event of the Group after the Reporting Period.

Purchase, sale or redemption of the Company's listed securities

Details of the H Shares repurchased by the Company on the Stock Exchange during the period of the six months ended 30 June 2025 are as follows:

Month of repurchase	Number of Shares repurchased	Highest price paid per Share *(HK$)*	Lowest price paid per Share *(HK$)*	Aggregate Consideration[(1)] *(HK$)*
January	117,000	26.00	23.95	2,932,925.00
March	20,000	27.15	27.10	542,195.00
April	70,000	23.85	23.85	1,669,500.00
May	209,700	24.45	22.95	4,967,615.00
Total	416,700			10,112,235.00

Note (1): The aggregate consideration excludes transaction fee.

Details of the A Shares repurchased by the Company on the SSE during the period of the six months ended 30 June 2025 are as follows:

Month of repurchase	Number of Shares repurchased	Highest price paid per Share *(RMB)*	Lowest price paid per Share *(RMB)*	Aggregate Consideration[(1)] *(RMB)*
January	169,771	69.20	56.78	9,960,277.29
March	164,190	61.20	59.93	9,957,438.25
April	659,256	55.00	49.25	35,443,839.21
May	346,458	52.30	50.73	17,967,749.30
Total	1,339,675			73,329,304.05

Note (1): The aggregate consideration excludes transaction fee.

Save as disclosed in this report, neither the Company nor its subsidiaries have purchased, sold or redeemed any of the Company's listed securities nor disposed of any of the Company's treasury shares in the market during the Reporting Period. As at the end of the Reporting Period, the Company did not hold any H Shares as treasury shares under the Hong Kong Listing Rules.

612,600 H Shares repurchased during the period from 5 December 2024 to 12 May 2025 were canceled on 28 July 2025.

On 16 August 2024, the Board approved the second plan on repurchase A Shares through centralized bidding trading (the "**Repurchase Plan**"). On 15 August 2025, the Company completed the A Share repurchase. Pursuant to the Repurchase Plan, the Company repurchased 1,832,421 A Shares in aggregate through centralized bidding trading, with the highest trading price at RMB63.58 per A Share, the lowest trading price at RMB49.25 per A Share and the average trading price at RMB56.70 per A Share. The total amount of funds used is RMB103,905,394.55 (excluding transaction fees).

Interim Dividend

The Board approved the payment of an interim dividend of RMB0.40 (inclusive of tax) per share for the six months ended 30 June 2025. As at the date of this announcement, the total number of issued shares of the Company is 232,581,095, and will distribute an interim dividend of RMB91,493,200.00 (inclusive of tax) in total after deducting the 3,848,095 A shares held by the Company as treasury shares. Prior to the record date, if there is any change in the total share capital of the Company, the Company will maintain the dividend per share unchanged and adjust the total amount of interim dividend accordingly.

Details of the interim dividend and the specific arrangements for its distribution and the relevant timing for the closure of the register of members for the H Shares will be separately announced by the Company on the date of this announcement.

Corporate Governance Code

The Company has complied with all applicable code provisions in Part 2 under the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Hong Kong Listing Rules throughout the Reporting Period. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the code provisions as set out in the CG Code.

Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 of the Hong Kong Listing Rules as the code of conduct regarding securities transactions by the Directors and Supervisors. Following specific enquiries by the Company, all of Directors and Supervisors confirmed that they had complied with the required standard set out in the Model Code during the Reporting Period.

Audit Committee

The Company has established an audit committee (the "**Audit Committee**") with written terms of reference. As at the date of this announcement, the Audit Committee comprises five directors, namely Mr. Shen Hongbo (Chairman), Ms. You Jie, Mr. Jiang Zhihong, Mr. Su Zhi and Mr. Yang Yushe. The primary duties of the Audit Committee are to review the financial information of the Company and the disclosure thereof, supervise and evaluate internal and external audits and internal control, and exercise the powers and functions of the supervisory committee as stipulated in the Company Law of the PRC.

During the Reporting Period, the Audit Committee held four meetings in total to review (1) the Group's audited consolidated financial statements for the year ended 31 December 2024, (2) the unaudited consolidated financial statements for the three months ended 31 March 2025, (3) the onshore and offshore audit firms' expenses in 2024, and re-appointment of onshore and offshore audit firms in 2025, (4) the 2024 work summary and 2025 work plan of the audit department of the Company, (5) Internal Control Evaluation Report for 2024, and (6) amendments to Working Rules of the Audit Committee, etc. The Audit Committee held a meeting on 22 August 2025 to review the unaudited consolidated financial statements, interim results and the interim report of the Group for the six months ended 30 June 2025 and agreed with the accounting treatments adopted by the Company.

Publication of Interim Results and Interim Report

This announcement will be published on the HKExnews website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.3healthcare.com).

The 2025 interim report of the Company that contains full information specified in the Hong Kong Listing Rules will be dispatched to the shareholders of the Company as per the Company's corporate communications arrangement and will be published on the HKExnews website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.3healthcare.com) in due course.

By order of the Board
Shanghai Haohai Biological Technology Co., Ltd.*
Hou Yongtai
Chairman

Shanghai, the PRC, 22 August 2025

As at the date of this announcement, the executive directors of the Company are Dr. Hou Yongtai, Mr. Wu Jianying, Ms. Chen Yiyi and Mr. Tang Minjie; the non-executive directors of the Company are Ms. You Jie, Mr. Huang Ming and Mr. Wei Changzheng; and the independent non-executive directors of the Company are Mr. Shen Hongbo, Mr. Jiang Zhihong, Mr. Su Zhi and Mr. Yang Yushe.

* *For identification purpose only*