四环医药
SihuanPharm

Sihuan Pharmaceutical Holdings Group Ltd.

四環醫藥控股集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 0460)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the "**Board**") of directors (the "**Directors**") of Sihuan Pharmaceutical Holdings Group Ltd. ("**Sihuan Pharmaceutical**" or the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2025 (the "**Period**") together with the comparative figures for the six months ended 30 June 2024. The interim condensed consolidated financial information has been reviewed by the external auditor of the Company, Ernst & Young, in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board, and by the audit committee of the Company (the "**Audit Committee**").

FINANCIAL SUMMARY OF THE GROUP

- Total revenue of the Group for the Period was approximately RMB1,146.2 million (for the six months ended 30 June 2024: RMB949.7 million), representing a year-on-year increase of approximately 20.7% (approximately RMB196.5 million).

- Among the changes in revenue, revenue from the medical aesthetics business was approximately RMB585.2 million (for the six months ended 30 June 2024: RMB322.8 million), representing a year-on-year increase of approximately 81.3% (approximately RMB262.4 million), primarily due to the Group's medical aesthetics platform Meiyan Space's expansion of its strategic cooperation with several medical aesthetics institutions during the Period, as well as the successful gradual implementation of the 3.0 version upgrade of its marketing strategy. Its products gained high recognition in the market, which drove a significant growth in sales revenue from its medical aesthetics business.

- Revenue from the generic medicine business was approximately RMB502.7 million (for the six months ended 30 June 2024: RMB597.3 million), representing a year-on-year decrease of approximately 15.8% (approximately RMB94.6 million).

- In addition, revenue from the innovative medicine and other medicine was approximately RMB58.2 million (for the six months ended 30 June 2024: RMB29.6 million), representing a year-on-year increase of approximately 96.6% (approximately RMB28.6 million), mainly due to the substantial increase in the sales of hypoglycaemic medicine.

- The Group's gross profit for the Period was approximately RMB757.3 million (for the six months ended 30 June 2024: RMB608.5 million), representing a year-on-year increase of approximately 24.5% (approximately RMB148.8 million). The Group's overall gross profit margin was 66.1%, representing a year-on-year increase of 2.0% as compared to 64.1% for the corresponding period last year, primarily due to the increase in overall gross profit from the higher margins and the increased proportion of the medical aesthetics business.

- During the Period, the Group's overall research and development ("**R&D**") expenses approximated RMB152.8 million (for the six months ended 30 June 2024: RMB195.6 million), representing a year-on-year decrease of 21.9% (approximately RMB42.8 million), mainly due to the Company's core R&D results achieving substantial commercial application and entering the harvesting period. As most of the R&D pipelines of Xuanzhu Biopharmaceutical Co., Ltd. ("**Xuanzhu Biopharm**") and Huisheng Biopharmaceutical Co., Ltd. ("**Huisheng Biopharm**") have been approved, R&D costs continue to decrease.

- The Group's operating profit for the Period was approximately RMB264.4 million (for the six months ended 30 June 2024: RMB109.1 million), representing a year-on-year increase of 142.3% (approximately RMB155.3 million), mainly due to the significant increase in revenue from the medical aesthetics business during the Period.

- Given the above, profit for the Period of the Group amounted to approximately RMB66.2 million (for the six months ended 30 June 2024: loss of RMB68.0 million). The Group successfully achieved a turnaround from loss to profit.

- Profit attributable to owners of the Company for the Period amounted to approximately RMB102.6 million (for the six months ended 30 June 2024: loss of RMB33.4 million). The Group achieved a turnaround from loss to profit, which was mainly attributable to the increase in revenue from the Group's medical aesthetics business during the Period.

- The basic earnings per share for the Period was RMB1.11 cents.

- Since we have successfully completed the phased strategic goal of turnaround from loss to profit, the Board has resolved to declare an interim cash dividend of RMB0.99 cents per share (equivalent to HK1.09 cents per share) for the Period in appreciation of shareholders' and investors' support.

- As at 30 June 2025, the total of the Group's cash and cash equivalents, wealth management products, pledged deposits and time deposits amounted to approximately RMB3,894.3 million in aggregate.

In the first half of 2025, China's pharmaceutical industry continued to deepen its transformation and upgrade progress, driven by both policy enhancement and market structural adjustments. The normalisation of national medical insurance negotiations and the ongoing expansion of the volume-based procurement coverage, particularly the optimisation of centralized procurement rules towards "quality-price balance", have been propelling the industry towards innovation-driven and high-quality supply directions. With the in-depth implementation of the "Healthy China 2030" strategy, the efficiency of innovative drug approvals has significantly improved, while medical insurance payments have increasingly emphasised a clinical value-oriented approach, creating vast development opportunities for pharmaceutical companies with independent R&D capabilities. As the industry has experienced distinct differentiation in the field of innovative drugs, particularly in biopharmaceuticals, oncology, and chronic disease treatments, domestic innovative drugs entered a phase of intensive commercialisation. Local companies strived to accelerate their internationalisation through licensing out. Meanwhile, the pricing system in the generic drug field has stabilised after several rounds of centralised procurements, where companies with excellent cost control and scale effects began to show positive signs of bottoming out.

In tandem with the transformation of the pharmaceutical segment, according to authoritative industry reports, the overall medical aesthetics industry in China is expected to maintain a compound annual growth rate (CAGR) of approximately 10% in 2025. This robust growth was derived from multiple factors: the increase in disposable income per capita amid consumption upgrades and the deepening of the "aesthetic economy" jointly drove the release of demand that non-invasive medical aesthetics consumption rapidly penetrated into second- and third-tier cities; the regulatory authorities' ongoing crackdown on grey market and illegal products has significantly accelerated the replacement process of compliant products in the grey market; new technologies represented by collagen and regenerative materials, along with innovations in high-end injection devices, have effectively driven an increase in both average transaction value and customer repurchase rates.

In this landscape of profound industry transformation, companies successfully achieving strategic transitions are entering a critical window of opportunity. Leading enterprises focusing on medical aesthetics, innovative drugs, and biopharmaceuticals are seeing their forward-looking strategies and sustained investments begin to yield results. In the fields of innovative drugs and biopharmaceuticals, progress of high-value R&D pipelines are accelerated, with new products rapidly advancing to market launch and commercialization stages. In the medical aesthetics sector, companies that have built comprehensive and compliant product portfolios, mastered core biomaterial technologies, and established wide channel coverage are leveraging a "self-developed + global sourcing" model to continuously deliver products that meet evolving market demands, securing a competitive edge.

In summary, the first half of 2025 marked a pivotal stage for China's pharmaceutical and healthcare industry, driven by innovation, quality enhancement, and structural optimization. Policy guidance, market demand, and technological advancements are collectively shaping a new competitive landscape. Against this backdrop, Sihuan Pharmaceutical, a leading medical aesthetics and biopharmaceutical company driven by innovative R&D, has established significant competitive advantages in both fields through its forward-looking strategic focus, sustained high-intensity R&D investment, and robust commercialization system, laying a solid foundation for seizing future growth opportunities.

RESULTS UPDATE FOR THE PERIOD

During the Period, Sihuan Pharmaceutical continued to strengthen its growth moat by leveraging its unique diversified business portfolio. The medical aesthetics solutions, as a "high-growth engine" in the consumer healthcare sector, delivered robust performance growth through a product matrix including botulinum toxin Letybo®, self-developed PCL filler Qingyan, PLLA filler Sifuyan and Huiyanzhen. The innovative drugs and biopharmaceuticals business focused on iterative upgrades and efficient transformation, capitalizing on blockbuster iterative pipelines in oncology, digestion, non-alcoholic steatohepatitis ("**NASH**"), and GLP-1 single/dual-target agonists to target billions dollars of the blue ocean market. This segment has successfully transitioned from the R&D stage to the commercialization harvest period, accelerating value realization. Meanwhile, the generic drugs business continued to provide stable cash flow support. The synergy of these three segments has formed a strategic closed loop of "medical aesthetics driving high growth, innovative drugs entering the harvest period, and generic drugs stabilizing the foundation", establishing a solid base for the Company's sustainable growth across market cycles.

In the first half of 2025, Sihuan Pharmaceutical demonstrated comprehensive strategic momentum across its value chain, including:

1. **Outstanding full-chain R&D and registration platform, with multiple blockbuster medical aesthetics and innovative drug products approved for launch.** Being supported by a full-chain proprietary R&D system covering drug discovery to clinical development, and a professional registration team well-versed in domestic and international regulations, Sihuan Pharmaceutical has efficiently advanced a diversified pipeline, including blockbuster medical aesthetics products, Class 1 innovative drugs, biopharmaceuticals, and high-end complex formulations, in core areas such as medical aesthetics, oncology, digestion, metabolism, diabetes and complications. This has accelerated the transformation of cutting-edge research into high-quality marketed products, driving the successful approval of multiple blockbuster products and laying a solid foundation for business growth.

    - In the medical aesthetics therapeutic area, R&D achievements were substantial. During the Period, the self-developed PCL filler and PLLA filler products were approved for launch. Additionally, several products, such as hyaluronic acid injections and collagen-based products, progressed to various clinical stages.

Semaglutide Injection for weight loss completed Phase III clinical trial enrollment during the Period and is now in the follow-up stage.

- In the oncology therapeutic area, the R&D pipeline advanced efficiently, earning international recognition. Bireociclib Tablets, a self-developed Class 1 innovative drug, the new drug application ("**NDA**") has received approval for two indications: monotherapy and in combination with Fulvestrant. The Bireociclib Tablets combined with AI indication has submitted NDA and been accepted. Clinical research results for Bireociclib Tablets as a monotherapy for posterior line treatment or in combination with Fulvestrant for second-line treatment of HR+/HER2- advanced breast cancer were published in the international journals Cancer Communications and Nature Communications respectively. The final analysis data from the Phase III clinical trial of Bireociclib combined with Fulvestrant was presented as a poster at the 2025 American Association for Cancer Research ("**AACR**") conference.

- In the digestion therapeutic area, the focus was on indication expansion. The first subject enrollment for the Phase III clinical trial of Anaprazole Sodium for reflux esophagitis was completed during the Period, and it is the second indication expansion for Anaprazole Sodium Enteric-coated Tablets.

- In the diabetes and complications therapeutic area, the R&D pipeline achieved many positive progress. The NDA of GLP-1R biosimilar Semaglutide Injection for type 2 diabetes has been accepted. The self-developed innovative drug P052 Injection, a GLP-1R/GCGR dual-target long-acting polypeptide agonist, has submitted an Investigational New Drug ("**IND**") application and been accepted. The developed SGLT-2 inhibitor generic drug Dapagliflozin Tablets, received ANDA approvals.

2. **Significant product matrix advantages, with approved products accelerating commercial value realization.** Leveraging a diversified and synergistic product matrix spanning the high-growth sectors of medical aesthetics, innovative drugs, and biopharmaceuticals, Sihuan Pharmaceutical's core product portfolio boasts distinct competitive advantages and strong market potential. The Group is efficiently driving multiple approved key products to rapidly unlock their commercial value, enhancing product competitiveness and market penetration through precise market positioning and robust R&D empowerment, providing the core impetus for securing market share and achieving sustainable growth in a fiercely competitive landscape.

   - In the medical aesthetics therapeutic area, the Company has established a comprehensive and differentiated product portfolio. During the Period, existing core products delivered strong performance, continuously driving sales growth, while the successful approval of blockbuster new products injected robust momentum into the second half of the year's business growth. Star products such as botulinum toxin Letybo®, hyaluronic acid Persnica, and Sylfirm dual-wave RF

microneedle saw continuously rising market recognition, with outstanding sales performance during the Period. Letybo®, as the fourth botulinum toxin product approved for market launch in China and the first imported from South Korea, maintained a market-leading growth rate. The Sylfirm dual-wave RF microneedle, with its dual-wave technology and low-pain advantages, achieved rapid sales growth and enthusiastic market response. Additionally, regenerative products such as PLLA filler (Huiyanzhen, Sifuyan), and PCL filler Qingyan were successfully approved for launch during the Period. These high-potential blockbuster new products will effectively complement the existing product pipeline and are expected to contribute incremental revenue starting in the second half of the year, becoming new growth engines.

- In the oncology therapeutic area, the Company's first blockbuster anti-tumor innovative drug was approved, marking a new era in oncology. Bireociclib Tablets (Xuanyuening) were successfully approved for two indications, and it is the first and only CDK4/6 inhibitor approved in China for monotherapy in posterior line treatment of HR+/HER2- advanced breast cancer. The drug's significant clinical efficacy, high potency, and low toxicity represent a dual breakthrough in efficacy and safety. This differentiated advantage has established Bireociclib's unique position in the competitive CDK4/6 inhibitor market, providing strong support for subsequent indication expansions and commercialization strategies, while bringing strong momentum to the Company's future performance growth.

- In the digestive therapeutic area, a new breakthrough was realized in the proton pump inhibitor (PPI) field. With unique differentiated advantages and enhanced safety, Anaprazole Sodium Enteric-coated Tablets (Anjiuwei) is the first and only PPI fully developed independently in China, as well as the only PPI innovative drug in the country (with no generics approved to date). Its unique metabolism and excretion characteristics effectively reduce the burden on the kidneys and significantly lower the risk of drug interactions. During the Period, the drug's new indication for the treatment of reflux esophagitis has entered Phase III clinical trials. The expansion of this new indication is expected to significantly broaden the market scale in the future and generate commercialization synergies, thereby driving performance growth in innovative drugs for the digestive sector.

- In the diabetes and complications therapeutic area, the Company has built a comprehensive and differentiated product matrix, covering "oral + injectable" and "innovative + first biosimilar" formats, providing holistic high-quality solutions. During the Period, the sales network has achieved significant expansion of the core products such as the SGLT-2 inhibitor Class 1 innovative drug Proline Ganagliflozin Tablets (Huiyoujing), and the two novel insulin products include the first biosimilars of Insulin Degludec and Insulin Aspart Injection (Huiyoujia) and Insulin Degludec Injection (Huiyouda). This laid a solid foundation for the continued sales growth of these products, thereby effectively promoting the high-quality development of the overall business.

3. **Driven by exceptional marketing capabilities, the medical aesthetics became high-growth engine, innovative drug entered commercialization stage and realize high valuation.** Leveraging a continuously optimized multidimensional marketing network and exceptional market expansion capabilities, Sihuan Pharmaceutical efficiently drives growth in its two core business segments. In the medical aesthetics sector, precise targeting of end-users and rapid market share expansion fuel the sustained acceleration of the high-growth engine. In the innovative drugs sector, professional academic promotion and efficient channel coverage for harvest-period products maximize their commercial value. Through precise market positioning and efficient resource synergy, the Company continuously deepens market penetration, strengthens competitive advantages, and provides the core driving force for the rapid growth of medical aesthetics and the efficient value realization of innovative drugs.

    - In the medical aesthetics therapeutic area, the Meiyan Space sales network achieved both quantitative and qualitative growth. Sales coverage expanded to over 6,800 medical aesthetics institutions, with deep strategic partnerships established with over 230 leading medical aesthetics groups and regional core institutions. The distributor team grew to 38 entities, covering 34 provinces nationwide, with international expansion progressing steadily. During the Period, sales growth momentum was robust, driven by an upgraded product matrix, a 100-member lecturer training system, and multidimensional end-user education, significantly enhancing product penetration rates. Concurrently, the company strengthened its medical barriers by leveraging academic conferences, over 200 physician training sessions, and two real-world studies to consolidate its authority in the academic field. Moving forward, the company will build on its rigorous pharmaceutical heritage, using blockbuster product synergies and breakthroughs in regenerative products as engines, and defining new industry standards for medical aesthetics through evidence-based medicine and full-cycle solutions.

    - In the oncology therapeutic area, Xuanzhu Biopharm efficiently advanced the commercialization of the newly approved oncology drug, successfully transforming R&D achievements into market value. During the Period, the innovative drug Bireociclib Tablets was approved for launch in May this year, achieved nationwide launch in July, and issued the first nationwide prescription in the same month. Since receiving market approval (approved in May 2025) to the realization of the first prescription (in July 2025), Bireociclib Tablets (Xuanyuening) achieved rapid commercialization in just two months. Primarily relying on a direct sales model, the company has established an experienced and highly efficient sales team. In the initial phase of commercialization, the product will comprehensively cover core mainland markets. In the future, distribution channels will be supplemented to expand coverage to lower-tier markets, enhancing market penetration and improving drug accessibility in second and third-tier cities. Xuanzhu Biopharm will implement a dual "market + medical" strategy, focusing on academic promotion

to enhance recognition and understanding of the company's drugs among doctors and hospitals, ultimately delivering clinical benefits to patients. The company is actively preparing for Bireociclib Tablets' inclusion in the National Reimbursement Drug List to improve its accessibility and affordability.

- In the digestive therapeutic area, Xuanzhu Biopharm rapidly advanced the commercialization of the PPI innovative drug Anaprazole Sodium during the Period. The product primarily relies on distribution channels, covering over 1,000 hospitals and more than 90 distributors nationwide by the first half of this year. The product was approved in 2023 for the treatment of duodenal ulcers, and was included in the National Reimbursement Drug List in the same year, significantly enhancing its accessibility. Additionally, during the Period, Anaprazole Sodium's new indication for reflux esophagitis entered Phase III clinical trials, expanding coverage to a broader patient population. This is expected to significantly enlarge the market scale and generate commercialization synergies.

- In the diabetes and complications therapeutic area, with nearly 20 products approved for market launch, Huisheng Biopharm is poised to enter a period of rapid revenue growth. Huisheng Biopharm will leverage a trinity marketing network of "direct sales + distribution + retail" to ensure that approved products rapidly gain market access to and reach a broader patient population, thereby accelerating the commercialization process.

  During the reporting period, Huisheng Biopharm conducted over 500 multi-level academic activities, significantly enhancing the brand's visibility and academic influence. The company also provided professional training at 30 flagship hospitals and through the "Huitang Steward" platform, offered full-cycle services such as medication follow-up and health education to over 60,000 patients. Additionally, over 100 internal and external training sessions were organized, empowering frontline teams to swiftly respond to policy and market changes. This marketing strategy, integrating broad coverage with deep penetration, drove explosive growth in the company's sales network during the reporting period: the core product Insulin Degludec and Insulin Aspart Injection (Huiyoujia) achieved new coverage in over 1,800 hospitals, with over 60% being Grade II or higher hospitals; the Insulin Aspart series, supported by volume-based procurement policies, secured access to over 1,000 hospitals, with sales volume increasing by 200% year-on-year; Insulin Degludec Injection (Huiyouda) is expected to cover approximately 500 target hospitals by year end; oral medications have covered over 10,000 medical institutions in Beijing, Shanghai, Guangdong, and other regions; and the retail chain network is undergoing orderly expansion.

  In terms of globalization, with 2025 marking the inaugural year of Huisheng Biopharm comprehensive internationalization strategy, the company has initially established a professional international business team covering five strategic emerging markets: Latin America, Southeast Asia, South Asia, the Middle East and North Africa, and the Commonwealth of Independent States and Eastern Europe.

This team will systematically advance in-depth market development and localized partnerships, including diverse collaborations based on the company's products and technologies, with the goal of achieving commercialization of core products in key regional markets in the future.

4. **Robust financial position: strategic layout, unlimited potential.** Sihuan Pharmaceutical has consistently maintained a robust financial position. Despite the decline in the generic drug business due to the impact of centralized procurement policies, the high growth of the medical aesthetics business and the positive development momentum of the innovative drug business, which has begun to achieve commercialization, provide strong support for overall results. Additionally, the Group's cash flow remains strong. As of 30 June 2025, the Group's cash and cash equivalents, plus wealth management products, pledged deposits and time deposits, totaled approximately RMB3,894.3 million. After deducting interest-bearing bank loans and other borrowings, the cash and cash equivalents, plus wealth management products, pledged deposits and time deposits, amounted to approximately RMB2,944.0 million. The Board declared an interim dividend of RMB0.99 cents per share in cash for the Period. Since its listing on the Hong Kong Stock Exchange (the "**Stock Exchange**") in 2010, the Group has distributed cumulative cash dividends totaling RMB7,524.9 million.

PROSPECTS AND FUTURE GROWTH STRATEGY

To drive sustainable growth in corporate value, in 2025, the Group will deepen its focus on high-growth, high-potential business sectors and optimize resource allocation strategies. We will prioritize investment in the accelerated expansion and pipeline development of the medical aesthetics business, while promoting the structural transformation and upgrade of the pharmaceutical business toward innovative drugs and biopharmaceuticals as the core, to strengthen our competitive advantages and deliver long-term high returns to shareholders.

I. Deepening the strategic priority of medical aesthetics: building a robust pipeline to drive sustained high growth

The Group will continue to reinforce the strategic position of medical aesthetics solutions as the core growth engine. In the coming years, the core strategy will focus on building and continuously enriching a competitive medical aesthetics product pipeline, ensuring that significant new products are approved for market launch as planned each year. Through the cumulative effect of newly launched products, the Company will provide robust and sustainable growth momentum for its performance. This includes:

- Accelerating pipeline development and new product launches: The Group will prioritize resource allocation to advance the R&D and market launch of a diversified range of new products. While optimizing existing products (e.g., upgrading formulations to enhance efficacy and safety), the focus will be on prioritizing and accelerating the launch of innovative product categories, addressing emerging demands such as anti-aging and fat reduction, and creating a tiered product launch matrix to ensure the continuity and explosiveness of future performance growth.

- Strengthening brand and technological leadership: The Group will invest in brand building to deepen the professional, safe, and innovative brand image, and strengthen collaborations with authoritative institutions and KOLs. The Group will deepen global technological partnerships to introduce and localize innovative technologies/products, reinforcing competitive barriers.

- Accelerating global expansion: The Group will closely monitor international medical aesthetics markets, leverage the established channels of the U.S.-based holding subsidiary Genesis Biosystems Inc. to explore product launches and expansion in high-potential overseas markets, gradually building global brand influence and market share.

II. Pharmaceutical business: accelerating structural transformation and seizing innovation harvest opportunities

The core of the pharmaceutical business lies in accelerating the structural transformation and upgrade toward a product portfolio dominated by innovative drugs and biopharmaceuticals. As the innovative drugs and biopharmaceuticals pipeline progressively enter the harvest period, the Group will efficiently advance the transformation of R&D achievements into commercial outcomes, leveraging this opportunity to further accelerate the iterative development of subsequent products. Specific plans include:

- Focusing on high-potential iterative pipelines and optimizing R&D efficiency: The Group will concentrate our resources on accelerating the development of major iterative products that represent future directions (e.g., GLP-1 dual-target agonists, novel weight loss drugs, and bispecific antibodies for solid tumors), significantly improving the success rate and market launch speed of key projects.

- Deepening collaborations to advance clinical and global expansion: The Group will strengthen partnerships with leading clinical institutions to accelerate high-quality clinical trials and participation in international multicenter studies. The Group will efficiently advance the overseas registration and market access of globally competitive products.

- Enhancing commercialization capabilities to unlock harvest-period value: For innovative drugs and biopharmaceuticals in or approaching the harvest period, the Group will deploy elite commercialization teams and formulate precise market strategies. The Group will deepen channel partnerships and optimize coverage networks. The Group will proactively address reimbursement policies to maximize the commercial value of products. We will leverage the successful experience and resources from harvest-period projects to accelerate the development and strategic layout of subsequent iterative pipelines.

Through focused investment and deepened emphasis on the medical aesthetics business, the Group will ensure its robust product pipeline continues to deliver and generate cumulative growth momentum. Simultaneously, the Group will accelerate the pharmaceutical business's transformation toward high-value innovative drugs and biopharmaceuticals, seizing the current harvest window to realize value and drive subsequent iterative acceleration. The three business segments, namely medical aesthetics as the high-growth engine, innovative drugs in harvest and iterative acceleration, and generic drugs as the stable foundation, work synergistically, dynamically optimizing resource allocation to collectively build a stronger strategic closed loop, laying the foundation for the Company's long-term sustainable high growth.

DETAILED SEGMENT DEVELOPMENT

(I) Progress of medical aesthetics product segment: core products maintain strong growth, while approvals in regenerative sector build future momentum

In the first half of 2025, the Group's medical aesthetics platform, Meiyan Space, continued to deepen its 3.0 marketing strategy, strengthening its leading position in the medical aesthetics industry through enhanced channel development, a robust product matrix, and academic empowerment. During the Period, the medical aesthetics segment recorded revenue of RMB585.2 million, representing a year-on-year increase of 81.3%. Segment results reached profit of RMB309.5 million, reflecting a year-on-year increase of 215.3%.

Innovative R&D and a comprehensive product matrix are the core engines of Meiyan Space's competitiveness. Currently, Meiyan Space has successfully established five R&D platforms, focusing on international innovative materials, regenerative materials, HA products, biomacromolecule products, and composite innovative materials. A professional and efficient medical aesthetics R&D team of over 80 members has rapidly advanced product development and registration, building a pipeline of more than 60 medical aesthetics products covering injectables, optoelectronic devices, weight loss medications, and skincare products in the non-invasive medical aesthetics category. During the Period, Meiyan Space achieved further breakthroughs in the regenerative sector, with two independently developed regenerative injectable products, injectable polycaprolactone microsphere facial filler (PCL filler) and poly-L-lactic acid facial filler (PLLA filler), successfully approved for market launch.

The poly-L-lactic acid facial filler (trade names: Sifuyan and Huiyanzhen), commonly referred to as "PLLA filler", uses L-polylactic acid (PLLA) microspheres as its core component. It features stable biodegradation properties and can stimulate autologous collagen regeneration, achieving "immediate filling + long-term regeneration". Upon injection, the product provides immediate filling effects; over time, the L-polylactic acid microspheres continuously stimulate positive effects at the injection site, resulting in long-term regeneration. The component is fully biodegradable and metabolized in the body into water and carbon dioxide. Meiyan Space's independently developed Sifuyan and Huiyanzhen utilize unique patented technology, resulting in L-polylactic acid microspheres with more uniform morphology, consistent particle size distribution, and higher quality stability, significantly enhancing product safety. Clinical studies comparing these to other marketed products of the same category demonstrated superior clinical efficacy data, with good safety profiles, and most patients maintained effective results one year post-injection.

The injectable polycaprolactone microsphere facial filler (trade name Qingyan), commonly referred to as "PCL filler", is a regenerative injectable material that has garnered significant attention in the medical aesthetics market due to its unique mechanism of action. When injected into the subcutaneous tissue, the polycaprolactone gel carrier provides immediate filling effects, rapidly improving facial depressions. After the gel carrier is degraded and absorbed, the polycaprolactone microspheres continue to stimulate positive effects at the injection site, achieving long-term filling outcomes. This product requires only a single injection per treatment course, with effects typically lasting over one year, and its superior clinical efficacy and safety have been thoroughly validated. The Group's independently developed Qingyan consists of a pre-filled syringe, a disposable sterile injection needle, and a gel particle suspension encapsulated in the syringe, designed with precision for convenient use. It is indicated for injection into the subcutaneous layer of the nasolabial fold to correct moderate to severe nasolabial wrinkles, effectively enhancing the overall youthful appearance of the face.

In the current non-invasive medical aesthetics market, regenerative products have become core offerings highly valued by the market and consumers, owing to their excellent biocompatibility, natural long-term effects from stimulating autologous collagen regeneration, and other significant advantages. The Group's approved products, including the "PCL filler" Qingyan, and the "PLLA filler" Sifuyan and Huiyanzhen, are representative products in the regenerative category, characterized by mature technology, clear efficacy, and widespread consumer recognition. Management believes that the launch of these two blockbuster products will effectively enrich Meiyan Space's product matrix, meet the strong market demand for high-quality regenerative medical aesthetics solutions, and is expected to serve as a significant new driver for the sustained growth of Meiyan Space's future sales revenue.

On the sales front, Meiyan Space focused on building a growth barrier through the in-depth expansion of its omnichannel network. During the Period, Meiyan Space deepened its cooperation with leading group hospitals and regional flagship institutions for Letybo®, while actively expanding its distributor network in untapped regions, reaching 38 partner distributors and successfully establishing a terminal service network covering 34 provincial administrative regions across China. Additionally, in terms of partnership networks, Letybo® added 44 key cooperative groups, surpassing 160 strategic partner medical groups and achieving deep penetration in over 1,000 core high-end medical aesthetics institutions, establishing strong brand presence for Letybo® in key regions and flagship institutions.

Leveraging Meiyan Space's multi-product portfolio advantage, the company further empowered partner institutions by integrating subsequent product launch plans. Key partner institutions for Letybo® utilized various combination marketing approaches, offering more attractive commercial discounts to counter market competition. In response to industry changes, the company innovatively developed a win-win system for institutions, ensuring profitability for partners and consolidating strategic trust through scientific and rigorous end-user value management mechanisms. Deep strategic partnerships with leading groups have laid the foundation for the synergistic development of multiple product categories moving forward.

The year 2025 marks a year of significant breakthroughs for Meiyan Space. During the Period, Meiyan Space achieved a strategic milestone in the regenerative medicine field, launching a dual-product matrix of PCL and PLLA. The new products, with their innovative technology and superior quality, gained high recognition from medical aesthetics industry experts, practitioners, and partners, marking Meiyan Space's official entry into the billion-dollar regenerative materials market. Based on market projections estimating the polylactic acid filler market at nearly RMB1.5 billion, the company has developed a differentiated solution portfolio: PLLA filler Sifuyan will excel in the injectable filler sector, while Huiyanzhen will unlock value as a solution for skin treatment. Concurrently, Meiyan Space has rolled out customized product service solutions for institutions. For the sales of self-developed PCL filler Qingyan, to fully tap its market potential, Meiyan Space will collaborate strategically with leading groups, integrating the strengths of both parties to form a robust combination advantage.

To further support the sales and service of regenerative products, Meiyan Space actively strengthened its regenerative team development during the Period. As of the end of the Period, the company has established a direct sales team of approximately 50 members, with over 50% being elite professionals with prior experience in regenerative materials. The medical team has also expanded to over 20 members, further enhancing physician education efforts. As the professional team continues to grow, it will provide a solid foundation for business expansion and service quality improvement.

During the Period, Meiyan Space focused on upgrading its market strategy, effectively driving business growth through multidimensional initiatives. In terms of product strategy, the company continuously optimized its core product portfolio, successfully creating and promoting several market-influential product concepts, such as "Facial Sculpting Ladder", "Liquid Thermage", "Lively Hydration", and "Skin Quality Enhancer" centered around Letybo®, to enhance individual product penetration and market vitality. Simultaneously, the company actively integrated medical resources, standardized market language and solution designs for related products, and piloted innovative therapy protocols, continuously refining the product application matrix. In terms of professional empowerment, the company strengthened its market content platform, establishing a training system for partners (B-end) with standardized course materials and a resource pool of over 100 industry lecturers to provide robust support for market activities. During the Period, Meiyan Space achieved significant results in building its end-user education system, establishing brand professionalism and fostering expert consensus through a series of national academic conferences. Targeted conferences were extensively conducted in key regions, covering core cities and a broad practitioner base to drive market conversion. Additionally, online courses were systematically rolled out to reinforce market awareness multidimensionally. The company efficiently executed regional activities, adopting a "headquarters-led unified strategy with region-specific implementation" approach. During the Period, it successfully conducted themed campaigns such as the "Letybo Young Club Anti-Gravity New Look Season", Product "Profile Aesthetics", and "Ambassador Recruitment" across key and high-potential institutions, while formulating multiple customized market solutions, significantly enhancing the breadth and depth of institutional coverage.

Moreover, deep exploration of academic and medical value is a core strategy of Meiyan Space to build its differentiated competitive advantages. During the Period, the platform strengthened its medical influence through multidimensional initiatives: actively sponsoring and participating in multiple authoritative academic conferences, reaching thousands of professional doctors; organizing over 200 professional training sessions, precisely empowering nearly 2,000 physicians in the fields of injectables and dermatology; deepening collaborations with authoritative experts to jointly advance two post-market investigator-initiated trials, exploring new boundaries in clinical applications; and partnering with a national network of core experts to continuously develop and update over ten sets of professional training materials for core products like botulinum toxin and hyaluronic acid, solidifying the foundation for medical education. Looking ahead, Meiyan Space will continue to deepen its investment in key areas, including systematic development of real-world clinical research, forward-looking medical strategy formulation, establishment of a systematic physician education platform, and high-quality academic output. These initiatives aim to continuously strengthen and elevate Meiyan Space's professional authority and industry leadership in the regenerative medicine field, building a robust academic moat for the brand's long-term development and market competitiveness.

In addition, in terms of the development of its energy-based aesthetic device business, the dual-wave radiofrequency microneedle Sylfirm X, is the Group's first optoelectronic product approved in 2024. Positioned as an "expert in skin repair and anti-aging", it aims to establish a new global benchmark in optoelectronic anti-aging solutions. With its innovative dual-wave radiofrequency microneedle technology (combining continuous wave (CW) and pulsed wave (PW) for synergistic effects), it has achieved a breakthrough in delivering both "precise repair of the basement membrane" and "deep stimulation for collagen production", offering dual anti-aging benefits. The advantages of the product are significant, supported by rigorous clinical data that the treatment process is completely painless, with zero bleeding and no recovery time, allowing patients to apply makeup just 24 hours post-treatment, perfectly fitting into modern fast-paced lifestyles. It also effectively reduces skin wrinkles and treats atrophic acne scars, providing outstanding anti-aging and skin rejuvenation results for those seeking aesthetic improvement.

During the Period, Sylfirm X achieved a multi-dimensional breakthrough through an integrated promotional strategy involving academic empowerment, international collaboration, digital marketing, and an after-sales system. Building on an institutional ecosystem, a dual-track system was established, covering over 200 high-end medical aesthetic institutions and more than 1,000 certified doctors, along with the launch of a 180-day support program for new institutions to strengthen end-user engagement. Simultaneously, we strengthened our academic influence worldwide by gathering over 45 international authoritative experts with resources from the VIOL Co., Ltd. ("**VIOL**") headquarters in South Korea and Canada to conduct over 100 online and offline meetings, attracting more than 10,000 participants. The strategy also sparked a new media matrix, resulting in total exposure exceeding 6 billion times, which propels our brand influence, channel value upgrades, and re-establishment of our global leading position in technology field.

Sylfirm X achieved market coverage through a dual-track model of direct sales and distribution partnerships, reaching all 31 provinces and the Hong Kong and Macau regions, as well as nearly 100 prefecture-level cities. Among them, the direct sales team has deeply penetrated into 23 provinces and municipalities. Meanwhile, the energy-based aesthetic device division continued to expand its team, reaching nearly 100 members during the Period. The integration of 7 distributors and over 50 agents formed a collaborative channel, serving more than 200 partner medical aesthetic institutions and reaching over 100,000 end consumers. This successful strategy established a channel barrier that combines broad coverage with operational depth, continuously strengthening the value of the end network.

Looking to the future, in the short term, Meiyan Space will focus on three core drivers: deepening penetration of existing products, accelerating the synergistic volume growth of Letybo®, Persnica, and dual-wave RF microneedle Sylfirm X to unleash the potential of the product matrix; strengthening end-user team capabilities, expanding the professional team, and prioritizing support for regenerative product sales; and capturing the high ground in the regenerative sector, leveraging PCL filler and PLLA filler to create a second growth curve. In the long term, Meiyan Space will build on its parent company's scientific rigor and pharmaceutical heritage, establishing a real-world research and evidence-based medicine system through "clinical value anchors", driving clinical translation of new medical aesthetics materials and precision technologies via an "academic innovation engine", and integrating multi-product combination application solutions through a "full-cycle management barrier". The platform aims to become a "leader in reshaping global medical aesthetics quality benchmarks with pharmaceutical-grade rigor", creating quantifiable and sustainable medical aesthetics value for consumers.

(II) Progress of innovative drugs and other drugs segment: Xuanzhu Biopharm and Huisheng Biopharm entered a harvesting period and accelerated commercialization process of core products during the Period

1. Xuanzhu Biopharm: the core innovative drug CDK4/6 inhibitor approved for two indications has achieved the landing of R&D results, entering a harvesting period of commercialization

Xuanzhu Biopharm, a subsidiary of Sihuan Group, is a China-based biopharmaceutical company with a broad perspective and driven by innovation. Since its establishment in 2008, the company has built a comprehensive internal R&D platform that strongly supports the development of a competitive and balanced product pipeline. With its exceptional drug development speed and execution capability, Xuanzhu Biopharm has successfully advanced at least one candidate drug into clinical trials each year since it was founded. Currently, Xuanzhu Biopharm has over ten drugs under R&D, covering therapeutic areas such as digestive system disease, oncology, and NASH. As of the end of the reporting period, two core innovative drugs including Anaprazole Sodium Enteric-coated Tablets (the only PPI innovative drug in China) and Bireociclib Tablets (highly effective and low toxic, best in class) have obtained approval for launch successfully. This marks that Xuanzhu Biopharm has officially entered a harvesting period from R&D stage as these core drugs have obtained approval for launch.

During the Period, the innovative drug Bireociclib Tablets developed by Xuanzhu Biopharm successfully obtained approval from the National Medical Products Administration ("**NMPA**") with two indications: (1) as a monotherapy for adult patients with HR/HER2-advanced or metastatic breast cancer who have progressed after receiving two or more lines of endocrine therapies and one chemotherapy in the metastatic stage; (2) in combination with Fulvestrant for the treatment of adult patients with HR+/HER2- advanced or metastatic breast cancer who have progressed after prior endocrine therapy. Bireociclib Tablets is the only CDK4/6 inhibitor approved in China for monotherapy use in posterior line treatment of HR+/HER2- advanced breast cancer, filling a therapeutic gap in this field domestically.

The clinical studies for these two indications were led by Academician Xu Binghe from the Cancer Hospital of the Chinese Academy of Medical Sciences. It was confirmed in the research that Bireociclib Tablets, whether used as a monotherapy or in combination with endocrine therapy (ET), demonstrates excellent efficacy and safety, particularly good for difficult-to-treat patients with primary endocrine resistance and liver metastasis. Additionally, Bireociclib has shown a favourable safety profile. Adverse events with a higher incidence rate in current CDK4/6i such as hematological toxicity and gastrointestinal reactions have been reduced in Bireociclib treatment. The clinical trial data for Bireociclib holds significant clinical value. The research indicates that the median progression-free survival (mPFS) for patients receiving second-line treatment in combination with Fulvestrant reached 14.7 months (as assessed by researchers), while the mPFS evaluated by a blinded independent review committee (BIRC) extended to 17.5 months. Notably, Bireociclib has also achieved a breakthrough in monotherapy for posterior line treatment, with an mPFS of 11 months, setting a new global record for similar therapies and providing a superior option for posterior line treatment of advanced breast cancer worldwide.

The clinical study results of Bireociclib Tablets have reinforced its leading position in the field of breast cancer treatment. During the reporting period, the clinical study results of its pivotal Phase II monotherapy in posterior line treatment were published in an international journal Cancer Communications (2023 impact factor 20.1); the interim analysis results of the Phase III clinical trial for second-line treatment in combination with Fulvestrant were published in an international journal Nature Communications (2023 impact factor 14.7); the final analysis data from the Phase III clinical trial was presented in poster format at the 2025 AACR Annual Meeting, which sparked discussion among the academia worldwide. Bireociclib, with its innovative multi-target mechanism of action (CDK2/4/6/9), not only precisely blocks the sustained proliferation in tumor cells but also significantly reduces the incidence of hematological toxicity, achieving a dual breakthrough in efficacy and safety. Such differentiated advantage establishes Bireociclib's unique position in the global CDK4/6 inhibitor market and provides strong clinical support for the company's future expansion of indications and commercialization strategies.

Furthermore, during the Period, NDA of Bireociclib Tablets' new indication in combination with aromatase inhibitor (AI) for first-line treatment of HR+/HER2- advanced breast cancer was accepted by NMPA. The specific indication is for use in combination with AI as the initial endocrine therapy for patients with HR+/HER2- advanced breast cancer. In the future, Bireociclib Tablets will cover all patients for first-line, second-line, and posterior line treatments of HR+/HER2- advanced breast cancer.

Breast cancer is the most common malignant tumor among women worldwide, with approximately 370,000 new cases reported in China in 2024, of which around 75% are HR+/HER2- breast cancer. According to data from China Insights Consultancy, the market for CDK4/6 inhibitors in China has grown from RMB0.1 billion in 2018 to RMB3 billion in 2024, reflecting a CAGR of 78.8%. It is projected to reach RMB13 billion by 2032, with a CAGR of 20.2% from 2024 to 2032. The domestic CDK4/6 market is expanding rapidly, with the potential to exceed RMB10 billion, which indicates significant market potential for Bireociclib Tablets in the future.

During the Period, Xuanzhu Biopharm accelerated the commercialization of Bireociclib Tablets. In July, Bireociclib Tablets has been successfully launched across China with the first batch of prescriptions issued. It only took two months from approval for launch (May 2025) to the implementation of the first batch of prescriptions (July 2025), indicating the rapid speed of commercialization and benefiting Chinese patients quickly. The sales model for Bireociclib Tablets is a direct sales model, with an experienced and highly efficient direct sales team already established.

In addition, the first patient enrollment in Phase III clinical trial for new indication of innovative drug Anaprazole Sodium in reflux esophagitis has been completed during the Period, which marks the second indication being expanded for Anaprazole Sodium Enteric Coated Tablets. Anaprazole Sodium Enteric Coated Tablets, a new generation PPI drug independently developed by Xuanzhu Biopharm with global intellectual property rights, is the first and only PPI wholly developed in China. It is also the only innovative PPI in China, with no generic versions approved to date. The drug offers differentiated advantages such as multi-enzyme and non-enzyme metabolism, as well as dual-channel excretion (intestinal and renal), which alleviates renal burden and reduces the risk of drug interactions along with minimal impact from genetic polymorphism. According to the "Standardized Treatment of Gastroesophageal Reflux Disease in the Elderly" published in June 2025, elderly patients and those with renal insufficiency may benefit more from Anaprazole Sodium treatment for reflux esophagitis. According to data from China Insights Consultancy, the number of patients with peptic ulcer in China (approximately 75% of which are duodenal ulcer) is expected to increase from approximately 74.3 million in 2024 to 81.2 million by 2032. Patients with reflux esophagitis in China are expected to increase from approximately 38.3 million to 42.4 million by 2032. Anaprazole Sodium Enteric Coated Tablets for the treatment of duodenal ulcer has obtained approval from NMPA in June 2023 and has been included in the National Reimbursement Drug List the same year. Commercial sales have commenced, primarily through distribution. During the Period, Xuanzhu Biopharm accelerated the commercialization of Anaprazole Sodium, covering over 1,000 hospitals and more than 90 distributors in China as of the end of the reporting Period. This expansion of new indications is expected to significantly broaden the market with synergy from commercialization. Currently, the oral PPI market in China exceeds RMB10 billion. Based on the large target patient population and its excellent clinical performance, Anaprazole Sodium is anticipated to have substantial clinical and commercial value in the future.

In addition to the progress of the key products mentioned above, as of the date of this announcement, Xuanzhu Biopharm has over 10 drug candidates in its pipeline, covering the fields of digestive system disease, oncology, and NASH. This includes 2 assets with NDA approvals, 2 drug projects in the NDA registration stage, 4 drug projects in Phase I clinical trials, and 5 projects that have obtained IND approvals.

PRODUCT PIPELINES UNDER R&D – FOCUSING ON DIGESTIVE SYSTEM DISEASE, ONCOLOGY, AND NASH

Leading commercialized products and early-stage product development created synergistic value, balancing both short and long-term risks and return

Therapeutic area	Candidates	Target	Drug categories	Internal/ External	Clinical indications	Partners	Current Stage
Digestion	**KBP-3571 Anaprazole Sodium** ★	PPI	Innovative small molecule drug	Self-developed	**Duodenal ulcer**		Phase III
					Adult reflux esophagitis		Phase II
Oncology	**XZP-3287 Bireociclib** ★	CDK4/6	Innovative small molecule drug	Self-developed	**HR+/HER2- advanced breast cancer (+Fulvestrant)**		Phase III
					HR+/HER2- advanced breast cancer (+AI)		Phase III
					HR+/HER2- locally advanced or metastatic breast cancer		Phase III
					Adjuvant therapy for HR+/HER2- early breast cancer (+endocrine)		Phase I
	XZP-3621 ★	ALK	Innovative small molecule drug	Self-developed	**1st-line treatment for ALK+ advanced NSCLC**		Phase III
					Post-operative adjuvant therapy for patients with ALK+ NSCLC		Phase II
	KM602 ▲	CD80 fusion protein	Innovative biological drug	Acquisition	Solid tumors (Melanoma, NSCLC, etc)	Beijing Xianyi	Phase II (China); Phase I (US)
	KM501 ▲	HER2/HER2-ADC	Innovative biological drug	Self-developed	HER2+ and HER2- low expression solid tumors (breast cancer, gastric cancer, etc.)		Phase II
	XZP-7797 ▲	PARP1 Inhibitors	Innovative small molecule drug	Self-developed	Solid tumors (breast cancer, ovarian cancer, prostate cancer, pancreatic cancer, etc.)		Phase I
	XZP-6924 ▲	USP1 Inhibitors	Innovative small molecule drug	Self-developed	Solid tumors (breast cancer, ovarian cancer, prostate cancer, pancreatic cancer, etc.)		Phase I
	XZB-0004	AXL	Innovative small molecule drug	License-in	Solid tumor	SIGNALCHEM	Phase II
					Myelodysplastic syndromes/Acute myelogenous leukemia		Phase I
	XZP-6877	DNA-PK	Innovative small molecule drug	Self-developed	Solid tumors		Phase I
	NG-350A	CD40	Innovative biological drug	License-in	Solid tumors (pancreatic cancer, colorectal cancer, etc.)	AKAMIS BIO	Pre-clinical
NASH	XZP-5610	FXR	Innovative small molecule drug	Self-developed	Non-alcoholic steatohepatitis		Phase II
	XZP-6019	KHK	Innovative small molecule drug	Self-developed	Non-alcoholic steatohepatitis		Phase I
Products We Licensed or Transferred Out							
Others	KM118	HER2	Biosimilar	Transfer	In combination with trastuzumab and chemotherapy for HER2+ metastatic breast cancer (MBC)	双鹭药业 SE PHARM	Phase II
	XZP-5695 Ganagliflozin Tablets	SGLT-2 Inhibitors	Innovative small molecule drug	Transfer	Type II diabetes	恒瑞生物	Phase III
	KBP-5081 Benapenem	Carbapenem antibiotics	Innovative small molecule drug	License-out	Complicated urinary tract infections (UTI)	鹏亚药业	Phase II
	XZP-5849	PDE-5	Innovative small molecule drug	License-out	Erectile dysfunction	丽珠医药 LIVZON	Phase II
					Pulmonary arterial hypertension (PAH)		Phase I

Note 1: Statistical date: As of 30 July 2025; Note 2: ★ Core products; Note 3: ▲ Key products;
Note 4: Exemption clinical trials; Note 5: R&D in the PRC Note 6: R&D in the US

2. Huisheng Biopharm: nearly 20 products have been launched, laying a solid foundation, accelerating commercialization, and promising explosive growth, entering a new stage of the entire value chain of R&D, production, and sales

Huisheng Biopharm, a biopharmaceutical company under Sihuan Pharmaceutical focused on diabetes and complications, has established a comprehensive product pipeline that covers the entire disease course and multiple mechanisms. The company's product pipeline encompasses new-mechanism oral hypoglycemic drugs such as SGLT-2 inhibitors and DPP-4 inhibitors, a full range of insulins, GLP-1 analogues, and various mechanism-based drugs for complications, dedicated to providing closed-loop therapeutic solutions for diabetes patients. Since the second half of 2023, the company has entered a critical period of product approvals. As of the reporting period, Huisheng Biopharm has successfully obtained approvals for 17 products, including Class 1 innovative drug Proline Ganagliflozin tablets as well as China's first biosimilars of Degludec Insulin Aspart Injection and Degludec Insulin Injection, encompassing 24 specifications and 26 drug approval numbers. These milestone achievements signify that Huisheng Biopharm has successfully transitioned beyond the R&D biotech phase and officially entered a new era as a comprehensive biopharmaceutical company with the capability to operate across the entire value chain of R&D, production and sales.

RICH PRODUCT PIPELINE, REALIZING FULL COVERAGE IN DIABETES AND COMPLICATIONS

Therapeutic area	Category	Drug name	Pre-clinical	IND	Phase I	Phase II	Phase III	NDA/ANDA	Approval
Diabetes	GLP-1 RA	**Semaglutide Injection (diabetes)**							
		Semaglutide Injection (obesity or overweight)*							
		P052 Injection (GLP-1R/GCGR dual targets)							
	SGLT-2 Inhibitors	**Ganagliflozin Proline Tablets (Huiyoujing) (Single drug, + metformin tablets)**							
		Dapagliflozin Tablets							
		Empagliflozin Tablets							
	Insulin (New type)	**Insulin Degludec Injection (Huiyouda®)**							
		Insulin Degludec and Insulin Aspart Injection (Huiyoujia®)							
		Insulin Degludec and Liraglutide Injection							
		HSP002 (Insulin injection once a week)							
	Insulin (3rd generation)	**Insulin Aspart Injection (Huiyourui®)**							
		Insulin Aspart 30 Injection (Huiyourui® 30)							
		Insulin Aspart 50 Injection (Huiyourui® 50)							
	DPP-4 Inhibitors	Sitagliptin Phosphate Tablets, Sitagliptin Phosphate/Metformin Hydrochloride Tablets, Vildagliptin Tablets, Linagliptin Tablets							
	Glinide	Repaglinide Tablets							
Complications of diabetes	Preferred or commonly used in clinical, with unique mechanism	Mecobalamin Tablets, Mecobalamin Injection, Thioctic Acid Injection, Calcium Dobesilate Capsules, Epalrestat Tablets							

Note 1: Statistical date: As of 30 July 2025;

Note 2: Innovative drugs;

Note 3: First biosimilar;

Note 4: * The clinical R&D and commercialization rights in Greater China have been authorized to Meiyan Space

During the Period, Huisheng Biopharm achieved significant R&D breakthroughs in the highly promising GLP-1 field. The NDA of GLP-1 biosimilar Semaglutide Injection, for glycemic control has been accepted. Semaglutide Injection for weight loss indication has successfully completed Phase III clinical trial enrollment and is currently in the follow-up stage. The independently developed innovative dual-target (GLP-1R/GCGR) drug, P052 Injection, has had its IND application formally accepted by the NMPA. Encouraging preclinical data indicate that it matches Semaglutide in glycemic control efficacy with greater potential for weight loss effects.

Concurrently, Huisheng Biopharm successfully expanded its blockbuster product portfolio. During the Period, the company's developed Dapagliflozin Tablets received NMPA approval for market launch for the treatment of adult patients with type 2 diabetes, deemed to have passed the consistency evaluation. This product is included in both the National Reimbursement Drug List and the National Essential Medicines List. Given Dapagliflozin's dominant position in the domestic SGLT-2 inhibitor market (with approximately RMB7 billion in domestic sales in 2024) and its sustained robust annual growth rate (20%–30%), the product's approval marks a strategic expansion of Huisheng Biopharm's product matrix in the core diabetes treatment field, significantly enhancing market competitiveness and commercial potential.

According to data from the International Diabetes Federation (IDF), China, as the world's largest diabetes market, had 148 million adult patients in 2024 (accounting for 25.1% of the global total), projected to grow to 168.3 million by 2050. Such a large and still-expanding patient population places higher demands on safe, effective, and affordable treatment solutions. Leveraging its continuously deepening and highly forward-looking product portfolio in the diabetes field, Huisheng Biopharm has established a solid foundation to capitalize on this vast and growing market opportunity.

In the domestic market, the company has established a comprehensive marketing network featuring a "direct sales + distribution + retail" sales model to ensure that approved products are accessible to market in a swift manner and reach a broader patient population, thereby accelerating the commercialization process.

During the reporting period, Huisheng Biopharm conducted over 500 multi-dimensional academic events, covering more than 100,000 doctors in core fields such as endocrinology and cardiology, which rapidly enhanced the brand influence and academic influence of Huisheng Biopharm. Meanwhile, professional training was carried out in 30 benchmark hospitals where over 550 key personnel in diabetes care have been trained. On the patient front, Huisheng Biopharm provided comprehensive services on the "Hui Care for Diabetes" platform including medication follow-up and health education to more than 60,000 patients. Furthermore, the company organized over 100 internal and external training sessions covering critical areas such as policy interpretation, procurement strategy optimization, clinical medication standards and product strategies, empowering frontline teams to respond swiftly to policy and market changes. The marketing strategy, which combines broad coverage with deep penetration, has led to explosive growth in the company's sales network during the reporting period. The core product, Insulin Degludec and Insulin Aspart Injection, has expanded its coverage to over 1,800 new hospitals, with more than 60% being Grade II or higher hospitals. The Insulin Aspart series has gained access to over 1,000 hospitals, achieving a year-on-year sales increase of 200% due to the volume-based procurement policy. The Insulin Degludec injection is expected to cover more than 500 target hospitals for the entire year. Oral medication products reached over 10,000 healthcare institutions in major cities such as Beijing, Shanghai and Guangdong, while the retail chain network has also been developed in an orderly fashion.

On the global front, 2025 marks the year of comprehensive launch for the company's internationalization strategy. The company has begun to establish a specialized international business team that covers five strategic emerging markets, i.e. Latin America, Southeast Asia, South Asia, the Middle East and North Africa, and CIS and Eastern Europe. This team will systematically promote diversified collaborations, including in-depth market expansion and local licensing based on the company's products and technologies, aiming to achieve commercialization of core products in key regional markets in the future. Currently, the company has made significant progress in multiple strategic emerging markets concerning its core Insulin products (including Insulin Degludec, Insulin Degludec and Insulin Aspart, and the Insulin Aspart series etc). Firstly, in Brazil (a key PIC/S member country), a key market in Latin America: the partnership agreement for Insulin Degludec has been signed, while progress has been made in registration and GMP certification. The Agência Nacional de Vigilância Sanitária (ANVISA) official factory inspection work has been completed, which will lay a solid foundation for the rapid entry and commercialization of the company's Insulin products in other emerging markets. Secondly, in South Asia, particularly in India: the Insulin Degludec and Insulin Aspart Injection has obtained approval for clinical research, with the first batch of participants expected to be enrolled within the year. Meanwhile, the company has signed cooperation agreements for four other core Insulin products in India, with local clinical and registration initiatives set to commence throughout the year. In addition, in the regulatory markets of Europe and the US: the company has supplied Insulin Aspart raw materials to its partner in the UK for drug development.

The aforementioned systematic channel expansion and professional capability building have established a solid strategic foundation for the sustained volume growth of products and the stabilization and recovery of the company's "cash cow" business, strongly supporting the high-quality development of the overall business.

(III) Progress of generic drugs segment: nearly 10 high-end generic drug products approved during the Period, continuing to provide stable cash flow for the Company

The generic drugs business, as the Group's "cash cow", consistently contributes long-term stable cash flow, strongly supporting the Group's innovative strategic transformation toward "medical aesthetics + innovative drugs". Despite recent impacts from national centralized procurement price reductions and key monitoring catalogs, which have led to a certain degree of phased adjustments in the segment's revenue and profitability, the business has neared a stabilization point. This is driven by the successful approval and gradual revenue contribution of multiple new products each year, combined with stabilized sales volumes of existing core products. Moving forward, by leveraging the commercialization of a continuous pipeline of new products and the optimization of existing operations, this segment is expected to achieve a shift in momentum, laying a solid foundation for a moderate recovery in the medium to long term.

During the Period, the generic drugs segment achieved revenue of approximately RMB502.7 million, representing a year-on-year decrease of 15.8%. The segment results achieved profit of approximately RMB168.4 million, representing a year-on-year increase of 1.2%.

During the Period, the Group continued to advance the optimization and iteration of its generic drug product pipeline, further refining the core product portfolio through accelerated market launches of new products, enriched product specifications, and strengthened quality barriers, injecting new momentum into the segment's stabilization, recovery, and high-quality development. During the Period, nine generic drugs made significant progress, including: five new products approved for market launch, namely Aspirin Enteric-coated Tablets, Zoledronic Acid Injection, Duloxetine Hydrochloride Enteric-coated Capsules, Metaraminol Tartrate Injection, and Etomidate Medium/Long-Chain Fat Emulsion Injection; two products with new specifications approved, namely Citicoline Sodium Injection and Sacubitril Valsartan Sodium Tablets; and two products passing the consistency evaluation for quality and efficacy of generic drugs, namely Ornidazole Injection and Edaravone Injection.

Leveraging over two decades of building a comprehensive, professional, and efficient academic marketing platform, along with full coverage of first-tier and new first-tier cities, the Group expects to effectively drive the commercialization process of newly approved products. Based on this, combined with the stabilizing and improving scale of the generic drugs business, the Group holds positive expectations for the segment's revenue to stabilize, recover, and enter a sustainable growth trajectory in the future.

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

For the six months ended 30 June 2025

	Notes	**2025** ***RMB'000*** **(Unaudited)**	2024 *RMB'000* (Unaudited)
Revenue	*3*	**1,146,203**	949,697
Cost of sales		**(388,947)**	(341,181)
GROSS PROFIT		**757,256**	608,516
Other income	*3*	**100,390**	107,839
Other gains – net	*3*	**22,159**	60,436
Distribution expenses		**(231,419)**	(213,466)
Administrative expenses		**(211,909)**	(240,339)
Research and development expenses		**(152,846)**	(195,589)
Other expenses		**(19,251)**	(18,293)
OPERATING PROFIT		**264,380**	109,104
Finance expenses	*4*	**(104,970)**	(132,460)
Share of profits and losses of investments accounted for using the equity method		**(2,486)**	4,144
PROFIT/(LOSS) BEFORE TAX		**156,924**	(19,212)
Income tax expense	*5*	**(90,730)**	(48,746)
PROFIT/(LOSS) FOR THE PERIOD		**66,194**	(67,958)

	Notes	**2025** ***RMB'000*** **(Unaudited)**	2024 *RMB'000* (Unaudited)
Attributable to:			
Owners of the Company		**102,603**	(33,424)
Non-controlling interests		**(36,409)**	(34,534)
		66,194	(67,958)
PROFIT/(LOSS) FOR THE PERIOD		**66,194**	(67,958)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX		**–**	–
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**66,194**	(67,958)
Attributable to:			
Owners of the Company		**102,603**	(33,424)
Non-controlling interests		**(36,409)**	(34,534)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**66,194**	(67,958)
		RMB	*RMB*
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*6*		
Basic earnings/(loss) per share for profit/(loss) for the period		**1.11 cents**	(0.36 cents)
Diluted earnings/(loss) per share for profit/(loss) for the period		**1.11 cents**	(0.36 cents)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	**30 June 2025** ***RMB'000*** **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**1,957,627**	2,007,453
Right-of-use assets		**618,630**	627,357
Investment properties		**241,038**	255,132
Goodwill		**1,853**	1,853
Intangible assets		**899,047**	841,729
Investments accounted for using the equity method		**645,105**	647,591
Deferred tax assets		**30,757**	32,129
Financial assets at fair value through profit or loss	*7*	**198,374**	170,451
Other non-current assets		**107,910**	130,252
Time deposits		**103,525**	100,000
Pledged deposits		**7**	7
Total non-current assets		**4,803,873**	4,813,954
CURRENT ASSETS			
Inventories		**472,250**	417,000
Trade and other receivables	*8*	**1,555,172**	1,424,186
Financial assets at fair value through profit or loss	*7*	**341,706**	110,578
Cash and cash equivalents		**3,257,170**	3,522,383
Time deposits		**94,517**	144,000
Pledged deposits		**97,395**	99,416
Total current assets		**5,818,210**	5,717,563
CURRENT LIABILITIES			
Trade and other payables	*11*	**1,636,145**	1,687,878
Interest-bearing bank borrowings	*10*	**181,562**	137,037
Contract liabilities		**94,595**	101,337
Income tax payable		**68,572**	63,968
Lease liabilities		**6,997**	11,380
Other current liabilities		**1,339,584**	1,308,816
Total current liabilities		**3,327,455**	3,310,416
NET CURRENT ASSETS		**2,490,755**	2,407,147
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,294,628**	7,221,101

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**4,384**	5,261
Interest-bearing bank borrowings	*10*	**738,029**	704,747
Lease liabilities		**18,529**	12,505
Contract liabilities		**199,471**	202,651
Other non-current liabilities		**1,393,164**	1,346,633
Total non-current liabilities		**2,353,577**	2,271,797
Net assets		**4,941,051**	4,949,304
EQUITY			
Equity attributable to owners of the Company			
Share capital	*9*	**77,058**	77,058
Treasury shares	*9*	**(132,452)**	(54,109)
Share premium	*9*	**3,882,304**	3,882,304
Reserves		**(41,207)**	(31,419)
Retained earnings		**599,214**	498,424
		4,384,917	4,372,258
Non-controlling interests		**556,134**	577,046
Total equity		**4,941,051**	4,949,304

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company							
	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium *RMB'000*	Reserves *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
As at 31 December 2024 (audited)	**77,058**	**(54,109)**	**3,882,304**	**(31,419)**	**498,424**	**4,372,258**	**577,046**	**4,949,304**
Profit/(loss) for the period	**–**	**–**	**–**	**–**	**102,603**	**102,603**	**(36,409)**	**66,194**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**102,603**	**102,603**	**(36,409)**	**66,194**
Employee share incentive scheme:								
– Value of employee services	**–**	**–**	**–**	**2,487**	**–**	**2,487**	**–**	**2,487**
Special reserve for maintenance and production funds (i)	**–**	**–**	**–**	**1,813**	**(1,813)**	**–**	**–**	**–**
Repurchase of shares	**–**	**(78,343)**	**–**	**–**	**–**	**(78,343)**	**–**	**(78,343)**
Capital contribution by a non-controlling shareholder of a subsidiary	**–**	**–**	**–**	**(14,088)**	**–**	**(14,088)**	**15,497**	**1,409**
As at 30 June 2025 (unaudited)	**77,058**	**(132,452)**	**3,882,304**	**(41,207)**	**599,214**	**4,384,917**	**556,134**	**4,941,051**

	Attributable to owners of the Company							
	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium *RMB'000*	Reserves *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
As at 31 December 2023 (audited)	77,058	(33,811)	3,882,304	(439,765)	946,344	4,432,130	704,894	5,137,024
Loss for the period	–	–	–	–	(33,424)	(33,424)	(34,534)	(67,958)
Total comprehensive loss for the period	–	–	–	–	(33,424)	(33,424)	(34,534)	(67,958)
Employee share incentive scheme:								
– Value of employee services	–	–	–	36,309	–	36,309	–	36,309
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	(2,305)	(2,305)
Special reserve for maintenance and production funds (i)	–	–	–	410	(410)	–	–	–
Repurchase of shares	–	(13,890)	–	–	–	(13,890)	–	(13,890)
Capital contribution by a non-controlling shareholder of a subsidiary	–	–	–	86	–	86	–	86
Transfer to PRC statutory reserve fund	–	–	–	14,999	(14,999)	–	–	–
As at 30 June 2024 (unaudited)	77,058	(47,701)	3,882,304	(387,961)	897,511	4,421,211	668,055	5,089,266

Note:

(i) Pursuant to the relevant regulations of The People's Republic of China (the "**PRC**"), the Group is required to transfer production and maintenance funds at fixed rates based on revenue to a specific reserve account. The production and maintenance funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of production and maintenance funds utilised would be deducted from the specific reserve account.

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

1.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

1.2 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.

2. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the medical aesthetic products segment including filling, shaping, supporting, supplementing, optoelectronic devices, body sculpturing, skin care and others to provide non- or minimally invasive medical aesthetics comprehensive solutions;

(b) the innovative medicine and other medicine segment; and

(c) the generic medicine segment.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, non-lease-related finance costs, dividend income, fair value gains/losses from the Group's financial instruments as well as head office and corporate expenses are excluded from such measurement.

Information relating to segment assets and liabilities is not disclosed as such information is not regularly reported to the chief operating decision-maker who assesses the performance of the operating segments based on their revenue and operating profit rather than their assets and liabilities.

Six months ended 30 June 2025

	Medical aesthetic products *RMB'000* (Unaudited)	Innovative medicine and other medicine *RMB'000* (Unaudited)	Generic medicine *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue *(Note 3)*				
Sales to external customers	**585,249**	**58,220**	**502,734**	**1,146,203**
Intersegment sales	**–**	**16,957**	**–**	**16,957**
Total segment revenue	**585,249**	**75,177**	**502,734**	**1,163,160**
Reconciliation:				
Elimination of intersegment sales				**(16,957)**
Total				**1,146,203**
Segment results	**309,544**	**(274,331)**	**168,425**	**203,638**
Reconciliation:				
Unallocated other income				**34,110**
Unallocated other gains – net				**198**
Unallocated expenses				**(63,604)**
Unallocated finance expenses				**(14,932)**
Share of profits and losses of investments accounted for using the equity method				**(2,486)**
Profit before tax				**156,924**

Six months ended 30 June 2024

	Medical aesthetic products *RMB'000* (Unaudited)	Innovative medicine and other medicine *RMB'000* (Unaudited)	Generic medicine *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue *(Note 3)*				
Sales to external customers	322,773	29,595	597,329	949,697
Intersegment sales	–	23,439	–	23,439
Total segment revenue	322,773	53,034	597,329	973,136
Reconciliation:				
Elimination of intersegment sales				(23,439)
Total				949,697
Segment results	98,169	(258,271)	166,389	6,287
Reconciliation:				
Unallocated other income				26,879
Unallocated other gains – net				5,636
Unallocated expenses				(45,240)
Unallocated finance expenses				(16,918)
Share of profits and losses of investments accounted for using the equity method				4,144
Loss before tax				(19,212)

During the six months ended 30 June 2025, all sales were made to distributors and there was no single distributor of the Group from which the revenue amounted to 10% or more of the Group's revenue (six months ended 30 June 2024: Nil).

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue and other income is as follows:

	Notes	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue			
Revenue from contracts with customers:	*i*		
Sale of pharmaceutical products and medical aesthetic products		**1,146,203**	949,697
Other income			
Interest income		**49,594**	73,839
Hospital services income		**27,189**	14,380
Gross rental income from investment property operating leases	*ii*	**5,742**	4,674
Sales of distribution rights	*iii*	**1,415**	7,028
Research and development income		**7,305**	767
Others		**9,145**	7,151
Total		**100,390**	107,839

Notes:

(i) Revenue from contracts with customers

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2025

	Medical aesthetic products RMB'000 (Unaudited)	Innovative medicine and other medicine RMB'000 (Unaudited)	Generic medicine RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Type of goods				
Sale of pharmaceutical products and medical aesthetic products	**585,249**	**58,220**	**502,734**	**1,146,203**
Geographical markets				
Mainland China	**578,736**	**58,220**	**502,734**	**1,139,690**
United States of America	**6,513**	**–**	**–**	**6,513**
Total	**585,249**	**58,220**	**502,734**	**1,146,203**
Timing of revenue recognition				
Goods transferred at a point in time	**585,249**	**58,220**	**502,734**	**1,146,203**

For the six months ended 30 June 2024

	Medical aesthetic products *RMB'000* (Unaudited)	Innovative medicine and other medicine *RMB'000* (Unaudited)	Generic medicine *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Type of goods				
Sale of pharmaceutical products and medical aesthetic products	322,773	29,595	597,329	949,697
Geographical markets				
Mainland China	317,121	29,595	597,329	944,045
United States of America	5,652	–	–	5,652
Total	322,773	29,595	597,329	949,697
Timing of revenue recognition				
Goods transferred at a point in time	322,773	29,595	597,329	949,697

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

Segments:

For the six months ended 30 June 2025

	Medical aesthetic products *RMB'000* (Unaudited)	**Innovative medicine and other medicine *RMB'000* (Unaudited)**	**Generic medicine *RMB'000* (Unaudited)**	**Total *RMB'000* (Unaudited)**
Sales to external customers	**585,249**	**58,220**	**502,734**	**1,146,203**
Intersegment sales	**–**	**16,957**	**–**	**16,957**
Subtotal	**585,249**	**75,177**	**502,734**	**1,163,160**
Reconciliation:				
Elimination of intersegment sales				**(16,957)**
Total				**1,146,203**

For the six months ended 30 June 2024

	Medical aesthetic products *RMB'000* (Unaudited)	Innovative medicine and other medicine *RMB'000* (Unaudited)	Generic medicine *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Sales to external customers	322,773	29,595	597,329	949,697
Intersegment sales	–	23,439	–	23,439
Subtotal	322,773	53,034	597,329	973,136
Reconciliation:				
Elimination of intersegment sales				(23,439)
Total				949,697

(ii) The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. An analysis of rental income is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Geographical markets:		
Mainland China	**3,126**	2,308
Hong Kong	**2,616**	2,366
Total	**5,742**	4,674

(iii) The geographical market of all the sales of distribution rights is Mainland China. The performance obligation is satisfied over time as the distributors are granted the rights to distribute the Group's products for a certain period and advances are normally required at the inception of the distribution agreement. Contracts for the sale of distribution rights are for periods of five years.

The following table shows the amounts of other income recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Recognition of other income that was included in contract liabilities at the beginning of the reporting period:		
Sales of distribution rights	**1,415**	6,783

	Note	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Other gains – net			
Government grants	*i*	**12,625**	29,757
Gain on disposal of an associate		**11,697**	–
Gain on changes in fair value of wealth management products, at fair value		**847**	5,173
Gain on disposal of property, plant and equipment		**32**	–
Gain on disposal of an investment property		**–**	10,930
Gain on deemed dilution		**–**	10,541
Exchange(loss)/gains, net		**(3,042)**	3,974
Others		**–**	61
Total		**22,159**	60,436

Note:

(i) The total government grants represent the subsidies received from the local government and no specific conditions are attached to them.

4. FINANCE EXPENSES

An analysis of finance expenses is as follows:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest expenses on:		
Interest-bearing bank and other borrowings	**17,666**	25,887
Redemption liabilities on subsidiaries' shares	**86,964**	107,645
Lease liabilities	**340**	845
Total interest expenses on financial liabilities not at fair value through profit or loss	**104,970**	134,377
Less: Interest capitalised	**–**	(1,917)
Total	**104,970**	132,460

5. INCOME TAX EXPENSE

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 for the six months ended 30 June 2025. The PRC subsidiaries of the Group have determined and paid the corporate income tax in accordance with the Corporate Income Tax Law of the PRC at the tax rate of 25% (six months ended 30 June 2024: 25%). Certain PRC subsidiaries of the Group were qualified as high-tech enterprises. Accordingly, those subsidiaries' corporate income tax for the six months ended 30 June 2025 and 2024 was provided for at a preferential tax rate of 15%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current	**90,235**	43,291
Deferred	**495**	5,455
Total	**90,730**	48,746

6. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to owners of the Company of RMB102,603,000 (the loss of six months ended 30 June 2024: RMB33,424,000), and the weighted average number of ordinary shares of 9,204,012,000 (six months ended 30 June 2024: 9,280,033,000) outstanding during the period, as adjusted to reflect the repurchased shares during the period.

The calculation of the diluted earnings (six months ended 30 June 2024: loss) per share amounts is based on the profit for the period attributable to owners of the Company, as used in the basic earnings per share calculation. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted earnings/(loss) per share are based on:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Earnings/(loss)		
Profit/(loss) attributable to owners of the Company (RMB'000)	**102,603**	(33,424)
Shares		
Weighted average number of ordinary shares outstanding for basic earnings/(loss) per share (Share'000)	**9,204,012**	9,280,033
Basic earnings/(loss) per share (RMB cents) for profit/(loss) for the period	**1.11**	(0.36)
Diluted earnings/(loss) per share (RMB cents) for profit/(loss) for the period	**1.11**	(0.36)

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Set out below is an overview of financial assets, other than cash and cash equivalents and trade and other receivables, held by the Group as at 30 June 2025 and 31 December 2024:

	Notes	As at 30 June 2025 *RMB'000* **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Non-current			
Financial assets at fair value through profit or loss ("**FVPL**"):			
Unlisted equity investments, at fair value	*i*	**198,374**	170,451
Current			
Financial assets at FVPL:			
Wealth management products	*ii*	**341,706**	110,578
Total		**540,080**	281,029

Notes:

(i) The amount represents equity investments in the unquoted equity shares. The Group intends to hold these equity shares for the foreseeable future and has not irrevocably elected to classify them as financial assets at fair value through other comprehensive income.

(ii) The amount represents wealth management products issued by certain reputable banks in Mainland China with no fixed interest rate. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

8. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables – third parties	**686,154**	561,940
Notes receivable	**125,449**	94,283
Loans to associates	**222,188**	277,250
Loans to third parties	**87,346**	130,900
Prepayments to suppliers	**182,327**	118,902
Amount due from other related party	**9,600**	9,600
Amount due from a joint venture	**13,569**	1,193
Amount due from an associate	**224**	224
Dividend receivable	**40,912**	40,912
Receivable for disposal of a subsidiary	**82,517**	82,517
Other receivables	**206,920**	195,482
	1,657,206	1,513,203
Provision for impairment of trade receivables	**(75,313)**	(62,296)
Provision for impairment of other receivables	**(26,721)**	(26,721)
Total	**1,555,172**	1,424,186

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

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**498,821**	406,326
3 to 6 months	**41,866**	30,268
6 to 12 months	**38,576**	47,980
More than 1 year	**31,578**	15,070
Total	**610,841**	499,644

9. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of authorised ordinary shares *Share'000*	Number of issued and fully paid ordinary shares *Share'000*	Share capital *RMB'000*	Share premium *RMB'000*	Total *RMB'000*
As at 31 December 2023 and 31 December 2024 (audited) and as at 30 June 2025 (unaudited) (HK$0.01 per share)	**100,000,000**	**9,329,999**	**77,058**	**3,882,304**	**3,959,362**

Notes:

(i) During the six months ended 30 June 2025, the Group repurchased 116,415,000 of its own shares on the Stock Exchange of Hong Kong Ltd. at a total consideration, including expenses, of HK$84,917,000 (equivalent to RMB78,343,000) and held them as treasury shares. As at 30 June 2025, these repurchased shares were not cancelled.

As at 30 June 2025, the Group had 202,348,000 (31 December 2024: 85,933,000) purchased shares classified as treasury shares held for the share option scheme and for subsequent sale or transfer.

10. INTEREST-BEARING BANK BORROWINGS

	As at	
	30 June 2025 *RMB'000* **(Unaudited)**	31 December 2024 *RMB'000* (Audited)
Current		
Secured bank borrowings	**181,562**	137,037
Total	**181,562**	137,037
Non-current		
Secured bank borrowings	**738,029**	704,747
Total	**919,591**	841,784
Analysed into:		
Bank borrowings:		
Within the first year	**181,562**	137,037
Within the second to fifth years	**401,300**	393,900
Beyond the fifth year	**336,729**	310,847
Total	**919,591**	841,784

Notes:

(a) Certain of the Group's bank borrowings are secured by:

(i) mortgages over the Group's leasehold land and property, plant and equipment with an aggregate carrying value of RMB616,380,000 (31 December 2024: RMB626,749,000);

(ii) the pledged deposit of the Group amounting to RMB56,000,000 (31 December 2024: RMB56,000,000); and

(iii) a portion of equity interests in a subsidiary.

(b) All bank borrowings are denominated in RMB.

(c) The effective interest rates of the bank borrowings as at 30 June 2025 ranged from 2.55% to 4.10% (31 December 2024: 2.80% to 4.60%) per annum.

11. TRADE AND OTHER PAYABLES

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**284,486**	241,933
Cost of construction and purchase of payables	**98,408**	109,126
Payable for acquisition of a subsidiary	**300,000**	300,000
Payable for research and development expenses	**66,741**	78,047
Deposits payable	**268,063**	284,840
Accrued reimbursement to distributors	**269,903**	333,920
Salaries payable	**60,225**	65,482
Interest payables	**12,474**	12,613
Dividends payable	**302**	4,354
Amounts due to associates	**558**	1,234
Notes payable	**15,751**	31,244
Other payables	**259,234**	225,085
Total	**1,636,145**	1,687,878

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

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 6 months	**253,079**	138,888
6 months to 1 year	**16,515**	91,983
More than 1 year	**14,892**	11,062
Total	**284,486**	241,933

12. DIVIDENDS

	For the six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Dividends proposed by the Company for the period:		
Interim cash dividend for 2025: RMB0.99 cents (2024: Interim cash dividend for 2024 of RMB1.90 cents) per ordinary share	**91,016**	177,080

On 29 August 2025, the board of directors declared an interim dividend of RMB0.99 cents per ordinary share, amounting to a total of approximately RMB91,016,000 (six months ended 30 June 2024: RMB177,080,000).

FINANCIAL REVIEW

Revenue

Total revenue of the Group for the Period was approximately RMB1,146.2 million (for the six months ended 30 June 2024: RMB949.7 million), representing a year-on-year increase of approximately 20.7% (approximately RMB196.5 million).

Among the change in revenue, revenue from the medical aesthetics business was approximately RMB585.2 million (for the six months ended 30 June 2024: RMB322.8 million), representing a year-on-year increase of approximately 81.3% (approximately RMB262.4 million), primarily due to the Group's medical aesthetics platform Meiyan Space's expansion of its strategic cooperation with several medical aesthetics institutions during the Period, as well as the successful gradual implementation of the 3.0 version upgrade of its marketing strategy. Its products gained high recognition in the market, which drove a significant growth in sales revenue from its medical aesthetics business.

Revenue from the generic medicine business was approximately RMB502.7 million (for the six months ended 30 June 2024: RMB597.3 million), representing a year-on-year decrease of approximately 15.8% (approximately RMB94.6 million).

In addition, revenue from the innovative medicine and other medicine was approximately RMB58.2 million (for the six months ended 30 June 2024: RMB29.6 million), representing a year-on-year increase of approximately 96.6% (approximately RMB28.6 million), mainly due to the substantial increase in the sales of hypoglycaemic medicine.

Gross Profit

The Group's gross profit for the Period was approximately RMB757.3 million (for the six months ended 30 June 2024: RMB608.5 million), representing a year-on-year increase of approximately 24.5% (approximately RMB148.8 million). The Group's overall gross profit margin was 66.1%, representing a year-on-year increase of 2.0% as compared to 64.1% for the corresponding period last year, primarily due to the increase in overall gross profit from the higher margins and the increased proportion of the medical aesthetics business.

Other gains – net

The Group's other gains – net for the Period was approximately RMB22.2 million (for the six months ended 30 June 2024: RMB60.4 million), representing a year-on-year decrease of 63.2% (approximately RMB38.2 million), mainly due to the gain on disposal of an investment property and gain on deemed dilution of certain associates being recognised last year, while no similar events (or transactions) were conducted in the Period. The government grant income also decreased during the Period.

Distribution expenses

The Group's distribution expenses for the Period amounted to approximately RMB231.4 million (for the six months ended 30 June 2024: RMB213.5 million), representing a year-on-year increase of 8.4% (approximately RMB17.9 million), mainly due to the vigorous promotion of the sales of the medical aesthetics business and the sales of new products of Huisheng Biopharm under the innovative medicine business.

Administrative expenses

The Group's administrative expenses for the Period amounted to approximately RMB211.9 million (for the six months ended 30 June 2024: RMB240.3 million), representing a year-on-year decrease of 11.8% (approximately RMB28.4 million), mainly due to the significant decrease in share-based payments expenses under the share incentive scheme and the strict control of various office expenses during the Period.

R&D expenses

The Group's overall R&D expenses for the Period amounted to approximately RMB152.8 million (for the six months ended 30 June 2024: RMB195.6 million), representing a year-on-year decrease of 21.9% (approximately RMB42.8 million), mainly due to the Company's core R&D results achieving substantial commercial application and entering the harvesting period. As most of the R&D pipelines of Xuanzhu Biopharm and Huisheng Biopharm have been approved, R&D costs continue to decrease.

Other expenses

The Group's other expenses for the Period amounted to approximately RMB19.3 million (for the six months ended 30 June 2024: RMB18.3 million), representing a year-on-year increase of 5.5% (approximately RMB1.0 million).

Operating profit

The Group's operating profit for the Period was approximately RMB264.4 million (for the six months ended 30 June 2024: RMB109.1 million), representing a year-on-year increase of 142.3% (approximately RMB155.3 million), mainly due to the significant increase in revenue from the medical aesthetics business during the Period.

Finance expenses

Finance expenses for the Period amounted to approximately RMB105.0 million (for the six months ended 30 June 2024: RMB132.5 million), representing a year-on-year decrease of 20.8% (approximately RMB27.5 million). The total amount included the interest expenses on the redemption liabilities on subsidiaries' shares amounting to approximately RMB87.0 million (for the six months ended 30 June 2024: RMB107.6 million). The decrease in interest expenses on the redemption liabilities was mainly due to the repurchase of certain preference shares by Xuanzhu Biopharm at the end of the previous year.

Profit/(loss) before tax

The profit before tax of the Group for the Period amounted to approximately RMB156.9 million (for the six months ended 30 June 2024: loss of RMB19.2 million). The Group successfully achieved a turnaround from loss to profit, which was mainly attributable to the significant increase in revenue from the Group's medical aesthetics business during the Period.

Income tax expense

Income tax expense of the Group for the Period amounted to approximately RMB90.7 million (for the six months ended 30 June 2024: RMB48.7 million), representing a year-on-year increase of 86.2% (approximately RMB42.0 million), mainly due to higher taxable profit as a result of the significant increase in revenue from the medical aesthetics business during the Period.

Profit/(loss) for the Period

Given the above, profit for the Period of the Group amounted to approximately RMB66.2 million (for the six months ended 30 June 2024: loss of RMB68.0 million). The Group successfully achieved a turnaround from loss to profit.

Profit/(loss) attributable to owners of the Company

Profit attributable to owners of the Company for the Period amounted to approximately RMB102.6 million (for the six months ended 30 June 2024: loss of RMB33.4 million). The Group achieved a turnaround from loss to profit, which was mainly attributable to the increase in revenue from the Group's medical aesthetics business during the Period.

Loss attributable to non-controlling interests

During the Period, loss attributable to non-controlling interests amounted to approximately RMB36.4 million (for the six months ended 30 June 2024: loss of RMB34.5 million), mainly due to the loss from the continuous R&D activities carried out by certain subsidiaries in the innovative medicine and other medicine business.

Liquidity and financial resources

The Group maintained strong financial position during the Period. As at 30 June 2025, the Group's cash and cash equivalents, wealth management products, pledged deposits and time deposits amounted to approximately RMB3,894.3 million (31 December 2024: RMB3,976.4 million) in aggregate, representing a year-on-year decrease of 2.1% (approximately RMB82.1 million), which was mainly due to increase in cash flows used in operating activities during the Period. Of the aggregated balance, cash and cash equivalents amounted to approximately RMB3,257.2 million (31 December 2024: RMB3,522.4 million), the total wealth management products recognized in the consolidated statement of financial position amounted to approximately RMB341.7 million (31 December 2024: RMB110.6 million), and pledged deposits and time deposits amounted to approximately RMB295.4 million (31 December 2024: RMB343.4 million).

In general, the Group places its surplus cash into interest-bearing bank accounts. The Group may use extra cash for short-term investments for higher returns. Thus, the Group has entered into agreements with certain banks for surplus cash investment. According to the terms of the agreements signed, the total amount of investments conducted by the Group for the Period was approximately RMB4,102.6 million. The investments made by the Group were short-term in nature and mainly consisted of financial products purchased from certain state-owned banks. At their discretion, issuing banks for the above-mentioned financial products may invest the relevant proceeds in financial instruments such as government bonds, discounted bank acceptance bills and commercial acceptance bills and bank deposits. As the highest applicable percentage ratio in respect of the investments in each bank (after aggregation according to Rules 14.22 and 14.23 of the Rules Governing the Listing of Securities on Stock Exchange (the "**Listing Rules**")) separately is less than 5% as at the time of the investments according to Rule 14.07 of the Listing Rules, such investments did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

As at 30 June 2025, bank borrowings of the Group amounted to approximately RMB919.6 million (31 December 2024: RMB841.8 million) and other borrowings of the Group amounted to approximately RMB30.7 million (31 December 2024: RMB41.5 million). Approximately 83.8% of total borrowings were at floating rates and the remaining 16.2% were at fixed rates (31 December 2024: 91.0% floating; 9.0% fixed). The Group's borrowings-to-equity ratio, expressed as a percentage of borrowings over equity attributable to owners of the Company, was 21.7% (31 December 2024: 20.2%). The Group had sufficient cash as at 30 June 2025.

The Directors are of the opinion that the Group does not have any significant capital risk.

Inventories

As at 30 June 2025, inventories amounted to approximately RMB472.3 million (31 December 2024: RMB417.0 million), representing an increase of 13.3% (approximately RMB55.3 million). The inventory turnover period for the Period was 206 days (for the six months ended 30 June 2024: 272 days).

Trade and other receivables

The Group's trade receivables and notes receivable include credit sales of its products to be paid by its distributors. Other receivables of the Group mainly consisted of prepayments to suppliers and loans to associates and third parties. As at 30 June 2025, the Group's trade and other receivables were approximately RMB1,555.2 million (31 December 2024: RMB1,424.2 million), representing an increase of 9.2% (approximately RMB131.0 million). Trade receivables and notes receivable were approximately RMB736.3 million (31 December 2024: RMB593.9 million), representing an increase of 24.0% (approximately RMB142.4 million), mainly due to the increase in sales in the medical aesthetics business during the second quarter of 2025.

Property, plant and equipment

The Group's property, plant and equipment included buildings, production and electronic equipment, vehicles and construction in progress. As at 30 June 2025, the net book value of the property, plant and equipment was approximately RMB1,957.6 million (31 December 2024: RMB2,007.5 million), representing a decrease of 2.5% (approximately RMB49.9 million).

Intangible assets

The Group's intangible assets mainly comprised customer relationships, deferred development costs, product development in progress and trademark and software. The deferred development costs and product development in progress mainly related to the acquisition of several drug R&D projects and self-development of R&D projects. As at 30 June 2025, net intangible assets amounted to approximately RMB899.0 million (31 December 2024: RMB841.7 million), representing an increase of 6.8% (approximately RMB57.3 million), mainly due to the increase in the capitalization of R&D costs of the innovative medicine and medical aesthetics business.

Trade and other payables

The Group's trade and other payables mainly comprised trade payables, notes payable, deposit payables, accrued expenses and payables for cost of construction and acquisition of a subsidiary. As at 30 June 2025, trade and other payables amounted to approximately RMB1,636.1 million (31 December 2024: RMB1,687.9 million), representing a decrease of 3.1% (approximately RMB51.8 million).

Contingent liabilities

As at 30 June 2025, the Group had no material contingent liabilities (31 December 2024: Nil).

Off-balance sheet commitments and arrangements

As at 30 June 2025, the Group had neither entered into any off-balance sheet arrangements nor commitments to provide guarantees for any payment obligations of any third party. The Group did not have any variable interests in any unconsolidated entities which receive financing or liquidity funding, or generate market risk or provide credit support, or engage in the provision of leasing or hedging or R&D services to the Group.

Capital commitment

As at 30 June 2025, the Group's total capital commitment was approximately RMB135.3 million. It was mainly set aside for purchase of property, plant and equipment and intangible assets.

Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, notes receivable, wealth management products and other receivables. All the cash equivalents and bank deposits are placed in certain PRC reputable financial institutions and high-quality international financial institutions outside Chinese Mainland. All those irrevocable bank bills, classified as notes receivable, are issued by banks in the PRC with high credit rating. There was no recent history of default of cash equivalents and bank deposits in relation to these financial institutions.

In relation to trade receivables, the Group has no significant concentrations of credit risk and has policies in place to ensure that certain cash advance has been received upon the agreement of the related sales orders with customers. For those with credit periods granted, the credit quality of the counterparties is assessed by taking into account their financial position, credit history and other factors. It also undertakes certain monitoring procedures to ensure that proper follow-up action is taken to recover overdue debts. The Group regularly performs aging analysis, assesses credit risks and estimates the recoverability regarding such receivables based on historical data and cash collection history of groups of trade receivables bearing similar credit risk.

Wealth management products are the bank financial products issued by certain PRC reputable banking institutions. There was no recent history of default and the executive directors of the Board of the Company are of the opinion that the credit risk related to the investments is low.

In relation to other receivables, the credit quality of the debtors is assessed by taking into account their financial position, relationship with the Group, credit history and other factors. Management also regularly reviews the recoverability of these other receivables and follow up on the disputes or amounts overdue, if any. The executive Directors are of the opinion that the default by counterparties is likely to be low.

No other financial assets bear a significant exposure to credit risk.

Foreign exchange risk

The Group's functional currency is RMB and financial instruments are mainly denominated in RMB. The Group has some cash balances mainly denominated in United States Dollar and Hong Kong dollar ("**HK$**"). It is expected that any fluctuation of these foreign currencies' exchange rates would not have material effect on the operation of the Group. In addition, dividend payment in foreign currencies converted from RMB is subject to foreign exchange rules and regulations promulgated by the PRC government. The Group would closely monitor such exchange risk from time to time. During the Period, the Group did not purchase any foreign exchange, interest rate derivative products or relevant hedging tools.

Treasury policy

The Group finances its ordinary operations mainly with internally generated resources. The principal objective of the Group's capital management is to maintain its ability to operate on a continuous basis. The Group regularly reviews its capital structure to ensure that the Group has sufficient financial resources to support its business operations.

Capital expenditure

The Group's capital expenditure mainly includes purchase of property, plant and equipment, investment properties and intangible assets. During the Period, the Group's capital expenditure amounted to approximately RMB102.6 million, of which approximately RMB27.1 million and RMB75.5 million were spent on purchase of property, plant and equipment and purchase of or self-development of intangible assets, respectively.

Significant investment, acquisition and disposal

During the Period, the Group did not have any significant investment, acquisition or disposal.

As of June 30, 2025, the Group did not have any significant investment required to be disclosed pursuant to paragraph 32(4A) of Appendix D2 to the Listing Rules.

Future plans for material investments or capital assets

Save as disclosed in this announcement, the Group did not have other plans for material investments and capital assets during the Period and up to the date of this announcement.

Pledge of assets

As at 30 June 2025, the Group had pledged certain assets to secure banking facilities granted to subsidiaries. For details, please refer to note 10 to the interim condensed consolidated financial information provided in the announcement.

Human resources and remuneration of employees

Human resources are indispensable assets to the Group's success in a competitive environment. The Group is committed to providing competitive remuneration packages to all the employees and regularly reviewing human resources policies, to encourage employees to work towards enhancing the value of the Company and promoting the sustainable growth of the Company. The Group has also adopted share option scheme and share award scheme to recognise and reward the contribution of the employees for the benefit of the Group's operations and future development. The Group continues to promote the building of talent training and development system, and conducts online and offline training based on the competency standards for positions at different levels to promote the cultivation and development of talents in the Group and ensure continuous supply of various types of talents.

As at 30 June 2025, the Group had 2,767 employees. During the Period, the Group's total salary and related costs were approximately RMB219.6 million (for the six months ended 30 June 2024: RMB311.6 million), including bonus and non-cash share-based payments of approximately RMB13.8 million and RMB2.5 million (for the six months ended 30 June 2024: RMB16.0 million and RMB36.3 million). Salary for employees was determined based on their job nature, personal performance and the market trends. The Group provides basic social insurance and housing accumulation fund for company employees as required by the PRC law.

CORPORATE GOVERNANCE CODE

The Company recognises the importance of corporate transparency and accountability. The Company is committed in achieving a high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures.

The Company has complied with all the applicable code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules throughout the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules. Having made specific enquiries, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Period, the Company has, at all times, complied with the minimum requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors (representing at least one-third of the Board) and one of them should have appropriate professional qualifications or accounting or related financial management expertise.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors (Mr. Tsang Wah Kwong, Dr. Zhu Xun and Mr. Wang Guan), and is chaired by Mr. Tsang Wah Kwong who has a professional qualification in accountancy. The chairman of the Audit Committee has the appropriate professional qualification and experience in financial matters. The Audit Committee has reviewed the Group's interim unaudited condensed consolidated financial information for the Period.

REVIEW OF ACCOUNTS

Ernst & Young, the Company's external auditor, has reviewed the Company's interim financial information for the six months ended 30 June 2025 in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

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

During the Period, the Company repurchased 116,415,000 shares through the Stock Exchange at a total consideration, before expenses, of approximately HK$84.58 million and held as treasury shares (the "**Treasury Shares**[1]"). Details of repurchase are as follows:

	Number of shares repurchased	**Repurchasing price for each share**		**Aggregate consideration paid**	
		Highest HK$	*Lowest HK$*	*HK$ million*	*Equivalent to RMB million*
February 2025	10,000,000	0.58	0.57	5.72	5.27
April 2025	53,733,000	0.71	0.55	33.56	30.98
May 2025	32,682,000	0.74	0.68	23.48	21.79
June 2025	20,000,000	1.10	1.08	21.82	20.01
Total:	**116,415,000**			**84.58**	**78.05**

[1] has the meaning ascribed to it under the Listing Rules

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of Treasury Shares) during the six months ended 30 June 2025. As at 30 June 2025, the Company held 136,415,000 Treasury Shares. The Company intended to use such Treasury Shares for subsequent sale or transfer.

INFORMATION ON INTERIM CASH DIVIDEND

The Board has resolved to declare an interim cash dividend of RMB0.99 cents per share (equivalent to HK1.09 cents per share) for the Period. The interim cash dividend will be payable on Friday, 10 October 2025 to the shareholders of the Company (the "**Shareholders**") whose names appear on the register of members of the Company at the close of business on Thursday, 2 October 2025. The interim cash dividend payable to Shareholders shall be converted to and paid in HK$. The exchange rate adopted for conversion was based on the exchange rate of RMB1 to HK$1.097 as of 29 August 2025 (being the medium exchange rate of RMB to HK$ as announced by the People's Bank of China on the date of the Board meeting).

CLOSURE OF THE REGISTER OF MEMBERS FOR THE ENTITLEMENT OF INTERIM CASH DIVIDEND

The register of members of the Company will be closed from Tuesday, 30 September 2025 to Thursday, 2 October 2025, both days inclusive, for the purpose of determining Shareholders' entitlements to the interim cash dividend. In order to qualify for the interim cash dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 29 September 2025. The record date for determining Shareholders' entitlements to the interim cash dividend is Thursday, 2 October 2025.

As at 30 June 2025, the Company held 136,415,000 Treasury Shares, and the Company did not hold any repurchased shares pending cancellation. All Treasury Shares and repurchased shares pending cancellation will not receive the interim cash dividend of the Company. To the extent that any Treasury Shares are deposited with the Central Clearing and Settlement System ("**CCASS**") pending resale on the Stock Exchange, the Company will withdraw the Treasury Shares from CCASS, and either re-register them in its own name as Treasury Shares or cancel them, in each case before the last registration date for the interim cash dividend.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Save for other disclosures in this announcement, there have been no significant events of the Group from 30 June 2025 to the date of this announcement.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

This announcement is published on the websites of the Company (www.sihuanpharm.com) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the Period will be dispatched to the Shareholders and available on the above websites in due course.

Shareholders are encouraged to elect to receive corporate communications electronically. Shareholder may at any time send written notice to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via email at sihuanpharm-ecom@vistra.com specifying his/her name, address and request to change his/her choice of language or means of receipt of all corporate communications.

By order of the Board
Sihuan Pharmaceutical Holdings Group Ltd.
Dr. Che Fengsheng
Chairman and Executive Director

Hong Kong, 29 August 2025

As at the date of this announcement, the executive Directors are Dr. Che Fengsheng (Chairman), Dr. Guo Weicheng (Deputy Chairman and Chief Executive Officer), Dr. Zhang Jionglong, Ms. Chen Yanling and Ms. Miao Guili; and the independent non-executive Directors are Mr. Tsang Wah Kwong, Dr. Zhu Xun and Mr. Wang Guan.