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廣州白雲山醫葯集團股份有限公司

**GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS CO., LTD.**

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

(H Share Stock Code: 00874)

## **SUMMARY OF THE 2025 ANNUAL REPORT**

### **1. IMPORTANT NOTICE**

- 1.1** This summary is extracted from the full text of the 2025 annual report of the Company for the year ended 31 December 2025. Investors who wish to know more about the results of operations, financial conditions and plans for future development of the Company are advised to read the full text of the 2025 annual report in detail which will be published on the website of SSE (<http://www.sse.com.cn>), and on the website of HKEX (<https://www.hkexnews.hk/index.htm>).
- 1.2** The Board, the Directors and senior management of the Company collectively and individually accept full responsibility for the truthfulness, accuracy and completeness of the information contained in this summary and confirm that there are no false information, misleading statements or material omissions in this summary.
- 1.3** All Directors were present at the 33rd meeting of the ninth session of the Board.
- 1.4** The financial reports of the Group and the Company for the year ended 31 December 2025 are prepared in accordance with the China Accounting Standards for Business Enterprises, which are audited by WUYIGE Certified Public Accountants LLP which had issued an unqualified auditors' report in respect thereof.
- 1.5** Profit distribution plan or capital reserve capitalization plan for the Reporting Period as considered by the Board

As audited and confirmed by WUYIGE Certified Public Accountants LLP: the consolidated net profit of the Group attributable to the shareholders of the Company amounted to RMB2,983,113,594.80 in 2025. Based on the net profit of the Company of RMB1,155,028,771.93 in 2025, a 10% statutory surplus reserve in the amount of RMB115,502,877.19 is provided, with the addition of the undistributed profit carried over from 2025 in the amount of RMB7,524,341,276.23, and after deducting a total of RMB1,300,632,759.20 in cash dividends for the year 2024 and the mid-term of 2025, the undistributed profits of the Company's parent company at the end of 2025 amounted to RMB7,263,234,411.77.

Upon deliberation by the Board, the Company proposed to distribute profits based on the total share capital registered on the record date in respect of the implementation of equity distribution, and distribute cash dividend of RMB0.45 (tax inclusive) to all shareholders for every share. As of 31 December 2025, the total number of shares in issue was 1,625,790,949 shares, based on which a total cash dividend of RMB731,605,927.05 was proposed, and the undistributed profits shall be carried forward to the next distribution. There will not be any capitalization of capital reserve for 2025.

The profit distribution plan will be submitted to the shareholders' meeting for approval.

As at the end of the Reporting Period, there was no accumulated deficit of the parent company.

- 1.6** This summary is prepared in both English and Chinese. In the event of discrepancy in interpretation, the Chinese version shall prevail.
- 1.7** All information required to be contained in this summary pursuant to paragraph 45 of Appendix D2 to the Listing Rules of HKEX shall be published on the website of HKEX (<https://www.hkexnews.hk/index.htm>).

## **2. DEFINITIONS**

In this summary, unless the context otherwise requires, the following terms have the meaning as follows:

Articles of Association	the articles of association of the Company
Audit Committee	Both the Audit Committee before and after the name change
Baiyunshan Biological	Guangzhou Baiyunshan Biological Products Co., Ltd. (廣州白雲山生物製品股份有限公司), the subsidiary of the Company
Baiyunshan Han Fang	Guangzhou Baiyunshan Han Fang Contemporary Pharmaceutical Co., Ltd. (廣州白雲山漢方現代藥業有限公司), subsidiary of the Company
Baiyunshan Medical and Healthcare Industry Company	Guangzhou Baiyunshan Medical and Healthcare Industry Investment Co., Ltd. (廣州白雲山醫療健康產業投資有限公司), subsidiary of the Company
Board	the board of Directors of the Company

Cai Shan Tang	Fujian Baiyunshan Caishantang Pharmaceutical Co., Ltd. (福建白雲山采善堂製藥有限公司), the subsidiary of Wang Lao Ji Pharmaceutical
Cai Zhi Lin	Guangzhou Cai Zhi Lin Pharmaceutical Co., Ltd. (廣州采芝林藥業有限公司), subsidiary of the Company
Chemical Pharmaceutical Factory	Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. Baiyunshan Chemical Pharmaceutical Factory (廣州白雲山醫藥集團股份有限公司白雲山化學製藥廠), branch of the Company
Chen Li Ji	Guangzhou Baiyunshan Chen Li Ji Pharmaceutical Factory Company Limited (廣州白雲山陳李濟藥廠有限公司), subsidiary of the Company
Company Law	Company Law of the People's Republic of China
Company/The Company/GYBYS	Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (廣州白雲山醫藥集團股份有限公司)
CSRC	China Securities Regulatory Commission
Director(s)	The director(s) of the Company
GPC	Guangzhou Pharmaceutical Company Limited (廣州藥業股份有限公司)
GP Corp.	Guangzhou Pharmaceuticals Company Limited (廣州醫藥股份有限公司), subsidiary of the Company
GPHL	Guangzhou Pharmaceutical Holdings Limited (廣州醫藥集團有限公司), the controlling shareholder of the Company
GP Fund II	Guangzhou GP Fund II Equity Investment Partnership (Limited Partnership) (廣州廣藥二期基金股權投資合夥企業(有限合夥))
GP Guangkai Fund	Guangzhou GP Guangkai Venture Capital Fund Partnership (Limited Partnership) (廣州廣藥廣開創業投資基金合夥企業(有限合夥))

GP Liwan Fund	Guangzhou Liwan GP Venture Capital Fund Partnership (Limited Partnership) (廣州荔灣廣藥創業投資基金合夥企業 (有限合夥))
GP Supply Chain Company	Guangzhou Pharmaceutical Baiyunshan Pharmaceutical Great Health Supply Chain (Guangzhou) Co., Ltd. (廣藥白雲山醫藥大健康供應鏈(廣州)有限公司), subsidiary of the Company
Group	the Company and its subsidiaries
Guangyao Baiyunshan Hong Kong Company	Guangzhou Pharmaceutical Baiyunshan Hong Kong Company Limited (廣藥白雲山香港有限公司), subsidiary of the Company
Guangyao General Research Institute	Guangzhou General Pharmaceutical Research Institute Co., Ltd. (廣州醫藥研究總院有限公司), a subsidiary of the Company
HKEX	The Stock Exchange of Hong Kong Limited
Jing Xiu Tang	Guangzhou Baiyunshan Jing Xiu Tang Pharmaceutical Co., Ltd. (廣州白雲山敬修堂藥業股份有限公司), subsidiary of the Company
Listing Rules of HKEX or Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Medical Instrument Investment Company	Guangzhou Baiyunshan Medical Instrument Investment Company (廣州白雲山醫療器械投資有限公司), subsidiary of the Company
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers under the Appendix C3 of Listing Rules of HKEX
Nanjing Pharmaceutical	Nanjing Pharmaceutical Group Company Limited (南京醫藥集團股份有限公司) (formerly Nanjing Pharmaceutical Co., Ltd. (南京醫藥股份有限公司))

National Essential Drug List	The National Essential Drug List (the 2018 version) (《國家基本藥物目錄 (2018年版)》), which is the basis for medical institutions to prepare and use drugs. The drugs in the National Essential Drug List are those adapted to the basic medical and health needs, and are featured by appropriate dosage and form as well as reasonable price and supply and availability are guaranteed to the public
National Medical Insurance Catalogue	a Catalogue of the List of Pharmaceutical Products under the National Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance of the PRC (the 2025 version) (《國家基本醫療保險、工傷保險和生育保險藥品目錄 (2025年版)》), being the national standard payable drugs fees for the basic medical insurance, work-related injury insurance and maternity insurance fund
NEEQ	the National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
Pan Gao Shou	Guangzhou Baiyunshan Pan Gao Shou Pharmaceutical Co., Ltd. (廣州白雲山潘高壽藥業股份有限公司), subsidiary of the Company
PRC or China	the People's Republic of China
Provincial Medical Insurance Catalogue	a Catalogue of the List of Pharmaceutical Products under the Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance at the provincial level of the PRC (《基本醫療保險、工傷保險和生育保險藥品目錄》) issued by every province of the PRC
Qi Xing	Guangzhou Baiyunshan Qi Xing Pharmaceutical Co., Ltd. (廣州白雲山奇星藥業有限公司), subsidiary of the Company
Reporting Period/Year/ the current year	From 1 January 2025 to 31 December 2025
SSE	The Shanghai Stock Exchange

Wang Lao Ji Pharmaceutical	Guangzhou Wang Lao Ji Pharmaceutical Co., Ltd. (廣州王老吉藥業股份有限公司), subsidiary of the Company
WLJ Great Health	Guangzhou WLJ Great Health Industry Co., Ltd. (廣州王老吉大健康產業有限公司), subsidiary of the Company
Zhejiang Pharmaceutical Industry Company	Zhejiang Pharmaceutical Industry Company Co., Ltd. (浙江省醫藥工業有限公司)
Zhong Yi	Guangzhou Baiyunshan Zhong Yi Pharmaceutical Company Limited (廣州白雲山中一藥業有限公司), subsidiary of the Company

### 3. COMPANY PROFILE

#### 3.1 Company Profile

Stock abbreviation:	BAIYUNSHAN
Stock abbreviation before the change:	GPC
Stock code:	600332 (A Share)
Stock exchange:	The Shanghai Stock Exchange
Stock abbreviation:	BAIYUNSHAN PH
Stock code:	00874 (H Share)
Stock exchange:	The Stock Exchange of Hong Kong Limited

Contact persons and contact details	Secretary to the Board	Representative of securities affairs
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## **3.2 Introduction of the Company’s Main Business during the Reporting Period**

Since its establishment, the Company has been focusing on the pharmaceutical and health industry. After years of development, its scale and benefits have continued to expand. At present, centering on its core responsibilities and main businesses, the Company has deeply cultivated the entire industrial chain of pharmaceutical and health, built a diversified business structure with upstream and downstream coordination, covering modernized traditional Chinese medicine, chemical pharmaceutical technology, natural beverages, pharmaceutical commerce, biotech innovation, consumer health, medical services, and other fields.

### ***3.2.1 Modernized Traditional Chinese Medicine***

The Group owns 13 time-honored Chinese pharmaceutical enterprises such as Zhong Yi, Chen Li Ji, Qi Xing, Jing Xiu Tang, Pan Gao Shou, Cai Zhi Lin and Cai Shan Tang, among which 11 are century-old enterprises. The main traditional Chinese medicine (TCM) products include Xiao Chai Hu Granule, Zi Shen Yu Tai Pill, Qing Kai Ling Series, Xiao Ke Pill, Hua Tuo Zai Zao Pill, Mi Lian Chuan Bei Pi Pa Gao, An Gong Niu Huang Pill, Xia Sang Ju Series, Compound Danshen Tablet Series, Bao Ji Series, Zhuang Yao Jian Shen Pill, Nao Xin Qing Tablet Series, Ban Lan Gen Granule Series, Compound Ban Lan Gen Granule Series, Da Shen Kou Yan Qing Granule Series, She Dan Chuan Bei Pi Pa Gao, Shu Jin Jian Yao Pill, etc. The Group has obvious advantages in proprietary Chinese patent medicine brands and varieties in Southern China and even across the country.

### ***3.2.2 Chemical Pharmaceutical Technology***

The Group’s product portfolio covers antibacterial and anti-inflammatory drugs, andrological drugs, and antipyretic and analgesic varieties. It has a complete antibiotic industrial chain from API (Active Pharmaceutical Ingredient) to preparations, and has integrated antibiotic drug brands under the well-known trademark “Kang Zhi Ba (抗之霸)” to build China’s No.1 brand of oral antibacterial and anti-inflammatory drugs. “Jin Ge (金戈)” is the core product of andrological drugs with certain brand popularity. The Group’s main chemical pharmaceutical products include Sildenafil Citrate (trade name “Jin Ge (金戈)”), Cefuroxime Sodium for Injection, Paracetamol, Aspirin and Caffeine Powder, Multivitamins for Injection (12), Amoxicillin, Cefixime Series (including API), Amoxicillin and Clavulanate Potassium, Clindamycin Phosphate Injection, Paracetamol, Chlorpheniramine Maleate and Phenylephrine Hydrochloride Capsules, Cefathiamidine, Cefpiramide, Cefprozil, etc.

### ***3.2.3 Natural Beverages***

The Group's key operating enterprise of natural beverages is WLJ Great Health. Core products cover Wang Lao Ji Herbal Tea, Ci Ning Ji (刺檸吉) Series, Li Xiao Ji (荔小吉) Series, Ye Rou Coconut Juice, etc. With strong brand value advantages and product competitiveness, Wang Lao Ji Herbal Tea is one of the leading brands in China's beverage market and holds a high market share in the domestic herbal tea industry. According to the evaluation results of China Brand Power Index (C-BPI), Wang Lao Ji Herbal Tea has ranked first in the herbal tea industry for 9 consecutive years, and its brand score topped the non-alcoholic beverage category in 2025.

### ***3.2.4 Pharmaceutical Commerce***

The Group's pharmaceutical commerce business includes the wholesale, retail, import and export, as well as warehousing and logistics of pharmaceutical products, medical devices, healthcare products and other related items. Relying on its regional network and customer base accumulated over many years, the Group has established strong market coverage capabilities in key South China regions such as Guangdong and Hainan. The main enterprise engaged in this business is GP Corp., a subsidiary of the Company.

### ***3.2.5 Other Businesses***

Other businesses mainly include biotech innovation, consumer health, medical services, etc. Biotech innovation mainly relies on the existing professional technology platforms to expand the biopharmaceutical pipeline through mergers and acquisitions, strategic investment, cooperative incubation and other methods. Consumer health focuses on the development and layout of mid-to-high-end Chinese-style nutritional products, health care products and so on. With Baiyunshan Medical and Healthcare Industry Company as the main entity, medical services focus on the development of hospital medical care, traditional Chinese medicine health preservation and medical device businesses.

## **3.3 Industry Development Status**

The pharmaceutical industry is an important component of China's national economy and a strategic emerging industry critical to national economy and people's livelihood, economic development and national security. It features weak cyclicality, high investment, high risk, high technological barriers and strict regulation.

From the demand side, amid sustained economic growth, improved living standards and accelerated population aging in China, public awareness of healthcare has been rising, and demand for high-quality pharmaceutical products and health services has continued to grow. Demand scenarios and levels have been upgraded, ranging from basic therapeutic drugs to high-end innovative drugs and from disease treatment to health management, and the scale of the healthcare market will keep expanding. From the technical side, new quality productive

forces continuously empower the transformation and upgrading of the pharmaceutical industry. The application of digital and intelligent technologies, as well as the integration of information technology and biomedicine, have brought new development opportunities to R&D and manufacturing in the sector. Overall, driven by technological innovation and rising demand, the pharmaceutical industry will continue to unlock its development potential, and high-quality enterprises will embrace broad development prospects.

With coordinated implementation of various macro policies, the pharmaceutical industry is shifting from high-speed growth to high-quality development, with new connotations continuously injected. In recent years, domestic innovative drugs have enjoyed vigorous development with remarkable breakthroughs in quantity, quality and technology. The authorities have strengthened whole-chain policy support, coordinated policies on price management, medical insurance reimbursement, commercial insurance, drug allocation and use, investment and financing, and optimized the review and approval mechanism as well as medical institution assessment, jointly promoting the leapfrog development of innovative drugs. Overseas expansion of domestic innovative drugs has entered a new stage featuring simultaneous improvement in quantity and quality. Chinese innovative drugs have entered the global market through out-licensing, joint ventures and other models, marking that the value of China's R&D has been internationally recognized.

In 2025, according to the National Bureau of Statistics, enterprises above designated size in the pharmaceutical manufacturing industry achieved operating revenue of RMB2,487.0 billion, down 1.2% year-on-year, and total profit of RMB349.0 billion, up 2.7% year-on-year, representing an improvement in profitability over the previous year. Meanwhile, enterprises above designated size in the wine, beverage and refined tea manufacturing industry achieved operating revenue of RMB1,468.93 billion, down 4.4% year-on-year, and total profit of RMB281.29 billion, down 9.1% year-on-year.

### **3.4 Industry Position of the Company**

The Group is one of the largest pharmaceutical enterprise groups in China. After years of dedicated development and high-quality growth, it has basically achieved a full industrial chain layout in the biomedicine and health industry. With profound historical heritage, abundant industrial resources, a complete full-industry-chain layout, a strong brand matrix and sustained innovative R&D capabilities, the Group has firmly maintained a leading position in the industry. It occupies a leading role in modernized traditional Chinese medicine, chemical pharmaceutical technology, natural beverages, and continuously advance its globalization process through international certifications. Going forward, the Company will continue to focus on its core businesses, strengthen scientific research and innovation, expand market penetration, consolidate its leading position in the domestic market and enhance its global influence.

## 4. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

### 4.1 Principal Accounting Data

Principal accounting data	2025	2024	Year on year increase/ (decrease) (%)	2023	2022	2021	
				As at 31 December 2023	As at 31 December 2022	As at 31 December 2021	
Income from operations (RMB)	<b>77,656,109,939.23</b>	74,992,820,473.56	3.55	75,515,403,994.78	70,788,155,068.45	69,014,052,347.03	
Total profit (RMB)	<b>3,689,925,942.42</b>	3,607,579,871.76	2.28	5,110,498,029.62	5,043,244,071.24	4,723,070,943.49	
Net profit attributable to the shareholders of the Company (RMB)	<b>2,983,113,594.80</b>	2,835,496,163.51	5.21	4,055,678,691.49	3,966,522,218.54	3,719,877,680.46	
Net profit attributable to the shareholders of the Company after deducting non-recurring items (RMB)	<b>2,363,309,244.71</b>	2,356,431,201.14	0.29	3,635,520,560.30	3,319,308,452.15	3,306,415,603.06	
Net cash flow from operating activities (RMB)	<b>(232,460,774.72)</b>	3,442,426,597.59	(106.75)	4,103,624,997.34	6,999,076,182.74	5,673,496,754.37	
				Year on year increase/ (decrease) (%)	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Principal accounting data	<b>2025</b>	2024					
Net assets attributable to the shareholders of the Company (RMB)	<b>37,788,048,346.79</b>	35,904,527,868.59	5.25	34,919,280,946.71	32,065,124,770.91	29,062,184,458.51	
Total assets (RMB)	<b>84,511,140,010.26</b>	81,683,611,520.64	3.46	78,586,877,764.09	74,665,298,776.74	66,117,789,763.95	
Total liabilities (RMB)	<b>44,428,271,347.94</b>	43,913,975,774.25	1.17	41,909,053,857.29	41,027,440,697.52	34,791,121,204.96	
Equity attributable to the shareholders of the Company per share (RMB)	<b>23.24</b>	22.08	5.25	21.48	19.72	17.88	
Total equity as at the end of the Reporting Period (RMB)	<b>1,625,790,949.00</b>	1,625,790,949.00	-	1,625,790,949.00	1,625,790,949.00	1,625,790,949.00	

## 4.2 Principal Financial Indicators

Principal accounting data	2025	2024	Year on year	2023	2022	2021
			increase/ (decrease) (%)			
Basic earnings per share ( <i>RMB/share</i> )	<b>1.835</b>	1.744	5.21	2.495	2.440	2.288
Diluted earnings per share ( <i>RMB/share</i> )	<b>1.835</b>	1.744	5.21	2.495	2.440	2.288
Basic earnings per share after deducting non-recurring items ( <i>RMB/share</i> )	<b>1.454</b>	1.449	0.29	2.236	2.042	2.034
Weighted average return on net assets ratio (%)	<b>8.09</b>	7.99	An increase of 0.10 percentage point	12.07	12.97	13.46
Ratio of weighted average return on net assets after deducting non-recurring items (%)	<b>6.41</b>	6.64	A decrease of 0.23 percentage point	10.82	10.85	11.96
Ratio of return on total equity attributable to shareholders of the Company (%)	<b>7.89</b>	7.90	A decrease of 0.01 percentage point	11.61	12.37	12.8
Ratio to total equity attributable to shareholders of the Company to total assets (%)	<b>44.71</b>	43.96	An increase of 0.75 percentage point	44.43	42.95	43.96
Gearing ratio (%)	<b>52.57</b>	53.76	A decrease of 1.19 percentage points	53.33	54.95	52.62

*Note:* The above financial data and indicators are computed based on the consolidated financial statements.

Explanation of principal accounting data and financial indicators

Applicable     Not Applicable

## 4.3 Differences of Accounting Data under Domestic and Foreign Accounting Standards

Applicable     Not Applicable

#### 4.4 Principal Accounting Data of 2025 on Quarterly Basis

	The first quarter (January – March) (RMB)	The second quarter (April – June) (RMB)	The third quarter (July – September) (RMB)	The fourth quarter (October – December) (RMB)
Income from operations	22,473,408,392.77	19,361,137,721.04	19,771,447,681.73	16,050,116,143.69
Net profit attributable to the shareholders of the Company	1,821,313,254.12	694,827,732.55	793,911,091.19	(326,938,483.06)
Net profit attributable to the shareholders of the Company after deducting non-recurring items	1,674,563,362.12	531,025,891.60	663,826,285.20	(506,106,294.21)
Net cash flow from operating activities	(3,897,258,025.12)	500,121,757.09	1,425,162,681.95	1,739,512,811.36

The explanation for the difference between the quarterly data and the disclosed regularly reported data

Applicable  Not Applicable

#### 5. SHAREHOLDERS

##### 5.1 Total Number of Ordinary Shareholders, Preferred Shareholders whose Voting Rights were Restored and Shareholders with Special Voting Rights, and the Conditions of the Top Ten Shareholders as at the End of Reporting Period and at the End of Last Month before the Discourse of the Annual Report

Total number of ordinary shareholders as at the end of the Reporting Period	94,754
Total number of ordinary shareholders as at the end of last month before the discourse date of the annual report	100,976
Total number of preferred shareholders whose voting rights were restored as at the end of the Reporting Period	Not applicable
Total number of preferred shareholders whose voting rights were restored as at the end of last month before the discourse date of the annual report	Not applicable

**The top ten shareholders of the Company**  
(excluding shares lent through refinancing and securities lending business)

Shareholders (Full name)	Increase/ (Decrease) during the Reporting Period (share)	Number of shares held as at the end of the Reporting Period (share)	Approximate percentage of the total issued share capital (%)	Number of shares subject to selling restrictions held (share)	Number of shares subject to pledge, mark or lock-up (share)		Nature of Shareholders
					Shares status	Number of shares (Share)	
Guangzhou Pharmaceutical Holdings Limited	0	732,305,103	45.04	0	Nil	0	State-owned legal person
HKSCC Nominees Limited	2,000	219,785,142	13.52	0	Nil	0	Overseas legal person
Guangzhou China Life Urban Development Industry Investment Enterprise (Limited Partnership)	0	67,576,183	4.16	0	Nil	0	Others
China Securities Finance Corporation Limited	0	47,277,962	2.91	0	Nil	0	Others
Hong Kong Securities Clearing Company Limited	(467,557)	34,743,598	2.14	0	Nil	0	Overseas legal person
Guangzhou Industrial Investment and Capital Operating Holdings Group Ltd.	(432,800)	16,831,252	1.04	0	Nil	0	State-owned legal person
Agricultural Bank of China Limited – CSI 500 Exchange-Traded Open-End Index Securities Investment Fund	10,356,400	10,356,400	0.64	0	Nil	0	Others
China AMC – Agricultural Bank–Huaxia China Securities Financial Asset Management Plan	0	8,795,136	0.54	0	Nil	0	Others
China Construction Bank Corporation – China Universal CSI Traditional Chinese Medicine Exchange-Traded Open-End Index Securities Investment Fund	1,247,759	4,323,959	0.27	0	Nil	0	Others

**The top ten shareholders of the Company**  
(excluding shares lent through refinancing and securities lending business)

Shareholders (Full name)	Increase/ (Decrease) during the Reporting Period (share)	Number of shares held as at the end of the Reporting Period (share)	Approximate percentage of the total issued share capital (%)	Number of shares subject to selling restrictions held (share)	Number of shares subject to pledge, mark or lock-up (share)		Nature of Shareholders
					Shares status	Number of shares (Share)	

Basic Pension Insurance Fund Portfolio 901	4,173,065	4,173,065	0.26	0	Nil	0	Others
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Explanation on the connections or concerted actions among the above shareholders

(1) According to the information provided by HKSCC Nominees Limited, the H shares held by it were held on behalf of several clients.

(2) The Company was not aware of any connection among the above top ten shareholders, or whether they were persons acting in concert as provided in the “Measures for the Management of Mergers and Acquisitions of Listed Companies”.

Explanation of preferred shareholders with their voting rights restored and the number of shares they hold

Not applicable

Information on the shareholders holding more than 5% of shares in issue, the top ten shareholders and the top ten shareholders not subject to selling restrictions participating in the refinancing and securities lending business

Applicable     Not Applicable

Changes of the top ten shareholders and the top ten shareholders not subject to selling restrictions compared with last period due to refinancing lending/restitution

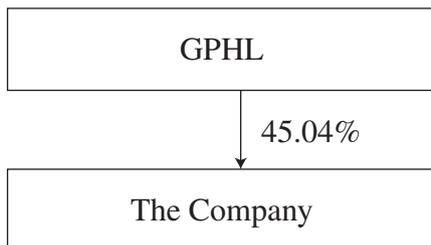
Applicable     Not Applicable

The number of shares held by the top ten shareholders subject to selling restrictions and the conditions of selling restrictions

Applicable     Not Applicable

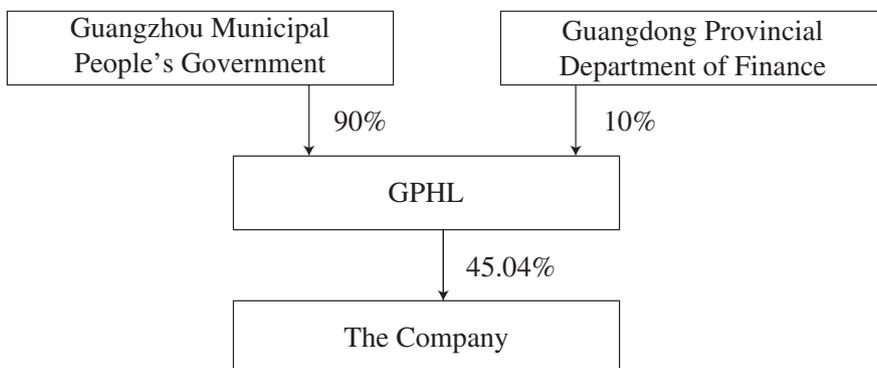
**5.2 Relationship between the Company and Its Controlling Shareholder as at the End of the Reporting Period**

Applicable    Not Applicable



**5.3 Relationship between the Company and Its Actual Controller as at the End of the Reporting Period**

Applicable    Not Applicable



**5.4 Neither the Company Nor Any of Its Subsidiaries Had Purchased, Sold or Redeemed Any of the Company's Shares during the Reporting Period. During the Reporting Period and as at 31 December 2025, the Company Did Not Hold Any Treasury Shares (Including Any Treasury Shares Held or Deposited in the Central Clearing and Settlement System).**

**5.5 There was No Change in the Controlling Shareholder of the Company during the Reporting Period.**

**5.6 Conditions of the Preferred Share**

Applicable    Not Applicable

**5.7 Conditions of the Company's Bonds**

Applicable    Not Applicable

## 5.8 Public Float

Based on the publicly available information and to the best knowledge of the Directors, the Company has maintained sufficient public float as at the latest practicable date prior to the publication of this summary.

## 5.9 Pre-emptive Rights

According to the Articles of Association and the laws of the PRC, there is no pre-emptive right which would oblige the Company to issue new shares to existing shareholders on a pro-rata basis.

# 6. DISCUSSION AND ANALYSIS OF THE OPERATING ENVIRONMENT

## 6.1 Management Discussion and Analysis

In 2025, the Group strictly adhered to its strategic positioning in biopharmaceuticals and healthcare, leveraging industry advantages, fully exploring its own resources and assets, and comprehensively advancing production and operations to promote sustainable and stable business development.

During the Reporting Period, the Group achieved operating revenue of RMB77,656,109,939.23, representing a year-on-year increase of 3.55%; total profit of RMB3,689,925,942.42, representing a year-on-year increase of 2.28%; and net profit attributable to shareholders of the Company of RMB2,983,113,594.80, representing a year-on-year increase of 5.21%.

In 2025, major activities promoted by the Group include:

### ***(I) Upholding and focusing on core businesses to continuously strengthen the pharmaceutical and healthcare industry chain***

#### ***1. Continuously strengthening the development of TCM and APIs businesses to solidify the foundation of the upstream segment of the industry chain***

Further efforts were made to advance promotion of standardization and normalization of TCM plantation bases, thereby continuously strengthening control over the production and supply of key raw materials. The Group consolidated its competitive advantages in the development of specialty APIs by continuously diversifying the product lines of specialty APIs, and it also proactively doubled efforts to expand itself into new APIs, which enabled the APIs businesses to steadily expand into domestic and international markets.

2. *Give full play to the strengths of pharmaceuticals and health businesses to strengthen the midstream value chain*
  - (1) The Group consistently deepened its collaboration with leading chain pharmacies and e-commerce platforms to further strengthen its advantageous varieties, tap into the potential of dormant products, and cultivate blockbuster new products. Meanwhile, the Group strictly focused on quality and safety, continuously improved product quality, and enhanced core market competitiveness to drive the stable development of the pharmaceutical business. During the Reporting Period, the Group delivered strong year-on-year sales growth in products including Xiao Ke Pill, Bao Ji series, Amoxicillin series, An Gong Niu Huang Pill, Shu Jin Jian Yao Pill, Anti-inflammatory and Analgesic Cream, Methyl Hesperidin, and Candesartan Cilexetil Tablets.
  - (2) The Group actively pursued incremental sales opportunities in the natural beverages. Firstly, efforts were intensified in channel optimization to further stabilize its leading position in the festival market and herbal tea segment, systematically enhance the coverage and scene penetration of food and beverage channels, and launch bottled beverage promotions to strengthen the ready-to-drink (RTD) market. Secondly, brand image was rejuvenated through multiple measures, including cooperation with variety shows and dramas, celebrity endorsements, upgraded media mix, the global launch of international canned beverage, and cross-border marketing collaborations, thereby strengthening high-frequency brand reach and a fashionable, energetic image to activate various consumer segments. Thirdly, the Group consistently promoted a diversified product layout, deeply advancing the brand building and market penetration of Ci Ning Ji and Lychee Beverage with Sea Salt, and launching new products across RTD, functional, and health beverages to provide momentum for the medium-to-long-term development.
3. Strengthening wholesale-retail synergy and promoting the strategy of stabilizing existing business while expanding incremental growth to drive steady growth in the pharmaceutical commerce. The medical wholesale business continuously optimized cooperation mechanisms, deeply integrated channel resources, and deepened upstream and downstream collaborations, such as the construction of tight-knit medical consortiums/alliances. Meanwhile, efforts were intensified in the acquisition and access of innovative drugs and drugs under national negotiation to actively expand incremental sources and drive the steady growth of the distribution business. The retail business seized the opportunities brought about by the “dual channel” policy and reinforced wholesale-retail synergy. The Group vigorously developed emerging online channels and cross-border e-commerce to promote a continuous improvement in the operating quality of the retail business.

***(II) Vigorously promoting technological innovation to develop new productive forces***

1. Focusing on advantageous fields and broadening the R&D pipeline. In 2025, the Group focused on five advantageous areas: malignant tumors, chronic disease management, respiratory, immune system, and drugs for men. The Group has laid out over 160 research projects in process, including 9 in-process Class 1 innovative medicines, of which 2 projects are in Phase I clinical trials, 4 projects are in Phase II clinical trials, and 1 project is in the marketing authorization application stage.
2. Tackling key core technologies with periodic results. During the Reporting Period, BYS10 tablets, a Class 1.1 anti-tumor innovative drug in the chemical medicine field, entered key clinical trials; the freeze-dried human rabies vaccine (Vero cells) in the biological medicine field was approved for market launch; and several projects in the improved new drug field, including Ke Gan Li Yan Oral Solutions, Zi Shen Yu Tai Pill, Pediatric Xiao Chai Hu Granules, and Yu Ping Feng Tea Bags, achieved milestone progress. During the Reporting Period, the Group was awarded 4 provincial scientific and technological progress awards, 6 national association awards, and 1 gold medal at the Geneva International Exhibition of Inventions. The Group added 1 new national platform, 1 new provincial-level platform, 2 national qualifications, and 1 organization with provincial qualification, among them, the “Guangdong Innovative Chinese Medicine Preparation Transformation Pilot Platform” led by Cai Zhi Lin was selected as the first batch of pilot platforms by the Ministry of Industry and Information Technology(MIIT). Pan Gao Shou and the Guangyao General Research Institute were selected as a “Little Giant” enterprise for specialization and innovation by MIIT. Nearly a hundred research papers related to the Group’s products were published in domestic and international journals, among which “Zi Shen Yu tai Pill increased live births in advanced maternal age women: A randomized clinical trial” by Zhong Yi was published in the top international academic journal Nature Communications, marking the first time the journal published clinical research on the application of TCM in reproductive medicine.
3. Strengthening the reserve of high-end talents in technology and internationalization, consistently improving the R&D innovation system and mechanism to further stimulate enthusiasm for technological innovation and create a favorable scientific research ecosystem.

***(III) Expanding overseas layout and continuously accelerating internationalization efforts***

1. Pharmaceutical products continued to expand into overseas markets. During the Reporting Period, Xiao Chai Hu Granules obtained the official registration as a proprietary Chinese medicine in Macau, while An Gong Niu Huang Pill obtained the registration certificate in Vietnam, and registration efforts for products such as Zi Shen Yu Tai Pill were accelerated across various international markets.
2. International development of natural beverages accelerated. Strategic collaborations were reached with major international partners such as Saudi Aiduke International Holding Co., Ltd. (沙特艾杜克國際控股有限公司), Baosteel Packaging Co., Ltd. (上海寶鋼包裝股份有限公司), Besta International Trade Co., Ltd. (百達國際貿易有限公司), Nongshim Co., Ltd. (韓國農心集團), and Futaba Corporation (日本雙葉產業株式會社). The Group launched overseas localized operation projects, and promoted the international brand identity “WALOVI” for Wang Lao Ji in multiple countries, with international canned beverage launched in Germany, Australia, Singapore, Malaysia, etc.
3. The pharmaceutical commerce leveraged import and export platforms such as headquarter of GP Corp., Guangyao (Zhuhai Hengqin) Pharmaceutical Import & Export Co., Ltd., Hainan Guangyao Chenfei Pharmaceutical Co., Ltd., and Jianmin International Co., Ltd. through measures such as wholesale of imported drugs and medical devices and providing import-export supply chain services, the Group continued to explore areas such as access for innovative drugs and devices, assisting innovative drugs and pharmaceutical companies in going global, exploring cross-border retail business, etc.

***(IV) Strengthening capital operation and consistently enhancing market value management***

1. Adhering to extensional development to expand business tracks. Firstly, a fund system was vigorously constructed, including the establishment of the GP Fund II, GP Liwan Fund, and GP Guangkai Fund, to strengthen the Company’s layout in cutting-edge biomedical fields such as innovative drugs, modern traditional Chinese medicine, and high-end medical devices. Secondly, merger and acquisition efforts were intensified with GP Fund II acquiring 11.04% shares in Nanjing Pharmaceutical, and GP Corp. successfully bid for a 100% equity interest in Zhejiang Pharmaceutical Industry Company to strengthen the Company’s industrial layout in East China. Wang Lao Ji Pharmaceutical successfully acquired Cai Shan Tang, increasing the number of time-honored brands under the Group to 13. Thirdly, the mixed-ownership reform of Baiyunshan Hanfang and the capital increase of RMB300 million in Baiyunshan Biological were completed respectively, and the shares of GP Corp. successfully listed on the NEEQ.

2. Enhancing market value management across multiple dimensions. Firstly, the Market Value Management System was formulated and released to further improve the market value management system. Secondly, profit distribution plans for 2024 and the first half of 2025 were implemented, among which, annual dividends for 2024 amounted to approximately RMB1.301 billion, accounting for 45.87% of the net profit attributable to shareholders for 2024, representing a significant year-on-year increase. Thirdly, the Group adopted a more proactive and open stance to communicate corporate changes and show corporate value, organized or participated in nearly 90 investor events, including analyst research meetings, roadshows, performance briefings, strategy meetings, and one-on-one meetings, receiving nearly 400 investors in total, an increase of nearly 60% compared with the same period last year. Fourthly, the Group further strengthened the construction of ESG system and improved ESG management levels, maintaining an A rating from both MSCI and WIND.

***(V) Focusing on digital transformation and accelerating digital intelligence to empower new productive forces***

Firstly, the Group further advanced its top-level planning for digital transformation, centering on the four core architectures of business, data, application, and technology. Secondly, the Group formed strategic alliances with several leading domestic digital enterprises, focusing on key areas such as R&D, smart healthcare, smart supply chain, and industrial internet. Thirdly, the Group consistently promoted the innovation and upgrading of production technology to accelerate the improvement of intelligent manufacturing, such as the commencement of the second phase of the pharmacovigilance system, and Zhong Yi included in the “2025 List of Advanced Intelligent Factories” recognized by the Department of Industry and Information Technology of Guangdong Province.

***(VI) Optimizing management and control to boost operational efficiency and quality***

The Group further optimized the institutional setup of its headquarters, effectively strengthening functions such as external coordination, industrial investment, brand management, digitalization, and audit supervision. The management of the procurement platform was further optimized, reducing procurement costs for TCM raw materials, auxiliary and packaging materials, office supplies, and advertising to drive cost reduction and efficiency. Efforts in talent introduction and cultivation were intensified by launching of special recruitment and management trainee programs, while adjusting and optimizing appraisal metrics to stimulate the talent team. Taking the opportunity of amending the Articles of Association, nearly 30 internal management systems were improved to optimize the construction of the corporate governance system.

## 6.2 Analysis of Principal Operations during the Reporting Period

### 6.2.1 Analysis of change in certain items in income statement and cash flow statement

Items	The Reporting Period (RMB)	The corresponding period of 2024 (RMB)	Increase/ (Decrease) over the corresponding period of 2024 (%)
Revenue	77,656,109,939.23	74,992,820,473.56	3.55
Include: income from principal operations	77,412,542,591.33	74,778,519,498.98	3.52
Cost of sales	65,045,061,403.74	62,472,768,681.69	4.12
Include: cost from principal operations	64,929,820,058.77	62,389,614,053.88	4.07
Selling and distribution expenses	5,826,805,538.40	5,619,619,395.89	3.69
General and administrative expenses	2,508,860,485.34	2,407,633,812.49	4.20
Research and development expenses	661,633,556.21	763,770,055.43	(13.37)
Financial expenses	281,237,749.62	38,229,086.78	635.66
Investment income	468,570,764.62	294,024,359.87	59.36
Gains from changes in fair value	(18,696,965.45)	24,654,146.29	(175.84)
Impairment losses in respect of credit	(118,920,482.74)	(63,298,043.43)	(87.87)
Impairment losses in respect of assets	(68,024,867.38)	(407,283,126.03)	83.30
Gains on disposal of assets	107,741,285.75	11,119,280.14	868.96
Non-operating income	92,712,780.69	40,304,028.71	130.03
Profit before tax	3,689,925,942.42	3,607,579,871.76	2.28
Net profit attributable to shareholders of the Company	2,983,113,594.80	2,835,496,163.51	5.21
Minority interest	77,596,721.84	165,235,179.80	(53.04)
Net cash flow from operating activities	(232,460,774.72)	3,442,426,597.59	(106.75)
Net cash flow from investing activities	(4,007,367,458.61)	(5,963,945,573.71)	32.81
Net cash flow from financing activities	489,352,672.96	(1,006,221,496.98)	148.63

#### Notes:

- (1) The reason for the year-on-year increase in financial expenses is that during the Reporting Period, affected by the decline in market interest rates, the interest income from deposits of the Company and its subsidiaries decreased year-on-year.
- (2) The reason for the year-on-year increase in investment income is that during the Reporting Period, the interest income accrued by the Company and its subsidiaries on held-to-maturity time deposits, large-sum certificates of deposit, etc., increased year-on-year.

- (3) The reason for the year-on-year decrease in gains from changes in fair value is that during the Reporting Period, the fair value of financial assets held by the Company's subsidiaries decreased year-on-year at the end of the Reporting Period.
- (4) The reason for the year-on-year change in impairment losses in respect of credit measured at amortized cost is that during the Reporting Period, the impairment losses on accounts receivable recognized by the Company's subsidiaries increased year-on-year.
- (5) The reason for the year-on-year change in impairment losses in respect of assets is that the Company recognized impairment provision for long-term equity investments in 2024, and no such item occurred during the current Reporting Period.
- (6) The reason for the year-on-year increase in gains on disposal of assets is that during the Reporting Period, the gains recognized from asset disposal by the Company's subsidiaries increased year-on-year.
- (7) The reason for the year-on-year increase in non-operating income is that during the Reporting Period, the government compensation income received by the Company's subsidiaries for land expropriation and relocation increased year-on-year.
- (8) The reason for the year-on-year decrease in profit or loss attributable to minority shareholders is that during the Reporting Period, the profits of the Company's subsidiary controlled by the Company decreased, and the profit or loss attributable to minority shareholders decreased accordingly.
- (9) The reason for the year-on-year change in net cash flows from operating activities is that during the Reporting Period, the collection of customer payments by the Company's subsidiaries declined, while payments for purchases increased.
- (10) The reason for the year-on-year change in net cash flows from investing activities is that during the Reporting Period, the amount of time deposits and large-sum certificates of deposit held by the Company and its subsidiaries that matured and were withdrawn increased year-on-year.
- (11) The reason for the year-on-year change in net cash flows from financing activities is that: (1) During the Reporting Period, the investment funds received from minority shareholders by the Company's subsidiaries increased year-on-year; (2) Due to the payment of cash dividends.

The detailed description of significant changes in the Company's business type, profit composition or profit sources during the Reporting Period

Applicable  Not Applicable

## 6.2.2 Analysis of revenue and cost

(1) Analysis of the operation results by industry, region and sales model during the Reporting Period

Industries	Results of principal operations by industry				Gross profit margin of principal operations	
	Income from principal operations		Cost of principal operations		Gross profit margin of principal operations	Increase/(Decrease) over the same period of 2024
	Income from principal operations	Increase/(Decrease)	Cost of principal operations	Increase/(Decrease)		
		over the same period of 2024		over the same period of 2024		
	(RMB)	(%)	(RMB)	(%)	(%)	
Modernized Traditional Chinese Medicine	6,775,580,776.17	(6.54)	3,933,930,327.31	(3.28)	41.94	A decrease of 1.96 percentage points
Chemical Pharmaceutical Technology	2,482,045,705.51	(4.13)	1,061,323,583.28	(18.19)	57.24	An increase of 7.35 percentage points
Natural Beverages	9,672,174,234.96	(0.34)	5,288,135,220.58	(4.22)	45.33	An increase of 2.21 percentage points
Pharmaceutical Commerce	56,983,479,018.22	6.21	53,638,279,193.33	6.38	5.87	A decrease of 0.15 percentage point
Others	1,499,262,856.47	(5.36)	1,008,151,734.27	(7.00)	32.76	An increase of 1.19 percentage points
Total	77,412,542,591.33	3.52	64,929,820,058.77	4.07	16.12	A decrease of 0.45 percentage point

Regions	Results of principal operations by region				Gross profit margin of principal operations	
	Income from principal operations		Cost of principal operations		Gross profit margin of principal operations	Increase/ (Decrease) over the same period of 2024
	Income from principal operations (RMB)	Increase/ (Decrease) over the same period of 2024 (%)	Cost of principal operations (RMB)	Increase/ (Decrease) over the same period of 2024 (%)		
Southern China	58,954,276,480.37	6.06	50,968,707,640.28	6.72	13.55	A decrease of 0.53 percentage point
Eastern China	5,989,486,962.24	(3.98)	4,412,754,007.61	(6.35)	26.33	An increase of 1.87 percentage points
Northern China	3,114,881,436.38	(6.71)	2,336,222,691.88	(5.22)	25.00	A decrease of 1.18 percentage points
North-Eastern China	2,546,171,932.57	20.98	2,263,110,112.95	24.14	11.12	A decrease of 2.26 percentage points
South-Western China	4,596,515,159.24	(12.21)	3,174,377,876.18	(16.42)	30.94	An increase of 3.47 percentage points
North-Western China	1,916,902,683.83	(4.17)	1,516,117,799.54	(3.87)	20.91	A decrease of 0.25 percentage point
Hong Kong, Macao and overseas	294,307,936.70	6.93	258,529,930.33	1.74	12.16	An increase of 4.49 percentage points

Sales models	Results of principal operations by sales model				Gross profit margin of principal operations	
	Income from principal operations		Cost of principal operations		Gross profit margin of principal operations	Increase/ (Decrease) over the same period of 2024
	Income from principal operations (RMB)	Increase/ (Decrease) over the same period of 2024 (%)	Cost of principal operations (RMB)	Increase/ (Decrease) over the same period of 2024 (%)		
Industrial model	18,929,800,716.64	(3.14)	10,283,389,131.17	(5.53)	45.68	An increase of 1.37 percentage points
Commercial model	56,983,479,018.22	6.21	53,638,279,193.33	6.38	5.87	A decrease of 0.15 percentage point
Other model	1,499,262,856.47	(5.36)	1,008,151,734.27	(7.00)	32.76	An increase of 1.19 percentage points

- To implement the Company's "15th Five-Year Plan" for strategic development, focus on the development direction of modernization, technologicalization, digitalization and internationalization, the Company has further clarified its industrial positioning, optimized its business structure, strengthened resource coordination and segmented management of business segments. This is to more accurately and completely reflect the development of the Company's four cornerstone businesses, including modernized traditional Chinese medicine, chemical pharmaceutical technology, natural beverages and pharmaceutical commerce, as well as related business segments, and the relevant statistical data have been adjusted accordingly.
- Gross profit margin of principal operations = (Income from principal operations – Cost of principal operations)/Income from principal operations \* 100%

(2) *Analysis of production, sales and inventory*

Main products	Production	Sales	Inventory	Production	Sales	Inventory
				increase/ (decrease) over the same period of 2024 (%)	increase/ (decrease) over the same period of 2024 (%)	increase/ (decrease) over the same period of 2024 (%)
Sildenafil Citrate Tablet (thousand tablets)	77,760.83	79,871.81	21,914.36	(18.92)	(9.08)	(9.45)
Xiao Ke Pill (thousand bottles)	41,191.93	38,932.16	9,800.65	24.16	24.47	27.31
Xiao Chai Hu Granule (thousand boxes)	32,633.97	35,469.78	4,355.02	(28.17)	(19.59)	(39.64)
Zi ShenYu Tai Pill (thousand boxes/ thousand bottles)	9,734.24	9,527.44	1,031.04	(2.21)	(0.60)	(50.01)
Hua Tuo Zai Zao Pill (thousand boxes)	7,477.04	7,543.95	1,710.57	0.69	1.13	(7.44)
Qing Kai Ling Series (thousand packs/ thousand pieces/ thousand grains)	568,264.00	621,382.00	86,650.05	(9.17)	3.61	(37.39)
Paracetamol Caffeine and Aspirin Series (thousand boxes)	31,636.04	27,939.29	4,283.15	(4.96)	(7.77)	(1.81)
Bao Ji Series (thousand boxes/ thousand pieces)	195,225.15	179,045.53	63,548.19	62.46	7.60	98.15
Cefuroxime Sodium for Injection (thousand bottles)	70,598.06	80,890.46	8,833.90	(39.78)	(25.85)	(11.64)
Amoxicillin Series (thousand packs/ thousand grains)	1,006,163.59	1,005,686.92	79,740.59	21.60	14.45	0.54

Explanation of the significant year-on-year changes in production, sales volume and year-end inventory:

- ① The reason for the year-on-year decrease in inventory of Xiao Chai Hu Granules is: the decline in market demand for the product led to lower sales volume, the subordinate manufacturing enterprises accordingly controlled production and maintained appropriate inventory in response to market conditions, resulting in a corresponding decrease in inventory.
- ② The reason for the year-on-year decrease in inventory of Zi ShenYu Tai Pill is: affected by factors such as medical insurance cost control and the birth rate, the subordinate manufacturing enterprises reasonably reduced inventory, resulting in a year-on-year decrease in inventory.

- ③ The reason for the year-on-year decrease in inventory of Qing Kai Ling Series is: the Company optimized social inventory of the product in 2025, and the subordinate manufacturing enterprises adjusted production accordingly, resulting in a corresponding decrease in inventory.
- ④ The reason for the year-on-year increase in production and inventory of Bao Ji Series is: subordinate manufacturing enterprises strengthened market promotion and marketing, in anticipation of increased future market demand, inventory was prepared in advance, resulting in a year-on-year increase in production and inventory.
- ⑤ The reason for the year-on-year decrease in production of Cefuroxime Sodium for Injection is: the product renewed its bid after the expiration of the national centralized procurement. As the number of successful bidders increased and market competition intensified, sales volume declined. The subordinate manufacturing enterprises adjusted production in response to market demand, resulting in a year-on-year decrease in production volume.

(3) *Analysis of cost*

Industrial	Components	Results by industry				Increase/ (decrease) over the same period of 2024 (%)	Explanation of the situation
		2025		2024			
		Amount (RMB)	Proportion of operation cost (%)	Amount (RMB)	Proportion of operation cost (%)		
Pharmaceutical	Raw material	7,249,789,337.47	70.5	8,057,440,326.65	74.02	(10.02)	/
Manufacturing business	Fuel	176,874,293.06	1.72	164,370,911.82	1.51	7.61	/
	Labor cost	467,894,205.47	4.55	397,320,416.00	3.65	17.76	/
	Others	2,388,831,295.17	23.23	2,266,359,194.83	20.82	5.40	/
Pharmaceutical Commerce	Cost of purchase	53,638,279,193.33	100.00	50,420,088,596.51	100.00	6.38	/
Others	Other cost	1,008,151,734.27	100.00	1,084,034,608.07	100.00	(7.00)	/

(4) *Major customers and suppliers*

Customers or suppliers controlled by the same controller shall be regarded as the same customer or supplier and presented on a consolidated basis, excluding those actually controlled by the same state-owned asset management institution.

Explanation of the consolidated presentation of the following customer and supplier information based on the same control caliber

None

1) The major sales customers of the Company

During the Year, sales to the top five customers amounted to RMB8,465,532,612.83 (2024: RMB8,111,482,679.01), representing approximately 10.94% of the total sales (2024: 10.85%) of the Group for the Year. The sales to the largest customer amounted to RMB1,985,817,378.24 (2024: RMB2,047,491,898.82), representing 2.57% (2024: 2.74%) of the total sales of the Group for the Year. The sales to the top five customers included RMB0 being sales to related parties, representing 0% of the total sales of the Group for the Year.

Sales to a single customer accounting for 50% or more of the total sales of the Group, or new customers entering into the list of top five customers, or the Group's sales heavily dependent on a small number of customers during the Reporting Period.

Applicable     Not Applicable

During the Reporting Period, there were new customers among the five largest customers:

<b>Number</b>	<b>Customers</b>	<b>Sales (RMB)</b>	<b>Proportion of total sales for the year (%)</b>
1	Customer 1	1,543,078,690.94	1.99

2) Major suppliers of the Company

During the Year, purchases by the Group from the top five suppliers amounted to RMB11,179,660,622.78 (2024: RMB9,984,582,727.91), representing approximately 17.07% of the total purchases (2024: 15.59%) of the Group for the Year. The purchases from the largest supplier amounted to RMB2,657,683,162.46 (2024: RMB2,436,612,154.50), representing 4.06% (2024: 3.80%) of the total purchases of the Group for the Year. The purchases from the top five suppliers included RMB0 being purchases from related parties, representing 0% of the total purchases of the Group for the Year.

Purchase from a single supplier accounting for 50% or more of the total purchases of the Group, or new suppliers entering into the list of top five suppliers, or Group's purchases heavily dependent on a small number of suppliers during the Reporting Period.

Applicable     Not Applicable

There is no heavy reliance on a few number of suppliers or customers during the Reporting Period. To the knowledge of the Board, during the Year, none of the Directors, their associates or shareholders who held more than 5% of the Company's total issued share capital (excluding treasury shares) had any interest in any of the five largest customers and suppliers as were mentioned above.

- 3) Disclosure on delisting risk warning or other risk warnings of the Company's stock during the Reporting Period

The five largest customers

Applicable  Not Applicable

The five largest suppliers

Applicable  Not Applicable

- 4) During the Reporting Period, the Company recorded revenue from trading operations

Applicable  Not Applicable

Trading operations development status	Operating revenue of 2025 (RMB)	Operating revenue of 2024 (RMB)	Year-on-year change in current period operating revenue (%)
Wholesale Business	54,810,548,282.48	52,152,228,046.28	5.10
Retail Business	4,659,457,318.92	3,503,418,574.04	33.00

Top five sales customers with trading operations accounting for over 10% of operating revenue

Applicable  Not Applicable

No.	Customer	Sales (RMB)	Percentage of the total annual sales (%)
1	Customer 1	1,985,817,378.24	2.57
2	Customer 2	1,629,703,030.17	2.11
3	Customer 3	1,543,078,690.94	1.99
4	Customer 4	1,453,511,995.38	1.88
5	Customer 5	1,272,736,343.32	1.64
Total	/	7,884,847,438.05	10.19

Top five suppliers with trading operations accounting for over 10% of operating revenue

Applicable     Not Applicable

No.	Supplier	Purchases (RMB)	Percentage of the total purchases (%)
1	Supplier 1	2,657,394,220.68	4.06
2	Supplier 2	2,652,077,587.70	4.05
3	Supplier 3	2,219,283,941.21	3.39
4	Supplier 4	1,969,825,758.91	3.01
5	Supplier 5	1,655,320,427.48	2.53
Total	/	11,153,901,935.98	17.04

### 6.2.3 Expenses

During the Reporting Period, the Group's selling and distribution expenses were approximately RMB5,826,805,538.40 (2024: RMB5,619,619,395.89), representing an increase of approximately 3.69% as compared with last year.

During the Reporting Period, the Group's general and administrative expenses were approximately RMB2,508,860,485.34 (2024: RMB2,407,633,812.49), representing an increase of approximately 4.20% as compared with last year.

During the Reporting Period, the Group's R&D expenses were approximately RMB661,633,556.21 (2024: RMB763,770,055.43), representing a decrease of approximately 13.37% as compared with last year.

During the Reporting Period, the Group's financial expenses were approximately RMB281,237,749.62 (2024: RMB38,229,086.78), representing an increase of approximately 635.66% as compared with last year.

During the Reporting Period, the Group's income tax expenses were approximately RMB629,215,625.78 (2024: RMB606,848,528.45), representing an increase of approximately 3.69% as compared with last year.

## 6.2.4 Research and development investments

### (1) Research and development investments

Applicable    Not Applicable

Cost of research and development investments in the current year (RMB)	661,633,556.21
Capitalization of research and development investments in the current year (RMB)	33,140,731.62
Total research and development investments (RMB)	694,774,287.83
Ratio of research and development investments to income from operations (%)	3.67
Ratio of total research and development investments to net assets (%)	1.73
Percentage of the capitalization of research and development investments (%)	4.77

*Note:* The above R&D investment ratio refers to the proportion relative to the industrial main business revenue.

### (2) Research and development staff

Applicable    Not Applicable

The numbers of research and development staff of the Company	624
Proportion of research and development staff of the Company (%)	2.31

#### Educational level of research and development staff

Categories of educational level	Total staff
Doctor degree	66
Master degree	248
Bachelor degree	252
Completion of specialized education	50
Completion of general secondary education & below	8

#### Age structure of research and development staff

Categories of age	Total staff
Below 30 years old (<30)	185
30-40 years old (≥30, <40)	312
40-50 years old (≥40, <50)	100
50-60 years old (≥50, <60)	27
60 years old and above 60	0

(3) *Explanation of the situation*

Applicable  Not Applicable

(4) *Reasons of major changes in the structure of research and development staff and impacts on future development of the Company*

Applicable  Not Applicable

**6.2.5 Cash flow**

Applicable  Not Applicable

Items	The Reporting Period (RMB)	The corresponding period of 2024 (RMB)	Increase/ (Decrease) as compared with the same period of 2024 (%)	Reasons
Net cash flow from operating activities	<b>(232,460,774.72)</b>	3,442,426,597.59	(106.75)	During the Reporting Period, the collection of trade receivables by the Company's subsidiaries decreased, while the amount of procurement payments increased.
Net cash flow from investing activities	<b>(4,007,367,458.61)</b>	(5,963,945,573.71)	32.81	During the Reporting Period, the maturity proceeds of time deposits and large-sum certificate of deposit held by the Company and its subsidiaries increased year-on-year.
Net cash flow from financing activities	<b>489,352,672.96</b>	(1,006,221,496.98)	148.63	(1) During the Reporting Period, the capital contributions from minority shareholders received by the Company's subsidiaries increased year-on-year. (2) Due to the payment of cash dividends.

## **6.3 Analysis of financial conditions**

### ***6.3.1 Liquidity***

As at 31 December 2025, the current ratio of the Group was 1.57 (31 December 2024: 1.48), and its quick ratio was 1.24 (31 December 2024: 1.15). Accounts receivable turnover rate was 5.13 times (31 December 2024: 5.25 times), representing a decrease of 2.24% as compared with the corresponding period of 2024. Inventory turnover rate was 4.97 times (31 December 2024: 5.10 times), representing a decrease of 2.56% as compared with the corresponding period of 2024.

### ***6.3.2 Financial resources***

As at 31 December 2025, cash and cash equivalents of the Group amounted to RMB12,556,315,478.42 (31 December 2024: RMB16,302,938,963.14), of which approximately 99.63% and 0.37% were denominated in Renminbi and foreign currencies, such as Hong Kong dollar, respectively.

As at 31 December 2025, the Group had bank borrowings of RMB14,154,155,920.66 (31 December 2024: RMB13,260,568,854.06), including short-term borrowings of RMB9,558,287,637.24 (31 December 2024: RMB9,122,982,451.32), current portion of non-current liabilities of RMB2,026,560,387.45 (31 December 2024: RMB1,332,047,797.30) and long-term borrowings of RMB2,569,307,895.97 (31 December 2024: RMB2,805,538,605.44).

### ***6.3.3 Capital structure***

As at 31 December 2025, the Group's current liabilities amounted to RMB39,124,708,469.33 (31 December 2024: RMB38,915,689,355.57), representing an increase of 0.54% as compared with the corresponding period of 2024, and its long-term liabilities was RMB5,303,562,818.61 (31 December 2024: RMB4,998,286,418.68), with an increase of 6.11% as compared with the corresponding period of 2024. The shareholders' equity attributable to the shareholders of the Company amounted to RMB37,788,048,346.79 (31 December 2024: RMB35,904,527,868.59), with an increase of 5.25% as compared with the corresponding period of 2024.

### 6.3.4 Capital expenditure

The Group expects the capital expenditure for 2026 to be approximately RMB2.152 billion (2025: RMB1.302 billion), which would be mainly applied in the construction of production bases and upgrade of equipments, etc. The Group will raise funds through internal resources and bank borrowings to meet the capital expenditure requirements and support daily operations. As of the date of this summary, the Company has no plans for fundraising activities within the next year. The Company's management will prudently assess the need for fundraising activities based on market conditions, funding requirements, and changes in development strategies. If there are any fundraising plans in the future, the Company will strictly comply with the Listing Rules of HKEX and SSE and promptly disclose relevant information to shareholders and the public.

### 6.3.5 Assets and liabilities

Items	As at 31 December 2025 (RMB)	Proportion of the total assets (%)	As at 31 December 2024 (RMB)	Proportion of the total assets (%)	Increase/ (Decrease) over the corresponding period of 2024 (%)	Reasons for changes
Financial assets held for trading	4,000,000.00	0.00	0.00	0.00	100.00	During the Reporting Period, financial products of the Company's subsidiaries matured in the current year.
Advances to suppliers	970,317,450.32	1.15	577,942,385.96	0.71	67.89	During the Reporting Period, the amount of prepayments made by some of the Company's subsidiaries for the procurement of pharmaceuticals and other materials increased.
Other current assets	5,694,728,482.83	6.74	1,866,475,672.20	2.29	205.11	During the Reporting Period, the Company's subsidiaries purchased large-sum certificates of deposit and time deposits with maturities within one year.
Construction in progress	1,149,620,788.63	1.36	1,846,192,932.95	2.26	(37.73)	During the Reporting Period, some construction-in-progress projects of the Company and its subsidiaries reached the intended usable status and were transferred to fixed assets.
Bearer biological assets	771,362.10	0.00	1,120,772.10	0.00	(31.18)	During the Reporting Period, depreciation provided for bearer biological assets of the Company's subsidiaries increased.
Development expenditure	4,937,826.31	0.01	369,934,913.74	0.45	(98.67)	During the Reporting Period, the Company's subsidiaries obtained drug registration certificates, and the relevant R&D investment was reclassified from development expenditures to intangible assets.
Advances from customers	1,468,727.86	0.00	4,548,223.86	0.01	(67.71)	During the Reporting Period, prepaid rental income received by the Company's subsidiaries was recognized as income in accordance with the relevant schedule.
Contract liabilities	2,833,240,650.21	3.35	5,071,977,258.92	6.21	(44.14)	As at the end of the Reporting Period, the balance of advances from customers of the Company's subsidiaries decreased year-on-year.
Current portion of non-current liabilities	2,211,756,510.39	2.62	1,522,617,327.55	1.86	45.26	As at the end of the Reporting Period, long-term borrowings of the Company's subsidiaries due within one year increased.
Bonds payable	604,442,794.52	0.72	0.00	0.00	100.00	During the Reporting Period, the Company's subsidiaries issued medium-term notes of RMB600 million.
Other comprehensive income	(22,597,705.49)	(0.03)	(13,839,663.97)	(0.02)	(63.28)	During the Reporting Period, the changes in fair value of financial assets of the Company and its subsidiaries decreased, and the foreign exchange translation differences of the Company's subsidiaries decreased.

### **6.3.6 Exposure to fluctuations in exchange rates**

As the majority of the revenue, expenses, assets and liabilities of the Group are denominated or settled in Renminbi, the Group did not have significant risks in exposure to fluctuations in exchange rates. Changes in exchange rates will affect the value of assets, liabilities and foreign investment entities denominated in foreign currencies, and will indirectly cause changes in the Group's revenue or cash flows for a certain period. During the Reporting Period, changes in foreign exchange had no significant impact on the Group's operating results and cash flows. The Group will continue to monitor the potential risks in the foreign exchange settlement process and take reasonable hedging measures for risk management when necessary.

### **6.3.7 Main cash resources and applications**

As at 31 December 2025, cash and cash equivalents of the Group amounted to RMB12,556,315,478.42 with a decrease of RMB3,746,623,484.72 as compared with the beginning of 2025. Net cash flow from operating activities amounted to RMB(232,460,774.72) with a year-on-year decrease of RMB3,674,887,372.31.

### **6.3.8 Contingent liabilities**

As at 31 December 2025, the Group had no material contingent liabilities.

### **6.3.9 Charge on the Group's assets**

As at 31 December 2025, Guangyao Baiyunshan Hong Kong Company, a subsidiary of the Company, as secured by fixed assets in the form of houses and buildings with the original value amounting to HKD8,892,895.00 and net value of HKD5,775,967.31, and by investment properties with the original value amounting to HKD6,842,608.50 and net value of HKD2,834,231.80, had obtained an overdraft facility of HKD300,000.00 and a total credit line of HKD100,000,000.00 for letters of credit and 90-day credit from Bank of China (Hong Kong) Co., Ltd.. Unexpired letter of credit of USD0 in value had also been obtained.

### **6.3.10 Bank loans, overdraft and other borrowings**

As at 31 December 2025, the bank loans of the Group amounted to RMB14,154,155,920.66 (31 December 2024: RMB13,260,568,854.06), with an increase of RMB893,587,066.60 as compared with the beginning of 2025. The above bank loans included short-term borrowings of RMB9,558,287,637.24, long-term borrowings of RMB2,569,307,895.97 and current portion of non-current liabilities of RMB2,026,560,387.45.

### **6.3.11 Gearing ratio**

As at 31 December 2025, the Group's gearing ratio (total liabilities/total assets × 100%) was 52.57% (31 December 2024: 53.76%).

### 6.3.12 Material investment

#### (1) Significant Equity Investments

✓ Applicable    □ Not Applicable

Name of Investee	Main Business	Whether the Investee is Engaged in Main Business	Investment Method	Investment Amount (RMB'0000)	Shareholding Ratio	Whether Consolidated	Reporting Items (if applicable)	Source of Funds	Collaborating Party (if applicable)	Investment Period (if applicable)	Progress as of the Balance Sheet Date	Expected Income (if applicable)	Impact of Current Profit/Loss	Whether Involved in Litigation	Disclosure Date (if applicable)	Disclosure Source (if applicable)
Nanjing Pharmaceutical Distribution	Pharmaceutical	No	Acquisition	74,880.75	11.04%	No	/	Own funds	/	/	A share transfer contract has been signed and the approval of the competent state-owned assets authority has been obtained	/	No impact	No	28 September 2025, 17 November 2025	Shanghai Stock Exchange, Hong Kong Stock Exchange website
Total	/	/	/	74,880.75	/	/	/	/	/	/	/	/	/	/	/	/

**Note:** On 27 February 2026, GP Fund II received the Securities Transfer Registration Confirmation issued by China Securities Depository and Clearing Corporation Limited. The equity transfer registration procedures for this equity investment have been completed. GP Fund II holds 144,557,431 unrestricted tradable shares of Nanjing Pharmaceutical, accounting for 11.04% of the current total share capital of Nanjing Pharmaceutical.

(2) *Significant Non-equity Investments*

✓ Applicable    □ Not Applicable

Project	Main investor	Particulars of investment project	Amount of planned investment (RMB'0000)	Source of capital	Amount invested during the Reporting Period (RMB'0000)	Accumulated investment amount (RMB'0000)	Implementation progress
GYBYS Biological Medicine and Health R&D Sales Headquarters Project	The Company	Establishment of an R&D platform and R&D center for innovative drugs and medical devices, an international pharmaceutical cooperation and exchange center, a technology incubator and dual-innovation base, etc.	109,985.30	Own funds, proceeds	4,019.94	96,512.14	Has completed completion acceptance.
GYBYS Affordable Rental Housing and Talent Apartment Construction Project	Chemical Pharmaceutical Factory	Apartment, kindergarten, garage, community public service and other supporting facilities.	108,286.03	Own funds	41.84	370.22	Project re-evaluation phase.
GYBYS Fashionable Traditional Chinese Medicine Valley – Tianhua Garden Project	Guangzhou Baiyunshan International Pharmaceutical and Healthcare Industry Co., Ltd.	Production workshops, TCM materials warehouse, extraction workshop, quality inspection building, comprehensive warehouse, and power center, along with other supporting facilities	320,086.15	Own funds	12,652.83	37,532.76	Foundation construction is in progress

### **6.3.13 Overseas asset status**

Applicable    Not Applicable

#### **(1) Asset scale**

Among them: Overseas assets amount to RMB630,732,699.51, accounting for 0.75% of the total assets.

#### **(2) Explanation for the relatively high proportion of overseas assets**

Applicable    Not Applicable

### **6.3.14 Major assets subject to restrictions as of the end of the Reporting Period**

Applicable    Not Applicable

## **6.4 Discussion and analysis on future development**

### **6.4.1 Industry landscape and trends**

Applicable    Not Applicable

- (1) Driven by the deepening of population aging, the improvement of residents' health awareness, and the refinement of the medical security system, China's pharmaceutical market has maintained steady growth. The central and local governments have intensively issued supporting policies to optimize the industrial supply structure, strengthen support for innovative R&D, and fully underpin the high-quality development of the biomedicine and health industry, leading to the continuous expansion of the pharmaceutical market scale.
- (2) Regulatory policies have been further refined with a "value-oriented" focus. The rules for volume-based drug procurement have been optimized, emphasizing the direction of "stabilizing clinical use, ensuring quality, and curbing vicious competition"; the adjustment of the medical insurance catalog has strengthened clinical value assessment and raised the threshold for non-catalog drugs to pass consistency evaluations. The regular advancement of volume-based procurement and medical insurance negotiations, coupled with the intensified whole-process supervision, has driven industry resources to concentrate on leading enterprises with strong R&D capabilities and high clinical value. The refined upgrading of pharmaceutical supervision has promoted pharmaceutical enterprises to improve quality and efficiency.

- (3) Global pharmaceutical mergers and acquisitions (M&A) recovered. Domestic policies have guided leading enterprises to focus on their core businesses and carry out industrial chain integration, with M&A activities characterized by “targeted supplementation and enhancement”. Domestic biotech enterprises have become more active in global M&A, and industrial integration focusing on core strategic resources has become the mainstream. The frequency of cross-border collaboration and integrated industrial chain integration has increased significantly.
- (4) The high-quality development of TCM has accelerated, entering a period of policy dividend release. In 2025, the General Office of the State Council issued a special opinion, deploying key tasks for TCM development across the entire industrial chain. The TCM review and approval mechanism has been continuously optimized, accelerating the listing process of new TCM drugs. Progress in fields such as the construction of genuine medicinal material bases and the digital and intelligent empowerment of TCM manufacturing has been accelerated. The recognition of TCM’s clinical value has improved, and the pattern of inheritance and innovation has been continuously improved.
- (5) Driven by technological innovation, the R&D and industrialization of innovative drugs in China accelerated, with innovative drugs entering a critical period of high-quality development. The industry has focused on cutting-edge fields such as AI-aided drug discovery. Enterprises have strengthened independent R&D and cross-border cooperation to accelerate the construction of differentiated pipelines. The National Medical Products Administration (NMPA) has launched a whole-chain service mechanism to support the “first launch in China” of innovative drugs and promote key core technology research and clinical transformation.

#### ***6.4.2 Development strategy and business plan for year 2026***

✓ Applicable     Not Applicable

In 2026, the Group will adhere to making steady progress, accelerate innovation and transformation, and achieve effective qualitative improvement and reasonable quantitative growth. Major activities to be promoted include:

*(1) Promoting the quality and efficiency improvement of the cornerstone business segments, and cultivating new driving forces to boost development*

First, focusing on advantageous fields and the goal of “Excellent Varieties, Quality, and Brands,” the Group will implement the “Excellent Product Plan” to strengthen core flagship products and high-potential varieties. Marketing innovation and the transition toward refinement and specialization will be promoted, optimizing the professional marketing teams based on “product category + channel attributes.” Process optimization will be accelerated to build a quality standard system covering the entire “raw material – manufacturing – inspection” chain, further enhancing consumer trust in quality. Brand coordination and digital marketing will be strengthened to enhance the Group’s brand image and influence.

Second, deepening full-cycle marketing to consolidate its leading position in natural beverages. The Group will strengthen demand insight and continue to cultivate the market. Centering on the core strategy of “seizing the opportunities in all periods and solidifying the basic market,” the Group will improve market share and profitability through all-period linkage, channel refinement, and products upgrades. New products will be developed in differentiated segments such as health and functional. While consolidating the upgrades of category such as Ci Ning Ji and Li Xiao Ji, the Group will focus on promoting channel penetration and sales volume growth for newly launched products such as shaking fruit juice beverages (果搖爽) and Shan Chong Dian Electrolyte Water (閃充電解質水) to nurture a second growth curve.

Third, optimize the business structure, consolidate the core advantages of pharmaceutical wholesale, strengthen strategic supporting businesses such as retail, and comprehensively improve the capabilities of innovation and value-added services. Deepen the full-life-cycle service management of pharmaceuticals, implement differentiated operation strategies for categories such as innovative drugs and centralized procurement drugs, strengthen the refined layout of national regional channels and the construction of supply chain resilience, lay a solid foundation for business development, and continuously enhance the competitiveness and market advantages of the pharmaceutical wholesale business. Firmly seize the policy dividends of the “dual-channel” mechanism and the development opportunities of cross-border e-commerce, optimize the operation of retail business, enrich terminal service scenarios, and further expand the space for business growth. Take innovation as the core engine, accelerate the transformation into a digital and intelligent comprehensive health service provider. Promote the productization of service content, optimize the business development pattern, and effectively cultivate new drivers of high-quality growth through the coordinated efforts of three dimensions: services, models, and digital intelligence.

Fourth, we will accumulate development momentum, accelerate the development of businesses such as consumer health, biotech innovation and medical services, and open up incremental space.

(2) *Promoting innovation and transformation and focusing on strengthening the technology engine*

Firstly, the Group will increase R&D investment and, relying on six major innovation platforms, accelerate the R&D process and market launch of projects in fields such as anti-tumor, anti-infection, gynecology, andrology, pediatrics, external medicine, and medical nutrition and health. Meanwhile, centering on core therapeutic areas such as respiratory, chronic diseases, oncology, and reproduction, through “self-development + introduction”, the Group further enrich its potential project reserves and provide important support for the innovation pipeline. Secondly, industry-academic-research cooperation will be deepened by working with major institutions to jointly build high-level laboratories and innovation research institutes to promote the transformation of more R&D results. The construction of production centers for hospital-made preparations will be advanced, and transformation projects for such preparations will be actively introduced to create a new “production-sales-investment-research-application” transformation model for medical institution preparations. Thirdly, the Group will refine the innovation system and mechanism, the appraisal and evaluation system and the error-tolerance and correction mechanism to implement diversified incentives.

(3) *Further advancing the internationalization process and promoting the globalization of products, brands, and the industry chain*

First, the Group will enhance international brand awareness and influence through expanding high-quality overseas partners, promoting the overseas registration and sales of products, focusing on advancing overseas localized operation projects, and accelerating the entry of pharmaceutical products into the “Belt and Road” market. Second, breakthroughs in key overseas markets and regional radiation will be promoted in layers. Meanwhile, the launch and production of overseas factories will be accelerated, and the supply chain network optimized to further promote the deep integration of overseas market channels and brand localization, steadily driving the continuous growth of the international natural beverages business.

*(4) Strengthening capital operation and actively releasing the value of the company*

Firstly, focusing on fields such as innovative TCM, high-end chemical preparations, high-end medical devices, and regional pharmaceutical commerce, the Group will actively seek high-quality targets, increase investment and mergers and acquisitions, and optimize industrial layout. Secondly, the Group will continue to build a full-life-cycle investment fund system covering angel venture capital, industrial incubation, and investment and acquisition types, consistently enriching investment project reserves and further activating the Group's capital momentum. Thirdly, the quality of information disclosure will be improved, ESG management levels enhanced, and core corporate value actively and precisely released through multiple channels to optimize market value management and reinforce capital recognition.

*(5) Strengthening overall coordination and actively promoting digital intelligence empowerment*

Firstly, the Group strengthen top-level design, focusing on key areas such as digital foundation construction, integrated product development (IPD), digital manufacturing (dark factories), integrated supply chain (ISC), digital marketing, integration of business and finance, and digital governance, implementing full-chain digitalization of "R&D – manufacturing – logistics – sales." Secondly, the digital management and control system will be perfected, digital intelligence synergy deepened, and a new ecosystem of modern corporate governance constructed. Meanwhile, prevention and control mechanisms will be improved to build a strong defense for network and data security.

*(6) Promoting resource integration, deepening management innovation, and solidly improving corporate governance*

First, the Group will deepen professional integration of businesses, to exert resource synergy and enhance economies of scale and comprehensive competitiveness. Second, the centralized procurement mode for TCM raw materials, auxiliary and packaging materials, and advertising will be consistently optimized, facilitating the effective role of the Group's centralized procurement platform to release the scale effect of cost reduction and efficiency. Third, the reserve of high-end talents will be strengthened with better performance appraisal, and reinforced incentive orientation to systematically build a strong talent pool. Fourth, the construction of a modern corporate governance system will be promoted, strengthening internal control and risk management to further enhance the level of corporate governance and standardized operation.

## 7. EMPLOYEES OF THE GROUP

### 7.1 Employee Overview

Numbers of the employees of the parent company	2,027
Numbers of the employees of the major subsidiaries	25,030
Total number of employees	27,057
Retired employees whose expenses are borne by the parent company and major subsidiaries	9,170
Gross payroll of the Group	RMB3.781 billion

<b>Category</b>	<b>Composition</b>	<b>Numbers of Category</b>
Production staff		5,450
Sales staff		10,463
Technical staff		3,760
Finance staff		810
Administrative staff		6,574
Total		27,057

	<b>Educational Level</b>	<b>Numbers of People</b>
Postgraduate		1,011
Undergraduate		10,998
University college		7,995
Secondary and below		7,053
Total		27,057

### 7.2 Remuneration policy

Applicable     Not Applicable

The remuneration of the employees of the Group includes salaries, bonuses, subsidies, six social insurances and one housing fund, enterprise annuities, supplementary medical insurance and other fringe benefits. The Group, in accordance with the relevant laws and regulations, paid different rates of remuneration to different employees, depending on their performance, qualification, position and other factors. Meanwhile, the Group provides professional and management channels for the career development of employees, as a breakthrough to the predicament in talent development due to limited management positions, so that outstanding professionals can receive enough recognition and incentives in the professional channel. In addition, the Group provides employees with care such as staff shuttles, apartments for talents, and various interest groups. The group adheres to equal employment, attaches importance to the integration of diverse cultures, respects all enterprises with different background, fairly treats employees of different nationalities, races, religious beliefs, genders and ages, and resolutely opposes any form of discrimination.

### 7.3 Training plan

Applicable    Not Applicable

The Group has always taken the career development and growth aspirations of its employees as the core driving force for its high-quality development. To effectively meet employees' needs for capability improvement at different career stages, the Group has established a comprehensive and efficient training management system centered on the Enterprise Party School. Standardized procedures and clear criteria have been formulated for curriculum design, selection of internal and external lecturers, training process control, and closed-loop evaluation of training effectiveness. In terms of talent development, the Group conducts in-depth research into the differentiated training needs of employees at all levels and in all positions. It adopts a diversified development model combining internal intensive training and external seminars, provides tailored training programs for employees, and offers staged growth support. Relying on its comprehensive and systematic talent development system, the Group continues to promote the common development of employees at all levels and the enterprise, effectively achieving a win-win goal of enhancing employee value and growing the enterprise.

## 8. PROFIT DISTRIBUTION OR CAPITAL RESERVE CONVERSION PROPOSAL

Upon deliberation by the Board, the Company proposed to distribute profits based on the total share capital registered on the record date in respect of the implementation of equity distribution, and distribute cash dividend of RMB0.45 (tax inclusive) to all shareholders for every share. As of 31 December 2025, the total number of shares in issue was 1,625,790,949 shares, based on which a total cash dividend of RMB731,605,927.05 was proposed, and the undistributed profits shall be carried forward to the next distribution. There will not be any capitalization of capital reserve for 2025. The profit distribution plan will be submitted to the shareholders' meeting for approval. Additionally, the Company plans to complete the distribution of the aforementioned dividends no later than the end of August 2026.

## 9. NEITHER THE COMPANY NOR ANY OF ITS SUBSIDIARIES HAD REPURCHASED, SOLD OR REDEEMED ANY OF THE COMPANY'S SHARES DURING THE REPORTING PERIOD. DURING THE REPORTING PERIOD AND AS OF 31 DECEMBER 2025, THE COMPANY DID NOT HOLD ANY TREASURY SHARES (INCLUDING THOSE HELD OR DEPOSITED WITH THE CENTRAL CLEARING AND SETTLEMENT SYSTEM).

## 10. OTHER MATTERS

### 10.1 CG Code and Model Code

During the Reporting Period, the Company complied with the provisions under the Corporate Governance Code as set out in Appendix C1 to the Listing Rules of HKEX (“CG Code”).

The Company has adopted the Model Code, the “Interim Measures for the Administration of Shareholders’ Reduction of Shares in Listed Companies” (《上市公司股東減持股份管理暫行辦法》), the “Guidelines for Self-Discipline Supervision of Listed Companies on the Shanghai Stock Exchange No. 15 – Shareholders, Directors and Senior Management to Reduce Shareholdings” (《上海證券交易所上市公司自律監管指引第15號 – 股東及董事、監事、高級管理人員減持股份》), as well as the “Measures for the Administration of Trading in Company Shares by Directors and Senior Management” (《董事及高級管理人員買賣公司股份的管理辦法》) formulated by the Company, as the codes and norms for Directors’ securities transactions. After making specific inquiries to all Directors, the Company confirms that all Directors of the Company have complied with the standards for conducting securities transactions as stipulated in the above-mentioned codes and norms during the Reporting Period. The Company is not aware of any incident where a Director failed to comply with the Model Code.

### 10.2 The Audit Committee

#### *10.2.1 Overview*

In August 1999, the Company established the Audit Committee. Its primary responsibilities include reviewing and overseeing the quality and procedures of the Group’s financial reporting; examining and monitoring the financial controls, internal controls, internal audit, and risk management systems and their implementation; assessing the soundness and effectiveness of the Company’s internal control systems; deliberating on the appointment of independent auditors and coordinating related matters, as well as evaluating the efficiency and quality of their work. Effective 26 September 2025, the Company renamed the Audit Committee of the Company from “審核委員會” to “審計委員會” in Chinese, while retaining the English name.

The Audit Committee of the 9th session of the Board was established on 30 May 2023 and comprises Mr. Wong Lung Tak Patrick (chairperson of the Audit Committee), Mr. Chen Yajin, Mr. Huang Min and Ms. Sun Baoqing. All of them are independent non-executive Directors and are qualified under the relevant requirements, whose term of office commenced on 30 May 2023 and will last until the date when a new session of the Board is elected.

### **10.2.2 Meeting Proceedings**

In 2025, the Audit Committee actively performed its duties in accordance with the Corporate Governance Guidelines for the Listed Companies, the Articles of Association, Detailed Rules for the Audit Committee of the Board, the CG Code and other relevant regulations. During the Reporting Period, the Audit Committee held four meetings and each of the members of the committee attended all the meetings, the details are as follows:

<b>Session of the Meeting</b>	<b>Date of Convening</b>	<b>Items for Deliberation</b>
The First Meeting of 2025	13 March 2025	The Company's 2024 Annual Report and its Summary; The Company's 2024 Annual Financial Report; Proposal on Supplementing Important Accounting Policies in the 2024 Annual Financial Report; The Accounting Firm's Review Opinion on the 2024 Annual Report and Connected Transactions; 2024 Internal Control Evaluation Report of the Company
The Second Meeting of 2025	28 April 2025	The 2025 First Quarterly Report of the Company; Proposal on the Reappointment of WUYIGE Certified Public Accountants LLP as the Company's Financial Audit Firm for 2025; Proposal on the Reappointment of WUYIGE Certified Public Accountants LLP as the Company's Internal Control Audit Firm for 2025
The Third Meeting of 2025	14 August 2025	The Company's 2025 Interim Report and its Summary; The Company's 2025 Interim Financial Report; The Accounting Firm's Review Opinion on the 2025 Interim Report and Connected Transactions
The Fourth Meeting of 2025	27 October 2025	The 2025 Third Quarterly Report of the Company

### ***10.2.3 Major tasks of the Audit Committee in 2025***

#### *(1) Supervision and evaluation of the work of external auditors*

- 1) During the Reporting Period, due to the Company's operational development and audit requirements, the Audit Committee, in accordance with the Notice on Implementing the Measures for the Selection of Accounting Firms by State-Owned Listed Companies and the Company's internal control requirements and procedures, conducted the selection process for the 2025 annual financial audit firm and the 2025 internal control audit firm. The details are as follows:
  - ① In March 2025, the Audit Committee proposed to the Company to initiate the process of selecting an accounting firm.
  - ② In April 2025, after reviewing the relevant documents related to the selection of an accounting firm, the Audit Committee approved the evaluation criteria and specific scoring standards for the selection of the annual auditor and supervised the entire selection process. Upon completion of the selection, the Audit Committee reviewed the selection report and raised no inquiries or additional suggestions.
  - ③ At the Second Audit Committee Meeting in 2025, the Proposal on the Reappointment of WUYIGE Certified Public Accountants LLP as the Company's 2025 Annual Financial Audit Firm and the Proposal on the Reappointment of WUYIGE Certified Public Accountants LLP as the Company's 2025 Internal Control Audit Firm were reviewed. The committee was of the view that WUYIGE Certified Public Accountants LLP ("Da Xin") is an audit firm compliant with the Securities Law, possessing the professional qualifications and competence to provide audit services to listed companies. The audit team members did not violate the independence requirements of the Code of Ethics for Chinese Certified Public Accountants. Da Xin demonstrated sufficient independence, integrity, and investor protection capabilities, meeting the requirements for the Company's 2025 annual financial audit and internal control audit. The Audit Committee agreed to reappoint Da Xin as the Company's 2025 annual financial audit firm and internal control audit firm and submitted the proposal to the Board for deliberation.

- 2) The Audit Committee communicated with Da Xin, the 2024 financial audit firm, regarding the audit scope, plan, and other matters, requiring the external auditor to promptly report to the Audit Committee and independent directors to ensure that the external auditor adhered to the principle of independence and diligently performed its audit responsibilities. The Audit Committee believes that Da Xin, in conducting the Company's 2024 annual audit, maintained a rigorous, truthful, independent, and objective working attitude, adhered to professional ethics, followed auditing standards, fulfilled its audit responsibilities, and submitted the audit report on time.

*(2) Review of the Company's financial information and disclosures*

During the Reporting Period, the Audit Committee reviewed the Company's 2024 Annual Financial Report, 2025 Interim Financial Report, and the financial statements for the first and third quarters of 2025. The members of the Audit Committee diligently fulfilled their supervisory responsibilities, paying close attention to and thoroughly understanding the basis and standards for impairment provisions, among other matters, and issued relevant review opinions. They unanimously agreed that the Company's financial reports truthfully, accurately, and completely reflected the Company's financial status and operational management. There was no evidence of fraud, misconduct, or significant misstatements, nor were there any significant accounting error adjustments, matters involving critical accounting judgments, or issues that would lead to a non-standard unqualified audit opinion. The content and procedures of the disclosures were compliant with applicable laws and regulations.

*(3) Supervision and evaluation of internal audit work*

During the Reporting Period, the Audit Committee carefully reviewed the Company's internal audit work plan and endorsed its feasibility. It also urged the Company's internal audit department to strictly adhere to the audit plan and provided guidance on issues identified during the internal audit process.

(4) *Supervision and evaluation of the effectiveness of internal controls*

Upon review, the Audit Committee is of the opinion that the Company has established a sound corporate governance structure and system in accordance with the Company Law, the Basic Standards for Enterprise Internal Control, relevant supporting guidelines, and the requirements of the CSRC and the Shanghai Stock Exchange. During the Reporting Period, the Company was able to implement various laws and regulations, the Articles of Association, and related internal management systems. The General Meeting of Shareholders, the Board, and management operated in a standardized manner, effectively safeguarding the legitimate rights and interests of the Company and its shareholders. The Audit Committee thoroughly reviewed the Company's Internal Control Evaluation Report and the Internal Control Audit Report issued by Da Xin, examining and reviewing the Company's financial controls, internal controls, internal audit, and risk management systems, as well as the effectiveness of implementation.

(5) *Supervision of major matters*

- 1) The Audit Committee supervised the audit department in organizing inspections of the Company's relevant matters, covering the implementation of major events such as the use of proceeds, provision of guarantees, connected transactions, provision of financial assistance, and external investments. The inspections also included the Company's large fund transactions and fund transactions with Directors, senior management, controlling shareholders, actual controllers, and their connected parties.
- 2) The Audit Committee supervised the use and management of the Company's proceeds. In 2025, the Company strictly complied with relevant laws, regulations, and the Company's Proceeds Management System in the deposit, use and management of proceeds, with no violations identified.
- 3) Review of the Company's connected transactions: during the Reporting Period, the Audit Committee reviewed the Company's connected transactions for 2024 and the first half of 2025. It examined the necessity, reasonableness, and fairness of these transactions, continuously monitored the compliance of the deliberation and disclosure processes, and conducted a detailed review of each connected transaction. No instances were found where connected transactions harmed the interests of the Company or its shareholders.
- 4) Supervision of the Company's external guarantees: during the Reporting Period, the Company did not engage in any form of external guarantees, nor were there any external guarantee matters from previous periods that continued into the Reporting Period.

#### ***10.2.4 Work related to the 2025 annual audit and annual report preparation***

In accordance with the Detailed Rules for the Audit Committee of the Board and the annual report work procedures of the Audit Committee, the members of the Audit Committee actively supported the Company's 2025 annual audit and annual report preparation efforts, including:

- (1) On 5 January 2026, members of the Audit Committee communicated with the Company's auditors, Director, management and relevant functional departments through a combination of online and offline methods. They discussed the audit scope for the 2025 annual audit, the independence of the accounting firm and related auditors, key timelines, focal points of the annual report audit, and personnel arrangements, among other matters. The Audit Committee members listened to the auditors' presentation on the 2025 annual report audit and had no objections to the content of the report.
- (2) On 13 March 2026, upon completion of the annual audit work and prior to the submission of the audit report to the Board, the Audit Committee reviewed the financial statements. In accordance with relevant regulations, it also reviewed the report submitted by the auditors regarding the 2025 annual audit and connected transactions, and issued a written review opinion.
- (3) On 20 March 2026, the Company's Audit Committee held its first meeting of 2026, during which it reviewed and approved the full text and summary of the Company's 2025 Annual Report, the 2025 Internal Control Evaluation Report, among other proposals. The Audit Committee agreed to submit these documents to the Board for deliberation. Additionally, the Audit Committee summarized and evaluated the auditors' annual audit work, acknowledging that the auditors adhered to a rigorous, truthful, independent, and objective working attitude during the Company's 2025 annual audit. The auditors upheld professional ethics, followed auditing standards, fulfilled their audit responsibilities, submitted the audit report on time, and provided constructive management recommendations to the Company's management, successfully completing the audit work entrusted by the Company.

### **10.3 Management contracts**

During the Year, the Company has not entered into or maintained any contracts related to the management or administration of its overall business or any significant business operations.

### **10.4 Significant relationships with employees, customers, suppliers and others**

The Group offers various remuneration and benefit packages to its employees in line with industry norms based on, among others, their performance, abilities and positions. The Group attaches importance to the career development of its employees and has established professional promotion channels and a comprehensive talent development system. In addition, the Group chooses its suppliers with due prudence and has a comprehensive supplier management system in place to ensure the superior quality of its products delivered to the customers, as an effort to protect their rights and interests. During the Reporting Period, the Group maintained an agreeable and stable business relationship with both its suppliers and customers. Meanwhile, the Group attaches remarkable importance to the issues concerning environmental protection and public welfare, and strives to promote the sustainable and healthy development of the Company together with its stakeholders during the economic exchanges with them.

## **11. SIGNIFICANT MATTERS**

**11.1 During the Reporting Period, there were no significant changes in the Company's operating conditions, and no events occurred that had or are expected to have a significant impact on the Company's operations.**

**11.2 The Company does not face any risk of delisting or termination of listing.**

## 12. FINANCIAL REPORTS

### 12.1 Financial statements prepared in accordance with the China Accounting Standards for Business Enterprises

(All amounts in Renminbi yuan unless otherwise stated)

#### Consolidated Balance Sheet

Item	Note	31 December 2025 (Audited)	31 December 2024 (Audited)
<b>Current assets:</b>			
Cash at bank and on hand		14,940,092,971.81	18,273,150,112.58
Financial assets held for trading		4,000,000.00	–
Derivative financial assets		–	–
Notes receivable		491,345,369.80	553,919,519.41
Accounts receivable	12.1.3	16,849,441,972.96	15,725,982,661.17
Accounts receivable financing		3,599,255,106.20	3,175,849,620.31
Advances to suppliers		970,317,450.32	577,942,385.96
Other receivables		1,186,185,444.48	993,650,235.33
Including: Interest receivable		–	–
Dividends receivable		1,500,000.00	1,500,000.00
Inventories		13,138,250,768.05	12,811,902,453.79
Contract assets		–	–
Assets held for sales		–	–
Current portion of non-current assets		4,644,664,557.28	3,783,355,648.62
Other current assets		5,694,728,482.83	1,866,475,672.20
<b>Total current assets</b>		<b>61,518,282,123.73</b>	<b>57,762,228,309.37</b>

<b>Item</b>	<i>Note</i>	<b>31 December 2025</b> <i>(Audited)</i>	31 December 2024 <i>(Audited)</i>
<b>Non-current assets:</b>			
Debt investment		<b>6,605,607,999.15</b>	8,053,925,346.18
Other debt investment		–	–
Long-term receivables		–	–
Long-term equity investment		<b>1,584,359,975.87</b>	1,507,259,073.94
Other equity instrument investment		<b>96,174,005.96</b>	104,180,509.45
Other non-current financial assets		<b>506,653,262.60</b>	531,000,228.05
Investment properties		<b>140,377,272.29</b>	145,071,577.99
Fixed assets		<b>6,731,756,109.45</b>	5,530,013,212.85
Construction in progress		<b>1,149,620,788.63</b>	1,846,192,932.95
Bearer biological assets		<b>771,362.10</b>	1,120,772.10
Oil and gas assets		–	–
Right-of-use assets		<b>482,779,752.98</b>	561,406,325.03
Intangible assets		<b>3,181,185,613.17</b>	2,828,761,601.53
Development expenditure		<b>4,937,826.31</b>	369,934,913.74
Goodwill		<b>834,090,912.89</b>	830,854,604.98
Long-term prepaid expenses		<b>155,617,184.61</b>	188,559,343.16
Deferred tax assets		<b>1,286,489,802.03</b>	1,210,403,693.47
Other non-current assets		<b>232,436,018.49</b>	212,699,075.85
<b>Total non-current assets</b>		<b><u>22,992,857,886.53</u></b>	<b><u>23,921,383,211.27</u></b>
<b>TOTAL ASSETS</b>		<b><u>84,511,140,010.26</u></b>	<b><u>81,683,611,520.64</u></b>
<b>Current liabilities:</b>			
Short-term borrowings		<b>9,558,287,637.24</b>	9,122,982,451.32
Financial liabilities held for trading		–	–
Derivative financial liabilities		–	–
Notes payable		<b>5,072,326,244.27</b>	4,584,854,358.78
Accounts payable	<i>12.1.4</i>	<b>12,499,055,570.01</b>	11,734,666,536.69
Advances from customers		<b>1,468,727.86</b>	4,548,223.86
Contract liabilities		<b>2,833,240,650.21</b>	5,071,977,258.92
Employee benefits payable		<b>952,853,661.28</b>	899,113,818.50
Taxes payable		<b>306,106,564.85</b>	248,911,254.15
Other payables		<b>5,031,571,987.99</b>	5,074,298,832.26

<b>Item</b>	<i>Note</i>	<b>31 December 2025</b> <i>(Audited)</i>	31 December 2024 <i>(Audited)</i>
Including: Interest payable		–	–
Dividends payable		<b>53,189,827.58</b>	50,492,925.62
Liabilities held for sales		–	–
Current portion of non-current liabilities		<b>2,211,756,510.39</b>	1,522,617,327.55
Other current liabilities		<b>658,040,915.23</b>	651,719,293.54
<b>Total current liabilities</b>		<b><u>39,124,708,469.33</u></b>	<u>38,915,689,355.57</u>
<b>Non-current liabilities:</b>			
Long-term borrowings		<b>2,569,307,895.97</b>	2,805,538,605.44
Bonds payable		<b>604,442,794.52</b>	–
Lease liabilities		<b>371,472,631.30</b>	445,715,206.87
Long-term payables		<b>19,666,964.60</b>	19,666,964.60
Long-term employee benefits payable		<b>292,293.37</b>	299,678.21
Provisions		<b>41,733,362.24</b>	44,144,600.58
Deferred income		<b>1,041,939,804.72</b>	1,001,862,397.10
Deferred tax liabilities		<b>599,367,382.87</b>	625,557,477.06
Other non-current liabilities		<b>55,339,749.02</b>	55,501,488.82
<b>Total non-current liabilities</b>		<b><u>5,303,562,878.61</u></b>	<u>4,998,286,418.68</u>
<b>Total liabilities</b>		<b><u>44,428,271,347.94</u></b>	<u>43,913,975,774.25</u>
<b>Shareholders' equity:</b>			
Share capital		<b>1,625,790,949.00</b>	1,625,790,949.00
Capital surplus		<b>10,323,519,391.33</b>	10,113,721,707.21
Less: Treasury shares		–	–
Other comprehensive income		<b>(22,597,705.49)</b>	(13,839,663.97)
Surplus reserve		<b>2,479,021,218.22</b>	2,363,518,341.03
Undistributed profits		<b>23,382,314,493.73</b>	21,815,336,535.32
<b>Total equity attributable to shareholders of the parent company</b>		<b><u>37,788,048,346.79</u></b>	<u>35,904,527,868.59</u>
Minority interest		<b>2,294,820,315.53</b>	1,865,107,877.80
<b>Total shareholders' equity</b>		<b><u>40,082,868,662.32</u></b>	<u>37,769,635,746.39</u>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		<b><u><u>84,511,140,010.26</u></u></b>	<u><u>81,683,611,520.64</u></u>

## Consolidated Income Statement

Item	Notes	For the twelve months ended 31 December 2025 <i>(Audited)</i>	For the twelve months ended 31 December 2024 <i>(Audited)</i>
<b>1. Operating income</b>	<i>12.1.5</i>	<b>77,656,109,939.23</b>	74,992,820,473.56
Less: Operating costs	<i>12.1.5</i>	<b>65,045,061,403.74</b>	62,472,768,681.69
Taxes and surcharges		<b>331,937,194.24</b>	296,683,861.44
Selling and distribution expenses		<b>5,826,805,538.40</b>	5,619,619,395.89
General and administrative expenses		<b>2,508,860,485.34</b>	2,407,633,812.49
R&D expenses		<b>661,633,556.21</b>	763,770,055.43
Financial expenses		<b>281,237,749.62</b>	38,229,086.78
Including: Interest expenses		<b>401,507,404.35</b>	418,151,317.81
Interest income		<b>141,887,111.93</b>	404,308,070.51
Add: Other income		<b>257,555,908.31</b>	343,061,715.88
Investment income		<b>468,570,764.62</b>	294,024,359.87
Including: Income from investments in associates and joint ventures		<b>5,935,060.06</b>	(51,617,979.37)
Derecognition income of financial assets measured at amortized cost		<b>(33,424,605.58)</b>	(27,810,365.90)
Gains from changes in fair value		<b>(18,696,965.45)</b>	24,654,146.29
Impairment losses in respect of credit		<b>(118,920,482.74)</b>	(63,298,043.43)
Impairment losses in respect of assets		<b>(68,024,867.38)</b>	(407,283,126.03)
Gains on disposal of assets		<b>107,741,285.75</b>	11,119,280.14
<b>2. Operating profit</b>		<b>3,628,799,654.79</b>	3,596,393,912.56
Add: Non-operating income		<b>92,712,780.69</b>	40,304,028.71
Less: Non-operating expenses		<b>31,586,493.06</b>	29,118,069.51
<b>3. Total profit</b>		<b>3,689,925,942.42</b>	3,607,579,871.76
Less: Income tax expenses	<i>12.1.6</i>	<b>629,215,625.78</b>	606,848,528.45

Item	<i>Notes</i>	For the twelve months ended <b>31 December 2025</b> <i>(Audited)</i>	For the twelve months ended 31 December 2024 <i>(Audited)</i>
<b>4. Net profit</b>		<b><u>3,060,710,316.64</u></b>	<b><u>3,000,731,343.31</u></b>
(1) Classified by the continuity of operations		-	-
A. Net profit from continuing operations		<b>3,060,710,316.64</b>	3,000,731,343.31
B. Net profit from discontinued operations		-	-
(2) Classified by ownership of the equity		-	-
A. Net profit attributable to the parent company's shareholders		<b>2,983,113,594.80</b>	2,835,496,163.51
B. Minority interest		<b>77,596,721.84</b>	165,235,179.80
<b>5. Other comprehensive income, net of tax</b>		<b>(8,445,769.36)</b>	11,119,449.61
Other comprehensive income, net of tax attributable to the parent company's shareholders		<b>(8,758,041.52)</b>	10,504,805.62
(1) Other comprehensive income that will not be reclassified to profit or loss		<b>(6,805,527.97)</b>	(65,219.59)
A. Changes arising from the remeasurement of defined benefit obligation		-	-
B. Other comprehensive income that will not be reclassified to profit or loss under equity method		-	-
C. Change in fair value of other equity instrument investment		<b>(6,805,527.97)</b>	(65,219.59)
D. Change in fair value of the company's own credit risk		-	-
E. Others		-	-

<b>Item</b>	<i>Notes</i>	<b>For the twelve months ended 31 December 2025 (Audited)</b>	For the twelve months ended 31 December 2024 (Audited)
(2) Other comprehensive income that may be reclassified into profit or loss		<b>(1,952,513.55)</b>	10,570,025.21
A. Other comprehensive income that may be reclassified to profit or loss under equity method		–	–
B. Change in fair value of other debt investment		<b>(1,641,611.30)</b>	5,698,984.56
C. Gains and losses arising from changes in fair value of available-for-sale financial assets		–	–
D. The amount of financial assets reclassified into other comprehensive income		–	–
E. Gains and losses arising from reclassification of held-to-maturity investment to available-for-sale financial assets		–	–
F. Provision for credit loss of other debt investment		<b>4,769,861.83</b>	458,337.87
G. Cash flow hedge reserve		–	–
H. Difference arising from the translation of foreign currency financial statements		<b>(5,080,764.08)</b>	4,412,702.78
I. Others		–	–
Other comprehensive income, net of tax attributable to minority shareholders		<b>312,272.16</b>	614,643.99

Item	Notes	For the twelve months ended 31 December 2025 (Audited)	For the twelve months ended 31 December 2024 (Audited)
<b>6. Total comprehensive income</b>		<b>3,052,264,547.28</b>	3,011,850,792.92
(1) Total comprehensive income attributable to shareholders of the parent company		2,974,355,553.28	2,846,000,969.13
(2) Total comprehensive income attributable to minority shareholders		77,908,994.00	165,849,823.79
<b>7. Earnings per share (EPS):</b>			
(1) Basic earnings per share		1.835	1.744
(2) Diluted earnings per share		1.835	1.744

#### 12.1.1 Basis of preparation of financial statements

##### (1) Basis of preparation

The financial statements are prepared, on a going concern basis, to recognize and measure the transactions and events, which have occurred, in accordance with the Accounting Standards for Business Enterprises–Basic Standard (Release of No.33 Order of the Ministry of Finance and Amendment to No.76 Order of the Ministry of Finance), 42 specific accounting standards, the Application Guidance for Accounting Standard for Business Enterprises, interpretations of the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance on and subsequent to 15 February 2006 (hereinafter collectively referred to as “ASBE”), and the disclosure requirements in the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15–General provisions on Financial Reporting (Revised in 2023) issued by the China Securities Regulatory Commission.

According to relevant provisions of the ASBE, the Group’s accounting is prepared using the accrual basis. The measurement basis of the financial statements is historical cost except for certain financial instruments. According to the ASBE, related provision for impairment shall be accrued if asset is impaired.

(2) Going concern

The Group has the ability to continue as a going concern in the next 12 months since the end of the Reporting Period. There is no material event that may cast significant doubt upon the Group's ability to continue as a going concern.

*12.1.2 Information of Segments*

With the deployment of the Group's strategic management and the expansion of its business segments, the Group is currently mainly engaged in the industrial chain layout and internal organizational structure construction of the "modernized traditional Chinese medicine", "chemical pharmaceutical technology", "natural beverages", "pharmaceutical commerce" and other segments. In accordance with the requirements of regulatory laws and regulations, company management and other aspects, the Group will determine its operating segments based on the five major segments. The specific segment details are as follows:

- Modernized Traditional Chinese Medicine Business Segment: Research and development, manufacturing and sales of proprietary Chinese medicines and natural medicines;
- Chemical Pharmaceutical Technology Business Segment: Research and development, manufacturing and sales of chemical drugs, chemical APIs and chemical API intermediates;
- Natural Beverages Business Segment: Research and development, production and sales of health products;
- Pharmaceutical Commerce Business Segment: Wholesale, retail and import and export businesses of western medicines, traditional Chinese medicines and medical devices;
- Other Business Segments: Mainly including biotech innovation, consumer health, medical services and other businesses.

The transfer price between segments is determined with reference to the price adopted for sales to third parties.

Assets and liabilities are allocated based on the operations of each segment, and expenses indirectly attributable to each segment are allocated among segments in proportion to their revenues.

(1) The segment information for the 12 months ended 31 December 2025 and as of 31 December 2025 is as follows:

	2025						Total
	Modernized Traditional Chinese Medicine	Chemical Pharmaceutical Technology	Natural Beverages	Pharmaceutical Commerce	Other Business	Offset Between Segments	
External revenue	5,895,548,640.67	3,479,858,587.72	9,679,180,969.25	57,078,259,273.18	1,523,262,468.41	-	77,656,109,939.23
Inter-segment revenue	1,627,442,636.69	285,975,656.62	52,669,719.66	1,090,377,620.12	4,954,630,320.75	(8,011,095,953.84)	-
Interest income	(15,621,753.20)	(7,869,741.49)	(48,074,237.25)	(31,737,835.39)	(38,583,544.59)	-	(141,887,111.92)
Interest expenses	19,387,296.58	3,215,793.39	10,497,356.21	366,368,241.89	4,097,142.23	(2,058,425.95)	401,507,404.35
Income from investments in associates and joint ventures	-	-	-	(860,871.51)	9,308,613.08	(2,512,681.51)	5,935,060.06
Impairment losses in respect of credit	7,270,884.23	(251,496.18)	(55,225.71)	(104,271,975.92)	(3,557,114.22)	(18,055,554.94)	(118,920,482.74)
Impairment losses in respect of assets	(17,993,510.36)	(34,702,527.96)	(306,844.79)	(13,243,310.56)	(1,778,673.71)	-	(68,024,867.38)
Depreciation and amortization expenses	237,184,051.19	137,615,176.61	85,225,631.37	356,844,131.30	139,689,185.92	(709,427.85)	955,848,748.54
Total profit	448,452,036.47	614,706,616.47	1,478,624,638.19	800,162,275.66	654,302,693.49	(306,322,317.86)	3,689,925,942.42
Total assets	11,768,493,399.91	7,956,791,780.53	19,278,167,767.14	37,996,803,086.01	34,444,848,733.40	(26,933,964,756.73)	84,511,140,010.26
Total liabilities	6,205,202,101.11	4,434,816,787.56	6,740,319,699.12	29,749,243,248.27	10,279,322,304.89	(12,980,632,793.01)	44,428,271,347.94
Long-term equity investment in associates and joint ventures	65,476.18	-	-	15,957,809.61	1,568,336,690.08	-	1,584,359,975.87
Increase in other non-current assets excluding long-term equity investment	287,592,157.44	97,377,783.40	263,195,530.25	453,170,048.50	356,569,855.30	-	1,457,905,374.89

(2) The segment information for the 12 months ended 31 December 2024 and as of 31 December 2024 is as follows:

	2024						Total
	Modernized Traditional Chinese Medicine	Chemical Pharmaceutical Technology	Natural Beverages	Pharmaceutical Commerce	Other Business	Offset Between Segments	
External revenue	6,236,974,860.58	3,703,635,936.57	9,716,845,886.25	53,729,829,286.62	1,605,534,503.54	-	74,992,820,473.56
Inter-segment revenue	1,805,362,498.04	304,437,246.57	30,581,191.40	874,874,877.34	5,423,476,645.64	(8,438,732,458.99)	-
Interest income	(38,730,385.76)	(57,716,320.27)	(191,778,198.73)	(47,691,497.62)	(68,391,668.13)	-	(404,308,070.51)
Interest expenses	22,112,184.09	3,734,246.88	9,517,471.12	380,403,824.40	8,801,482.28	(6,417,890.96)	418,151,317.81
Income from investments in associates and joint ventures	(63,818.64)	-	(9,792.87)	81,490.81	(45,953,923.69)	(5,671,934.98)	(51,617,979.37)
Impairment losses in respect of credit	(2,230,227.87)	(958,501.37)	(424.31)	(56,625,332.53)	(795,366.27)	(2,688,191.08)	(63,298,043.43)
Impairment losses in respect of assets	(3,322,596.51)	(21,477,375.97)	(566,729.06)	5,848,017.64	(387,764,442.13)	-	(407,283,126.03)
Depreciation and amortization expenses	206,719,330.04	118,209,278.33	87,045,918.45	396,652,539.87	128,272,211.03	(701,481.18)	936,197,796.54
Total profit	891,261,541.15	777,017,791.28	1,657,498,678.76	771,588,907.29	526,973,322.81	(1,016,760,369.53)	3,607,579,871.76
Total assets	10,906,927,194.66	8,239,399,596.04	19,817,784,188.82	34,329,600,631.93	18,319,147,833.55	(9,929,247,924.36)	81,683,611,520.64
Total liabilities	5,620,532,896.33	4,923,021,797.66	8,514,492,707.24	26,684,890,960.07	9,504,000,597.23	(11,332,963,184.28)	43,913,975,774.25
Long-term equity investment in associates and joint ventures	427,991.05	-	-	16,818,681.12	1,490,012,401.77	-	1,507,259,073.94
Increase in other non-current assets excluding long-term equity investment	357,269,286.21	197,294,007.53	103,228,070.17	225,784,910.83	556,507,552.90	-	1,440,083,827.64

The Group's total revenue from external customers in the PRC and other countries/regions, and the total non-current assets other than financial assets and deferred tax assets located in the PRC and other countries/regions are summarized as follows:

	<b>January to December of 2025</b>	January to December of 2024
<b>External revenue</b>		
PRC	<b>77,361,802,002.53</b>	74,717,587,520.79
Other countries/regions	<b>294,307,936.70</b>	275,232,952.77
	<b><u>77,656,109,939.23</u></b>	<b><u>74,992,820,473.56</u></b>
<b>Total non-current assets</b>	<b>31 December 2025</b>	31 December 2024
PRC	<b>14,485,659,663.92</b>	14,008,601,389.74
Other countries/regions	<b>12,273,152.87</b>	13,272,044.38
	<b><u>14,497,932,816.79</u></b>	<b><u>14,021,873,434.12</u></b>

### *12.1.3 Accounts receivable*

The aging analysis of accounts receivable based on booking date is as follows:

	<b>31 December 2025</b>	31 December 2024
Within 1 year	<b>15,177,680,530.88</b>	14,366,926,508.25
1 to 2 years	<b>1,699,642,028.29</b>	1,447,254,521.49
2 to 3 years	<b>349,973,452.37</b>	246,382,554.97
3 to 4 years	<b>110,744,262.02</b>	95,992,780.94
4 to 5 years	<b>49,299,648.36</b>	37,140,920.37
Over 5 years	<b>267,403,277.45</b>	235,917,479.98
	<b><u>805,301,226.41</u></b>	<u>703,632,104.83</u>
Less: Provision for bad debts	<b><u>16,849,441,972.96</u></b>	<b><u>15,725,982,661.17</u></b>

#### 12.1.4 Accounts payable

The aging analysis of accounts payable based on booking date is as follows:

	<b>31 December 2025</b>	31 December 2024
Within 1 year	<b>12,016,531,510.75</b>	11,206,378,453.13
Over 1 year	<b>482,524,059.26</b>	528,288,083.56
	<b><u>12,499,055,570.01</u></b>	<b><u>11,734,666,536.69</u></b>

#### 12.1.5 Operating income and Operating costs

	<b>For the 12 months ended 31 December 2025</b>		
	<b>Main businesses</b>	<b>Other businesses</b>	<b>Subtotal</b>
Operating income	<b>77,412,542,591.33</b>	<b>243,567,347.90</b>	<b>77,656,109,939.23</b>
Operating costs	<b>64,929,820,058.77</b>	<b>115,241,344.97</b>	<b>65,045,061,403.74</b>
Gross profit	<b><u>12,482,722,532.56</u></b>	<b><u>128,326,002.93</u></b>	<b><u>12,611,048,535.49</u></b>

	<b>For the 12 months ended 31 December 2024</b>		
	<b>Main businesses</b>	<b>Other businesses</b>	<b>Subtotal</b>
Operating income	74,778,519,498.98	214,300,974.58	74,992,820,473.56
Operating costs	<u>62,389,614,053.88</u>	<u>83,154,627.81</u>	<u>62,472,768,681.69</u>
Gross profit	<b><u>12,388,905,445.10</u></b>	<b><u>131,146,346.77</u></b>	<b><u>12,520,051,791.87</u></b>

#### 12.1.6 Income tax expenses

	<b>For the 12 months ended 31 December 2025</b>	For the 12 months ended 31 December 2024
Current income tax expenses	<b>736,319,508.46</b>	669,921,181.15
Deferred income tax expenses	<b><u>(107,103,882.68)</u></b>	<u>(63,072,652.70)</u>
	<b><u>629,215,625.78</u></b>	<b><u>606,848,528.45</u></b>

Income tax expenses derived from reconciliation of income tax calculated by applicable tax rate based on total profit in the consolidated income statement:

	<b>For the 12 months ended 31 December 2025</b>
Total profit	<u><b>3,689,925,942.42</b></u>
Income tax calculated at statutory rate	<u><b>553,488,891.36</b></u>
Tax effect of different rates applicable to subsidiaries in the scope of consolidation	<b>57,734,386.85</b>
Effect of income tax adjustment for prior period	<b>7,554,773.69</b>
Non-taxable and tax relief income	<b>(17,775,209.95)</b>
Non-deductible costs, expenses and losses	<b>24,608,069.73</b>
Effect of using deductible losses of deferred tax assets	
Unrecognized in prior period	<b>(5,961,570.46)</b>
Effect of deductible temporary differences and deductible losses which are not recognized in current period	<b>86,005,509.99</b>
Tax effect of R&D expenditure deduction	<b>(76,475,794.72)</b>
Changes in the balance of deferred income tax assets/liabilities at the beginning of the year due to tax rate adjustments	<u><b>36,569.29</b></u>
Income tax expenses	<u><u><b>629,215,625.78</b></u></u>

According to the state's relevant tax preferential policies for High/New enterprises, qualified High/New enterprises can enjoy preferential corporate income tax policies and pay corporate income tax at a reduced rate of 15%.

The subsidiaries of the Group, which have obtained the Certificates of High/New Technology Enterprises, can enjoy preferential tax rate of 15% for current period, which including: the Company (No. GR202344004122), Xing Qun (No. GR202344002036), Zhong Yi (No. GR202344010147), Chen Li Ji (No. GR202344005874), Guangzhou Han Fang (No. GR202344010098), Qi Xing (NO. GR202344004761), Jing Xiu Tang (No. GR202344007214), Pan Gao Shou (No. GR202344009572), Wang Lao Ji (No. GR2023344003015), Guand Dong Han Chao (No. GR202344003019), Tian Xin (No. GR202344004253), Guang Hua (No. GR202244002191), Ming Xing (No. GR202344008105), Guangyao General Institute (No. GR20244009410), Guangxi Ying Kang (No. GR202445000589), Guangzhou Pharmaceutial Information Technology Co., Ltd. (No. GR202344009159), Weiyi Industry (No. GR202444001470), Guangyao Wang Lao Ji (Bijie) Industrial Co., Ltd. (No. GR202452000044), Gansu Guangyao Baiyunshan Traditional Chinese Medicine Technology Co., Ltd. (No. GR202462000057).

Hainan Guangyao Chen Fei Pharmaceutical Co., Ltd., Guangyao (Zhuhai Hengqin) pharmaceutical Import and Export Co., Ltd., WLJ Great Health and Guizhou Wanglaoji Cilinji Industry Development Co., Ltd. enjoy tax incentives for encourage industries, and paid enterprise income tax at a reduced rate of 15% in 2025.

#### *12.1.7 Dividends*

Pursuant to the 2024 Annual General Meeting held on 3 June 2025, the Company distributed cash dividends to all shareholders at RMB0.40 per share (inclusive of tax). Based on the 1,625,790,949 shares issued by the Company as of the end of 2024, the total amount of cash dividends is RMB650,316,379.60.

Pursuant to the 28th meeting of the ninth session of the Board held on 15 August 2025, the Company distributed cash dividends to all shareholders at RMB0.40 per share (inclusive of tax). Based on the 1,625,790,949 shares issued by the Company as of 30 June 2025, the total amount of cash dividends is RMB650,316,379.60.

**12.2 No change in accounting policies has occurred as compared with the most recent annual report.**

**12.3 No change in accounting estimates and accounting methods compared to the previous annual report.**

**12.4 No correction for significant accounting errors in the current Reporting Period.**

**12.5 Explanation on change in consolidation scope compared to the previous annual report.**

#### *12.5.1 Other reasons for changes in the scope of consolidation include*

Compared to the previous year, during the current period, the consolidated Group experienced an increase of 4 new subsidiaries due to other reasons and a decrease of 5 subsidiaries. The reasons for these changes are as follows:

- (1) In February 2025, Wanglaoji Pharmaceutical Co., Ltd., a subsidiary controlled by the Company, acquired Fujian Baiyunshan Caishantang Pharmaceutical Co., Ltd. The registered capital of the latter is RMB53.397 million, of which the capital contribution subscribed by Wanglaoji Pharmaceutical accounts for 67% of the registered capital.
- (2) In May 2025, Caizhilin Pharmaceutical Co., Ltd., a subsidiary of the Company, established Guangzhou Caizhi Pharmaceutical Co., Ltd. with a registered capital of 50 million, of which the capital contribution subscribed by Caizhilin Pharmaceutical accounts for 51% of the registered capital.

- (3) In May 2025, Guangzhou Baiyunshan Yihu Health Technology Co., Ltd., a controlled subsidiary of the Company, transferred the equity it held in Guangzhou Yufeng Jianhu Medical Supplies Co., Ltd. to an external party, and the investee is no longer included in the scope of consolidation.
- (4) In July 2025, the Company established Guangzhou Guangyao Phase II Fund Equity Investment Partnership (Limited Partnership), with a registered capital of RMB1,500 million, of which the capital contribution subscribed by the Company accounts for 99.9% of the registered capital.
- (5) In September 2025, the Company established Guangyao Yunshan Molecular Technology (Guangzhou) Co., Ltd., with a registered capital of RMB500 million and the capital contribution subscribed by the Company accounts for 100% of the registered capital.
- (6) In September 2025, Guangyao Baiyunshan Macau Co., Ltd., a subsidiary of the Company, deregistered its subsidiary Guangyao Baiyunshan (Zhuhai Hengqin) Traditional Chinese Medicine Industry Co., Ltd.
- (7) In October 2025, Guangyao Baiyunshan Hong Kong Co., Ltd., a subsidiary of the Company, deregistered its subsidiary Guangyao Baiyunshan Macau Co., Ltd.
- (8) In October 2025, Tibet Linzhi Guangyao Development Co., Ltd., a subsidiary of the Company, was deregistered.
- (9) In December 2025, Guangzhou Baiyunshan Huacheng Technology Co., Ltd., a subsidiary of the Company, was deregistered.

**12.6 There is no explanation from the Board on non-standard audit report issued by the auditors for the current Reporting Period.**

**The Board of  
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited**

Guangzhou, the PRC, 20 March 2026

*As at the date of this summary, the Board comprises Mr. Li Xiaojun, Mr. Chen Jiehui, Mr. Cheng Hongjin, Mr. Tang Heping and Mr. Li Hong as executive directors, and Mr. Chen Yajin, Mr. Huang Min, Mr. Wong Lung Tak Patrick and Ms. Sun Baoqing as independent non-executive directors.*