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# 國藥控股股份有限公司 SINOPHARM GROUP CO. LTD.\*

*(A joint stock limited company incorporated in the People's Republic of China with limited liability and carrying on business in Hong Kong as 國控股份有限公司)*  
(Stock Code: 01099)

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the “**Board**”) of Sinopharm Group Co. Ltd. (the “**Company**” or “**Sinopharm**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) prepared under the HKFRS Accounting Standards for the year ended 31 December 2025 (the “**Reporting Period**”).

### CHAIRMAN’S STATEMENT

**Dear shareholders and investors,**

On the occasion of the release of Sinopharm’s 2025 annual results, I, on behalf of the Board of the Company, would like to extend my sincerest gratitude to all shareholders, investors and business partners who have long trusted and supported the development of the Group, and extend my highest respect to all employees who have worked hard in all business lines and diligently performed their duties!

In 2025, the pharmaceutical distribution industry entered into a critical stage of deep adjustment and transformation and breakthrough campaign. In the face of the complicated and changeable macro-environment, the profoundly reconstructed industry landscape and the downward pressure of the market, the Board of the Company insisted on the policy of strategic guidance and overall deployment, and the management led all employees to work together with unity and determination to overcome difficulties, securing victory in the arduous operation breakthrough campaign.

\* *The Company is registered as a non-Hong Kong company under the Hong Kong Companies Ordinance under its Chinese name and the English name “Sinopharm Group Co. Ltd.”.*

At the beginning of the year, the Group faced up to the severe situation of operation under pressure, and all colleagues made concerted efforts to overcome difficulties, after six months of hard work and breakthrough campaign, the operating performance has been recovering steadily since the third quarter, and the accumulated profit has increased on a year-on-year basis. At the end of the year, under the efficient promotion by the new management, the Group built on the current momentum and made further efforts, finally delivering an impressive performance record of growth against the trend – achieving a year-on-year increase of 3.94% in net profit for the whole year. Such achievement further consolidated the Group’s leading position in the domestic pharmaceutical distribution industry, highlighted its profound development foundation, strategic empowerment of the network, strong operational resilience and core market competitiveness, and laid the foundation for the successful conclusion of the Group’s development during the “14th Five-Year Plan” period.

As a pharmaceutical distribution enterprise with the widest network coverage, the most complete distribution layout and the leading comprehensive strength in China, the Board of the Company has always been based on the overall situation of the industry, gained insight into the laws of the industry, and accurately fulfilled the important task and mission of pharmaceutical distribution business to ensure the security of supply chains and serve people’s livelihood and health. At present, the industry concentration is accelerating, the digital transformation is fully penetrating, the service value is continuously upgraded, and the demand for supply chain resilience is constantly increasing. The aging population, the upgrading of healthy consumption and the continuous deepening of the outflow of prescriptions have brought certain long-term growth opportunities for the industry. Meanwhile, the normalization of medical insurance cost control, the stricter industry regulation and the intensified cross-border competition have put forward higher requirements for enterprises’ comprehensive operational capabilities. In the face of the new situation, the Group firmly promoted the transformation of development mode from scale expansion to quality and efficiency, realized the organic unity of scale and efficiency as well as speed and quality, and firmly grasped the decisive opportunity of industry reform.

In 2025, the Board adhered to the policy of strategic guidance and value orientation, promoted the improvement of operation quality, the innovation driving and the optimization of management. All the work was implemented and achieved results, and the development quality and operation efficiency of the Group achieved improvement.

In terms of improving the operation quality, the Group strengthened value orientation and incentive constraints, promoted the cooperation and synergy among subsidiaries, improved quality and increased efficiency, and a number of core subsidiaries achieved steady profit growth, becoming an important pillar for the growth of the Group’s profitability. The Group implemented precise governance, lowered the legal person level and optimized the business structure for inefficient loss-making enterprises, eliminated inefficient assets, revitalized existing resources, focused on the development of the main business, and achieved “lean-and-heal transformation, and development without excessive burden and pressure”. The operation quality and the profitability structure have been continuously improved.

The retail pharmacy segment achieved a historic strategic turnaround, becoming the biggest operation highlight of the year. The Board and the management dived deeply into the front line of the market, accurately grasped the policy orientation and the industry trends, optimized inefficient stores, and

focused on the layout of high-quality stores, and the operation quality and profitability of single stores were greatly improved. The Group deepened the reform of category structure, expanded the scale of unified procurement, strengthened the implementation of the strategy of “selected products”, and simultaneously improved the inventory turnover efficiency and the profitability. The Group built a refined cost control system, rigidly reduced unreasonable costs and improved the efficiency of resource use. The Group innovated the online and offline integration mode to broaden the sources of income. The Group optimized the structure of organizations and talents to stimulate the endogenous motivation of teams. The Group cleaned up non-core assets, and improved the management efficiency. Through a series of precise and efficient comprehensive measures, within the retail pharmacy segment, the net profit of Guoda Drugstore decreased from a loss of RMB1.104 billion to a loss of RMB217 million, representing a decrease in loss of nearly RMB900 million, which provided strong support for the Group’s profit growth in 2025 and fully demonstrated the scientificity and executive force of the Group’s strategic decision-making.

In terms of innovation driving, the Group regarded digitalization and intelligence as the core growth engines, broke through data barriers, restructured the business processes, and achieved full-chain collaboration, significantly improving the operation efficiency.

In terms of management optimization, the management took “integrated operation” as the core starting point, broke down internal barriers, integrated all resources, released scale effect, and proactively strengthened cooperation with upstream and downstream enterprises. The management model was comprehensively upgraded to a customer-centric and full-dimensional service model. The Group continued to strengthen risk prevention and control, strictly controlled accounts receivable and inventory turnover, made every effort to revitalize inefficient and ineffective assets, and continuously optimized the operating cash flow and the asset operation quality. The Group improved the market-oriented mechanism for selecting, employing and cultivating talents, enriched the young management echelon and improved the talent development system to provide solid talent support and strategic guarantee for its high-quality development.

The year 2026 marks the first year of the national “15th Five-Year” Plan, a crucial year for deepening the transformation of the pharmaceutical distribution industry, and a breakthrough campaign year for Sinopharm to stick to its main business and forge its long-term competitiveness. Standing at a new historical starting point, the Board of the Company will take a higher position and more practical measures to lead the Group to firmly anchor the main business of pharmaceutical distribution, and build the Group’s long-term and sustainable core competitiveness from five dimensions based on the advantage of national network and with efficiency improvement, transformation and upgrading as the core, so as to promote the Group to achieve further high-quality, efficient and sustainable development and continuously consolidate its leading position in the industry.

Firstly, deepening the advantage of network and creating the competitiveness of a comprehensive and coordinated distribution system. The Group will comply with the trend of industry centralization and supply chain resilience upgrading, optimize the layout of national distribution and logistics network, and consolidate the basic capability of pharmaceutical distribution. The Group will deepen the integrated operation, break down barriers between regions, segments and product categories, and release scale

effect and synergistic value. The Group will carry out high-quality mergers and acquisitions and consolidation around the main business, clean up non-core inefficient assets, optimize the network and the structure of assets, and strengthen the competitiveness of the network. The Group will improve the national medical emergency supply system, enhance the security guarantee capability of the supply chain, and highlight the responsibilities and commitments of leading enterprises.

Secondly, exploring the potential of digital intelligence and creating efficient operation capabilities empowered by digital intelligence. The Group will closely follow the trend of digital transformation, increase investment in science and technology, break through data barriers, and build a unified intelligent supply chain platform with digitalization as the core starting point, so as to realize digital control of the whole process of procurement, warehousing, distribution and sales. The Group will use big data to optimize the allocation of resources and improve the level of demand prediction, intelligent procurement and refined inventory management. The Group will explore the launch of digital service products that are deeply integrated with business, provide integrated solutions for upstream and downstream enterprises, and promote the upgrading of the Group from “network operator of pharmaceutical and medical devices supply chains” to “digital intelligent distribution service provider”. The Group will apply new technology to improve the traceability of the full-life cycles of pharmaceutical and medical devices, so as to firmly build a bottom line of quality and compliance through digitization.

Thirdly, focusing on vertical full-cycle services and horizontal one-stop services based on the high-quality development of the industry. We have been exploring in the fields of innovative wholesale and retail synergic services, in-depth development of terminal market, extended services for patient management, etc. In response to the trend of high value-added services and diversified health needs, we will complete the upgrading from distribution-related services to comprehensive high value-added services, further undertake the outflow of prescriptions, empowered grassroots terminals and retail pharmacies with professional pharmaceutical services, and created a “health service node” integrating prescription circulation, medication guidance, and chronic disease management. We will focus on special fields such as tumors, rare diseases and chronic diseases, provide the upstream industry with the full chain services for commercialization, channel access and market coverage of innovative drugs, provide the downstream medical institutions with lean supply chain management services, create a full chain collaborative ecology, construct a closer “destiny community” with upstream and downstream business partners, and reshape the value ecological chain.

Fourthly, focusing on lean management and creating competitiveness in fine and efficient cost control. The Group will closely follow the requirements of high-quality development of the industry, deepen lean management by taking the policy of “improving efficiency, controlling risks and strengthening quality” as the core, and realize accurate cost accounting and optimization of the whole process by relying on the “integrated” platform. We will continue to promote governance and efficiency improvement, optimize the organizational system, promote flat and agile management, and enhance the capability to respond quickly to the market. The Group will strengthen the talent team construction, and build a professional team that adapts to the national network and the transformation of digital intelligence, so as to provide talent guarantee for its sustainable development.

Fifthly, strictly abiding by the compliance bottom line and creating the standardized, stable and compliant operation capabilities. The Group will adhere to the principle of legal, compliant and honest operation as its lifeline and core competitiveness, and build a full-coverage, whole-process and penetrating compliance management system. The Group will strictly comply with laws and regulations on pharmaceutical industry regulations, anti-commercial bribery, data security and information disclosure, and embed compliance requirements into the whole chain of decision-making, operation and assessment. The Group will strengthen the implementation of compliance culture and responsibilities, and improve the internal control supervision and accountability mechanism. The Group will use digital means to realize real-time identification, early warning and disposal of compliance risks, and protect shareholders' interests and brand reputation with stable compliance operations.

Dear shareholders and investors, the pharmaceutical and healthcare industry is a strategic industry related to the national economy and people's livelihood, and pharmaceutical distribution is a key link for the stable operation of the pharmaceutical and healthcare industry. At present, industry competition has shifted from scale competition to comprehensive strength competition of efficiency, service, innovation and compliance. Only through continuous evolution and proactive change can we ensure the solid and sustained progress of our development in the ever-changing situation.

In the future, Sinopharm will maintain firm strategic focus and pragmatic operation style, spare no effort to achieve all goals and tasks in 2026. We will continuously improve our core competitiveness and market influence and the shareholder return level, and repay the trust and support of all shareholders with more excellent operation performance!

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
*(All amounts in Renminbi thousand unless otherwise stated)*  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	<i>Notes</i>	<b>2025</b>	2024
Revenue	4	<b>575,167,877</b>	584,507,930
Cost of sales	8	<u><b>(533,495,864)</b></u>	<u>(540,252,540)</u>
<b>Gross profit</b>		<b>41,672,013</b>	44,255,390
Other income	5	<b>428,514</b>	468,622
Selling and distribution expenses	8	<b>(16,181,314)</b>	(17,158,639)
Administrative expenses	8	<b>(7,837,628)</b>	(8,413,544)
Expected credit losses on financial and contract assets	6	<b>(1,002,343)</b>	(1,381,347)
Losses on derecognition of financial assets measured at amortised cost and fair value through other comprehensive income		<u><b>(1,041,018)</b></u>	<u>(1,582,079)</u>
<b>Operating profit</b>		<b>16,038,224</b>	16,188,403
Other gains – net	7	<b>99,175</b>	46,923
Other expenses	7	<u><b>(575,767)</b></u>	<u>(1,105,581)</u>
Finance income		<b>500,245</b>	616,970
Finance costs		<u><b>(2,495,157)</b></u>	<u>(2,945,212)</u>
Finance costs – net	10	<b>(1,994,912)</b>	(2,328,242)
Share of profits and losses of:			
Associates		<b>1,230,080</b>	1,196,478
Joint ventures		<u><b>2,827</b></u>	<u>2,918</u>
		<b>1,232,907</b>	1,199,396
<b>Profit before tax</b>		<b>14,799,627</b>	14,000,899
Income tax expense	11	<u><b>(3,965,193)</b></u>	<u>(3,577,305)</u>
<b>Profit for the year</b>		<u><b>10,834,434</b></u>	<u>10,423,594</u>

	<i>Note</i>	<b>2025</b>	2024
<b>Attributable to:</b>			
Owners of the parent		<b>7,155,094</b>	7,049,683
Non-controlling interests		<u><b>3,679,340</b></u>	<u>3,373,911</u>
		<u><b>10,834,434</b></u>	<u>10,423,594</u>
<b>Earnings per share attributable to ordinary equity holders of the parent (expressed in RMB per share)</b>			
– Basic and diluted	<i>12</i>	<u><b>2.29</b></u>	<u>2.26</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts in Renminbi thousand unless otherwise stated)

### FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
<b>Profit for the year</b>	<b>10,834,434</b>	10,423,594
<b>Other comprehensive income/(loss):</b>		
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
Remeasurements of post-employment benefit obligations	22,871	(58,966)
Income tax effect	<u>(5,601)</u>	<u>14,709</u>
Remeasurements of post-employment benefit obligations, net of tax	17,270	(44,257)
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	31,517	(4,615)
Income tax effect	<u>(7,879)</u>	<u>1,154</u>
Fair value changes on financial asset, net of tax	23,638	(3,461)
<b>Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods</b>	<b><u>40,908</u></b>	<b><u>(47,718)</u></b>
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(7,091)	6,648
Share of other comprehensive loss of associates	<u>(1,920)</u>	<u>(1,938)</u>
<b>Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods</b>	<b><u>(9,011)</u></b>	<b><u>4,710</u></b>
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b><u>31,897</u></b>	<b><u>(43,008)</u></b>
<b>Total comprehensive income for the year</b>	<b><u>10,866,331</u></b>	<b><u>10,380,586</u></b>
<b>Attributable to:</b>		
– Owners of the parent	7,175,138	7,019,431
– Non-controlling interests	<u>3,691,193</u>	<u>3,361,155</u>
	<b><u>10,866,331</u></b>	<b><u>10,380,586</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All amounts in Renminbi thousand unless otherwise stated)

AS AT 31 DECEMBER 2025

	<i>Note</i>	2025	2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right-of-use assets		6,144,487	7,246,238
Investment properties		364,101	393,033
Property, plant and equipment		12,084,076	12,386,202
Intangible assets		8,174,953	8,948,873
Investments in joint ventures		25,357	22,530
Investments in associates		10,586,951	10,145,325
Equity investments designated at fair value through other comprehensive income		80,921	50,638
Financial assets at fair value through profit or loss		617,162	675,648
Finance lease receivables		94,965	111,701
Deferred tax assets		2,849,179	2,408,387
Other non-current assets		2,543,199	2,995,098
Total non-current assets		<u>43,565,351</u>	<u>45,383,673</u>
<b>Current assets</b>			
Inventories		63,341,334	62,352,812
Trade and notes receivables	<i>13</i>	205,622,310	200,254,553
Contract assets		1,015,176	1,218,317
Prepayments, other receivables and other assets		15,242,128	16,549,885
Financial assets at fair value through profit or loss		129	158
Finance lease receivables		14,366	5,751
Pledged deposits, restricted cash and bank deposits with an initial term of over three months		12,764,286	12,752,736
Cash and cash equivalents		48,796,132	54,313,359
Total current assets		<u>346,795,861</u>	<u>347,447,571</u>
<b>Total assets</b>		<u><u>390,361,212</u></u>	<u><u>392,831,244</u></u>

	<i>Note</i>	2025	2024
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		3,120,656	3,120,656
Treasury shares		(3,838)	(3,838)
Other reserves		22,058,553	22,022,096
Retained earnings		<u>58,778,013</u>	<u>53,744,881</u>
		<b>83,953,384</b>	<b>78,883,795</b>
<b>Non-controlling interests</b>		<u><b>50,206,358</b></u>	<u>47,803,507</u>
<b>Total equity</b>		<u><b>134,159,742</b></u>	<u>126,687,302</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing bank and other borrowings		3,645,484	8,637,231
Lease liabilities		2,495,092	3,259,280
Deferred tax liabilities		565,223	638,754
Post-employment benefit obligations		364,902	412,884
Contract liabilities		76,084	54,776
Other non-current liabilities		<u>2,329,107</u>	<u>2,765,429</u>
Total non-current liabilities		<u><b>9,475,892</b></u>	<u>15,768,354</u>
<b>Current liabilities</b>			
Interest-bearing bank and other borrowings		63,321,164	62,729,048
Lease liabilities		1,498,683	1,760,575
Trade and notes payable	<i>14</i>	150,248,418	151,109,247
Contract liabilities		5,984,158	6,828,857
Accruals and other payables		24,003,793	26,262,003
Dividends payable		257,070	238,557
Tax payable		<u>1,412,292</u>	<u>1,447,301</u>
Total current liabilities		<u><b>246,725,578</b></u>	<u>250,375,588</u>
<b>Total liabilities</b>		<u><b>256,201,470</b></u>	<u>266,143,942</u>
<b>Total equity and liabilities</b>		<u><b>390,361,212</b></u>	<u>392,831,244</u>

## NOTES:

*(All amounts in Renminbi thousand unless otherwise stated)*

### 1 GENERAL INFORMATION

Sinopharm Group Co. Ltd. (the “**Company**”) was established in the People’s Republic of China (the “**PRC**”) on 8 January 2003 as a company with limited liability under the PRC Company Law.

On 6 October 2008, the Company was converted into a joint stock limited liability company under the PRC Company Law by converting its registered share capital and reserves as at 30 September 2007 with the proportion of 1:0.8699 into 1,637,037,451 shares of RMB1 each. In September 2009, the Company issued overseas-listed foreign-invested shares (“**H Shares**”), which were listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”) on 23 September 2009. The Company issued 204,561,102 domestic shares to China National Pharmaceutical Group Co., Ltd. (“**CNPGC**”) under general mandate at the issue price of RMB24.97 per consideration share on 13 December 2018. On 23 January 2020, the Company placed and issued 149,000,000 new H shares at the price of HKD27.30 per H share.

The address of the Company’s registered office is 1st and 11th to 15th Floors, No.385 East Longhua Road, Huangpu District, Shanghai, the PRC.

The Company and its subsidiaries (together, the “**Group**”) are mainly engaged in: (1) the distribution of pharmaceutical products to hospitals, other distributors, retail pharmacy stores and clinics, (2) the distribution of medical devices, (3) the operation of chain pharmacy stores, and (4) the distribution of laboratory supplies, manufacture and distribution of chemical reagents, production and sale of pharmaceutical products.

The ultimate holding company of the Company is CNPGC, which was established in the PRC.

These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand, unless otherwise stated. These financial statements were approved for issue by the Board of Directors on 20 March 2026.

### 2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

#### (a) Basis of preparation and statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance (“**CO**”).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value.



HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

### **3 SEGMENT INFORMATION**

Management has determined the operating segments based on the Group's business types, overall strategic planning, internal organisational structure and management requirements. The reportable operating segments derive their revenue primarily from the following four business types:

- (i) Pharmaceutical distribution – distribution of pharmaceutical products to hospitals, other distributors, retail pharmacy stores and clinics;
- (ii) Medical device distribution – distribution of medical devices, and installation and maintenance services;
- (iii) Retail pharmacy – operation of chain pharmacy stores;
- (iv) Other business – distribution of laboratory supplies, manufacture and distribution of chemical reagents, production and sale of pharmaceutical products.

Although the retail pharmacy segment does not meet the quantitative thresholds required by HKFRS 8 Operating Segments, management has concluded that this segment should be reported, as it is considered to be as a potential growth segment and is expected to continuously contribute to group revenue in the future.

Segment assets are those operating assets that are employed by a segment in its operating activities. Segment assets consist primarily of right-of-use assets, investment properties, property, plant and equipment, intangible assets, investments in associates and joint ventures, inventories, receivables and operating cash.

Segment liabilities are those operating liabilities that result from the operating activities of a segment. Segment liabilities do not include borrowings, deferred tax liabilities and other liabilities that are incurred for financing rather than operating purposes.

Unallocated assets mainly represent deferred tax assets. Unallocated liabilities mainly represent corporate borrowings and deferred tax liabilities.

Capital expenditure comprises mainly additions to right-of-use assets, investment properties, property, plant and equipment and intangible assets, including additions resulting from acquisitions through business combinations.

Inter-segment revenues are conducted at prices and on terms mutually agreed upon amongst those business segments. The revenue from external parties is measured in a manner consistent with that in the consolidated statement of profit or loss.

(i) For the year ended 31 December 2025 and 2024

	Pharmaceutical distribution RMB'000	Medical device distribution RMB'000	Retail pharmacy RMB'000	Other business RMB'000	Eliminations RMB'000	Group RMB'000
<b>Year ended 31 December 2025</b>						
<b>Segment results</b>						
External segment revenue	415,312,406	115,182,314	37,932,797	6,740,360	-	575,167,877
Inter-segment revenue	20,079,197	355,403	449,976	2,112,566	(22,997,142)	-
Revenue	<u>435,391,603</u>	<u>115,537,717</u>	<u>38,382,773</u>	<u>8,852,926</u>	<u>(22,997,142)</u>	<u>575,167,877</u>
Operating profit	11,878,259	2,571,905	600,251	884,911	102,898	16,038,224
Other gains, net	6,875	65,254	5,163	21,883	-	99,175
Other expenses	(223,955)	(70,678)	(270,197)	(10,937)	-	(575,767)
Share of profits and losses of associates and joint ventures	(33,753)	41,423	(2,281)	1,227,518	-	1,232,907
	<u>11,627,426</u>	<u>2,607,904</u>	<u>332,936</u>	<u>2,123,375</u>	<u>102,898</u>	<u>16,794,539</u>
Finance costs, net						(1,994,912)
Profit before tax						14,799,627
Income tax expense						(3,965,193)
Profit for the year						<u>10,834,434</u>
<b>Other segment items included in the statement of profit or loss</b>						
Expected credit losses of financial and contract assets	785,804	199,575	11,070	5,894	-	1,002,343
Provision/(Reversal of provision) for impairment of prepayment	3,603	11,397	(127)	-	-	14,873
Write-down of inventories, net	33,135	70,519	(1,394)	(2,042)	-	100,218
Provision for impairment of property, plant and equipment	-	913	-	10,937	-	11,850
Provision for impairment of intangible assets	220,352	58,368	270,324	-	-	549,044
Depreciation of property, plant and equipment	1,102,202	366,897	266,405	36,542	-	1,772,046
Depreciation of investment properties	19,385	10,086	354	886	-	30,711
Depreciation of right-of-use assets	801,136	264,177	917,611	48,867	-	2,031,791
Amortisation of intangible assets	404,049	-	50,263	195	-	454,507
Capital expenditures	<u>1,097,865</u>	<u>533,737</u>	<u>194,018</u>	<u>91,678</u>	<u>-</u>	<u>1,917,298</u>

	Pharmaceutical distribution RMB'000	Medical device distribution RMB'000	Retail pharmacy RMB'000	Other business RMB'000	Eliminations RMB'000	Group RMB'000
<b>Year ended 31 December 2024</b>						
<b>Segment results</b>						
External segment revenue	424,563,607	117,511,994	35,383,741	7,048,588	-	584,507,930
Inter-segment revenue	19,801,005	403,143	597,522	2,057,899	(22,859,569)	-
Revenue	<u>444,364,612</u>	<u>117,915,137</u>	<u>35,981,263</u>	<u>9,106,487</u>	<u>(22,859,569)</u>	<u>584,507,930</u>
Operating profit	12,171,662	2,651,632	323,266	908,665	133,178	16,188,403
Other (losses)/gains, net	(40,683)	26,829	(3,217)	63,994	-	46,923
Other expenses	(397,087)	(43,522)	(664,972)	-	-	(1,105,581)
Share of profits and losses of associates and joint ventures	21,057	31,190	(802)	1,147,951	-	1,199,396
	<u>11,754,949</u>	<u>2,666,129</u>	<u>(345,725)</u>	<u>2,120,610</u>	<u>133,178</u>	<u>16,329,141</u>
Finance costs, net						(2,328,242)
Profit before tax						14,000,899
Income tax expense						(3,577,305)
Profit for the year						<u>10,423,594</u>
<b>Other segment items included in the statement of profit or loss</b>						
Expected credit losses of financial and contract assets	617,385	622,362	130,317	11,283	-	1,381,347
Provision/(reversal of provision) for impairment of prepayment	1,491	(4,009)	-	-	-	(2,518)
Write-down of inventories, net	33,797	20,084	15,541	8,349	-	77,771
Provision for impairment of intangible assets	395,596	47,531	662,837	-	-	1,105,964
Provision for impairment of investments in associates	-	-	2,135	-	-	2,135
Depreciation of property, plant and equipment	1,166,861	388,420	282,033	38,686	-	1,876,000
Depreciation of investment properties	24,027	12,501	439	1,098	-	38,065
Depreciation of right-of-use assets	937,574	309,167	1,073,884	57,189	-	2,377,814
Amortisation of intangible assets	392,765	-	48,859	189	-	441,813
Capital expenditures	<u>1,409,017</u>	<u>685,006</u>	<u>249,006</u>	<u>117,661</u>	<u>-</u>	<u>2,460,690</u>

**(ii) As at 31 December 2025 and 2024**

	Pharmaceutical distribution RMB'000	Medical device distribution RMB'000	Retail pharmacy RMB'000	Other business RMB'000	Eliminations RMB'000	Group RMB'000
<b>As at 31 December 2025</b>						
Segment assets and liabilities						
Segment assets	283,059,526	90,702,748	16,322,073	24,158,992	(26,731,306)	387,512,033
Segment assets include:						
Investments in associates and joint ventures	202,225	69,702	35,658	10,304,723	-	10,612,308
Unallocated assets – Deferred tax assets						2,849,179
Total assets						390,361,212
Segment liabilities	137,517,199	60,866,684	12,857,937	4,893,662	(27,465,883)	188,669,599
Unallocated liabilities – Deferred tax liabilities and borrowings						67,531,871
Total liabilities						256,201,470
<b>As at 31 December 2024</b>						
<b>Segment assets and liabilities</b>						
Segment assets	282,050,861	96,579,756	16,806,935	23,962,825	(28,977,520)	390,422,857
Segment assets include:						
Investments in associates and joint ventures	240,369	120,147	40,773	9,766,566	-	10,167,855
Unallocated assets – Deferred tax assets						2,408,387
Total assets						392,831,244
Segment liabilities	138,766,503	67,408,956	10,565,011	5,128,433	(27,729,994)	194,138,909
Unallocated liabilities – Deferred tax liabilities and borrowings						72,005,033
Total liabilities						266,143,942

The Group's operations are mainly located in the PRC and substantially all non-current assets are located in the PRC.

**Information about major customers**

No revenue from a singular customer in the Reporting Period amounted to over 10% of the total revenue of the Group.

#### 4 REVENUE

	2025	2024
<i>Revenue from contracts with customers</i>		
Sales of goods (at a point in time)	571,383,648	580,150,510
Logistics service income (over time)	1,208,121	1,296,784
Marketing and service income (over time)	1,821,437	2,126,971
Import agency income (at a point in time)	54,529	48,632
Others (at a point in time)	475,562	647,394
<i>Revenue from other sources</i>		
Operating lease income	224,580	237,639
	<u>575,167,877</u>	<u>584,507,930</u>

Revenue of RMB6,828,857,000 (2024: RMB6,398,902,000) relating to carried-forward contract liabilities at the beginning of the year was recognised in the current year.

#### 5 OTHER INCOME

	2025	2024
Government grants	<u>428,514</u>	<u>468,622</u>

Government grants mainly represent subsidy income received from various government authorities as incentives to certain subsidiaries of the Group. There are no unfulfilled conditions or other contingencies attached to these grants.

#### 6 EXPECTED CREDIT LOSSES ON FINANCIAL AND CONTRACT ASSETS

	2025	2024
Expected credit losses of financial and contract assets, net:		
Trade and notes receivables	828,855	1,312,770
Contract assets	16,239	10,322
Other receivables	126,608	62,437
Other non-current assets	30,641	(4,182)
	<u>1,002,343</u>	<u>1,381,347</u>

## 7 OTHER GAINS, NET/OTHER EXPENSES

	2025	2024
<b>Other gains, net</b>		
Write-back of certain liabilities	120,807	108,082
Gain on disposal of subsidiaries	3,095	5,509
Gain on disposal of investment in associates and a joint venture	10,767	9,400
Loss on disposal of investment properties, property, plant and equipment and intangible assets	(6,724)	(187)
Gain on disposal of right-of-use assets	24,158	74,591
Foreign exchange gain/(loss), net	929	(15,615)
Donation	(43,803)	(63,462)
Dividend income from:		
Equity investments at fair value through other comprehensive income	399	563
Equity investments at fair value through profit or loss	9,536	3,843
Fair value losses on financial assets at fair value through profit or loss	(9,733)	(78,326)
(Loss)/Gain on disposal of financial assets at fair value through profit or loss	(6,239)	3,591
Others, net	(4,017)	(1,066)
	<u>99,175</u>	<u>46,923</u>
<b>Other expenses</b>		
Provision for impairment of property, plant and equipment	(11,850)	–
Provision for impairment of intangible assets ( <i>Note</i> )	(549,044)	(1,105,964)
(Provision)/Reversal of provision for impairment of prepayment	(14,873)	2,518
Provision for impairment of investments in associates	–	(2,135)
	<u>(575,767)</u>	<u>(1,105,581)</u>

### *Note:*

The provision for impairment of goodwill amounted to RMB459,726,000 (2024: RMB931,200,000) was included in “provision for impairment of intangible assets” under “other expenses” in the consolidated statement of profit or loss.

## 8 EXPENSES BY NATURE

	2025	2024
Raw materials and trading merchandise consumed	532,082,634	538,925,247
Employee benefit expenses ( <i>Note 9</i> )	14,226,657	14,811,874
Write-down of inventories, net	100,218	77,771
Lease payments not included in the measurement of lease liabilities	490,015	497,233
Depreciation of property, plant and equipment	1,772,046	1,876,000
Depreciation of investment properties	30,711	38,065
Depreciation of right-of-use assets	2,031,791	2,377,814
Amortisation of intangible assets	454,507	441,813
Auditor's remuneration		
– audit services	22,456	22,063
– non-audit services	2,394	–
Advisory and consulting fees	352,753	379,313
Transportation expenses	1,948,207	2,050,748
Travel expenses	204,811	234,964
Market development and business promotion expenses	2,515,688	2,911,165
Utilities	320,473	332,255
Others	959,445	848,398
	<hr/>	<hr/>
Total cost of sales, selling and distribution expenses, and administrative expenses	<b>557,514,806</b>	<b>565,824,723</b>

## 9 EMPLOYEE BENEFIT EXPENSES

	2025	2024
Salaries, wages, allowances and bonuses (i)	<b>10,692,374</b>	11,278,428
Contributions to pension plans (ii)	<b>1,467,643</b>	1,495,458
Post-employment benefits	<b>2,356</b>	7,238
Housing benefits (iii)	<b>625,599</b>	618,954
Other benefits (iv)	<b>1,438,685</b>	1,411,796
	<b><u>14,226,657</u></b>	<b><u>14,811,874</u></b>

### Notes:

- (i) Bonus was determined based on the performance of the Group as well as employees' performance and contribution to the Group.
- (ii) As stipulated by the related regulations in the PRC, the Group makes contributions to state-sponsored retirement schemes for its employees in Mainland China. The Group has also made contributions to another retirement scheme managed by an insurance company from 2011 for its employees of the Company and certain subsidiaries. The Group's employees make monthly contributions to the schemes at approximately 8% (2024: 8%) of the relevant income (comprising wages, salaries, allowances and bonus, and subject to maximum caps), while the Group makes contributions of 12% to 20% (2024: 12% to 20%) of such relevant income and has no further obligations for the actual payment of post-retirement benefits beyond the contributions. These retirement schemes are responsible for the entire post-retirement benefit obligations to the retired employees. Contributions of total RMB14,103,000 (31 December 2024: RMB15,021,000) were payable to the fund pension plan at the year ended 31 December 2025.
- There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.
- (iii) Housing benefits represent contributions to the government-supervised housing funds in Mainland China at rates ranging from 5% to 12% (2024: 5% to 12%) of the employees' relevant income.
- (iv) Other benefits mainly represent expenses incurred for medical insurance, employee welfare, employee education and training, and for union activities.

## 10 FINANCE INCOME AND COSTS

	2025	2024
Interest expense:		
– Interest-bearing bank and other borrowings	2,130,514	2,507,663
– Net interest on net defined benefit liability	6,922	9,674
– Lease liabilities	<u>175,475</u>	<u>224,065</u>
Gross interest expense	2,312,911	2,741,402
Bank charges	195,064	211,174
Less: Capitalised interest expense	<u>(12,818)</u>	<u>(7,364)</u>
Finance costs	<u>2,495,157</u>	<u>2,945,212</u>
Finance income:		
– Interest income on deposits in banks and other financial institutions	(443,204)	(542,273)
– Interest income on long-term deposits	<u>(57,041)</u>	<u>(74,697)</u>
	<u>(500,245)</u>	<u>(616,970)</u>
Net finance costs	<u><u>1,994,912</u></u>	<u><u>2,328,242</u></u>

## 11 TAXATION

	2025	2024
Current income tax	4,486,200	4,155,803
Deferred income tax	<u>(521,007)</u>	<u>(578,498)</u>
	<u><u>3,965,193</u></u>	<u><u>3,577,305</u></u>

During 2025, enterprises established in the PRC are normally subject to enterprise income tax (“EIT”) at the rate of 25%, while certain subsidiaries enjoy preferential EIT at a rate of 15% as approved by the relevant tax authorities or due to their operation in designated areas with preferential EIT policies.

Two of the Group’s subsidiaries are subject to Hong Kong profits tax at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

## 12 EARNINGS PER SHARE

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 3,120,656,000 (31 December 2024: 3,120,656,000) in issue excluding treasury shares at the end of the Reporting Period.

The Company had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

The calculations of basic and diluted earnings per share are based on:

	2025	2024
<b>Earnings</b>		
Profit attributable to equity holders of the parent used in the basic and diluted earnings per share calculation ('000)	<b>7,155,094</b>	7,049,683
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation ('000)	<u><b>3,120,532</b></u>	<u>3,120,532</u>
Basic and diluted earnings per share (RMB per share)	<u><b>2.29</b></u>	<u>2.26</u>

## 13 TRADE AND NOTES RECEIVABLES

	2025	2024
Trade receivables	<b>194,613,010</b>	187,635,430
Receivables held both to collect contractual cash flows and to sell	<b>13,152,983</b>	12,781,306
Notes receivable	<u><b>3,622,503</b></u>	<u>4,830,839</u>
	<b>211,388,496</b>	205,247,575
Less: Expected credit losses	<u><b>(5,766,186)</b></u>	<u>(4,993,022)</u>
	<u><b>205,622,310</b></u>	<u>200,254,553</u>

The fair value of trade and notes receivables approximates to their carrying amount.

Retail sales of pharmacy stores are generally made in cash or by debit or credit cards. For all other businesses, like pharmaceutical distribution, medical device distribution and production and sales of pharmaceutical manufacturing businesses etc., sales are made on credit terms generally ranging from 30 to 210 days. The aging analysis of trade receivables, based on the invoice date and net of expected credit losses, as at the end of the reporting period, is as follows:

	2025	2024
Within 1 year	175,264,021	169,957,622
1 to 2 years	9,623,396	10,185,212
Over 2 years	<u>4,024,063</u>	<u>2,616,934</u>
	<u><b>188,911,480</b></u>	<u><b>182,759,768</b></u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit losses for trade and notes receivable. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the aging from billing except for individually provided, where applicable.

The movements in the expected credit losses of trade and notes receivable are as follows:

	2025	2024
At beginning of year	4,993,022	3,696,174
Expected credit losses, net	828,855	1,312,770
Disposal of subsidiaries	(18,727)	(2,986)
Other decrease for the year	(27)	(165)
Amount written off as uncollectible	<u>(36,937)</u>	<u>(12,771)</u>
At end of year	<u><b>5,766,186</b></u>	<u><b>4,993,022</b></u>

As at 31 December 2025, notes receivable of RMB265,288,000 (2024: RMB316,771,000) and trade receivables of RMB1,748,216,000 (2024: RMB1,555,384,000) were pledged as collateral for the Group's bank borrowings.

As at 31 December 2025, notes receivable of RMB132,598,000 (2024: RMB139,405,000) and trade receivables of RMBNil (2024: RMB202,760,000) were pledged as collateral for the Group's notes payable.

As at 31 December 2025, outstanding trade receivables of RMB28,671,075,000 (2024: RMB41,232,891,000) were derecognised under the trade receivables factoring programs without recourse. The aging of these derecognised trade receivables was basically within one year. As at 31 December 2025, the collection of such trade receivables on behalf of banks amounting to RMB3,683,008,000 (2024: RMB4,494,390,000) and the collection of such trade receivables on behalf of related parties amounting to RMB818,700,000 (2024: RMB1,266,078,000) was recorded in other payables. During the year of 2025, the losses on derecognition of trade and notes receivable was RMB1,041,018,000 (2024: RMB1,582,079,000).

## 14 TRADE AND NOTES PAYABLE

	2025	2024
Trade payables	112,627,898	112,450,243
Notes payable	29,321,854	30,691,243
Notes payable under supplier finance arrangements	8,298,666	7,967,761
	<u>150,248,418</u>	<u>151,109,247</u>

The trade and notes payable are normally settled on 90-day terms. The fair value of trade payables approximates to their carrying amount.

An aging analysis of the trade and notes payable as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
Within 3 months	98,534,981	103,692,249
Between 3 to 6 months	30,022,663	26,334,770
Between 6 months to 1 year	11,923,340	12,135,380
Between 1 to 2 years	5,878,396	6,060,875
Over 2 years	3,889,038	2,885,973
	<u>150,248,418</u>	<u>151,109,247</u>

The Group's trade and notes payable are denominated in the following currencies:

	2025	2024
RMB	149,421,629	150,965,249
USD	822,205	136,248
EUR	–	1,169
NZD	2,181	4,497
JPY	2,403	2,084
	<u>150,248,418</u>	<u>151,109,247</u>

## 15 DIVIDENDS

A final dividend for the year ended 31 December 2024 of RMB0.68 (tax inclusive) per ordinary share, based on the total share capital of the Company of 3,120,656,191 ordinary shares, amounting to RMB2,122,046,000 in total, was approved by the shareholders at the annual general meeting of the Company held on 12 June 2025.

A final dividend for the year ended 31 December 2025 of RMB0.69 (tax inclusive) per ordinary share, based on the total share capital of the Company of 3,120,656,191 ordinary shares, totalling approximately RMB2,153,253,000 is to be proposed at the upcoming annual general meeting according to the resolution passed at the Board meeting held on 20 March 2026. These financial statements have not reflected this proposed dividend.

	<b>2025</b>	2024
Proposed final dividend – RMB0.69 (2024: RMB0.68) per ordinary share	<u><b>2,153,253</b></u>	<u>2,122,046</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Review on Industrial Environment

#### *Macro-economy developed steadily and moved towards high-quality development, and industry development demonstrated resilience*

In 2025, China's macro-economy withstood the internal and external complex environmental pressures, showing a trend of steady progress and innovation-driven and high-quality development. According to the data released by the National Bureau of Statistics of China, the GDP jumped to a new level of RMB140 trillion in 2025, and the annual GDP in 2025 increased by 5% year on year at constant prices. During the "14th Five-Year Plan" period, China's economic aggregate achieved an average annual growth of 5.4%, fully demonstrating the characteristics of the strong anti-risk capability, resilience to withstand pressure and high-quality development of China's economy.

This year, China's moderately loose monetary policy continued to play a role, providing strong support for enterprises to reduce costs and improve the financing environment. Meanwhile, the proactive fiscal policy provided unprecedented support to the social security and healthcare field. According to the data released by the Ministry of Finance, China's healthcare expenditure increased by 5.7% year on year in 2025, effectively supporting the steady upgrading of residents' health consumption demand. Under the background of the coordinated efforts of monetary policy and fiscal policy and the continuous deepening of the long-term trend of population aging, the medical and health industry demonstrated strong anti-cyclical resilience and vast growth potential, which was an important part of the high-quality development process of China's economy.

#### *Optimization of VBP Policy fostered healthy competition, and deepening regulation accelerated the reshaping of the market landscape*

In 2025, the reform of the medical and health system continued to deepen, and the policies of volume-based procurement of drugs and high-value medical consumables and the negotiation of the catalog of medicines covered by national medical insurance were normalized and institutionalized. Although the profit margin of the traditional distribution business of the pharmaceutical distribution industry continued to be under pressure, the VBP rules focused on strengthening quality evaluation and supervision. The rules were made a series of major optimizations under the principles of "stabilizing clinical practice, ensuring quality, combating involution and preventing bid rigging", and the policy focus was shifted from "expanding the scope and reducing prices" to "stabilizing prices and improving quality", promoting the rational return of the prices of drugs and medical devices, and guiding the market to form a healthy competitive order. The optimization of VBP policy caused the upstream pharmaceutical companies to pay more attention to the improvement of quality, stable supply and cost control, and the downstream hospitals to pay more attention to ensuring the continuity of clinical medication habits and the diversification and stability of supply sources, thus stimulating the demand increment of personalized value services in the upstream and downstream of the industrial chain and accelerating the transformation and upgrading of pharmaceutical distribution enterprises from scale

growth to optimization of business structure and models. The core advantages of industry-leading pharmaceutical distribution enterprises with comprehensive terminal network coverage, efficient supply chain response and high-quality customer services were effectively highlighted.

In 2025, the medical insurance funds and pharmaceutical enterprises deepened the implementation of the “direct settlement” policy and the “immediate settlement” policy with medical institutions for the amount of the VBP drugs and consumables, which had a far-reaching impact on the improvement of the overall operational efficiency and the long-term benign development of the pharmaceutical distribution industry. The National Healthcare Security Administration required that from July 2025, for sales of relevant drugs, QR codes must be scanned as required before settling with medical insurance funds, and from January 2026, all pharmaceutical institutions were required to fully collect and upload drug traceability codes. The further implementation of the medical insurance fund settlement policy has put forward higher requirements for the timely and accurate data connection and interaction capabilities and refined management capabilities of pharmaceutical distribution enterprises and medical insurance information platforms. Strong digital governance capability and traceability capability have become the barriers to competition in the industry, which will effectively drive the industry to accelerate the building of digital capacity and the extension of industrial chain services.

In 2025, the normalized advancement of compliance governance in the medical field prompted pharmaceutical distribution enterprises to build a comprehensive and effective compliance risk control system, and compliant operation has become one of the core competitiveness of enterprises to resist risks and achieve high-quality development. For leading enterprises with national network layout, efficient supply chain service capability and mature compliance management level, the deepening of regulation will accelerate the reshaping of the industry landscape, create favorable conditions for high-quality industry-leading enterprises to enhance market share, innovate service models and enhance the influence of the industrial chain, and lead the industry towards a more standardized and sustainable stage of high-quality development.

## **Business Review**

The year 2025 was the closing year of the “14th Five-Year” Plan. In the face of industrial policies such as expansion of centralized procurement and strengthened medical insurance regulation and the complicated market competition environment, the Group, under the overall guidance by the board of directors and the management, accurately grasped the policy orientation, persisted in the principle of striving for progress while maintaining stability, focused on improving operational efficiency and managing and controlling of compliance risks, and achieved new breakthroughs in various work. In 2025, the Group’s annual revenue growth rate was higher than the overall level of the industry, and its market share continued to increase. As of the end of the Reporting Period, the Group recorded the operating income of RMB575,167.88 million, representing a year-on-year decrease of 1.6%, recorded a net profit of RMB10,834.43 million, representing a year-on-year increase of 3.94%, and recorded a profit attributable to the parent company of RMB7,155.09 million, representing a year-on-year increase of 1.50%.

In terms of the operational efficiency improvement, the Group anchored the scale effect and cost-led strategy to promote cost reduction and lean management. As of the end of 2025, the overall expense ratio of the Group decreased by 0.25 percentage point year on year , strongly offsetting the decline in gross profit. During the Reporting Period, the net inflow of operating cash flow was RMB14,138.21 million, representing an increase of RMB2,592.20 million compared with the same period of last year, showing remarkable results in cash flow management. The increase of accounts receivable significant narrowed and special governance on accounts receivable yielded results. The asset-liability ratio decreased by 2.12 percentage points year on year . Relying on the improvement of internal governance efficiency, the Group effectively resisted the pressure of market fluctuation, achieved a year-on-year increase of 0.02 percentage point in operating profit margin, and showed strong anti-risk capability and development resilience in its overall business, laying a solid foundation for the successful conclusion of the “14th Five-Year” Plan and the strategic layout of the “15th Five-Year” Plan.

In 2025, the Group focused on the primary task of high-quality development, scientifically analyzed the market situation and competition landscape in various regions, actively expanded its market share, and accelerated the improvement of quality and efficiency with reform and innovation. During the Reporting Period, the three main business segments continued their differentiated development trend, among which, the proportion of the revenue of the pharmaceutical distribution segment was 72.79%, representing a year-on-year decrease of 0.37 percentage point; the proportion of the revenue of the medical device distribution segment was 19.32%, representing a year-on-year slight decrease of 0.09 percentage point; and the proportion of the revenue of the retail pharmacy segment was 6.42%, representing a year-on-year increase of 0.50 percentage point.

***Pharmaceutical Distribution: The market share has been expanded through precise implementation of strategies, steady development consolidated leading advantages***

In 2025, the centralized volume-based procurement of drugs continued to deepen in terms of “incremental expansion, quality improvement and efficiency enhancement”, and the implementation of policies entered a new stage of standardization, institutionalization and normalization. The centralized procurement of the eleventh batches of drugs organized by the State was successfully implemented in February 2026, and the rules were significantly optimized. The mechanism of “reporting the quantity based on the factory brand” was introduced for the first time, paying more attention to the clinical recognition, quality reputation and supply chain stability of products. The increasingly refined centralized procurement policy is pushing the industry to transform into a high-quality development path of “cost control, efficiency improvement and service-driven”.

With the nationwide distribution network, efficient service guarantee capability and deep customer stickiness advantage, the pharmaceutical distribution segment of the Group demonstrated strong operational resilience. In 2025, the revenue of the pharmaceutical distribution segment recorded a revenue of RMB435,391.60 million, representing a year-on-year decrease of 2.02%, significantly narrowing the year-on-year decrease in revenue compared with 3.52% in the first half of 2025, and showing a notable sequential upward trend. During the Reporting Period, the operating profit margin of the pharmaceutical distribution business was 2.73%, which basically remained unchanged compared with the same period of last year.

In 2025, in terms of the pharmaceutical distribution segment, the Group took multiple measures to consolidate its market leading edge by precisely implementing strategies around expansion of market share. During the Reporting Period, the Group continued to optimize the structure of categories, stabilize the market share of centralized procurement varieties and national negotiated varieties, and enhance the coverage capacities of core areas and key terminals. Among them, the market share in the traditional advantageous regions such as Eastern China and Northern China maintained steady growth, while the market share in Southern China remained basically unchanged compared with the same period of last year. The market share of the Group's drug distribution ranked among the top in the vast majority of provinces in China . Secondly, the Group implemented classified management for key hospital customers, optimized the resource allocation and the service quality, effectively enhanced customer stickiness, achieved orderly growth in sales performance with core customers during the Reporting Period, and consolidated the competitive advantage of the main channels with public hospitals. The steady development of fundamentals of the pharmaceutical distribution segment provided solid support for the Group's high-quality and steady development and further consolidated the Group's leading position in the industry.

***Medical Device Distribution: Optimization of the business structure consolidated the foundation, and deepening cultivation of innovative projects enhanced value***

In 2025, the deepening implementation of the centralized volume-based procurement of medical devices and the further expansion of the scope of centralized procurement promoted the reasonable return of prices in the distribution link, and the continuous compression of profit margin in traditional distribution business accelerated the transformation of distribution enterprises into supply chain service providers. The reform of medical insurance payment (Diagnosis Related Group (DRG)/Diagnosis-Intervention Packet (DIP)) has achieved comprehensive coverage, and the demand for hospital cost control has spawned the demand for refined management of consumables, and intelligent supply chain solutions have ushered in broad development opportunities. The normalization of compliance regulation in the medical field was promoted, covering the whole process and whole scenario of pharmaceutical purchase and sale, focusing on standardizing the procurement of equipment, the distribution of consumables and other areas, and accelerating the purification of industry ecology. Under the synergistic effect of various policies, the increasing concentration of the medical device distribution industry has become more and more obvious. Sticking to the compliance bottom line, focusing on the main responsibilities and business and improving the service capability of supply chain have become the core competitiveness of enterprises for long-term development.

In terms of medical device distribution segment, the Group proactively responded to the needs of industry policies and regulatory changes, and expanded high value-added services through the operation strategies for optimizing business structure, strengthening compliance management and control and focusing on high-quality businesses, thus consolidating the development foundation of the segment. As of the end of the Reporting Period, the medical device distribution segment recorded an annual operating income of RMB115,537.72 million, represent a year-on-year decrease of 2.02%. The Group proactively adjusted its business structure for the medical device distribution segment, strengthened appropriate sales control of inefficient businesses with long payment terms and low profit contribution, reduced operation risks, increased the revenue proportions of businesses with high value-added and high customer stickiness, and continuously optimized revenue sources. Meanwhile, the Group actively promoted the reform of segment businesses, adhered to compliance operation, proactively purified the industry environment, and adapted to the general trend of high-quality development of the pharmaceutical and healthcare industry. As of the end of the Reporting Period, the sales revenue of the Group's SPD and centralized distribution projects achieved double-digit growth on a year-on-year basis, and the performance contribution of new SPD, medical consortium and medical communities projects continued to be released. From the perspective of the structure of products, during the Reporting Period, medical consumables products achieved sustained and steady growth by relying on the expansion of primary health and the support of the essential clinical demand; the sales of IVD products and medical devices were affected by the policy for "replacing the old for new ones" and the slow centralized procurement speed brought by the price reduction of centralized procurement and the normalization of compliance supervision, resulting in a decline in business income. The overall operating profit margin of the medical device distribution segment was 2.23%, representing a slight decrease of 0.02 percentage point compared with the same period of last year, mainly due to the decrease of gross profit and gross profit margin of the segment.

During the Reporting Period, the Group actively expanded intelligent supply chain innovation projects based on customer needs and guided by compliance and value creation, and continuously improved the revenue from services and market coverage. As of the end of the Reporting Period, the Group's intelligent supply chain projects of medical devices covered the medical institutions in 30 provinces in China, and the Group added 72 SPD projects, 68 single hospital centralized distribution projects and 4 medical consortium/medical communities centralized distribution projects throughout the year, and the service network and service depth continued to expand. Meanwhile, the Group continued to deepen the construction of the whole process and standardization system of medical device SPD projects, accelerated the penetration of SPD services in the target market, made efforts to build a nationwide and interconnected intelligent supply chain service platform for medical devices, and consolidated the Group's leading position in the field of the intelligent supply chain of medical devices.

***Retail Pharmacy: Synergy between wholesale and retail released growth momentum, and lean operation enhanced the quality and efficiency of development***

In 2025, with the active promotion by the National Healthcare Security Administration, the centralized volume-based procurement of drugs “entering primary medical institutions, private hospitals and retail pharmacies” (the “**Three Entrances**”) has been fully launched in all provinces across the country. Retail pharmacies have become an important channel to ensure the accessibility of centralized procurement drugs. With the convergence of the prices of centralized procurement drugs in pharmacies and medical institutions, patients gradually returned from hospitals to retail pharmacies to buy drugs, paving the way for retail pharmacies to further undertake prescription flow. The implementation of the “Three Entrances” policy has objectively put forward higher requirements for the management capability of pharmaceutical retail enterprises. Enterprises are required to continuously enhance the building of the professional capacity of pharmacy service while strengthening the capabilities of cost control and supply chain integration, and foster the upstream and downstream collaboration of the industrial chain and the innovation capability of health services around end customers, so as to expand income sources and improve the overall profitability on the basis of reducing costs and increasing efficiency. Leading retail enterprises are expected to seize the development opportunities in the industry reform with their resource integration capabilities, collaborative innovation capabilities and lean operation level.

In 2025, the Group actively responded to the requirements of industry policies, gave full play to its strong advantages of lean management and compliant operation, and thoroughly advanced the “wholesale-retail integration” and the “dual-brand” collaborative strategy by taking the strengthening of service capabilities and integrated operation as the starting point to promote the high-quality development of the retail pharmacy business. During the Reporting Period, the Group’s retail pharmacy segment achieved outstanding results, and its annual revenue of the segment recorded RMB38,382.77 million, representing a year-on-year increase of 6.67%. Among which, due to the impact of factors such as the overall market environment, the intensified industry competition and optimization of the store structure, the sales revenue of the Guoda Drugstore system recorded RMB20,981 million, representing a year-on-year decrease of 6.16%. However, benefiting from the positive response to market changes and the rapid implementation of a series of measures such as enhancing the governance efficiency, reducing expenses and adjusting the structure of category, Guoda Drugstore achieved remarkable improvement in its operating efficiency. As of the end of the Reporting Period, the net profit of Guoda Drugstore achieved positive growth after excluding the impact of the impairment of goodwill and intangible assets, representing a year-on-year growth of 139%. The sales revenue of the specialty pharmacy system based on operational statistics maintained a high-speed growth of more than 15% by relying on the advantages of the undertaking of out-of-hospital prescriptions and the synergy of wholesale and retail, which had become a strong growth driving force for the retail segment, and the overall business structure continued to be optimized in the direction of high value-added professional services. The overall operating profit margin of the retail pharmacy segment was 1.56%, representing a year-on-year increase of 0.66 percentage point, mainly attributable to the effectiveness of governance measures for the retail pharmacy segment, significant decrease in the overall expenses and the enhancement of profitability.

During the Reporting Period, Guoda Drugstore proactively adapted to the changes in the competitive landscape of the industry, and comprehensively promoted lean operation and upgraded the internal governance by focusing on the improvement of operating quality, the optimization of store structure and the improvement of efficiency. The Company firmly implemented strategic store closure and differentiated layout, focused on improving the profit and the quality, and closed the inefficient stores with poor operation efficiency and long-term losses in an orderly manner. Meanwhile, the Company steadily expanded the network layout in core cities and high-quality communities, and further optimized the overall store structure. As of the end of the Reporting Period, the number of stores of Guoda Drugstore was 8,221, representing a net decrease of 1,348 stores compared with the same period of last year. Secondly, Guoda Drugstore solidly advanced the internal unified procurement strategy and integrated management. As of the end of the Reporting Period, the internal unified procurement rate reached nearly 70%, effectively reducing procurement costs and significantly improving the operational efficiency, the per capita efficiency and the profitability.

The specialty pharmacy system focused on strengthening its service capability, accelerating the construction of a patient-centered health service platform, vigorously connecting with prescription hospitals, and further enhancing the sales contribution brought by undertaking prescription traffic. Meanwhile, the specialty pharmacy system strengthened in-depth cooperation with upstream pharmaceutical companies by relying on the core advantages of wholesale and retail integration. During the Reporting Period, the Group reached the goal of unified national cooperation and promotion with 13 large pharmaceutical enterprises in terms of the retail business, enhanced the service stickiness of upstream suppliers with professional services, and at the same time empowered the development of the distribution segment, and continued to explore the profit growth point of the specialty pharmacy. As of the end of the Reporting Period, the number of the stores of specialty pharmacy was 1,461, representing a net decrease of 183 stores compared with the same period of last year. The specialty pharmacy has always been committed to providing C-side customers with compliant, convenient and full-process medication services and health management, exploring the establishment of innovative and professional service models with upstream suppliers and downstream hospital-side customers, creating standard processes and industry benchmarks for various business scenario services, steadily enhancing its market competitiveness, continuously consolidating the Group's leading position in the field of specialty pharmacy, and expanding opportunities for the Group's long-term high-quality growth.

***Operation Management and Control and Transformation Upgrading: Integrated management and control and digital transformation achieved remarkable results, and lean operation drove value creation***

In 2025, the Group comprehensively promoted the “integrated” management and control strategy and the “centralized” management mode, formulated a number of integrated action plans, covering the business integration and the management integration, refined the three-year implementation plan, continuously strengthened the in-depth and penetrating management and control and the flat management capability, and improved the operational efficiency throughout the chain, laying a solid foundation for the Group’s high-quality development. As of the end of the Reporting Period, the Group steadily promoted the procurement integration, and the unified procurement rate of drugs in the province reached approximately 55%, representing an increase of nearly 16 percentage points compared with the same period of last year, and the Group effectively helped to control costs through deep integration of regional resources. Meanwhile, the promotion of procurement integration enhanced the inventory transparency, optimized the inventory structure and improved inventory turnover days, and the internal synergy efficiency was significantly enhanced. In terms of logistics integration, the Group promoted the re-planning and integration of national and regional storage resources and optimized the allocation of resources to improve the logistics efficiency. Logistics costs reduced year on year, and the intensification and operational efficiency of storage resources significantly improved. In terms of management integration, the Group pushed forward centralized management, accelerated the transformation of grassroots enterprises to business front end, incorporated the human resources, finance and operational functions of low-level enterprises into higher-level companies for centralized management, consolidated the vertical management and control of the organization, helped the headquarters’ management output, and optimized the overall operational efficiency. Through the promotion of centralized management, the performance of inefficient enterprises of the Group was improved and the integration construction achieved remarkable results during the Reporting Period.

The Group profoundly recognized that deeply promoting the digitalization strategy and tapping the strategic value of data assets are the key engines to continuously drive the transformation and development. The Group has the basic advantages of covering the core data of the industrial chain including drugs and medical devices products, terminal procurement and consumption, warehousing and logistics, which is a solid base for developing data products in the future and exploring the multi-path value potential. Deeply tapping into the strategic value of data assets and exploring the deep integration of data assets and traditional distribution business will open up a wealth of possibilities for the Group to innovate business models, build core competitiveness and seize the development opportunities of digital economy. Solidly promoting digital transformation is a prerequisite for releasing the value and potential of data assets. During the Reporting Period, the Group deeply promoted its digital transformation, accelerated the implementation of digital transformation, fully empowered its business development and completed the implementation of a large number of digital projects. As of the end of the Reporting Period, the Group had completed the governance of master data of all business, formed an integrated data management system, harmonized full-scale operational data across core business segments, and realized digital penetration management of key business scenarios. In the field of logistics, digital and visual operation management had covered six major logistics hubs and two provincial logistics centers, initially realizing the transformation from “decision-making by

experience” to “decision-making by data”. In addition, the Group had fully implemented the collection and uploading of traceability code data of all legal entities involved in medical insurance traceability codes in the distribution segment, completed the deployment of drug traceability codes by the National Healthcare Security Administration with high quality, actively responded to regulatory requirements and ensured the efficient use of medical insurance funds. The digital transformation strategy fully empowered lean operation and scientific decision-making, laying a solid foundation for the Group to explore intelligent application innovation in various business fields.

In terms of operational management and control, the Group focused on improving core financial indicators and operational quality and efficiency through a series of refined control measures. Benefited from measures such as cost reduction, further promotion of integrated management and control and optimization of financing strategy, the Group’s expenses during the Reporting Period continued to decline. Among which, sales and management expense ratio decreased by 0.19 percentage point year on year to 4.18%; the finance expense ratio decreased by 0.05 percentage point year on year to 0.35%; and the overall expense ratio decreased by 0.25 percentage point year on year to 4.52%. Amid pressure on the revenue side, the effective control of the overall expense ratio provided a strong support to the Group for smoothing out the downward pressure on the gross profit margin and maintaining profitability resilience. Secondly, during the Reporting Period, the Group strengthened the management and control of the risk of accounts receivable, and implemented special governance actions for the collection of accounts receivable, focused on the decline of accounts receivable with a maturity of more than one year and improved the collection structure. As of the end of the Reporting Period, the increase of accounts receivable of the Group has been effectively controlled. The increase in accounts receivable with a maturity of more than one year significantly declined compared with the same period of last year, and the special governance on accounts receivable achieved remarkable results. As of the end of 2025, the net inflow of the Group’s operating cash flow increased by RMB2,592.2 million year on year, representing an increase of 22.45%, which firmly promoted the transformation of the Group’s development model from scale-oriented to quality and cash flow-oriented. As of the end of the Reporting Period, the overall asset-liability ratio of the Group was 65.63%, representing a year-on-year decrease of 2.12 percentage points, and the capital structure continued to be optimized in the steady development.

## **Future Prospects**

The year 2026 is a year for laying the groundwork for the “15th Five-Year” Plan. Sinopharm will unswervingly promote its high-quality development with the fundamental purpose of serving the national strategy and ensuring people’s livelihood. In the new year, the Group will continue to scientifically analyze industry policies and competition landscape, base itself on the new development stage, focus on the main responsibilities and business, deepen business transformation and innovation-driven, continuously strengthen lean operation and compliance risk management and control, ensure stable and orderly operation development, and constantly consolidate its leading position of the industry.

### ***Pharmaceutical and Medical Device Distribution: Stabilize the advantages of main business through differentiation strategies, and leverage policies to expand the market share***

In terms of the pharmaceutical and medical device distribution segment, the Group will consolidate its dominant position in core cities through differentiated regional market strategies, accelerate the expansion of market share in potential cities and systematically increase its national market share. Secondly, the Group will focus on core hospital customers, tap the core needs of customers with professional services and strive to increase the share and growth rate of key hospitals. Meanwhile, the Group will continue to seize the development opportunities of the primary medical market, expand the network coverage in an orderly manner, and improve the accessibility of drugs. In the face of the normalization and institutionalization of the national negotiated policy and the volume-based procurement policy, the Group will actively strive for the distribution right of centralized procurement varieties and promote the intensification of procurement and the scale of distribution, and the Group will give priority to the introduction of high-value national negotiated varieties, focus on new varieties and policies of innovative drug companies, increase the introduction of innovative drugs, and deepen the cooperation with upstream manufacturers.

### ***Retail Pharmacy: Synergistic development under the “dual-brand” strategy, and profit growth driven by professional services***

In terms of the retail pharmacy segment, the Group will adhere to the synergistic development strategy of the Guoda Drugstore system and the specialty pharmacy system, focus on the essence of serving C-side customers, continuously strengthen its professional pharmacy service capability, and build the core competitiveness of retail drug stores. The Guoda Drugstore system will strengthen in-depth management and continuously improve the operation quality and efficiency of a single store, further optimize the structure of categories and increase the proportion of unified procurement and own brands, strengthen compliance risk control and management, empower traditional business with digital intelligence and promote refined operations and precision marketing. The specialty pharmacy system will give full play to the advantage of wholesale-retail integration, focus on laying out the hospital-side stores of core medical institutions around the dividend of the policy for the outflow of prescriptions, and continuously improve the market coverage. The Group will adhere to strengthen the innovation and standardization construction of commercial models of the business scenarios of the specialty pharmacy such as prescription circulation center and chronic disease management center, provide customers with personalized and comprehensive one-stop medication management and health services, and broaden the service value increment of business scenarios of the specialty pharmacy.

***Operation Management and Control and Transformation Upgrading: Further advancing the integration and digitalization, lean management and service transformation drive quality and efficiency improvement***

The Group will firmly promote the implementation of the integrated strategy and the empowerment of digital transformation, inject strong momentum into long-term development, continue to promote the integration of various professional fields, and strengthen the capability of vertical penetration control. Guided by the improvement of operation, the Group will steadily implement centralized management in the middle and back offices of grassroots enterprises, further increase the proportion of unified procurement of drugs in the province and effectively reduce the comprehensive procurement cost, and promote the building of the integration of logistics network system in an orderly manner. In the field of digital transformation, the Group will formulate and implement special plans, clarify the top-level design and implementation paths, and focus on advancing the implementation of core group unified systems such as financial integration, procurement integration and logistics integration to help organizational transformation, business empowerment and control. In terms of deepening the application of data value, the Group will actively explore the implementation of the innovation of artificial intelligence in related high-value business scenarios and the strategic value of data assets, and drive the transformation of the operational efficiency with technological innovation.

In terms of lean management, the Group will continue to focus on the core goal of reducing costs and increasing efficiency, and strive to comprehensively enhance its core competitiveness. On the one hand, the Group will continue to deepen the governance of accounts receivable, focus on promoting credit management of customers, and make every effort to improve the quality of asset and the turnover efficiency of funds. On the other hand, the Group will deeply promote the refinement of cost control, reduce the overall operating cost, continuously improve the per capita efficiency by taking “per capita profit” as the core indicator, deeply tap the benefits from the internal efficiency, and give full play to the scale effect of the enterprise. In addition, the Group will persist in improving the construction of the compliance management system, and support its steady development at the critical stage of industry transformation with the solid and reliable compliance management system.

In terms of service transformation, the Group will actively promote the extension of professional and personalized value-added services to upstream and downstream supply chains, and promote the collaborative empowerment of main business segments and innovative services, so as to realize the reconstruction and promotion of the industrial chain value. In the future, the Group will focus on strengthening the construction of marketing service organization, enhancing the professional capability of the CSO team and strengthening the guarantee of the compliance system; the Group will vigorously expand the layout of SPD projects, accelerate the coverage of projects of core hospital terminals, and provide customized innovative service solutions based on customer needs; the Group will actively explore the new business of third-party logistics, cultivate new profit growth points, and strengthen the internal resource synergy of the Group and the coordination of national projects.

Standing at a new starting point, the Group will stick to the mission of central enterprises, take the strategy of serving a healthy China as its own responsibility, lay a solid foundation by focusing on the main business, integrate innovation to drive transformation, and improve the efficiency through lean management. Facing the opportunities and challenges in the future, the Group is confident that it will continue to promote innovation transformation and efficiency change with firm strategic determination and efficient execution capability, and strive to achieve its high-quality development in the new stage of industry transformation and development.

## Financial Summary

The financial summary set out below is extracted from the audited financial statements of the Group for the Reporting Period which were prepared in accordance with the HKFRS Accounting Standards:

During the Reporting Period, the Group recorded a revenue of RMB575,167.88 million, representing a decrease of RMB9,340.05 million or 1.60% as compared with the corresponding period of last year.

During the Reporting Period, the Group recorded a profit of RMB10,834.43 million, representing an increase of RMB410.84 million or 3.94% as compared with the corresponding period of last year. Profit attributable to owners of the parent amounted to RMB7,155.09 million, representing an increase of RMB105.41 million or 1.50% as compared with the corresponding period of last year.

During the Reporting Period, basic earnings per share of the Company amounted to RMB2.29, representing an increase of 1.33% as compared with the corresponding period of last year.

### *Revenue*

During the Reporting Period, the Group recorded a revenue of RMB575,167.88 million, representing a decrease of 1.60% as compared with RMB584,507.93 million for the twelve months ended 31 December 2024, which was primarily due to the decrease in revenue from the Group's pharmaceutical distribution, medical device distribution business and other business segments.

- **Pharmaceutical distribution segment:** during the Reporting Period, the revenue from pharmaceutical distribution of the Group was RMB435,391.60 million, which accounted for 72.79% of the total revenue of the Group and represented a decrease of 2.02% as compared with RMB444,364.61 million for the twelve months ended 31 December 2024. The decrease was mainly due to the implementation of policies such as volume-based procurement and price reductions for nationally negotiated drugs, as well as intensified market competition, resulting in a decline in the revenue volume of the pharmaceutical distribution business.
- **Medical device distribution segment:** during the Reporting Period, the revenue from medical device distribution of the Group was RMB115,537.72 million, which accounted for 19.32% of the total revenue of the Group and represented a decrease of 2.02% as compared with RMB117,915.14 million for the twelve months ended 31 December 2024. The decline was primarily attributable to the implementation of volume-based procurement policies, leading to a decrease in sales revenue from medical device categories with higher gross margins.
- **Retail pharmacy segment:** during the Reporting Period, the revenue from retail pharmacy of the Group was RMB38,382.77 million, which accounted for 6.42% of the total revenue of the Group and represented an increase of 6.67% as compared with RMB35,981.26 million for the twelve months ended 31 December 2024. The increase was primarily due to the increase of sales revenue from specialty pharmacy of the Group.

- Other business segments: during the Reporting Period, the revenue from other business of the Group was RMB8,852.93 million, representing a decrease of 2.78% as compared with RMB9,106.49 million for the twelve months ended 31 December 2024. The decrease was primarily due to the decrease in industrial product revenue.

### ***Cost of Sales***

During the Reporting Period, the cost of sales of the Group was RMB533,495.86 million, representing a decrease of 1.25% as compared with RMB540,252.54 million for the twelve months ended 31 December 2024. The decrease was primarily due to the decrease in the revenue of the Group.

### ***Gross Profit***

As a result of the above-mentioned factors, the gross profit of the Group during the Reporting Period was RMB41,672.01 million, representing a decrease of 5.84% as compared with RMB44,255.39 million for the twelve months ended 31 December 2024. The gross profit margin of the Group for the twelve months ended 31 December 2025 and 2024 were 7.25% and 7.57%, respectively.

### ***Other Income***

During the Reporting Period, other income of the Group was RMB428.51 million, representing a decrease of 8.56% as compared with RMB468.62 million for the twelve months ended 31 December 2024. The decrease was primarily due to the decrease in subsidies obtained by the Group from the central and local governments.

### ***Selling and Distribution Expenses***

During the Reporting Period, the selling and distribution expenses of the Group were RMB16,181.31 million, representing a decrease of 5.70% as compared with RMB17,158.64 million for the twelve months ended 31 December 2024. The decrease in selling and distribution expenses was primarily attributable to the reduction in market expenses and compensation of the Group.

### ***Administrative Expenses***

During the Reporting Period, the administrative expenses of the Group were RMB7,837.63 million, representing a decrease of 6.85% as compared with RMB8,413.54 million for the twelve months ended 31 December 2024. The decrease in administrative expenses was primarily attributable to the decrease in employee compensation of the Group.

### ***Operating Profit***

As a result of the above-mentioned factors, the operating profit of the Group during the Reporting Period was RMB16,038.22 million, representing a decrease of 0.93% from RMB16,188.40 million for the twelve months ended 31 December 2024.

### ***Other Gains – Net***

During the Reporting Period, the other gains – net of the Group increased from RMB46.92 million for the twelve months ended 31 December 2024 to RMB99.18 million for the Reporting Period, mainly due to the decrease in losses from financial assets held by the Group at fair value through profit or loss.

### ***Other Expenses***

During the Reporting Period, the other expenses of the Group amounted to RMB575.77 million, representing a decrease of RMB529.81 million as compared with RMB1,105.58 million for the twelve months ended 31 December 2024, mainly attributable to the reduction in provision for impairment loss of intangible assets recognized during the year.

### ***Finance Costs – Net***

During the Reporting Period, the finance costs – net of the Group was RMB1,994.91 million, representing a decrease of 14.32% as compared with RMB2,328.24 million for the twelve months ended 31 December 2024. The decrease was primarily due to the decrease of the borrowing interest rates and adjustments to the financing structure during the year.

### ***Share of Profits of Associates***

During the Reporting Period, the Group's share of profits of associates was RMB1,230.08 million, representing an increase of 2.81% as compared with RMB1,196.48 million for the twelve months ended 31 December 2024.

### ***Share of Profits and Losses of Joint Ventures***

During the Reporting Period, the Group's share of profits of joint ventures was RMB2.83 million, representing a decrease of 3.12% as compared with RMB2.92 million for the twelve months ended 31 December 2024.

### ***Income Tax Expenses***

During the Reporting Period, the Group's income tax expenses were RMB3,965.19 million, representing an increase of RMB387.88 million as compared with RMB3,577.31 million for the twelve months ended 31 December 2024. The increase was primarily due to the increase in profit before tax of the Group, which led to a corresponding increase in income tax expenses. The Group's actual income tax rate increased to 26.79% during the Reporting Period from 25.55% for the twelve months ended 31 December 2024.

### ***Profit for the Year***

As a result of the above-mentioned factors, the profit of the Group for the year of 2025 was RMB10,834.43 million, representing an increase of 3.94% as compared with RMB10,423.59 million for the twelve months ended 31 December 2024. The annual profit margin of the Group for the twelve months ended 31 December 2025 and 2024 were 1.88% and 1.78%, respectively.

### ***Profit Attributable to Owners of the Parent***

During the Reporting Period, profit attributable to owners of the parent of the Company was RMB7,155.09 million, representing an increase of 1.50% or RMB105.41 million from RMB7,049.68 million for the twelve months ended 31 December 2024.

### ***Profit Attributable to Non-controlling Interests***

During the Reporting Period, profit attributable to non-controlling interests of the Company was RMB3,679.34 million, representing an increase of 9.05% or RMB305.43 million from RMB3,373.91 million for the twelve months ended 31 December 2024.

### ***Liquidity and Capital Resources***

#### ***Working capital***

During the Reporting Period, the Group had commercial banking facilities of RMB324,753.19 million, of which approximately RMB201,040.79 million were not yet utilized. As at 31 December 2025, the Group had cash and cash equivalents of RMB48,796.13 million, which primarily comprised cash and bank savings.

## *Cash flow*

The cash of the Group was primarily used for financing working capital, repaying credit interest and principal due, financing acquisitions and providing funds for capital expenditures, growth and expansion of the Group's facilities and operations. The table below sets out the cash flow of the Group from operating, investing and financing activities for the year ended 31 December 2025 and 2024, respectively:

	<b>2025</b>	2024
	<b><i>RMB million</i></b>	<i>RMB million</i>
Net cash generated from operating activities	<b>14,138.21</b>	11,546.01
Net cash used in investing activities	<b>(963.89)</b>	(3,750.92)
Net cash used in financing activities	<b>(18,686.65)</b>	(17,285.03)
Decrease in cash and cash equivalents	<b>(5,512.33)</b>	(9,489.94)
Cash and cash equivalents at the beginning of the year	<b>54,313.36</b>	63,808.54
Foreign exchange gain and loss	<b>(4.90)</b>	(5.24)
	<b><u>48,796.13</u></b>	<u>54,313.36</u>
Cash and cash equivalents at the end of the year		

### *Net cash generated from operating activities*

The Group's cash inflow from operations primarily derives from collections from the sale of the products and services in its pharmaceutical distribution, retail pharmacy, medical device distribution and other business segments. During the Reporting Period, the Group's net cash generated from operating activities amounted to RMB14,138.21 million, representing an increase of RMB2,592.20 million from RMB11,546.01 million for the twelve months ended 31 December 2024.

### *Net cash used in investing activities*

During the Reporting Period, the net cash used in investing activities of the Group was RMB963.89 million, representing an decrease of RMB2,787.03 million as compared with RMB3,750.92 million for the twelve months ended 31 December 2024.

### *Net cash used in financing activities*

During the Reporting Period, the net cash used in financing activities of the Group was RMB18,686.65 million. The net cash used in financing activities of the Group for the twelve months ended 31 December 2024 was RMB17,285.03 million, and such increase was mainly due to the repayment of interest-bearing bank borrowings and other borrowings during the period.

### *Capital Expenditure*

The Group's capital expenditures were primarily utilized for the development and expansion of distribution channels, upgrading of its logistic delivery systems and the improvement of the level of informatization. The Group's capital expenditures amounted to RMB1,917.30 million and RMB2,460.69 million for the year ended 31 December 2025 and 2024, respectively, which was primarily due to the decrease in expenditure on the purchase of property, plant and equipment.

The Group's current plans with respect to its capital expenditures may be modified according to the progress of its operation plans (including changes in market conditions, competition and other factors). As the Group continues to develop, it may incur additional capital expenditure. The Group's ability to obtain additional funding in future is subject to a variety of factors, including its future operational results, financial condition and cash flows, economic, political and other conditions in the mainland China and Hong Kong, and the PRC Government's policies relating to foreign currency borrowings, etc.

### *Capital Structure*

#### *Fiscal resources and fiscal policies*

During the Reporting Period, the Group made certain improvement and adjustments to its capital structure, so as to relieve fiscal risks and reduce finance costs. The Group's business faced a variety of fiscal risks: market risk (including foreign exchange risk, fair value and cash flow interest rate risk), credit risk and liquidity risk. The Group's risk management addresses the unpredictability of financial markets and minimises potential adverse effects on the Group's financial performance. The Group didn't use derivative financial instruments to hedge its exposure to changes in foreign currency exchange rates and interest rates.

The Group had successfully issued super short-term financing bonds in an aggregate amount of RMB3.8 billion during the Reporting Period for the purposes of broadening financing channels and reducing financing costs, so as to repay bank loans as well as to replenish working capital.

The Group's borrowings are mainly denominated in RMB.

As at 31 December 2025, the cash and cash equivalents of the Group were mainly denominated in RMB, with certain amount denominated in United States Dollars ("USD") and Hong Kong Dollars ("HKD"), Great Britain Pound ("GBP"), Swiss Franc ("CHF") and Japanese Yen ("JPY").

### *Indebtedness*

As at 31 December 2025, the Group had aggregated banking facilities of RMB324,753.19 million (31 December 2024: RMB310,604.69 million), of which RMB201,040.79 million (31 December 2024: RMB173,910.33 million) were not utilized and are available to be drawn down at any time. Such banking facilities are primarily short-term loans for working capital. Among the Group's total borrowings as at 31 December 2025, RMB63,321.16 million (31 December 2024: RMB62,729.05 million) will be due within one year and RMB3,645.48 million (31 December 2024: RMB8,637.23 million) will be due after one year. During the Reporting Period, the Group did not experience any difficulties in renewing its bank loans with its lenders. As at 31 December 2025, bank borrowings and other financial institutions borrowings of the Group were carried at floating interest rates with a weighted average effective annual interest rate of 2.50% for the year ended 31 December 2025 (for the year ended 31 December 2024: 2.62%).

### *Gearing ratio*

As at 31 December 2025, the Group's gearing ratio was 65.63% (31 December 2024: 67.75%), which was calculated based on the total liabilities divided by total assets as at 31 December 2025.

### *Credit Risk*

The Group will focus on the recovery of account receivables with a maturity of more than one year, inventory risk and liquidity control, credit exposure and other potential risks, coordinate development and safety, continuously improve the level of compliance supervision, and prevent and control business operation risks. Meanwhile, the Group will continue to review the credit risk of trade receivables and fully consider changes in business structure and customer structure, changes in the macroeconomic environment and specific industry factors. At the same time, the Group will also continue to review the Group's customer credit risk characteristic portfolios to ensure that the division of credit risk characteristic portfolios can fully reflect the risk characteristics of different types of customers, and the Group will assess the accounting estimates such as historical observed default rates and forward-looking adjustments in a more prudent manner to ensure that the provision matrix of the Group's expected credit loss can fully reflect the impairment provisions for trade receivables. As at 31 December 2025, the trade and bills receivables of the Group in aggregate amounted to RMB205,622 million (31 December 2024: RMB200,255 million) and its aging analysis is set out in Note 13 to the consolidated financial statements.

The Group has established a sound customer credit management system and trade receivables management measures to prevent credit risks and improve the turnover efficiency of trade receivables, and major measures included but not limited to: (i) establishing a scientific and rational credit evaluation model to strictly review and approve customers' credit limits; (ii) reviewing the actual sales, collection of trade receivables and financial information of customers on a regular basis, and implementing a dynamic management on customers' credit limits and terms; (iii) strengthening the regular monitoring and analysis of several indicators such as the balance of trade receivables with a maturity of more than one year, balance of trade receivables overdue and turnover days of trade receivables based on different customer bases; and (iv) strengthening the reconciliation and collection of trade receivables, especially receivables with a maturity of more than one year and overdue receivables, developing practical collection measures and repayment terms, and other necessary measures.

### ***Foreign Exchange Risks***

The Group's operations are mainly located in the PRC and most of its transactions are denominated and settled in RMB. However, the Group is exposed to foreign exchange risks to some extent on certain cash and cash equivalents, prepayments and other receivables, trade payables and accrued expenses and other payables denominated in foreign currencies, the majority of which are USD, HKD and EUR. During the Reporting Period, the Group has no corresponding hedging arrangements.

### ***Pledge of Assets***

As at 31 December 2025, part of the Group's borrowings and notes payable were secured by trade and notes receivable with book value of RMB2,146.10 million (31 December 2024: RMB2,214.32 million), bank deposits of RMB10,138.92 million (31 December 2024: RMB10,200.79 million), and property, plant and equipment with book value of RMB0 million (31 December 2024: RMB14.90 million).

### ***Major Acquisitions and Disposals***

During the Reporting Period, the Group had no major acquisitions and disposals with respect to subsidiaries, associates and joint ventures.

### ***Significant Investment***

During the Reporting Period, the Group had no significant investments. As at the date of this announcement, the Board has not approved any plans for material investments or purchase of capital assets.

### ***Going Concern***

Based on the current financial forecast and financing facilities available, the Group has sufficient financial resources for ongoing operation in the foreseeable future. As such, the financial statements were prepared on a going concern basis.

## ***Contingent Liabilities and Material Litigations***

As at 31 December 2025, the Group neither had any material contingent liability, nor had any material litigation.

## ***Human Resources***

As at 31 December 2025, the Group had a total of 94,910 employees (as at 31 December 2024: 108,217 employees). The Group has always adhered to the development philosophy that “talents are the Group’s core competitiveness”. With the goal of supporting strategic implementation and driving high-quality development, the Group has established a professional and integrated human resource management system. Through scientific talent selection, systematic training and development and diverse incentive and restraint mechanisms, the Group has created a high-quality talent team.

For personnel employment, the Company has established strict and standardized selection standards and procedures, adhered to the principle of selecting candidates with ability and integrity, and talent-post matching, and accurately selected outstanding talents who align with the Company’s values and job requirements, injecting fresh vitality into the Company’s sustainable development.

For talent development, the Company focused on the growth needs of employees at different functions and levels, and built a tiered and categorized training system to help employees improve their professional skills and overall quality, so as to achieve the resonance between personal development of employees and strategic goals of the Company.

For performance management, the Company implemented top-down performance assessment with performance contributions as the core evaluation criterion. The Company closely linked performance assessment results with remuneration adjustments, promotions and career development, fully stimulating employees’ enthusiasm and initiative in their work and entrepreneurship.

For remuneration strategy, based on the principle of “performance-oriented compensation, prioritizing efficiency and considering fairness”, the Company established a compensation system with position value and ability as basis and performance contribution as the cornerstone. The employee remunerations include multiple dimensions such as basic salary, performance-based remuneration, bonus and piece rate wage. The Company further adopted a combination of short-term and medium- and long-term incentives, adhered to the performance-oriented principle while giving consideration to balance, and designed a compensation structure comprising “basic remuneration, performance-based remuneration, and medium- and long-term incentives for operational management, demonstrating the principles of “diversified structure, dynamic adjustments, value creation, the incremental value distribution, sharing benefits and risks, aligning with market benchmarks and international standards”, which promoted the formation of a community of interests between operational management and the Company and facilitated the Company to achieve its long-term strategic goals. Details of employee benefit expenses of the Group during the Reporting Period are set out in the Note 9 to the consolidated financial statements.

## DIVIDEND POLICY

The Company has established a dividend policy. Under the Company Law of the People's Republic of China and the Articles of Association, all of our shareholders have equal rights to dividends and distribution. The declaration of dividends is subject to the discretion of the Board and the approval of the shareholders, which the Company expects will take into account factors such as the following:

- (i) the Company's financial results;
- (ii) the Company's shareholders' interests;
- (iii) general business conditions and strategies;
- (iv) the Company's capital needs;
- (v) contractual restrictions on the payment of dividends by the Company to its shareholders or by the Company's subsidiaries to the Company;
- (vi) taxation considerations;
- (vii) possible effects on the Company's credit worthiness;
- (viii) statutory and regulatory restrictions; and
- (ix) any other factors the Board may deem relevant.

The allocations to the statutory common reserve fund are currently determined to be 10% of the Company's after-tax profit attributable to equity holders of the Company for the fiscal year determined in accordance with PRC accounting rules and regulations. When the accumulated allocations to the statutory common reserve fund reach 50% of the Company's registered capital, the Company will no longer be required to make allowances for allocation to the statutory common reserve fund.

## DIVIDENDS

Relevant resolution was passed at a meeting of the Board held on 20 March 2026 to propose to distribute a final dividend of RMB0.69 per share (tax inclusive) for the year ended 31 December 2025 (the "**Final Dividend**"), totalling approximately RMB2,153,253,000. If the proposal of profit distribution is approved by shareholders at the 2025 annual general meeting to be held on Thursday, 18 June 2026 (the "**AGM**"), the Final Dividend will be distributed to the shareholders whose names appear on the register of members of the Company on Tuesday, 30 June 2026 no later than 18 August 2026.

According to the Articles of Association of the Company, the Final Dividends will be denominated and declared in Renminbi. Final Dividend on domestic shares of the Company and for investors investing in the H shares of the Company through Shanghai Hong Kong Stock Connect or Shenzhen Hong Kong Stock Connect (the “**Southbound Trading**”) (the “**Southbound Trading Shareholders**”) will be paid in Renminbi, and the Final Dividend for other holders of H shares of the Company will be paid in Hong Kong dollars. The amount of the Final Dividend payable in Hong Kong dollars shall be calculated based on the average exchange rate of Renminbi to Hong Kong dollars as announced by the People’s Bank of China for the calendar week prior to 18 June 2026 (being the date of declaration of the Final Dividend).

For the Southbound Trading Shareholders, the Company has entered into the Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading (港股通H股股票現金紅利派發協議) with China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch and Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, each of which as a nominee of the holders of H shares for Southbound Trading, will receive all the Final Dividend distributed by the Company and distribute the Final Dividend to the relevant Southbound Trading Shareholders through their depository and clearing systems.

Pursuant to the Enterprise Income Tax Law of the PRC and its implementing regulations (hereinafter collectively referred to as the “**EIT Law**”), the tax rate of the enterprise income tax applicable to the income of non-resident enterprise deriving from the PRC is 10%. For this purpose, any H shares registered under the name of non-individual enterprise, including the H shares registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organizations or entities, shall be deemed as shares held by non-resident enterprise shareholders as defined under the EIT Law. The Company will distribute the Final Dividend to non-resident enterprise shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

Any resident enterprise as defined under the EIT Law which has been legally incorporated in the PRC or which has established effective administrative entities in the PRC pursuant to the laws of foreign countries (regions) and whose name appears on the register of the members of H shares of the Company should deliver a legal opinion ascertaining its status as a resident enterprise furnished by a PRC lawyer (with the official chop of the issuing law firm affixed thereon) and relevant documents to Computershare Hong Kong Investor Services Limited in due course, if they do not wish to have the 10% enterprise income tax withheld and paid on their behalf by the Company.

Pursuant to the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (the “**Notice**”) issued by the State Administration of Tax on 28 June 2011, the dividend to be distributed by the PRC non-foreign invested enterprises which have issued shares in Hong Kong to the overseas resident individual shareholders, is subject to the individual income tax with a tax rate of 10% in general. However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries of their residence and Mainland China. Thus, 10% personal income tax will be withheld by the Company from the Final Dividend payable to the individual H-share shareholders whose names appear on the register of members of the Company on Tuesday, 30 June 2026, unless otherwise stated in the relevant taxation regulations, taxation agreements or the Notice. If individual H Share shareholders consider that the tax rate adopted by the Company for the withholding and payment of individual income tax on their behalf is not the same as the tax rate stipulated in any tax treaties between the PRC and the countries (regions) in which they are domiciled, after receiving the dividends, they may proceed with the subsequent tax related treatment in person or through proxy with competent tax authorities of the Company in accordance with requirements under the tax treaties.

Pursuant to the “Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets” (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the “Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets” (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) jointly promulgated by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission, for dividends derived by Mainland individual investors from investing in H-share listed on the Hong Kong Stock Exchange through Shanghai Hong Kong Stock Connect or Shenzhen Hong Kong Stock Connect, H-share companies shall withhold individual income tax at a tax rate of 20% for the investors. For Mainland securities investment funds investing in shares listed on Hong Kong Stock Exchange through Shanghai Hong Kong Stock Connect or Shenzhen Hong Kong Stock Connect, the above rules also apply and individual income tax shall be levied on dividends derived therefrom. Dividends derived by Mainland enterprise investors from investing in shares listed on Hong Kong Stock Exchange through Shanghai Hong Kong Stock Connect or Shenzhen Hong Kong Stock Connect shall be reported and paid by the enterprise investors themselves. H-share companies will not withhold or pay enterprise income tax on their behalf in the distribution of dividends.

The Company will have no liability in respect of any claims arising from any delay in, or inaccurate determination of the status of the shareholders or any disputes over the mechanism of withholding.

As at the date of this announcement, the Board is not aware of any shareholders who have waived or agreed to waive any dividends.

## **CLOSURE OF REGISTER OF MEMBERS**

In order to ascertain Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify to attend the AGM and to vote at the meeting, all instruments of transfer of the holders of H-shares of the Company must be lodged at the H-shares registrar of the Company at Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 12 June 2026. Shareholders whose names appear on the register of members of the Company on Monday, 15 June 2026 shall be entitled to attend the AGM.

In order to ascertain Shareholders' entitlement to receive the proposed Final Dividend, the register of members of the Company will be closed from Thursday, 25 June 2026 to Tuesday, 30 June 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify to receive the Final Dividend, all instruments of transfer of the holders of H-shares of the Company must be lodged at the H-shares registrar of the Company at Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 24 June 2026. Shareholders whose names appear on the register of members of the Company on Tuesday, 30 June 2026 shall be entitled to receive the Final Dividend.

## **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

During the Reporting Period, none of the Company and its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sales of treasury shares (the "**Treasury Shares**") within the meaning under the Rules Governing the Listing of Securities on Hong Kong Stock Exchange (the "**Listing Rules**")). As at 31 December 2025, the Company did not hold any Treasury Shares.

## **AUDIT COMMITTEE**

As at the date of this announcement, the audit committee of the Company consists of three directors: including three independent non-executive directors being Mr. Wu Tak Lung, Mr. Li Peiyu and Mr. Shi Shenghao. Mr. Wu Tak Lung currently serves as the chairman of the audit committee. The primary responsibilities of the Company's audit committee are to inspect, review and supervise the Company's financial information, reporting process for financial information and risk management and internal control system. The audit committee has reviewed the audited annual results of the Group for the year ended 31 December 2025.

## **SCOPE OF WORK OF CONFUCIUS INTERNATIONAL CPA LIMITED**

The financial figures in respect of the preliminary results announcement of the Group for the year ended 31 December 2025 have been agreed by the Group's auditor, Confucius International CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by Confucius International CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Confucius International CPA Limited on the preliminary results announcement.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (THE "CORPORATE GOVERNANCE CODE") SET OUT IN APPENDIX C1 TO THE LISTING RULES**

The Company has adopted all code provisions of the Corporate Governance Code as the code of corporate governance of the Company. During the Reporting Period, the Company had complied with the code provisions as set out in the Corporate Governance Code.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”) SET OUT IN APPENDIX C3 TO THE LISTING RULES**

The Board has adopted the Model Code as the code of practice for directors and supervisors in respect of their trading in the listed securities of the Company. After making specific enquires with the directors and supervisors, all of them confirmed that they had complied with the requirements for securities trading of directors and supervisors set out in the Model Code during the Reporting Period.

## **DISCLOSURE OF INFORMATION**

This results announcement will be published on the websites of the Company (<http://www.sinopharmgroup.com.cn>) and the Hong Kong Stock Exchange (<http://www.hkexnews.hk>). The Company’s annual report for 2025 which contains all the information required under the Listing Rules will be despatched to the shareholders according to the manner in which the shareholders of the Company have elected to receive corporate communications and published on the websites of the Company and the Hong Kong Stock Exchange in due course.

By order of the Board of  
**Sinopharm Group Co. Ltd.**  
**Jin Bin**  
*Chairman*

Shanghai, the PRC  
20 March 2026

*As at the date of this announcement, the executive Directors are Mr. Lian Wanyong and Mr. Yang Binghua; the non-executive Directors are Mr. Jin Bin, Mr. Chen Qiyu, Mr. Zu Jing, Mr. Xing Yonggang, Mr. Ma Yue, Mr. Chen Yuqing, Mr. Wen Deyong and Ms. Li Ying; and the independent non-executive Directors are Mr. Li Peiyu, Mr. Wu Tak Lung, Mr. Yu Weifeng, Mr. Shi Shenghao and Mr. Chen Weiru.*