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康臣藥業集團有限公司
CONSUN PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1681)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2025 amounted to RMB3,417,355,000, representing an increase of approximately 15.2% as compared with the year ended 31 December 2024.
- Profit attributable to equity shareholders of the Company for the year ended 31 December 2025 amounted to RMB1,078,067,000, representing an increase of approximately 18.4% as compared with the year ended 31 December 2024.
- Basic and diluted earnings per share for the year ended 31 December 2025 amounted to approximately RMB1.27 and RMB1.26 respectively, representing increases of approximately 14.4% and 15.6% respectively as compared with the year ended 31 December 2024.
- The Board proposed to declare a final dividend of HKD0.40 per share for the year ended 31 December 2025.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Consun Pharmaceutical Group Limited (the “**Company**”) is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”, “**Consun**”, “**Consun Pharmaceutical**” or “**Consun Pharmaceutical Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”), together with the comparative figures of 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2025
(Expressed in Renminbi)

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Revenue	2	3,417,355	2,967,235
Cost of sales		<u>(750,235)</u>	<u>(725,133)</u>
Gross profit		2,667,120	2,242,102
Other income	3	52,649	87,629
Distribution costs		(1,072,775)	(981,576)
Administrative expenses		(445,631)	(311,873)
Reversals of impairment loss on trade and other receivables		<u>1,016</u>	<u>8,778</u>
Profit from operations		1,202,379	1,045,060
Finance costs	4(a)	(4,360)	(24,888)
Share of losses of associates		<u>(1,597)</u>	<u>(66)</u>
Profit before taxation	4	1,196,422	1,020,106
Income tax	5(a)	<u>(107,290)</u>	<u>(102,732)</u>
Profit for the year		<u>1,089,132</u>	<u>917,374</u>
Attributable to:			
– Equity shareholders of the Company		1,078,067	910,458
– Non-controlling interests		<u>11,065</u>	<u>6,916</u>
Profit for the year		<u>1,089,132</u>	<u>917,374</u>
Earnings per share (RMB yuan)	6		
– Basic		<u>1.27</u>	<u>1.11</u>
– Diluted		<u>1.26</u>	<u>1.09</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2025

(Expressed in Renminbi)

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	1,089,132	917,374
Other comprehensive income for the year that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of operations outside the Chinese Mainland	<u>618</u>	<u>177</u>
Total comprehensive income for the year	<u>1,089,750</u>	<u>917,551</u>
Attributable to:		
– Equity shareholders of the Company	1,078,685	910,635
– Non-controlling interests	<u>11,065</u>	<u>6,916</u>
Total comprehensive income for the year	<u>1,089,750</u>	<u>917,551</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2025
(Expressed in Renminbi)

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Non-current assets			
Investment property	<i>8</i>	13,648	14,141
Property, plant and equipment	<i>9</i>	804,190	797,581
Right-of-use assets	<i>10</i>	116,984	127,959
Intangible assets	<i>11</i>	265,608	268,960
Interest in associates		33,337	9,934
Financial assets measured at fair value through profit or loss (“FVPL”)	<i>12</i>	43,193	19,141
Time deposits with banks	<i>13</i>	437,301	–
Other prepayments	<i>14</i>	49,057	51,533
Deferred tax assets		41,947	12,520
		1,805,265	1,301,769
Current assets			
Inventories	<i>15</i>	271,405	289,677
Trade and other receivables	<i>16(a)</i>	354,539	370,121
Prepayments	<i>16(b)</i>	32,424	25,833
Financial assets measured at FVPL	<i>12</i>	1,009,126	–
Time deposits with banks	<i>13</i>	1,659,981	958,000
Restricted cash	<i>17</i>	42,899	–
Cash and cash equivalents	<i>17</i>	1,234,384	2,907,682
		4,604,758	4,551,313
Current liabilities			
Trade and other payables	<i>18</i>	1,187,761	1,061,862
Bank loans	<i>19</i>	200,000	253,340
Lease liabilities	<i>20</i>	9,709	6,423
Deferred income	<i>21</i>	1,337	1,546
Current taxation		31,510	47,629
		1,430,317	1,370,800
Net current assets		3,174,441	3,180,513
Total assets less current liabilities		4,979,706	4,482,282

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2025 (continued)
(Expressed in Renminbi)

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current liabilities			
Lease liabilities	<i>20</i>	3,211	7,406
Deferred income	<i>21</i>	12,904	14,636
Deferred tax liabilities		125,721	67,188
		<u>141,836</u>	<u>89,230</u>
Net assets		<u>4,837,870</u>	<u>4,393,052</u>
Capital and reserves			
Share capital		67,226	67,308
Reserves		4,467,807	4,030,295
Total equity attributable to equity shareholders of the Company		4,535,033	4,097,603
Non-controlling interests		302,837	295,449
Total equity		<u>4,837,870</u>	<u>4,393,052</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interest in associates.

The consolidated financial statements are presented in Renminbi (“**RMB**”), rounded to the nearest thousand, which is the functional currency of the subsidiaries carrying out the principal activities of the Group.

(c) **Changes in accounting policies**

(i) ***New and amended HKFRSs***

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 REVENUE AND SEGMENT REPORTING

(a) **Revenue**

The principal activities of the Group are the manufacturing and sales of pharmaceutical products. Further details regarding the Group's principal activities are disclosed in note 2(b).

Disaggregation of revenue from contracts with customers by major products is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Kidney medicines	2,402,300	1,996,274
Gynaecology and paediatrics medicines	375,726	361,411
Medical contrast medium	188,373	169,883
Orthopedics medicines	236,847	252,594
Dermatologic medicines	121,209	116,070
Hepatobiliary medicines	68,280	47,562
Others	24,620	23,441
	3,417,355	2,967,235

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in notes 2(b)(i) and 2(b)(iii) respectively.

The Group's customer base is diversified and includes two customers (2024: two) with whom transactions have exceeded 10% of the Group's revenues. In 2025 revenues to each of these two customers, including sales to entities which are known to the Group to be under common control with these customers are as follows.

	2025 RMB'000	2024 RMB'000
Customer A	924,271	817,775
Customer B	374,947	373,734

As at 31 December 2025, the transaction price under the Group's existing contracts was fully recognised as revenue.

The Group has applied practical expedient in paragraph 121(a) of HKFRS 15, Revenue from Contracts with Customers, to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with the customers in existence at the end of reporting period as the performance obligation is part of a contract that has an original expected duration of one year or less.

(b) Segment reporting

The Group manages its businesses by product lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

- Consun Pharmaceutical Segment: this segment manufactures and sells modern Chinese medicines and medical contrast medium.
- Yulin Pharmaceutical Segment: this segment manufactures and sells traditional Chinese medicines.

(i) Segment results, assets and liabilities

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

Segment assets include all tangible, intangible assets and current assets with the exception of interest in associates, financial asset measured at FVPL and deferred tax assets. Segment liabilities include trade and other payables, deferred income and lease liabilities attributable to the manufacturing and sales activities of the individual segments and bank loans managed directly by the segments with the exception of current taxation and deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is gross profit. The Group's senior executive management is provided with segment information concerning segment revenue and gross profit.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below:

For the year ended 31 December	Consun Pharmaceutical Segment		Yulin Pharmaceutical Segment		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Disaggregated by timing of revenue recognition						
Point in time	<u>2,966,501</u>	<u>2,531,522</u>	<u>450,854</u>	<u>435,713</u>	<u>3,417,355</u>	<u>2,967,235</u>
Revenue from external customers	<u>2,966,501</u>	<u>2,531,522</u>	<u>450,854</u>	<u>435,713</u>	<u>3,417,355</u>	<u>2,967,235</u>
Inter-segment revenue	<u>-</u>	<u>-</u>	<u>22,252</u>	<u>7,123</u>	<u>22,252</u>	<u>7,123</u>
Reportable segment revenue	<u>2,966,501</u>	<u>2,531,522</u>	<u>473,106</u>	<u>442,836</u>	<u>3,439,607</u>	<u>2,974,358</u>
Reportable segment profit						
Gross profit	<u>2,364,059</u>	<u>1,949,914</u>	<u>305,621</u>	<u>293,008</u>	<u>2,669,680</u>	<u>2,242,922</u>
Interest income from bank deposits	79,199	83,385	6,083	4,916	85,282	88,301
Interest expense	1,989	19,741	2,371	5,147	4,360	24,888
Depreciation and amortisation for the year	42,618	32,153	23,969	31,840	66,587	63,993
Reversals of impairment loss – trade and other receivables	(656)	(1,595)	(360)	(7,183)	(1,016)	(8,778)
Reportable segment assets	<u>4,595,744</u>	<u>4,133,335</u>	<u>1,700,272</u>	<u>1,718,293</u>	<u>6,296,016</u>	<u>5,851,628</u>
Reportable segment liabilities	<u>885,662</u>	<u>826,976</u>	<u>533,730</u>	<u>558,378</u>	<u>1,419,392</u>	<u>1,385,354</u>

(ii) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2025 RMB'000	2024 RMB'000
Revenue		
Reportable segment revenue	<u>3,439,607</u>	<u>2,974,358</u>
Elimination of inter-segment revenue	<u>(22,252)</u>	<u>(7,123)</u>
Consolidated revenue (note 2(a))	<u><u>3,417,355</u></u>	<u><u>2,967,235</u></u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit		
Reportable segment gross profit	2,669,680	2,242,922
Elimination of inter-segment profits	<u>(2,560)</u>	<u>(820)</u>
Reportable segment gross profit derived from the Group's external customers	2,667,120	2,242,102
Other income (<i>note 3</i>)	52,649	87,629
Distribution costs	(1,072,775)	(981,576)
Administrative expenses	(445,631)	(311,873)
Reversals of impairment loss on trade and other receivables	1,016	8,778
Finance costs (<i>note 4(a)</i>)	(4,360)	(24,888)
Share of losses of associates	<u>(1,597)</u>	<u>(66)</u>
Consolidated profit before taxation	<u><u>1,196,422</u></u>	<u><u>1,020,106</u></u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Assets		
Reportable segment assets	6,296,016	5,851,628
Elimination of inter-segment receivables	<u>(4,470)</u>	<u>(40,141)</u>
	6,291,546	5,811,487
Interest in associates	33,337	9,934
Financial assets measured at FVPL	43,193	19,141
Deferred tax assets	<u>41,947</u>	<u>12,520</u>
Consolidated total assets	<u><u>6,410,023</u></u>	<u><u>5,853,082</u></u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Liabilities		
Reportable segment liabilities	1,419,392	1,385,354
Elimination of inter-segment payables	<u>(4,470)</u>	<u>(40,141)</u>
	1,414,922	1,345,213
Current taxation	31,510	47,629
Deferred tax liabilities	<u>125,721</u>	<u>67,188</u>
Consolidated total liabilities	<u><u>1,572,153</u></u>	<u><u>1,460,030</u></u>

(iii) Geographic information

Analysis of the Group's revenue and results as well as analysis of the Group's carrying amount of segment assets and additions to property, plant and equipment by geographical market has not been presented as 99% of the Group's operating profit is derived from activities of manufacturing and sales of pharmaceutical products in Chinese Mainland.

3 OTHER INCOME

	2025	2024
	RMB'000	RMB'000
Government grants (i)		
– Unconditional subsidies	1,656	9,568
– Conditional subsidies	2,014	4,548
Rental income from investment property	836	904
Interest income	85,282	88,301
Loss on disposal of property, plant and equipment	(1,931)	(348)
Net exchange losses	(33,025)	(17,878)
Net gain/(loss) on financial assets at FVPL	3,469	(89)
Others	(5,652)	2,623
	52,649	87,629

(i) Government grants represent various forms of incentives and subsidies granted to the Group by the local government authorities in Chinese Mainland.

– Unconditional subsidies

The entitlements to certain government grants amounting to RMB1,656,000 (2024: RMB9,568,000) were unconditional, which mainly consisted of the operating expenses subsidies and tax refund of the Chinese Mainland subsidiaries of the Group during the current or prior years.

– Conditional subsidies

The remaining government grants were conditional government grants and initially recorded as deferred income. The amount of conditional government grants charged to the consolidated statement of profit or loss for the year ended 31 December 2025 was RMB2,014,000 (2024: RMB4,548,000).

4 PROFIT BEFORE TAXATION

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

(a) Finance costs

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank loans	4,079	24,475
Interest on lease liabilities	281	413
	<u>4,360</u>	<u>24,888</u>

(b) Staff costs

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries, wages, bonuses and benefits	648,413	574,742
Contributions to defined contribution retirement schemes	30,198	18,430
	<u>678,611</u>	<u>593,172</u>

Pursuant to the relevant labour rules and regulations in Chinese Mainland, the Chinese Mainland subsidiaries participate in defined contribution retirement schemes organised by the local government authorities, to which the Chinese Mainland subsidiaries are required to make contributions based on certain percentages of the eligible employees' salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees.

The Group also operates a Mandatory Provident Fund Scheme (“**the MPF scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of Hong Kong Dollars (“**HKD**”) 30,000. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

The Group has no other material obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.

(c) **Other items**

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Depreciation and amortisation charge			
– investment property	<i>8</i>	493	493
– property, plant and equipment	<i>9</i>	51,767	41,414
– right-of-use assets	<i>10</i>	10,975	7,264
– intangible assets	<i>11</i>	3,352	14,822
		66,587	63,993
Auditor's remuneration			
– audit services		2,600	2,500
– non-audit services		500	500
		3,100	3,000
Reversals of impairment loss			
on trade and other receivables		(1,016)	(8,778)
Leases charges	<i>10</i>	6,570	7,256
Research and development costs (i)		151,844	97,541
Cost of inventories (ii)	<i>15</i>	751,966	733,040

(i) During the year ended 31 December 2025, research and development costs included RMB39,356,000 (2024: RMB32,042,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in the note 4(b) for each of these types of expenses.

(ii) During the year ended 31 December 2025, cost of inventories included RMB123,429,000 (2024: RMB112,140,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in the note 4(b) for each of these types of expenses.

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
Provision for Chinese Mainland income tax for the year	31,043	44,219
Chinese Mainland dividend withholding tax (iv)	60,000	60,000
Over-provision for Chinese Mainland income tax in respect of prior years	(12,859)	(2,790)
	78,184	101,429
Deferred tax		
Effect on distribution of dividends (iv)	(60,000)	(60,000)
Origination and reversal of other temporary differences	89,106	61,303
	29,106	1,303
	107,290	102,732

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) No provision was made for Hong Kong Profits Tax as the Group did not earn income subject to Hong Kong Profits Tax for the year ended 31 December 2025 (2024: Nil).
- (iii) Taxable income for the subsidiaries of the Company in Chinese Mainland is subject to Chinese Mainland income tax rate of 25%, unless otherwise specified below.

Guangzhou Consun Pharmaceutical Company Limited (“**Guangzhou Consun**”) was qualified as an “High and New Technology Enterprises”, and was entitled to the preferential income tax rate of 15% in 2024.

Consun Pharmaceutical (Inner Mongolia) Co., Ltd. (“**Inner Mongolia Consun**”), Guangxi Yulin Pharmaceutical Group Co., Ltd. (“**Yulin Pharmaceutical**”) and Guangxi Yulin Pharmaceutical Capsule Co., Limited (“**Yulin Capsule**”) were qualified as encouraged industry that operates in western China, and were entitled to the preferential income tax rate of 15% in 2025 (2024: 15%).

Guangxi Yulin Pharmaceutical Group Yuming Chinese Traditional Medicine Co., Limited (“**Yuming Chinese Traditional Medicine**”) and Guangxi Yulin Pharmaceutical Group Hongsheng Trading Co., Limited (“**Hongsheng Trading**”) met the criteria for preferential income tax rate granted to small and low profit-making enterprises in Chinese Mainland, and were entitled to the preferential income tax rate of 20% in 2025 (2024: 20%).

Guangxi Yulin Pharmaceutical Group Yonglv Chinese Traditional Medicine Industry Co., Limited (“**Yonglv Chinese Traditional Medicine**”) met the exemption criteria on income generated through planting of agricultural products and was exempted from Chinese Mainland income tax in 2024 and 2025.

Consun Pharmaceutical (Horgos) Co., Ltd. (“**Horgos Consun**”) enjoyed the benefit of income tax exemption for five years from the financial year starting to generate operating revenue in 2021 under the Notice of the Ministry of Finance and the State Administration of Taxation on Income Tax Incentives for Newly-established Enterprises in Poverty Areas of Xinjiang.

- (iv) According to the relevant tax law and its implementation rules, dividends receivable by non-PRC-resident corporate investors from PRC-resident enterprises are subject to withholding tax at 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. The Group’s Hong Kong subsidiaries have obtained the Certificate of Resident Status of the Hong Kong Special Administrative Region (the “**Certificate**”) and have satisfied the “Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on income” and therefore have adopted the withholding tax rate at 5% for Chinese Mainland withholding tax.
- (v) According to relevant tax law in Chinese Mainland, Chinese Mainland subsidiaries of the Group engaging in research and development activities are entitled to claim additional 100% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for each year (“**Super Deduction**”). The Group has made its best estimate for Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the year.

(b) Reconciliation between tax expenses and accounting profit at applicable tax rates:

	2025	2024
	RMB’000	RMB’000
Profit before taxation for the year	1,196,422	1,020,106
Notional tax on profit before taxation, calculated		
at the rates applicable to profits in the jurisdictions concerned	314,104	271,497
Effect of non-deductible expenses	13,437	25,533
Effect of tax concessions	(300,930)	(243,818)
Effect of Super Deduction of research and development expenses (note 5(a)(v))	(10,234)	(6,240)
Tax effect of temporary differences and tax losses not recognized (net)	(14,966)	–
Provision of withholding tax on undistributed profits retained by Chinese Mainland subsidiaries	118,738	58,550
Over-provision in respect of prior years	(12,859)	(2,790)
Actual tax expenses	107,290	102,732

6 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity share-holders of the Company of RMB1,078,067,000 (2024: RMB910,458,000) and the weighted average number of ordinary shares of 848,014,000 shares (2024: 821,098,000 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2025 <i>'000 shares</i>	2024 <i>'000 shares</i>
Issued ordinary shares at 1 January	849,408	811,017
Effect of share options exercised	2,357	22,433
Effect of shares repurchased	(3,751)	–
Effect of treasury shares held under the share award scheme	–	(12,352)
	<u>848,014</u>	<u>821,098</u>
Weighted average number of ordinary shares at 31 December	<u>848,014</u>	<u>821,098</u>

(b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2025 is based on the profit attributable to equity shareholders of the Company of RMB1,078,067,000 (2024: RMB910,458,000) and the weighted average number of ordinary shares of 855,130,000 shares (2024: 832,109,000 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2025 <i>'000 shares</i>	2024 <i>'000 shares</i>
Weighted average number of ordinary shares at 31 December	848,014	821,098
Dilutive effect of deemed issue of shares under the share option scheme adopted on 2 December 2013	7,116	11,011
	<u>855,130</u>	<u>832,109</u>
Weighted average number of ordinary shares (diluted) at 31 December	<u>855,130</u>	<u>832,109</u>

7 DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interim dividend of HKD0.33 per ordinary share declared and paid after the interim period (2024: HKD0.30)	254,876	229,827
Less: dividends for Buy-back Shares	(1,568)	–
	253,308	229,827
Final dividend proposed after the end of the year of HKD0.40 per ordinary share (2024: HKD0.30)	296,201	235,954
	549,509	465,781

The final dividend proposed after the end of the year have not been recognised as liabilities as at the end of the year.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year of HKD0.30 per ordinary share (2024: HKD0.30)	235,954	221,122
No special dividend in respect of the previous financial year, approved and paid during the year (2024: HKD0.30)	–	229,082
	235,954	450,204

8 INVESTMENT PROPERTY

	Land use rights <i>RMB'000</i>	Buildings <i>RMB'000</i>	Total <i>RMB'000</i>
Cost			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	5,004	13,886	18,890
Accumulated depreciation:			
At 1 January 2024	(1,013)	(3,243)	(4,256)
Charge for the year	(135)	(358)	(493)
At 31 December 2024	(1,148)	(3,601)	(4,749)
Charge for the year	(135)	(358)	(493)
At 31 December 2025	(1,283)	(3,959)	(5,242)
Net book value:			
At 31 December 2025	3,721	9,927	13,648
At 31 December 2024	3,856	10,285	14,141

The Group leases out investment property under operating leases. The leases typically run for an initial period ranging from 1 to 10 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments usually reflect market rentals. None of the leases includes variable lease payments.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	235	228
After 1 year but within 2 years	242	235
After 2 years but within 3 years	250	242
After 3 years but within 4 years	42	250
After 4 years but within 5 years	–	42
	769	997

Investment properties of the Group were stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses. The carrying amounts of the investment properties were not materially different from their fair value as at 31 December 2024 and 2025.

9 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount

	Buildings <i>RMB'000</i>	Machinery and equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Office equipment <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
Cost:						
At 1 January 2024	338,283	273,455	24,389	27,017	416,429	1,079,573
Transfer from construction in progress	55,320	29,050	137	371	(84,878)	-
Other additions	5,598	10,850	737	2,741	80,689	100,615
Disposals	-	(3,135)	(1,329)	(765)	-	(5,229)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024 and 1 January 2025	399,201	310,220	23,934	29,364	412,240	1,174,959
Transfer from construction in progress	67,446	8,138	20	2,954	(78,558)	-
Other additions	10,861	22,128	1,388	5,254	20,676	60,307
Disposals	(1,027)	(11,266)	(644)	(1,983)	-	(14,920)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	476,481	329,220	24,698	35,589	354,358	1,220,346
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation:						
At 1 January 2024	(154,709)	(149,372)	(15,414)	(21,022)	-	(340,517)
Charge for the year	(13,618)	(23,451)	(707)	(3,638)	-	(41,414)
Written back on disposal	-	2,679	1,174	700	-	4,553
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024 and 1 January 2025	(168,327)	(170,144)	(14,947)	(23,960)	-	(377,378)
Charge for the year	(21,883)	(25,559)	(939)	(3,386)	-	(51,767)
Written back on disposal	728	9,964	500	1,797	-	12,989
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	(189,482)	(185,739)	(15,386)	(25,549)	-	(416,156)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:						
At 31 December 2025	<u>286,999</u>	<u>143,481</u>	<u>9,312</u>	<u>10,040</u>	<u>354,358</u>	<u>804,190</u>
At 31 December 2024	<u>230,874</u>	<u>140,076</u>	<u>8,987</u>	<u>5,404</u>	<u>412,240</u>	<u>797,581</u>

10 RIGHT-OF-USE ASSETS

	Land use rights <i>RMB'000</i> <i>Note (i)</i>	Buildings <i>RMB'000</i> <i>Note (ii)</i>	Total <i>RMB'000</i>
Cost:			
At 1 January 2024	143,799	17,818	161,617
Additions	–	10,571	10,571
	<hr/>	<hr/>	<hr/>
At 31 December 2024 and 31 December 2025	143,799	28,389	172,188
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Accumulated depreciation:			
At 1 January 2024	(29,524)	(7,441)	(36,965)
Charge for the year	(3,133)	(4,131)	(7,264)
	<hr/>	<hr/>	<hr/>
At 31 December 2024	(32,657)	(11,572)	(44,229)
Charge for the year	(3,134)	(7,841)	(10,975)
	<hr/>	<hr/>	<hr/>
At 31 December 2025	(35,791)	(19,413)	(55,204)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net book value:			
At 31 December 2025	108,008	8,976	116,984
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
At 31 December 2024	111,142	16,817	127,959
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025	2024
	RMB'000	RMB'000
Depreciation charge of right-of-use assets of underlying asset	10,975	7,264
Interest on lease liabilities (<i>note 4(a)</i>)	281	413
Expense relating to short-term leases	6,521	7,211
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	49	45

During the year, there was no additions to right-of-use assets (2024: RMB10,571,000), which primarily related to the capitalised lease payments payable under new tenancy agreements.

(i) Land use rights

It represents prepayments for the land use rights which was identified as right-of-use assets under HKFRS 16 in Chinese Mainland paid to the Chinese Mainland authorities, on which the Group's manufacturing plants were built. The Group was granted land use rights for a period of 50 years initially and the remaining periods range from 24 to 42 years.

On 31 May 2019, the Group entered into a series of cooperative development agreements with Guangxi Huafa Real Estate Development Co., Ltd. ("**Guangxi Huafa**") and Yulin City Shunlang Real Estate Investment Co., Ltd. ("**Yulin Shunlang**") in relation to a development project of a plant site of Yulin Pharmaceutical. Pursuant to the cooperative development agreements, a parcel of land wholly-owned by Yulin Pharmaceutical with the total site area of approximately 83,670 sq.m. ("**Parcel-1**"), shall be developed integrally together with other parcels of land planned to be acquired after Yulin Pharmaceutical has removed all plant and machinery located on the site. Parcel-1 is located at No. 3, Jiangnan Road, Yulin City, Guangxi Province, the PRC (the "**Development Project**").

(ii) Buildings

The Group has obtained the right to use certain buildings through tenancy agreements. The leases typically run for an initial period of 3 and 5 years. Lease payments are usually increased to reflect market rentals.

11 INTANGIBLE ASSETS

	Patents <i>RMB'000</i>	Trademark <i>RMB'000</i>	Total <i>RMB'000</i>
Cost:			
At 31 December 2024 and 31 December 2025	254,925	256,233	511,158
Accumulated amortisation:			
At 1 January 2024	(221,887)	–	(221,887)
Charge for the year	(14,822)	–	(14,822)
At 31 December 2024	(236,709)	–	(236,709)
Charge for the year	(3,352)	–	(3,352)
At 31 December 2025	(240,061)	–	(240,061)
Accumulated impairment losses:			
At 1 January 2024, 31 December 2024 and 31 December 2025	–	(5,489)	(5,489)
Net book value:			
At 31 December 2025	<u>14,864</u>	<u>250,744</u>	<u>265,608</u>
At 31 December 2024	<u>18,216</u>	<u>250,744</u>	<u>268,960</u>

The amortisation charge for the year is included in “cost of sales” in the consolidated statement of profit or loss.

Trademark acquired through business combination is assessed to have indefinite useful lives when, based on an analysis of all of the relevant factors including beneficial pattern, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. The recoverable amount of the trademark that has indefinite useful life is estimated annually whether or not there is any indication of impairment. The amount is allocated to the Yulin CGU.

The recoverable amount of Yulin CGU was determined based on value-in-use calculations by the Directors of the Company, with the reference to professional valuation reports issued by Jones Lang LaSalle Incorporated, independent firm of professionally qualified valuers. These calculations apply the cash flow projections based on financial budgets approved by management covering a five-year period. The average budgeted sales growth rate of the five-year period is 6.2% (2024: 8.3%). Cash flows beyond the aforementioned financial forecasts period are extrapolated using estimated sales growth rate of 2% (2024: 2%), which was estimated on the basis of the long-term inflation rate in Chinese Mainland. It is a commonly used valuation assumption that the long-term growth rate of a company will converge with the long-term growth rate of Chinese Mainland. The cash flows are discounted using a discount rate of 16.24% (2024: 16.19%). The discount rates used are pre-tax and reflect specific risks relating to the Yulin CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

No impairment loss was recognised during the year ended 31 December 2025 (2024: Nil).

Had the estimated key assumptions during the forecast period been changed as below, all changes taken in isolation, the recoverable amount of Yulin CGU would be approximately equal to its carrying amount:

Pre-tax discount rate increase to	19.22%
Average revenue growth rate decrease to	2.13%

12 FINANCIAL ASSETS MEASURED AT FVPL

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current assets		
Investments not held for trading		
– Unlisted equity investment	<u>43,193</u>	<u>19,141</u>
Current assets		
Wealth management products (i)	<u>1,009,126</u>	<u>–</u>

(i) Wealth management products were issued by banks with variable investment income and can be redeemed on demand or in the short-term.

13 TIME DEPOSITS WITH BANKS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	1,659,981	958,000
Over 1 year	<u>437,301</u>	<u>–</u>
Time deposits with banks with initial maturity of over three months	<u>2,097,282</u>	<u>958,000</u>

Time deposits with banks generally have a maturity of 3 months and above, but are able to withdraw in advance as needed. Early withdrawal will cause the Group to lose the majority of interest. As of the date of this announcement, the Group did not intend to withdraw in advance.

14 OTHER PREPAYMENTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Prepayments for purchase of property, plant and equipment	49,057	51,533

15 INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials	134,275	151,354
Work in progress	17,742	36,231
Finished goods	119,388	102,092
	271,405	289,677

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold (<i>note 4(c)</i>)	751,966	733,040
Reversal of write-down of inventories	(777)	(3,185)
	751,189	729,855

The reversal of write-down of inventories made in prior years arose due to an increase in the estimated net realisable value of certain pharmaceutical products a result of a change in consumer preferences.

All of the inventories are expected to be recovered within one year.

16 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

(a) Trade and other receivables

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables, net of loss allowance (i)	251,321	234,186
Bills receivable (ii)	56,397	63,387
Interest receivables	–	50,112
Other debtors, net of loss allowance (iii)	46,821	22,436
	<u>354,539</u>	<u>370,121</u>

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

The Group accepts bank acceptance bills from major banks in Chinese Mainland for settlement of trade debts. The management considered that the risk of these bills relates substantially to credit risk. Accordingly, when these bills were transferred by endorsement, they were derecognised as a financial asset.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables and bills receivable (which are included in trade and other receivables), based on the invoice date or the receipt date of the bills and net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	252,131	275,916
3 to 12 months	53,797	10,936
Over 12 months	1,790	10,721
	<u>307,718</u>	<u>297,573</u>

- (i) Trade receivables are generally due within 90 days from the date of billing.
- (ii) Bills receivable are generally due within 90 to 180 days from the date of bills acceptance.
- (iii) As at 31 December 2025, the Group's other receivables of RMB1,360,000 (31 December 2024: RMB1,754,000) were determined to be impaired in full.

(b) Prepayments

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Prepayments for raw materials and others	<u>32,424</u>	<u>25,833</u>

17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cash at bank and on hand	1,277,283	2,907,682
Less: Restricted cash	<u>42,899</u>	<u>–</u>
	<u>1,234,384</u>	<u>2,907,682</u>

As at 31 December 2025, cash and cash equivalents situated in Chinese Mainland amounted to RMB330,812,000 (31 December 2024: RMB1,756,419,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

(b) Reconciliation of profit before taxation to cash generated from operations:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before taxation	1,196,422	1,020,106
Adjustments for:		
Depreciation and amortisation	66,587	63,993
Reversals of impairment loss on trade and other receivables	(1,016)	(8,778)
Interest income	(85,282)	(88,301)
Share of losses of associates	1,597	66
Finance costs	4,360	24,888
Loss on disposal of property, plant and equipment	1,931	348
Foreign exchange losses	33,025	17,878
Net (gain)/loss on financial assets at FVPL	(3,469)	89
Changes in working capital:		
Decrease in inventories	18,272	77,410
Increase in trade and other receivables	(21,514)	(27,898)
Increase in prepayments	(6,591)	(8,010)
Increase in restricted cash	(34,848)	–
Increase in trade and other payables	138,566	116,924
Decrease in deferred income	(1,941)	(4,548)
Cash generated from operations	<u>1,306,099</u>	<u>1,184,167</u>

(c) **Reconciliation of liabilities arising from financing activities:**

	Bank loans <i>RMB'000</i> <i>(note 19)</i>	Lease liabilities <i>RMB'000</i> <i>(note 20)</i>	Total <i>RMB'000</i>
At 1 January 2024	503,418	8,116	511,534
Changes from financing cash flows:			
Proceeds from new bank loans	497,552	–	497,552
Repayments of bank loans	(753,339)	–	(753,339)
Capital element of lease rentals paid	–	(4,858)	(4,858)
Interest element of lease rentals paid	–	(413)	(413)
Other borrowing costs paid	(24,475)	–	(24,475)
Total changes from financing cash flows	(280,262)	(5,271)	(285,533)
Exchange adjustments	5,709	–	5,709
Other changes:			
Increase in lease liabilities from entering into new leases during the period <i>(note 10)</i>	–	10,571	10,571
Interest on bank loans <i>(note 4(a))</i>	24,475	–	24,475
Interest on lease liabilities <i>(note 4(a))</i>	–	413	413
Total other changes	24,475	10,984	35,459
At 31 December 2024	253,340	13,829	267,169
Changes from financing cash flows:			
Proceeds from new bank loans	223,068	–	223,068
Repayments of bank loans	(275,474)	–	(275,474)
Capital element of lease rentals paid	–	(909)	(909)
Interest element of lease rentals paid	–	(281)	(281)
Other borrowing costs paid	(4,079)	–	(4,079)
Total changes from financing cash flows	(56,485)	(1,190)	(57,675)
Exchange adjustments	(934)	–	(934)
Other changes:			
Interest on bank loans <i>(note 4(a))</i>	4,079	–	4,079
Interest on lease liabilities <i>(note 4(a))</i>	–	281	281
Total other changes	4,079	281	4,360
At 31 December 2025	200,000	12,920	212,920

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statement for leases comprise the following:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within operating cash flows	6,570	7,256
Within financing cash flows	1,190	5,271
	<u>7,760</u>	<u>12,527</u>

These amounts relate to the following:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Lease rentals paid	<u>7,760</u>	<u>12,527</u>

18 TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables (i)	74,611	75,643
Bills payable (i)	55,892	–
Contract liabilities (ii)	41,228	59,272
Accrued expenses	655,649	505,918
Employee benefits payable	254,498	230,198
Payable for purchase of property, plant and equipment	9,637	20,286
Other payables	37,365	46,019
Project development deposits (iii)	–	31,674
	<u>1,128,880</u>	<u>969,010</u>
Financial liabilities measured at amortised cost	1,128,880	969,010
Refund liabilities:		
– arising from sales rebates	<u>58,881</u>	<u>92,852</u>
Total	<u>1,187,761</u>	<u>1,061,862</u>

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

(i) As of the end of the reporting period, the ageing analysis of trade payables and bills payable (which are included in the trade and other payables), based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	51,995	6,762
1 to 12 months	78,481	68,562
Over 12 months	27	319
	<u>130,503</u>	<u>75,643</u>

(ii) As of the end of the reporting period, the contract liabilities are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Sales contracts		
– Billings in advance of performance	<u>41,228</u>	<u>59,272</u>
Movements in contract liabilities:		
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Balance at 1 January	59,272	16,008
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(59,272)	(16,008)
Increase in contract liabilities as a result of receiving advances from customers during the year	<u>41,228</u>	<u>59,272</u>
Balance at 31 December	<u>41,228</u>	<u>59,272</u>

All of the contract liabilities are expected to be recognised as income within one year.

(iii) As of 31 December 2024, project development deposits represented deposits received by the Group from Guangxi Huafa and Yulin Shunlang pursuant to a series of cooperative development agreements (see note 10(i)). The deposits were fully refunded in 2025.

19 BANK LOANS

All of the bank borrowings are unguaranteed, unsecured and are repayable within one year or on demand.

At 31 December 2025, the Group's banking facilities amounted to RMB1,494,190,000 (2024: RMB1,420,420,000) were utilised to the extent of RMB200,000,000 (2024: RMB253,340,000).

As at 31 December 2025, banking facilities of the Group amounted to RMB556,449,000 (31 December 2024: RMB631,520,000) are subject to the fulfilment of covenants relating to certain of the Group's or the subsidiaries' financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down loans would become payable on demand. The Group did not identify any difficulties complying with the covenants. As at 31 December 2025, none of the covenants relating to drawn down facilities with outstanding bank loans had been breached (31 December 2024: Nil).

20 LEASE LIABILITIES

At 31 December 2025, the lease liabilities were repayable as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year or on demand	9,709	6,423
After 1 year but within 2 years	3,211	4,195
After 2 years but within 5 years	–	3,211
	<u>3,211</u>	<u>7,406</u>
	<u><u>12,920</u></u>	<u><u>13,829</u></u>

21 DEFERRED INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At 1 January	16,182	20,730
Additions	73	–
Credited to profit or loss (<i>note 3</i>)	(2,014)	(4,548)
At 31 December	<u><u>14,241</u></u>	<u><u>16,182</u></u>
Representing:		
Current portion	1,337	1,546
Non-current portion	<u>12,904</u>	<u>14,636</u>
	<u><u>14,241</u></u>	<u><u>16,182</u></u>

Deferred income of the Group mainly includes various conditional government grants for research and development projects of new or existing pharmaceutical products and subsidies relating to purchase of land use rights, which would be recognised as income on a systematic basis in the same periods in which the related costs of relevant activities are incurred or on straight-line basis over the expected useful life of the relevant assets.

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the Board of Consun Pharmaceutical Group Limited, I am pleased to present the audited consolidated results of the Group for the year ended 31 December 2025.

I. Business Performance: Synergistic development in and out of hospitals, driven by the dual engines of innovation and market expansion

In 2025, the Chinese pharmaceutical industry entered a phase of profound adjustment, characterized by the intertwined triple transformations in policy, technology, and market, posing challenges as well as breeding opportunities. On the policy front, the *Pharmacopoeia of the People’s Republic of China (2025 Edition)* was officially implemented, comprehensive life-cycle quality management standards for drugs fully aligned with international standards, and the continuous optimization of centralized procurement rules, strengthening of quality supervision, and deepening of price governance promoted the industry’s transformation from “scale expansion” to “value creation”; on the technology front, AI and digitalization transformed from “optional tools” to “mandatory requirements” – from R&D target screening to intelligent production control, and further to marketing and patient services, the digital deployment across the entire industry chain became the core competitiveness of enterprises; on the market front, although the overall growth rate of the industry slowed down, structural opportunities became prominent: drugs and services with clinical value, irreplaceability, and innovation capabilities remained the core driving forces for growth.

In 2025, led by the overall Strategy, the Group focused on the three major annual operational priorities of “tackling key challenges, deepening compliance and upgrading services” to promote the closed-loop management of strategic planning from “top-level design” to “implementation”, with its daily operations becoming increasingly sophisticated. The Group largely accomplished its annual operational targets, further consolidated its leading market position, and achieved steady growth in the market share of core products alongside continuously improved profitability, demonstrating the certainty of its steady development. In 2025, the Group recorded sales revenue of approximately RMB3.42 billion, representing a year-on-year increase of approximately 15.2%; and its profit attributable to equity shareholders of the Company was approximately RMB1.08 billion, representing a year-on-year increase of approximately 18.4%, confirming the effectiveness of the strategy with solid results.

1. The sales revenue of kidney medicines amounted to approximately RMB2.40 billion in 2025, representing a year-on-year increase of approximately 20.3%, continuing to secure the leading position in the category of modern Chinese medicines for nephropathy. Significant progress was achieved in the nephrology product portfolio: Roxadustat capsule and empagliflozin tablets were successively approved for marketing, which further enriched the portfolio of products on sale. The academic influence continued to be enhanced: Uremic Clearance Granules was included in the 2025 Clinical Guidelines for the Treatment of Chronic Kidney Disease with Uremic Clearance Granules and the *2025 Clinical Guidelines for the Integrated Traditional Chinese and Western Medicine Prevention and Treatment of CKD Stages 1-3*. Multiple research papers on Kidney Repair and Edema Alleviation Granules were published in international journals including *Journal of Ethnopharmacology* and *Frontiers in Pharmacology* and the product was also designated as a Class II protected traditional Chinese medicine species in China (7-year protection period). Multi-dimensional medical research have provided robust evidence for product access and clinical application, supporting the steady expansion of market share. Uremic Clearance Granules has also achieved significant success in its overseas expansion, being successfully launched in Indonesia and gained recognition in local academic circles.
2. Sales revenue of medical contrast medium was approximately RMB188 million in 2025, representing a year-on-year increase of 10.9%. Oriented with the “one gadolinium, three iodine” product layout, the Group focused on the core academic demands of customers, and further enhanced its academic promotion capability through two modes: medical service-driven academic projects and research innovation-driven medical projects. Throughout the year, it carried out nearly 300 thematic academic projects such as “Consun Caring Contrast” and “Consun Imaging”, carried out nearly 20 clinical medical research projects, and innovatively launched characteristic events such as “rewarded case interaction” and “expert signed book giveaway”, which significantly enhanced its academic influence and brand value. In June 2025, Gadopentetate Glucosamine injection was selected as the first bid winner in the Xinjiang-led 26-province alliance centralized procurement, further consolidating the Company’s market position in this segment.

3. The sales revenue of gynaecology and paediatrics medicines reached approximately RMB376 million in 2025, representing a year-on-year increase of approximately 4.0%. Although the growth rate was temporarily affected by the market environment, as an important growth engine for the Group's profit, its strategic value continued to be prominent. Driven by dual engine of "academic guidance and scientific marketing", the gynaecology and paediatrics team built a full-chain academic ecosystem covering "case collection – knowledge accumulation – guideline guidance – digital upgrade", and actively promoted the revision of the Guidelines for the Prevention and Treatment of Iron Deficiency and Iron Deficiency Anemia in Pregnancy to further standardize clinical diagnosis and treatment. The team also assisted in compiling the "Chinese Obstetric Case Database" and Analysis of Difficult Obstetric Cases, with more than 300 high-quality cases selected in the first phase to facilitate the integration and sharing of obstetric knowledge. Throughout the year, the team exclusively supported and hosted 51 sessions of the "Classic Obstetric Case Competition". The influence of its high-quality branded events continued to rise, while the team's professional capacity and operational efficiency were significantly improved.

4. The Yulin Pharmaceutical recorded sales revenue of approximately RMB473 million for the year 2025, representing a year-on-year increase of approximately 6.8% as compared with last year, and its net profit was approximately RMB41 million. It has achieved a profit for five consecutive years, and the business scale maintained a good growth momentum. The OTC channel control was continuously strengthened, the brand influence was further enhanced, and comprehensive breakthroughs were achieved in new tracks, new channels, and new markets. Through integrated marketing, Yulin Zheng Gu Shui revitalized the time-honored brand. It partnered with marathons across ten cities, deeply engaged in sports and health scenarios, and built a full-chain closed loop of "offline experience – online communication – instant conversion", setting a new benchmark for synergies between brand image and business performance. While achieving growth in traditional e-commerce, the brand actively explored the emerging sector of interest-based e-commerce, with sales growth far exceeding expectations. Overseas expansion progressed steadily. A social media matrix and a bilingual official website were set up across Southeast Asian markets. Yulin series products entered well-known retail channels including Watsons in Malaysia and HK JEBN in Hong Kong. The integrated online, offline, and overseas strategy has achieved initial success.

II. R&D and Innovation: Pursuing globalization and digitalization in tandem to build core competitiveness

The Group has always regarded R&D as the “lifeline” for its long-term development. With the goal of “creating a distinctive professional technology platform and developing new products with both clinical value and industry competitiveness”, the Group made breakthrough in both independent innovation and win-win cooperation in 2025.

1. *Independent R&D:*

- 1) Milestone progress was achieved in the innovative drug pipeline. Both SK-08 and SK-09 obtained the Investigational New Drug (IND) approval for clinical research from the U.S. FDA, making a “from zero to one” breakthrough in the Group’s global layout of innovative drugs. This has opened up the China-U.S. dual filing pathway and laid a foundation for accelerating the global construction and business development (BD) of subsequent innovative drug pipelines. Notably, SK-09 passed the Australian ethics review on its first submission and initiated a Phase I clinical trial in Australia, representing the Group’s first overseas clinical trial and a significant enhancement of the brand’s international influence.
- 2) Traditional Chinese medicine innovation and platform development accelerated. Astragalus Spike Granules (formula for diabetic kidney disease), introduced by the Group from Beijing China-Japan Friendship Hospital in 2024, has completed preclinical research and IND application preparations. In parallel, the Group has established a R&D paradigm and platform system for class 1.1 new compound drugs in accordance with the new traditional Chinese medicine registration regulations, forming a replicable and standardized end-to-end development pathway. The independently developed multi-modal fusion AIDD platform was put into application, improving the efficiency of target mechanism research and molecular design in early-stage drug discovery, and significantly shortening the R&D cycle and reducing costs.
- 3) The intelligent digital platform was launched to support independent innovation. The Group successfully established a multi-modal fusion AIDD (Artificial Intelligence-Assisted Drug Design) platform to achieve highly efficient optimization of target compounds, activity prediction, continuous iteration, shortened development cycles, and reduced R&D costs. Currently, this platform has been successfully applied to the design and early-stage exploration of new target and mechanism molecules.

2. *External cooperation:*

- 1) International think tank empowerment: In order to accelerate the construction of a product matrix covering the full-cycle management of kidney diseases and provide better solutions for chronic kidney disease patients in China and globally, the Group established an International Scientific Advisory Committee and appointed Dr. Jonathan Barratt, a world-renowned authority in nephrology, as its first international scientific advisor, bringing global cutting-edge expertise to the R&D of new drugs for chronic kidney diseases. The joining of Dr. Jonathan Barratt has injected new vitality into the Company’s R&D of new drugs, helping us formulate more precise and effective research plans, and underpinning the globalization of the Company’s R&D of new drugs in nephropathy.

- 2) Deepening integration of production, learning, and research: The Basic and Translational Research on the Prevention and Treatment of Chronic Kidney Disease Integrating Traditional Chinese and Western Medicine, completed in collaboration with Guangdong Pharmaceutical University and other institutions, was honored with the Second Prize of Scientific Research Outstanding Achievement Award (National Level) by the Ministry of Education in 2025. This research clarified the core targets of TCM compounds and the action mechanisms of their effective active ingredients, which provided a new direction for prevention and treatment of integrative medicine. The Group co-established the kidney innovation center with Zhongda Hospital of Southeast University and other partners to promote scientific research synergy and joint talent cultivation.

It also co-founded the “Digital Intelligence Health Collaborative Innovation Laboratory” with Peking University Health Science Center, focusing on the digital research of diagnosis and treatment of nephropathy and chronic diseases. In addition, the Group jointly built the “Joint Laboratory for the R&D of Innovative Nephropathy Drugs of Integrative Medicine” with Hong Kong Baptist University and Guangdong Pharmaceutical University to build an innovation highland for nephropathy research in the Greater Bay Area. Furthermore, the Group introduced the “Baihua Zilian Granules” (Lupus Formula) from the First Affiliated Hospital of Sun Yat-sen University to enrich the product pipeline for autoimmune nephropathy.

III. High-efficiency synergy of production and operation system, continuous enhancement of full life-cycle quality control

Under the theme of “strengthening operations, improving quality and increasing efficiency”, the Group’s production system deepened the full life-cycle quality control and optimized the production capacity layout. The production volume grew steadily, energy consumption continued to decline, and the pass rate of quality sampling inspections remained at 100%. The synergistic control of capacity, cost, and quality delivered notable results, providing a solid support for the steady growth of the Company’s business.

1. Through effective cross-site production capacity deployment and efficient supply chain collaboration across the Group, the completion rate of core product production plans reached 100%. While achieving the goal of “zero supply disruption”, we continuously optimized our inventory structure and improved inventory turnover efficiency. We advanced the development of five-star lean management teams and employee-driven improvement initiatives. Through process optimization, energy consumption control, and innovative procurement strategies, we achieved comprehensive benefits of over ten million yuan for the year, further consolidating our cost competitive advantages.
2. The Group continued to improve and enhance its full life-cycle quality control system. While maintaining a 100% pass rate in external sampling inspections, the Group extended quality control to the upstream supply chain, established a comprehensive process archive and a classified grading management mechanism for suppliers, and advanced the shift of quality control from “post-production inspection” to “source intervention”. It optimized the raw material procurement strategy, stabilized the supply chain at the source, and simultaneously achieved stable supply, cost reduction, and efficiency improvement.

3. The optimization of the production capacity layout was accelerated. The Phase II production line in Horgos was commissioned, delivering a leapfrog increase in the annual production capacity of the core product Uremic Clearance Granules. The intelligent expansion project for traditional Chinese medicine granules in the Eastern District of Inner Mongolia was launched, further strengthening the core competitive edge in the intelligent manufacturing of traditional Chinese medicine and laying a solid foundation for large-scale, high-quality development in the future.

IV. Digital empowerment for management excellence and process optimization for efficiency enhancement

In 2025, the “Digital Consun” strategy was fully implemented, with eight major information systems upgraded and launched to break through management and business bottlenecks. Specifically: the OA, BI, and travel booking & reimbursement systems optimized basic management, fully meeting the Group’s core needs for unified information management, data-driven decision-making, refined operations, and data sharing; the ERP system broke down data silos, realizing integration of business processes, data resources, and management systems, and improving the Group’s overall operational synergy efficiency; the “Consun Tong” mobile platform significantly boosted cross-departmental and cross-positional collaboration efficiency; the “Digital Intelligence Pioneer Competition” sparked all employees’ passion for digital intelligence innovation, and they independently developed more than 50 applications using Yida software; the master data MDM system consolidated the foundation of data governance, the human resources EHR system improved human resource management efficiency, the quality DMS system strengthened full-process quality traceability, and the R&D ELN system accelerated the commercialization of R&D outcomes. Digitalization has covered all fields, including basic management, operational collaboration, and R&D innovation, leading to a marked improvement in the Group’s operational efficiency and refined management level.

V. Social Recognition and Shareholder Returns

In 2025, the Group earned market recognition through sound business operations and sustainable value creation. In the “China’s 500 Most Valuable Brands” ranking, Consun Pharmaceutical secured the 454th position with a brand value of RMB14.755 billion, representing an increase of over 30% compared with 2023 and rising 8 places in the ranking. The Group’s share price recorded a full-year increase of 107.8%, delivering substantial returns to shareholders.

Since the beginning of 2025 and up to the date of this announcement, the Company has applied nearly HKD200 million to repurchase its 13.68 million shares, representing 1.6% of the Company’s total share capital at the beginning of the year, demonstrating the confidence of the management in the Company’s future development.

In recognition of the invaluable support from all shareholders, the Board of Directors proposed a final dividend of HKD0.4 per share for the year ended 31 December 2025. Combined with the interim dividend of HKD0.33 per share already distributed, the total dividend for the year will amount to HKD0.73 per share, exceeding 50% of the net profit of the year.

VI. Outlook

Looking ahead to 2026, medical insurance cost control will be further normalized, and centralized procurement will become more targeted. Whether a product will be significantly affected by centralized procurement depends on whether it has “irreplaceable value”. Meanwhile, the rollout of a diversified payment system, accelerated development on the innovative drug track, digital-intelligent transformation, and full-process optimization of traditional Chinese medicine quality will also bring new opportunities. Under the guidance of the overall Strategy, the Group will adhere to the nine-character policy of “Drive Growth, Improve Efficiency, Strengthen Execution” to enhance high-quality development:

Drive Growth: Driven by organizational reform as an enabler, we will innovate the growth model, elevate our scientific marketing capabilities, deepen market penetration, and comprehensively improve workforce efficiency to achieve high-quality growth.

Improve Efficiency: Through systematic management and digital-intelligent transformation, we will comprehensively enhance operational efficiency, accelerate the shift from “human-driven” to “data-driven” operations, and achieve quality improvement and efficiency enhancement in overall operation and management.

Strong Execution: We will strengthen the alignment between strategy and comprehensive budget management, leverage execution management tools including operational review meetings, key task management, and the weekly reporting system, and foster an execution culture of “orders must be carried out and commitments must be honored” to ensure the precise implementation of the strategy.

We deeply believe that the future of the pharmaceutical industry belongs to “long-termists”. Only by upholding clinical value, embracing technological innovation, and adhering to compliant operations can we navigate through cycles and achieve sustainable growth.

In 2026, with greater confidence, a more open mindset, and more effective execution, we will join hands with shareholders, partners, and all employees to write a new chapter in the high-quality development of Consun Pharmaceutical!

An Meng
Chairman

Hong Kong, 26 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Sales Revenue

For the year of 2025, the Group's revenue was RMB3,417,355,000, representing an increase of approximately 15.2% as compared with RMB2,967,235,000 for 2024.

Categorized by product lines, sales of kidney medicines recorded an increase of approximately 20.3% as compared with last year, among which, Uremic Clearance Granules ("UCG") remained the Group's key product and maintained its leading position in the market; the gynaecology and paediatrics medicines delivered solid sales performance with a growth of approximately 4.0%; sales of medical contrast medium recorded an increase of approximately 10.9% as compared with last year; sales of dermatologic medicines recorded an increase of approximately 4.4%; sales of the hepatobiliary medicines recorded an increase of approximately 43.6%; and sales of orthopaedics medicines recorded a decrease of approximately 6.2%. The increase in overall sales revenue was mainly due to the Group's constant commitment to expanding product markets and developing sales network across China.

Gross Profit and Gross Profit Margin

For the year of 2025, the Group's gross profit was RMB2,667,120,000, representing an increase of approximately 19.0% as compared with RMB2,242,102,000 for 2024. For the year of 2025, the Group's gross profit margin was approximately 78.0%, representing an increase of 2.4 percentage points as compared with 75.6% for last year, which was mainly attributable to continuous improvement of production efficiency, optimization of supplier management system and reduction of market procurement prices of some major raw materials.

Other Income

For the year of 2025, the Group's other income was RMB52,649,000 which mainly included government grants, interest income and net exchange losses. Compared with RMB87,629,000 for 2024, other income decreased by approximately 39.9%, which was mainly due to the increase in exchange loss arising from exchange rate fluctuations during the year.

Distribution Costs

For the year of 2025, the Group's distribution costs were RMB1,072,775,000, representing an increase of approximately 9.3% as compared with RMB981,576,000 for 2024; the growth rate of distribution costs significantly lower than the growth rate of revenue, which was mainly due to the Group's continuous promotion of cost reduction and efficiency enhancement, optimization of sales resource allocation, and improvement in operational efficiency.

Administrative Expenses

For the year of 2025, the Group's administrative expenses were RMB445,631,000, representing an increase of approximately 42.9% as compared with RMB311,873,000 for 2024, which was mainly attributable to costs incurred for optimization of organizational structure and recruitment of talents and increase in R&D expenses.

Reversals of Impairment Loss on Trade and Other Receivables

For the year of 2025, the Group's reversals of impairment loss on trade and other receivables were RMB1,016,000 as compared to reversals of impairment loss of RMB8,778,000 for 2024. The Group's provisioning policy for trade and other receivables maintained consistency and prudence, strictly implemented the credit risk management policy, and continuously tracked and evaluated the recoverability of trade and other receivables, with no significant abnormal overdue situations.

Finance Costs

For the year of 2025, finance costs were RMB4,360,000, representing a decrease of approximately 82.5% as compared with RMB24,888,000 for 2024, which was mainly due to the decrease in loan scale and the decrease in interest rate of bank borrowings.

Income Tax

For the year of 2025, the Group's income tax expenses were RMB107,290,000, representing an increase of approximately 4.4% as compared with RMB102,732,000 for 2024. The effective tax rate (income tax expenses divided by profit before taxation) decreased by approximately 1.1 percentage points from 10.1% for 2024 to 9.0% for 2025.

Annual Profit Attributable to Equity Shareholders of the Company and Earnings Per Share

For the year of 2025, the Group's annual profit attributable to equity shareholders of the Company was RMB1,078,067,000, representing an increase of approximately 18.4% as compared with RMB910,458,000 for 2024. The basic earnings per share for 2025 was RMB1.27, representing an increase of approximately 14.4% as compared with RMB1.11 for 2024. The diluted earnings per share for 2025 was RMB1.26, representing an increase of approximately 15.6% as compared with RMB1.09 for 2024.

LIQUIDITY AND FINANCIAL RESOURCES

Inventories

As at 31 December 2025, the balance of inventories was RMB271,405,000, representing a decrease of approximately 6.3% as compared with the balance of RMB289,677,000 as at 31 December 2024. Inventory turnover days for 2025 were 136.5 days, decreased by 28.8 days from 165.3 days for 2024, which was mainly due to enhanced management on inventory.

Trade Receivables and Bills Receivable

As at 31 December 2025, the balance of trade receivables and bills receivable was RMB307,718,000, representing an increase of approximately 3.4% as compared with the balance of RMB297,573,000 as at 31 December 2024. Trade receivables and bills receivable turnover days for 2025 were 32.3 days, decreased by 1.7 days from 34.0 days for 2024, remaining relatively stable.

Trade Payables and Bills Payable

As at 31 December 2025, the balance of trade payables and bills payable was RMB130,503,000, representing an increase of approximately 72.5% as compared with the balance of RMB75,643,000 as at 31 December 2024. Trade payables and bills payable turnover days for 2025 were 50.1 days, increase by 10.1 days as compared with 40.0 days for 2024, which was mainly due to the optimization of settlement methods and the enhancement of working capital management.

Cash Flows

For the year of 2025, the Group's net cash generated from operating activities was RMB1,211,796,000, representing an increase of approximately 11.5% as compared with RMB1,086,987,000 for 2024. For the year of 2025, the Group's net cash used in investing activities was RMB2,153,114,000, representing an increase of approximately 1,052.0% as compared with the net cash used in investing activities of RMB186,910,000 for 2024. The change was mainly due to the increase in investment in wealth management products and time deposits with banks during the year. For the year of 2025, the Group's net cash used in financing activities was RMB711,739,000, representing a decrease of approximately 2.4% as compared with the net cash used in financing activities of RMB729,258,000 for 2024, maintaining relatively stable.

Cash and Bank Balances, Wealth Management Products and Borrowings

As at 31 December 2025, the Group's cash and bank balances (including time deposits with banks and restricted cash) and wealth management products were RMB4,383,691,000, representing an increase of approximately 13.4% as compared with RMB3,865,682,000 as at 31 December 2024. As at 31 December 2025, the Group's banking facilities amounted to RMB1,494,190,000 (31 December 2024: RMB1,420,420,000), which were utilized to the extent of RMB200,000,000 (31 December 2024: RMB253,340,000).

As at 31 December 2025, the Group's wealth management products amounted to RMB1,009,126,000, which were mainly issued by banks, featured low risk and principal guarantee, and could be redeemed on demand or in the short term.

As at 31 December 2025, the Group's loans and borrowings (mainly denominated in RMB) were RMB200,000,000 (repayable within 1 year or on demand, of which RMB180,000,000 were domestic discounted borrowings with an interest rate of 0.02%, and RMB20,000,000 were overseas fixed-rate term borrowings), representing a decrease of approximately 21.1% as compared with RMB253,340,000 as at 31 December 2024 (mainly denominated in RMB and HKD).

Interest Income and Net Returns from Wealth Management Products

As at 31 December 2025, the Group's interest income and net returns from wealth management products were RMB88,779,000 representing an increase of approximately 0.5% as compared with RMB88,301,000 as at 31 December 2024.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year of 2025. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Cash and cash equivalents of the Group are mainly denominated in RMB and HKD.

GEARING RATIO

The gearing ratio of the Group, representing the total interest-bearing borrowings divided by total equity attributable to equity shareholders of the Company as at 31 December 2025 was 4.4% (31 December 2024: 6.2%). The gearing ratio decreased by 1.8 percentage points, which was mainly due to the decrease in net bank loans during the year and the increase in total equity attributable to equity shareholders as a result of the increase in operating profit during the year of 2025.

EXCHANGE RATE RISKS

The Group's transactions are mainly denominated in RMB, HKD and USD. The majority of assets and liabilities are also denominated in RMB, HKD and USD, and there are no significant assets and liabilities denominated in other currencies. The Group faces exchange rate risk due to fluctuation of exchange rates. During the year, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

CAPITAL STRUCTURE

During the year ended 31 December 2025, the Company issued a total of 4,280,274 ordinary shares pursuant to employees' exercise of share options granted under the share option scheme adopted by the Company on 2 December 2013 (the "**2013 Share Option Scheme**") (for the year ended 31 December 2024: 38,391,273 ordinary shares were issued pursuant to employees' exercise of share options), at a consideration ranging from HKD3.28 to HKD4.476 per share (total consideration of approximately HKD17,390,000). The weighted average closing price of the Company's shares immediately before the dates on which the relevant share options were exercised was approximately HKD11.07.

During the year ended 31 December 2025, the Company repurchased 13,580,000 shares (for the year ended 31 December 2024: nil) on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at an aggregate price of approximately HKD183,794,000 (equivalent to approximately RMB168,020,000) (for the year ended 31 December 2024: nil). As of 31 December 2025, 5,195,000 shares have been cancelled by the Company.

Save as the above, there was no change in the capital structure of the Company during the year ended 31 December 2025. As at 31 December 2025, the Company's issued share capital comprised 848,493,407 ordinary shares of HKD0.1 each and amounted to HKD84,849,000. As at 31 December 2025, total equity attributable to equity shareholders of the Company was approximately RMB4,535,033,000 (31 December 2024: RMB4,097,603,000).

CAPITAL COMMITMENTS

As at 31 December 2025, the Group had capital commitments of approximately RMB673,931,000 (31 December 2024: RMB493,985,000).

INFORMATION ON EMPLOYEES

As at 31 December 2025, the Group hired a total of 3,115 employees (31 December 2024: 3,164 employees). The total staff costs (including the directors' remuneration) for the year ended 31 December 2025 was RMB678,611,000 (2024: RMB593,172,000). The salaries of the employees were determined with reference to individual performance, work experience, qualification and current industry practices.

On top of basic salaries, bonus is payable by reference to the Group's performance as well as individual's performance. Other staff benefits include contributions to Mandatory Provident Fund in Hong Kong and various retirement benefits schemes and other relevant insurance, including pension funds, medical insurance and unemployment insurance for employees who are employed by our Group pursuant to the PRC rules and regulations and the prevailing regulatory requirements of the PRC. Save as disclosed above, the Group has not set up or participated in any other pension scheme(s). The salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. The Group operates a share option scheme adopted by the Company on 31 May 2024, and a share award scheme adopted by the Company on 23 December 2025, whereby awards of share option and share awards may be granted to the Directors and employees of the Group.

The Group made considerable efforts in continuing education and training programs for its staff, aiming to continuously enhance their knowledge, skills and team spirit. The Group regularly provided internal and external training courses for relevant staff according to their needs.

SIGNIFICANT INVESTMENTS HELD

Except for investments in its subsidiaries, during the year ended 31 December 2025, the Group did not hold any significant investment in equity interest in any other company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed above and elsewhere in this announcement, as at the date of this announcement, the Group did not have other future plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

PLEDGE OF ASSETS

As at 31 December 2025, the Group did not have any pledge of assets (31 December 2024: Nil).

CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: Nil).

CONNECTED TRANSACTION

During the year ended 31 December 2025, the Group did not enter into any transactions which constitute non-exempt connected transactions within the meaning of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange.

PRINCIPAL RISKS AND UNCERTAINTIES

Management continues to manage the Group's key risk exposures, including operational risks (e.g. ensuring high quality of medicine products, safety in the production process and efficiency in the distribution processes), financial risks (e.g. through budget control and cash flow management) and compliance risks (ensuring the relevant rules and regulations are complied with) on a daily basis. Management also pays close attention to the recent developments of national policies in respect of the pharmaceutical industry (which is a major uncertainty faced by the Group), and formulates and adjusts the relevant policies of the Group accordingly on a timely basis.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to achieving environmental sustainability and incorporating it in the Group's daily operations. In addition to complying with all relevant environmental rules and regulations, management always encourage water, energy and materials saving and recycling practice which are considered in the performance appraisal process.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year ended 31 December 2025, there were no significant incidents of non-compliance with laws and regulations relevant to the Group's operations.

OTHER INFORMATION

Corporate Governance

The Group's business philosophy is “Based on principle, founded on morality, achieving benefits while prioritizing righteousness”, among which, the value of “achieving benefits while prioritizing rightness” is a very important component. We insist and emphasize on the priority of righteousness in our operations, and gain benefits from our righteous and ethical actions, while never take any benefits from unrighteous actions. Righteousness and benefits are inseparable. Neither can organizations nor individuals would survive and develop without economic benefits, but when conflicts happen between righteousness and benefits, we always prioritize righteousness and achieve a win-win situation that we can pursue righteousness and economic benefits at the same time.

Adapting and adhering to recognised standards of corporate governance principles and practices is also the top priorities of the Company. The Board believes that good corporate governance could lead the Company to success and balance the interests of shareholders, customers and employees, and the Board is therefore devoted to ongoing reviews and enhancements of the efficiency and effectiveness of compliance with such principles and practices.

Save as disclosed below, the Company has adopted and complied with the code provisions (the “**Code Provision(s)**”) as set out in part 2 of Appendix C1, Corporate Governance Code, to the Listing Rules on the Stock Exchange during the year ended 31 December 2025.

In order to have a clear division between the management of the Board and the day-to-day management of the business operation of the Company, the role of the Chairman is separate from that of the Chief Executive Officer. The Chairman focuses on overall corporate development and strategic direction of the Group and provides leadership for the Board and oversees the efficient functioning of the Board. The Chief Executive Officer is responsible for all day-to-day corporate management matters as well as planning and implementing the Group’s development strategy. Such division of responsibilities helps to reinforce their independence and to ensure a balance of power and authority. Despite the deviation from Code Provision C.2.1 of the Listing Rules for Mr. An Meng to concurrently serve as the Chairman of the Board and the chief executive officer, the Board believes that Mr. An Meng, being the Chairman of the Board, is familiar with the Company’s business operation and has excellent knowledge and experience of the Company’s business which will be conducive to improving the efficiency of the Company’s overall strategic planning. The Board believes that such management structure layout will be more beneficial to the future development of the Company and will improve the Company’s operating conditions. Under the supervision of the Board (comprising two executive Directors, two non-executive Directors and four independent non-executive Directors), the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

Model Code for Securities Transactions by the Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. The Company confirms that, having made specific enquiry of all Directors, all the Directors have complied with the required standards of dealing as set out in the Model Code during the year ended 31 December 2025.

Audit Committee

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with paragraphs D.3.3 and D.3.7 of the Code Provisions. Its terms of reference are available on the websites of the Company and the Stock Exchange.

The responsibilities of the Audit Committee include but not limited to: (1) making recommendations to the Board on the appointment, re-appointment and removal of external auditor; (2) to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; (3) to monitor integrity of the Company’s financial statements and interim and annual reports, and to review significant financial reporting judgements contained in them; and (4) to monitor the Company’s financial reporting system, risk management and internal control systems.

As at the date of this announcement, the Audit Committee consists of three members and all of them are independent non-executive Directors, namely Mr. Li Zhuoguang, Professor Li Yikai and Mr. Duan Weiwu. Mr. Li Zhuoguang is the chairman of the Audit Committee with appropriate professional qualifications, accounting and related financial management expertise as required by Rule 3.10(2) of the Listing Rules. None of the members of the Audit Committee is a former partner of the Company's current external auditor.

The Audit Committee has reviewed the Group's financial controls, risk management and internal control systems and discussed with management to ensure that management has performed its duty to have effective systems and has provided sufficient resources to financial reporting function and internal audit function. The Audit Committee has met with the Company's external auditor to ensure the effectiveness of the audit process, and has reviewed this annual results announcement, including the Company's financial information contained therein.

Scope of work of KPMG

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as disclosed in this announcement have been compared by the Company's external auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

Purchase, Sale or Redemption of the Company's Listed Securities

During the year ended 31 December 2025, the Company repurchased 13,580,000 Shares through the Stock Exchange at a total consideration of approximately HKD183,794,000 (approximately RMB168,020,000), and 5,195,000 Shares and 8,385,000 Shares were cancelled on 30 September 2025 and 16 January 2026 respectively. Details of the Shares repurchased are as follows:

Month of purchase in 2025	Number of Shares purchased	Purchase consideration per Share		Aggregate consideration paid HKD
		Highest price paid HKD	Lowest price paid HKD	
June	2,041,000	11.42	10.99	22,955,000
July	3,154,000	12.27	11.00	35,576,000
October	3,000,000	15.76	14.74	45,676,000
November	3,393,000	15.08	13.82	50,023,000
December	1,992,000	15.00	14.64	29,564,000
	<u>13,580,000</u>			<u>183,794,000</u>

During the year ended 31 December 2025, the Company issued a total of 4,280,274 ordinary shares pursuant to employees' exercise of share options granted under the 2013 Share Option Scheme (adopted on 2 December 2013) at consideration ranging from HKD3.28 to HKD4.476 per share (aggregate consideration approximately HKD17,390,000). The weighted average closing price of the Company's shares immediately before the dates on which such share options were exercised is approximately HKD11.07.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

Non-adjusting Events After the Reporting Period

After the end of the Reporting Period, the Directors proposed to declare a final dividend of HKD0.4 per share for the year ended 31 December 2025. Further details are disclosed in note 7 of this announcement.

After the end of the Reporting Period and up to the date of this announcement, the Company issued a total of 1,414,704 ordinary shares pursuant to employees' exercise of share options at consideration of HKD3.28 to HKD4.476 per share (aggregate consideration approximately HKD5,710,000 (equivalent to approximately RMB5,132,000)). The weighted average closing price of the Company's shares immediately before the dates on which such share options were exercised is approximately HKD16.26.

After the end of the Reporting Period and up to the date of this announcement, the Company repurchased 100,000 Shares through the Stock Exchange at a total consideration of approximately HKD1,551,000 (approximately RMB1,398,000), and were cancelled on 12 February 2026.

Save as disclosed above and in other parts of this announcement, as at the date of this announcement, the Group has no significant events after the Reporting Period required to be disclosed.

Annual General Meeting

The annual general meeting will be held on Tuesday, 26 May 2026. Shareholders should refer to details regarding the annual general meeting in the circular of the Company to be issued in due course and the notice of the annual general meeting and form of proxy accompanying thereto.

Dividends

The Board proposed to declare a final dividend of HKD0.4 per share for the year ended 31 December 2025. The proposed final dividend is subject to approval by the shareholders of the Company at the annual general meeting to be held on Tuesday, 26 May 2026 and, if approved, is expected to be paid on or around Monday, 22 June 2026 to shareholders whose names appear on the register of members of the Company on Wednesday, 10 June 2026. The final dividend is declared and will be paid in HKD.

Closure of the Register of Members

To determine the eligibility of the shareholders of the Company to attend the annual general meeting to be held on Tuesday, 26 May 2026, the Company's register of members will be closed from Wednesday, 20 May 2026 to Tuesday, 26 May 2026 (both days inclusive), during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 19 May 2026.

In addition, in order to qualify for the entitlements to the final dividend, all completed transfers documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 pm on Wednesday, 10 June 2026.

Publication of information on the Stock Exchange's website

This announcement is published on the websites of the Company (www.chinaconsun.com) and the Stock Exchange (www.hkexnews.hk), and the annual report of the Company for the year ended 31 December 2025 will be despatched to shareholders of the Company and published on the above websites in due course.

By order of the Board
Consun Pharmaceutical Group Limited
AN Meng
Chairman

Hong Kong, 26 March 2026

As at the date of this announcement, the Board comprises Mr. An Meng and Mr. Young Yuk Chuen David as executive Directors; Dr. Zhang Lihua and Professor Zhu Quan as non-executive Directors; Mr. Feng Zhongshi, Professor Li Yikai, Mr. Li Zhuoguang and Mr. Duan Weiwu as independent non-executive Directors.