海西新药
HXPharma

Fujian Haixi Pharmaceuticals Co., Ltd.
福建海西新藥創制股份有限公司

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

(Stock Code: 2637)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

References are made to (i) the prospectus of Fujian Haixi Pharmaceuticals Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") dated 9 October 2025 (the "**Prospectus**") in connection with the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 20 October 2025 (the "**Listing Date**"); and (ii) the annual report of the Company for the year ended 31 December 2025 (the "**Annual Report**") published on 29 April 2026. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus and the Annual Report.

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to provide the following supplemental information in relation to the Annual Report.

(A) SIGNIFICANT INVESTMENTS

The Company's investment activities (being the equity instrument at fair value through other comprehensive income ("**FVTOCI**") and financial assets at fair value through profit or loss ("**FVTPL**") represented approximately 31.3% of the Company's total assets as at 31 December 2025.

In accordance with Paragraph 32 of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and section 2.4 of the Guide on Preparation of Annual Report published by the Stock Exchange, the Company wishes to provide the following supplemental information:

1. Details of each significant investment

(i) Equity instrument at FVTOCI

The Company invested RMB20,000,000 in cash for approximately 4.58% of equity interest in a private entity incorporated in the Cayman Islands (the **"Equity Investment"**), which is an independent third party principally engaged in the business of providing therapeutic technologies for the treatment of neural injury and degenerative diseases. The capital injection was completed in July 2023. This investment is designated as an equity instrument at FVTOCI as it is held for long-term strategic purposes and not for trading.

(ii) Convertible note issued by the Equity Investment (classified as financial asset at FVTPL, non-current)

During the year ended 31 December 2025, the Company completed the subscription of the convertible note issued by the Equity Investment for a principal amount of RMB20,000,000. The convertible note is classified as non-current as the directors expect to realise this financial asset more than twelve months after the end of the reporting period. The fair value of the convertible note was determined based on a valuation performed by an independent external valuer using a binomial valuation model, with key inputs including the coupon interest rate, conversion price and expected volatility of comparable companies.

(iii) Money market funds (classified as financial assets at FVTPL, current)

As at 31 December 2025, the Company held unlisted money market funds with a fair value of RMB352,368,000 of which RMB181,522,000 (which equivalent to HKD200,976,528 at the exchange rate of HKD1.00 = RMB0.9032 as at 31 December 2025) is attributable to the subscription to China Rock Fund SPC at the amount of HKD200,000,000 on 24 October 2025 as disclosed in the announcement of the Company dated 5 February 2026. China Rock Fund SPC is a segregated portfolio company incorporated in the Cayman Islands. The fund manager of China Rock Fund SPC is a company incorporated in Hong Kong licensed by the SFC to carry on Type 1 (Dealing in Securities), Type 4 (Advising on Securities), and Type 9 (Asset Management) regulated activities. The rest of the funds were subscribed to wealth management products managed by a number of fund managers in Hong Kong and Mainland China of which all applicable percentage ratios of the each investment is below 5% and does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The underlying assets of the funds in Hong Kong include principally relatively conservative asset classes such as cash and short-term U.S. treasury bills, while for those in Mainland China including principally cash, short-term debt instruments issued by municipal governments and other financial instruments.

(iv) Structured financial product (classified as financial asset at FVTPL, current)

As disclosed in the announcement of the Company dated 5 February 2026, the Company subscribed for HKD200,000,000 of Series 2025-32 Fund Linked Notes (the **"Fund Linked Notes"**) on 24 October 2025 and they were issued by Essence Global Investment Limited, an investment entity incorporated in the Cayman Islands. The Fund Linked Notes are guaranteed by SDIC Securities International Financial Holdings Limited, a company incorporated in Hong Kong principally engaged in investment banking, asset management, and cross-border financing. SDICS International Securities (Hong Kong) Limited acts as the dealer and calculation agent in respect of the Fund Linked Notes. The underlying fund of the Fund Linked Notes is Generations Capital Management SP, a segregated portfolio of Prudent Wealth Global Fund SPC (incorporated in the Cayman Islands), which invests in relatively conservative asset classes such as cash, short-term U.S. treasury bills and other instruments to maintain liquidity and manage cash position. The Fund Linked Notes have a term of three years ending on 27 October 2028. As at 31 December 2025, the Fund Linked Notes had a fair value of HKD200,600,000 (which equivalent to RMB181,186,000 at the exchange rate of HKD1.00 = RMB0.9032 as at 31 December 2025).

The source of funding for the Company's investment activities (investment amount) is as follows:

(i) the Equity Investment of RMB20,000,000 was funded from the Company's internal working capital prior to Listing;

(ii) the convertible note subscription of RMB20,000,000 was funded from the Company's internal working capital;

(iii) the subscription to China Rock Fund SPC for approximately HKD200,000,000 on 24 October 2025 was funded from the Company's idle funds (as disclosed in the announcement of the Company dated 5 February 2026);

(iv) the Fund Linked Notes subscription of HKD200,000,000 was also funded from the Company's idle funds (as disclosed in the announcement of the Company dated 5 February 2026); and

(v) the rest of the money market funds in Hong Kong (HKD83,000,000) and Mainland China (RMB93,600,000) were funded from the Company's internal working capital.

The IPO Proceeds have not been utilised for any of the above investment activities.

2. Fair value of each investment as at 31 December 2025 and its size relative to total assets

Total assets of the Group as at 31 December 2025 amounted to approximately RMB1,846,700,000. The following table sets out the fair value of each investment and its percentage to the total assets of the Group as at 31 December 2025:

Investment	**Fair Value (RMB'000)**	**% of Total Assets**
Equity instrument at FVTOCI (non-current)	20,281	1.1%
Convertible note at FVTPL (non-current)	23,384	1.3%
Money market funds at FVTPL (current)	352,368	19.1%
Structured financial product at FVTPL (current)	181,186	9.8%
Total	**577,219**	**31.3%**

3. Performance of each investment during the year ended 31 December 2025

(i) Equity instrument at FVTOCI: There was a fair value gain of RMB281,000 recognised in other comprehensive income for the year ended 31 December 2025. No dividends were received during the year. The investment cost of the Equity Investment was RMB20,000,000.

(ii) Convertible note issued by the Equity Investment: As at 31 December 2025, the Directors determined a fair value gain of RMB3,384,000 of the convertible note based on a valuation performed by an independent external valuer engaged by the Group. The investment cost of the convertible note issued by the Equity Investment was RMB20,000,000. There was no realised gain and no dividends were received during the year.

(iii) Money market funds at FVTPL: The aggregate investment cost of the money market funds was RMB352,197,000. As at 31 December 2025, the money market funds had a fair value of RMB352,368,000. No interest income or realized gains were recognized during the year ended 31 December 2025.

(iv) Structured financial product at FVTPL: The investment cost of the structured financial product was HKD200,000,000. As at 31 December 2025, the Fund Linked Notes had a fair value of HKD200,600,000 (which equivalent to RMB181,186,000 at the exchange rate of HKD1.00 = RMB0.9032 as at 31 December 2025). No interest income or realized gains were recognized during the year ended 31 December 2025.

4. Investment policy and objectives

The Company's investments comprise two categories:

(a) Wealth management products (money market funds and structured financial products): the primary objective is to optimise returns on the Group's idle cash balances while preserving capital. These do not form part of the Group's principal business.

(b) Strategic investments (equity instrument at FVTOCI and convertible note): these represent the Company's long-term strategic investment in the Equity Investment, aligning with its long-term vision to expand into the field of brain diseases medicine, particularly in the development of treatment options for central nervous system diseases and glioma.

The scope of permissible investments includes: (a) money market funds, structured deposits and other relatively low-risk wealth management products with risk ratings of R1 (low risk) and R2 (low-to-medium risk), primarily focusing on fixed-income or cash management types of assets; and (b) strategic equity investments and convertible instruments in entities whose business is synergistic with the Group's pharmaceutical research and development strategy. The Company does not engage in speculative securities trading activities. The investment strategy is aligned with the Company's corporate strategy and principal business of pharmaceutical research and development.

5. Risk management and control measures

The Company adopts a strict and prudent internal control mechanism for its investments in financial instruments. Key risk management measures include:

(a) Investment tenor: the Company classifies wealth management products into short-term (redeemable on a T+0 basis or within three months), medium-term (three to six months), and long-term (over six months) categories, with investments mostly in short-term instruments to ensure sufficient liquidity for working capital needs;

(b) Investment period and expected returns: the Company maintains a diversified portfolio of wealth management products with varying investment tenors to optimise returns while ensuring liquidity. As at 31 December 2025, the indicative range of expected annualised returns for the Company's wealth management products was approximately 1.2% to 6% per annum, with the expected return for each product varying depending on its tenor, risk level and the nature of its underlying assets. The convertible note has a term of two years. The Equity Investment has no specific term, and its expected returns are linked to the performance and development of the underlying investment rather than to a fixed rate of return. Expected returns are not guaranteed and remain subject to market conditions and the performance of the underlying assets;

(c) Interest rate: the expected return of the wealth management products must exceed the prevailing bank demand deposit or agreed term deposit rates;

(d) Risk control: the Company generally limits its investments to products with risk ratings of R1 (low risk) and R2 (low-to-medium risk);

(e) Counterparty risk: the Company invests through licensed banks with high credit ratings and reputable fund managers in Hong Kong and Mainland China; and

(f) Liquidity management: the Company ensures that its investment in financial products will not affect its ordinary corporate activities and main business, and reasonably and conservatively matches the maturities of the portfolio to anticipated operating cash needs.

6. **Approval and oversight mechanisms**

In accordance with the Company's established investment policies, all decisions regarding investing in wealth management products must be reviewed and approved by either the Board or the shareholders' general meeting. The Board is authorised to approve transactions involving the purchase or sale of major assets and external investments, provided that such transactions meet certain materiality thresholds based on the Company's most recently audited financial data (including total assets, operating income, and net profit). Transactions that exceed specified thresholds require approval from the shareholders' general meeting. The authority to approve investments cannot be delegated to any individual Director or the executive management team.

The general manager is responsible for implementing annual business plans and investment proposals, and for reporting the progress of investment projects to the Board. The Board is required to review the progress and benefits of major investment projects every six months. The Strategy Committee is responsible for researching and making recommendations on major investment plans. The Company's finance department is responsible for monitoring and managing the Group's cash flows and investment activities under the oversight of the management and the Board.

The Company's investment in financial products after the Listing is subject to compliance with Chapter 14 of the Listing Rules.

(B) ANNUAL REVIEW BY INDEPENDENT NON-EXECUTIVE DIRECTORS IN RELATION TO CONFLICT OF INTEREST

As disclosed in the section headed "Relationship with Our Controlling Shareholders — Corporate Governance Measures" in the Prospectus, the Company has adopted certain corporate governance measures to manage potential conflicts of interest between the Group and the controlling shareholders (the "**Controlling Shareholders**"), including, among other things, that:

"(d) the independent non-executive Directors will review, on an annual basis, whether there are any conflict of interests between the Group and its group of Controlling Shareholders (the "**Annual Review**") and provide advice to protect the interests of the minority Shareholders; and

(f) the Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules."

The Annual Review was conducted by the then independent non-executive Directors (the "**INEDs**"), namely Mr. Gong Weimin, Ms. Wang Shan Shan and Ms. Pu Meiting, in respect of the period from the Listing Date (20 October 2025) to 31 December 2025.

The INEDs have reviewed and considered, among other things:

(a) whether there were any competing businesses or interests of the Controlling Shareholders that competed or were likely to compete, directly or indirectly, with the business of the Group;

(b) whether any connected transactions had been entered into between the Group and the Controlling Shareholders or their respective associates, and if so, whether such transactions had been conducted on normal commercial terms and in the ordinary and usual course of business of the Group and in compliance with the applicable requirements under the Listing Rules;

(c) whether the Controlling Shareholders had provided all information necessary for the Annual Review as required; and

(d) whether the corporate governance measures adopted by the Company as disclosed in the Prospectus for safeguarding the interests of minority Shareholders had been properly implemented and remained adequate and effective.

Based on the above review, the INEDs are of the view that:

(a) during the period from the Listing Date to 31 December 2025, there were no conflicts of interests between the Group and the Controlling Shareholders which needed to be addressed or resolved;

(b) no connected transactions had been entered into between the Group and the Controlling Shareholders or their respective associates during the aforesaid period;

(c) the Controlling Shareholders had complied with the corporate governance measures set out in the section headed "Relationship with Our Controlling Shareholders — Corporate Governance Measures" in the Prospectus; and

(d) the corporate governance measures adopted by the Company as disclosed in the Prospectus remained adequate and effective in managing potential conflicts of interest and in safeguarding the interests of the Company and its minority Shareholders.

(C) PROPERTY VALUATION

As stated in Appendix III of the Prospectus, the Company conducted a valuation on its property interest (being the land and corresponding buildings held by the Company) in relation to its initial public offering (the "**Valuation**"). The valuation date of the Valuation was 31 August 2025.

The relevant property (being the land and corresponding buildings) was not stated at the Valuation (or subsequent valuation) in the consolidated financial statements of the Group for the year ended 31 December 2025. The relevant property is accounted for using the cost method.

Since the balance sheet date of 31 December 2025 is relatively close to the valuation date of 31 August 2025 in the Prospectus, and the market had not undergone any significant changes, the Company had not identified any impairment indicators. Given that the relevant property is accounted for using the cost method and no impairment indicators have been identified, no revaluation was considered necessary.

In accordance with paragraph 27 of Appendix D2 to the Listing Rules, the Company hereby discloses the following additional information:

(a) the amount of the Valuation of the property as included in the Prospectus was RMB198,105,000; and

(b) among the buildings covered by the Valuation, certain buildings were completed and capitalised (i.e. transferred to property, plant and equipment) during the year ended 31 December 2025. After capitalisation, such buildings are accounted for using the cost method. The depreciation charged in respect of such buildings for the year ended 31 December 2025 amounted to approximately RMB1,450,000, which has been disclosed in note 14 to the consolidated financial statements in the Annual Report. Save for the aforesaid depreciation, no additional depreciation would be charged against the consolidated statement of profit or loss and other comprehensive income of the Group had such property been stated at the Valuation.

By order of the Board
Fujian Haixi Pharmaceuticals Co., Ltd.
Dr. Kang Xinshan
Executive Director, Chairman and General Manager

Hong Kong, 3 August 2026

As at the date of this announcement, the executive Directors are Dr. Kang Xinshan, Ms. Feng Yan, Dr. Chen Guangming and Mr. Li Junqing; the non-executive Directors are Mr. Xu Dong and Mr. Wang Xinkun; and the independent non-executive Directors are Mr. Lin Bin, Ms. Wang Shan Shan and Ms. Pu Meiting.