CONSUN

康臣葯業集團有限公司
CONSUN PHARMACEUTICAL GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1681)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2026 amounted to RMB1,784,688,000, representing an increase of approximately 13.8% as compared with the six months ended 30 June 2025.
- Profit attributable to equity shareholders of the Company for the six months ended 30 June 2026 amounted to RMB595,309,000, representing an increase of approximately 19.5% as compared with the six months ended 30 June 2025.
- Basic and diluted earnings per share for the six months ended 30 June 2026 amounted to approximately RMB0.71 and RMB0.70 respectively, representing an increase of approximately 20.3% and 20.7% respectively as compared with the six months ended 30 June 2025.
- The Board has declared an interim dividend of HKD0.38 per share for the six months ended 30 June 2026.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Consun Pharmaceutical Group Limited (the "**Company**") is pleased to announce the unaudited consolidated financial statements of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Interim Results**"), together with the comparative figures of the six months ended 30 June 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2026 – unaudited
(Expressed in Renminbi)

		For the six months ended 30 June	
	Note	**2026**	2025
		RMB'000	*RMB'000*
Revenue	*3*	**1,784,688**	1,568,588
Cost of sales		**(332,620)**	(359,907)
Gross profit		**1,452,068**	1,208,681
Other income	*4*	**47,913**	23,618
Distribution costs		**(555,808)**	(515,650)
Administrative expenses		**(241,010)**	(177,573)
Recognition of impairment loss on trade and other receivables		**(1,601)**	(607)
Profit from operations		**701,562**	538,469
Finance costs	*5(a)*	**(2,688)**	(2,468)
Share of losses of associates		**(535)**	(763)
Profit before taxation	*5*	**698,339**	535,238
Income tax	*6*	**(100,195)**	(32,389)
Profit for the period		**598,144**	502,849
Attributable to:			
– Equity shareholders of the Company		**595,309**	498,299
– Non-controlling interests		**2,835**	4,550
Profit for the period		**598,144**	502,849
Earnings per share (RMB yuan)	*7*		
– Basic		**0.71**	0.59
– Diluted		**0.70**	0.58

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited

(Expressed in Renminbi)

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit for the period	**598,144**	502,849
Other comprehensive income for the period that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of operations outside the Chinese Mainland	**(51,578)**	4
Total comprehensive income for the period	**546,566**	502,853
Attributable to:		
– Equity shareholders of the Company	**543,731**	498,303
– Non-controlling interests	**2,835**	4,550
Total comprehensive income for the period	**546,566**	502,853

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2026 – unaudited
(Expressed in Renminbi)

	Note	**At 30 June 2026** *RMB'000*	At 31 December 2025 *RMB'000*
Non-current assets			
Property, plant and equipment	*8*	**815,883**	804,190
Investment property	*8*	**13,402**	13,648
Right-of-use assets	*8*	**112,395**	116,984
Intangible assets	*8*	**263,946**	265,608
Interest in associates		**32,802**	33,337
Financial asset measured at fair value through profit or loss ("**FVPL**")		**42,757**	43,193
Time deposits with banks		**770,672**	437,301
Other prepayments		**62,329**	49,057
Deferred tax assets		**51,841**	41,947
		2,166,027	1,805,265
Current assets			
Inventories	*9*	**234,694**	271,405
Trade and other receivables	*10*	**318,087**	354,539
Prepayments		**68,212**	32,424
Financial asset measured at FVPL		**719,441**	1,009,126
Time deposits with banks		**2,032,835**	1,659,981
Restricted cash		**23,445**	42,899
Cash and cash equivalents	*11*	**1,268,932**	1,234,384
		4,665,646	4,604,758
Current liabilities			
Trade and other payables	*12*	**1,309,648**	1,187,761
Bank loans	*13*	**216,855**	200,000
Lease liabilities		**10,563**	9,709
Deferred income		**1,042**	1,337
Current taxation		**65,868**	31,510
		1,603,976	1,430,317
Net current assets		**3,061,670**	3,174,441
Total assets less current liabilities		**5,227,697**	4,979,706

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2026 – unaudited (continued)
(Expressed in Renminbi)

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current liabilities			
Lease liabilities		**2,058**	3,211
Deferred income		**14,957**	12,904
Deferred tax liabilities		**148,971**	125,721
		165,986	141,836
Net assets		**5,061,711**	4,837,870
Capital and reserves	*15*		
Share capital		**66,607**	67,226
Reserves		**4,694,335**	4,467,807
Total equity attributable to equity shareholders of the Company		**4,760,942**	4,535,033
Non-controlling interests		**300,769**	302,837
Total equity		**5,061,711**	4,837,870

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

The unaudited interim financial information was extracted from the interim financial report of the Group for the six months ended 30 June 2026.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 26 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND 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 identified the following two reportable segments. No operating segments have been aggregated to form the following 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.

(a) Disaggregation of revenue

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Kidney medicines	**1,334,802**	1,130,615
Gynaecology and paediatrics medicines	**187,197**	171,526
Medical contrast medium	**84,409**	94,773
Orthopedics medicines	**76,596**	101,376
Hepatobiliary medicines	**61,698**	18,489
Dermatologic medicines	**29,626**	39,796
Others	**10,360**	12,013
	1,784,688	1,568,588

Analysis of the Group's revenue and results by geographical market has not been presented as over 99% (six months ended 30 June 2025: 99%) of the revenue is generated from the Chinese Mainland market.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 3(b).

(b) Information about profit or loss, assets and liabilities

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information about reportable segments as provided to the Group's most senior executive management for resource allocation and performance assessment for the period, are set out below:

	Consun Pharmaceutical Segment		Yulin Pharmaceutical Segment		Total	
	2026	2025	**2026**	2025	**2026**	2025
For the six months ended 30 June	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Disaggregated by timing of revenue recognition						
Point in time	**1,604,962**	1,396,175	**179,726**	172,413	**1,784,688**	1,568,588
Revenue from external customers	**1,604,962**	1,396,175	**179,726**	172,413	**1,784,688**	1,568,588
Inter-segment revenue	**25**	–	**2**	14,232	**27**	14,232
Reportable segment revenue	**1,604,987**	1,396,175	**179,728**	186,645	**1,784,715**	1,582,820
Reportable segment profit						
Gross profit	**1,322,393**	1,090,242	**129,693**	119,992	**1,452,086**	1,210,234
As at 30 June/31 December						
Reportable segment assets	**4,465,312**	3,730,984	**1,530,309**	1,555,906	**5,995,621**	5,286,890
Reportable segment liabilities	**1,118,204**	885,662	**447,708**	533,730	**1,565,912**	1,419,392

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.

Segment assets include all tangible, intangible assets and current assets with the exception of interests in associates, financial asset measured at FVPL and deferred tax assets. Segment liabilities include trade and other payables, lease liabilities and deferred income 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.

(c) Reconciliations of reportable segment profit

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Reportable segment gross profit	**1,452,086**	1,210,234
Elimination of inter-segment profits	**(18)**	(1,553)
Reportable segment gross profit derived from the Group's external customers	**1,452,068**	1,208,681
Other income	**47,913**	23,618
Distribution costs	**(555,808)**	(515,650)
Administrative expenses	**(241,010)**	(177,573)
Recognition of impairment loss on trade and other receivables	**(1,601)**	(607)
Finance costs	**(2,688)**	(2,468)
Share of losses of associates	**(535)**	(763)
Consolidated profit before taxation	**698,339**	535,238

4 OTHER INCOME

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Government grants		
– Unconditional subsidies	**7,854**	2,294
– Conditional subsidies	**775**	1,011
Rental income from investment property	**319**	354
Interest income	**40,712**	43,067
Loss on disposal of property, plant and equipment	**(1,181)**	(351)
Net exchange losses	**(1,636)**	(19,033)
Net gain on financial assets at FVPL	**7,369**	–
Others	**(6,299)**	(3,724)
	47,913	23,618

5 PROFIT BEFORE TAXATION

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

(a) Finance costs:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest on bank loan	**2,557**	2,178
Interest expense on discounted bills	**12**	–
Interest on lease liabilities	**119**	290
	2,688	2,468

(b) Staff costs:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Salaries, wages, bonuses and benefits	**333,256**	270,298
Contributions to defined contribution retirement schemes	**22,913**	14,100
	356,169	284,398

(c) Other items:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Depreciation and amortisation charge		
– investment property	**246**	246
– property, plant and equipment	**27,858**	26,402
– right-of-use assets	**2,600**	2,600
– intangible assets	**1,677**	1,676
Recognition of impairment loss on trade and other receivables	**1,601**	607
Lease charges	**2,120**	3,173
Research and development costs (i)	**90,823**	45,901
Inventory write-down/(reversals)	**2,543**	(3,132)

(i) During the six months ended 30 June 2026, research and development costs included RMB27,835,000 (six months ended 30 June 2025: RMB17,222,000) relating to staff costs, depreciation and amortisation expenses and lease charges, which amount is also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

6 INCOME TAX

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax		
Provision for Chinese Mainland income tax	**91,286**	29,848
Over-provision for Chinese Mainland income tax in respect of prior years	**(4,447)**	(8,120)
Deferred tax		
Origination and reversal of temporary differences	**13,356**	10,661
	100,195	32,389

(i) 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.

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% for the six months ended 30 June 2026 (six months ended 30 June 2025: 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% for the six months ended 30 June 2026 (six months ended 30 June 2025: 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 2025 and 2026.

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. According to the latest preferential policy, Horgos Consun was exempted from the 40% proportion of the income tax attributable to the local government for five years starting from 1 January 2026, and was entitled to the preferential income tax rate of 15% pursuant to the Announcement on Continuing the Enterprise Income Tax Policies for the Large-scale Development of Western China jointly issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission, with the remaining 60% of the income tax computed at such preferential rate being attributable to the central government.

(ii) 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.

The directors of the Company have determined that in determining the amounts of dividends to be distributed from Chinese Mainland subsidiaries to the Hong Kong incorporated subsidiary in future, the amounts of dividends declared or to be declared by the Company, and the repayment schedule of loans and borrowings of the Company would be considered. As at 30 June 2026, deferred tax liabilities of RMB98,986,000 (31 December 2025: RMB75,333,000) have been provided based on the expected dividends to be distributed to the Company in the foreseeable future.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB595,309,000 (six months ended 30 June 2025: RMB498,299,000) and the weighted average number of 841,130,000 ordinary shares (six months ended 30 June 2025: 850,404,000 shares) in issue during the interim period.

	For the six months ended 30 June	
	2026	2025
	'000 shares	*'000 shares*
Issued ordinary shares at 1 January	**848,493**	849,408
Effect of share options exercised	**1,387**	1,105
Effect of shares repurchased	**(8,750)**	(109)
Weighted average number of ordinary shares at 30 June	**841,130**	850,404

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB595,309,000 (six months ended 30 June 2025: RMB498,299,000) and the weighted average number of ordinary shares of 846,972,000 (six months ended 30 June 2025: 856,748,000 shares).

	For the six months ended 30 June	
	2026	2025
	'000 shares	*'000 shares*
Weighted average number of ordinary shares at 30 June	**841,130**	850,404
Diluted effect of deemed issue of shares under the Share Option Scheme	**5,842**	6,344
Weighted average number of ordinary shares (diluted) at 30 June	**846,972**	856,748

8 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

(a) Right-of-use assets

During the six months ended 30 June 2026, there was no addition to right-of-use assets (six months ended 30 June 2025: nil).

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of RMB41,247,000 (six months ended 30 June 2025: RMB23,489,000). Items of plant and equipment with a net book value of RMB1,696,000 were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB891,000), resulting in a loss on disposal of RMB1,181,000 (six months ended 30 June 2025: RMB351,000).

(c) Intangible assets

Intangible assets represent trademark with a carrying amount of RMB250,759,000 (31 December 2025: RMB250,744,000) and patents with a carrying amount of RMB13,187,000 (31 December 2025: RMB14,864,000).

(d) Valuation of investment properties

Investment properties of the Group are situated in Chinese Mainland. Part of the land and buildings are leased to a third party for catering operations and the other land and buildings are leased to another third party for storage purposes.

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 30 June 2026 and 31 December 2025.

9 INVENTORIES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Raw materials	**114,899**	134,275
Work in progress	**27,492**	17,742
Finished goods	**92,303**	119,388
	234,694	271,405

10 TRADE AND OTHER RECEIVABLES

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

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 3 months	**180,323**	252,131
3 to 12 months	**87,975**	53,797
Over 12 months	**23,541**	1,790
Trade debtors and bills receivable, net of loss allowance (i) & (ii)	**291,839**	307,718
Other receivables (iii)	**26,248**	46,821
	318,087	354,539

(i) Trade debtors are generally due within 30 to 90 days from the date of billing.

The Group measures loss allowances for trade debtors at an amount equal to lifetime expected credit losses ("**ECL**"s).

ECLs are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date. As at 30 June 2026, the gross carrying amount of the trade receivables for which the loss allowance was assessed collectively using the provision matrix was RMB266,496,000 (31 December 2025: RMB252,723,000), against which a loss allowance of RMB3,003,000 was recognised (31 December 2025: RMB1,402,000).

(ii) All the bills receivable are due within six months.

(iii) As at 30 June 2026, the Group's other receivables of RMB684,000 (31 December 2025: RMB1,360,000) were determined to be impaired.

11 CASH AND CASH EQUIVALENTS

As of the end of the reporting period, cash and cash equivalents located in Chinese Mainland amounted to RMB896,826,000 (31 December 2025: RMB330,812,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

12 TRADE AND OTHER PAYABLES

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

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 1 year	**130,361**	130,476
Over 1 year	**82**	27
Total trade payable and bills payable	**130,443**	130,503
Accrued expenses	**818,693**	655,649
Employee benefits payables	**206,274**	254,498
Payable for purchase of property, plant and equipment	**9,581**	9,637
Other payables	**43,421**	37,365
Financial liabilities measured at amortised cost	**1,208,412**	1,087,652
Contract liabilities	**54,364**	41,228
Refund liabilities:		
– arising from sales rebates	**46,872**	58,881
	1,309,648	1,187,761

13 BANK LOANS

As at 30 June 2026 and 31 December 2025, all bank loans of the Group are repayable within one year or on demand.

As at 30 June 2026 and 31 December 2025, all bank loans of the Group are unsecured and unguaranteed.

As at 30 June 2026, bank loans of the Group amounted to RMB100,000,000 (31 December 2025: RMB150,000,000) 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 regularly monitors its compliance with these covenants. As at 30 June 2026, none of the covenants relating to drawn down loans had been breached (31 December 2025: nil).

14 EQUITY SETTLED SHARE-BASED TRANSACTIONS

During the six months ended 30 June 2026, a total of 1,539,000 share options were exercised, with exercise prices ranging from HKD3.280 to HKD4.476 at a total consideration of HKD6,208,000 (equivalent to approximately RMB5,571,000). As at 30 June 2026, the total number of share options outstanding and exercisable was 7,074,000 (31 December 2025: 8,613,000).

During the six months ended 30 June 2025, a total of 2,965,000 share options were exercised, with exercise prices ranging from HKD3.280 to HKD4.476 at a total consideration of HKD12,112,000 (equivalent to approximately RMB11,222,000). As at 30 June 2025, the total number of share options outstanding and exercisable was 9,929,000 (31 December 2024: 12,979,000).

15 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders attributable to the interim period

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interim dividend declared and paid after the interim period HKD0.38 per ordinary share (six months ended 30 June 2025: HKD0.33 per ordinary share)	**274,974**	253,308

The interim dividend has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Final dividends in respect of the previous financial year, approved and paid during the following interim period of HKD0.40 per share (six months ended 30 June 2025: HKD0.30 per share)	**292,399**	235,954

(b) Purchase of own shares

During the six months ended 30 June 2026, the Company repurchased its own ordinary shares on the Stock Exchange of Hong Kong Limited as follows:

Month/year	**Number of shares repurchased**	**Highest price paid per share** ***HKD***	**Lowest price paid per share** ***HKD***	**Aggregate price paid** ***HKD'000***
January 2026	100,000	15.51	15.50	1,551
May 2026	459,000	14.44	13.97	6,572
June 2026	2,039,000	14.36	12.55	27,333
	2,598,000			35,456

During the six months ended 30 June 2026, the Company repurchased 2,598,000 shares (six months ended 30 June 2025: 2,041,000), on the Stock Exchange of Hong Kong Limited for an aggregate price of HKD35,456,000 (equivalent to approximately RMB30,994,000) (six months ended 30 June 2025: HKD23,009,000 (equivalent to approximately RMB21,023,000)).

During the six months ended 30 June 2026, 8,485,000 buy-back shares were cancelled (six months ended 30 June 2025: nil).

(c) Share capital

(i) Issued share capital

	Number of shares *'000*	**Nominal value of fully paid shares** *HKD'000*	**Nominal value of fully paid shares** *RMB'000*
As at 1 January 2026	**848,493**	**84,849**	**67,226**
Cancellation of repurchased shares during the period (note 15(b))	**(8,485)**	**(848)**	**(757)**
Shares issued under the share option scheme (note 15(c)(ii))	**1,539**	**154**	**138**
As at 30 June 2026	**841,547**	**84,155**	**66,607**

The ordinary shares of the Company have a par value of HKD0.10 per share.

(ii) Shares issued due to exercise of Share Option Scheme

During the six months ended 30 June 2026, share options were exercised to subscribe for 1,539,000 (six months ended 30 June 2025: 2,965,000) ordinary shares in the Company at a consideration of HKD6,208,000 (equivalent to approximately RMB5,571,000) (six months ended 30 June 2025: HKD12,112,000 (equivalent to approximately RMB11,222,000)).

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis should be read in conjunction with the unaudited interim financial report of the Group. The interim financial report of the Group has been prepared in accordance with HKAS 34, Interim Financial Reporting.

BUSINESS AND FINANCIAL REVIEW

FINANCIAL REVIEW

Sales Revenue

For the six months ended 30 June 2026, the Group's revenue was RMB1,784,688,000, representing an increase of approximately 13.8% as compared with RMB1,568,588,000 for the same period of 2025.

By product line, sales of kidney medicines increased by approximately 18.1% as compared with the same period of 2025, maintaining its leading market position. Sales of gynaecology and paediatrics medicines and hepatobiliary medicines increased by approximately 9.1% and 233.7%, respectively, while sales of medical contrast medium, orthopaedics medicines and dermatologic medicines decreased by approximately 10.9%, 24.4% and 25.6%, respectively. The increase in the Group's overall revenue was mainly attributable to its continued efforts to expand its sales network across the PRC and broaden the market coverage of its products.

Gross Profit and Gross Profit Margin

For the first half of 2026, the Group's gross profit was RMB1,452,068,000, representing a growth of approximately 20.1% as compared with RMB1,208,681,000 for the same period of 2025. The growth in gross profit was mainly attributable to the increase in sales. For the first half of 2026, the Group's average gross profit margin was approximately 81.4%, representing an increase of 4.3 percentage points as compared with 77.1% for the same period of 2025, which was mainly attributable to the Group's optimization of supplier management system, continuous improvement of production and operational efficiency, coupled with a decline in market procurement prices of key raw materials.

Other Income

For the first half of 2026, the Group's other income was RMB47,913,000 which mainly included government grants, interest income and net gain on financial assets at FVPL. Compared with RMB23,618,000 for the same period of 2025, other income increased by approximately 102.9%, which was mainly due to the decrease in exchange loss arising from exchange rate fluctuations during the current period and the increase in net gain from wealth management products.

For the first half of 2026, the Group's interest income from cash and bank balances and net gain from wealth management products were RMB48,081,000, representing an increase of approximately 11.6% as compared with RMB43,067,000 for the same period of 2025. Among which, the interest income from cash and bank balances was RMB40,712,000 (same period of 2025: RMB43,067,000) and net gain from wealth management products was RMB7,369,000 (same period of 2025: nil).

Distribution Costs

For the first half of 2026, the Group's distribution costs were RMB555,808,000, representing an increase of approximately 7.8% as compared with RMB515,650,000 for the same period of 2025. The increase primarily represents the corresponding changes in line with the growth of operating revenue. Meanwhile, the Group continued to implement the management initiatives for cost reduction and efficiency enhancement to optimize the structure of its sales resource allocation and improve the overall operational efficiency. As a result, the growth of distribution costs was lower than that of the operating revenue.

Administrative Expenses

For the first half of 2026, the Group's administrative expenses were RMB241,010,000, representing an increase of approximately 35.7% as compared with RMB177,573,000 for the same period of 2025. The increase in such expenses was mainly attributable to costs incurred for optimization of organizational structure and recruitment of talents and an increase in R&D related expenses.

Recognition of Impairment Loss on Trade and Other Receivables

For the first half of 2026, the Group's impairment loss on trade and other receivables was RMB1,601,000 as compared to the impairment loss of RMB607,000 for the same period of 2025. 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.

Finance Costs

For the first half of 2026, the Group's finance costs were RMB2,688,000, representing an increase of approximately 8.9% as compared with RMB2,468,000 for the same period of 2025.

Income Tax

For the first half of 2026, the Group's income tax expenses were RMB100,195,000, representing an increase of approximately 209.3% as compared with RMB32,389,000 for the same period of 2025. The effective tax rate (income tax expenses divided by profit before taxation) increased by approximately 8.2 percentage points from 6.1% for the first half of 2025 to 14.3% for the first half of 2026. The change was mainly attributable to the combined impact of the expiry of the benefit of income tax exemption applicable to Consun Pharmaceutical (Horgos) Co., Ltd. at the end of 2025 and the increase in withholding tax.

Profit for the Period and Earnings Per Share

For the first half of 2026, the Group's profit for the period attributable to equity shareholders of the Company was RMB595,309,000, representing an increase of approximately 19.5% as compared with RMB498,299,000 for the same period of 2025. The basic earnings per share for the first half of 2026 was RMB0.71, representing an increase of approximately 20.3% as compared with RMB0.59 for the same period of 2025. The diluted earnings per share for the first half of 2026 was RMB0.70, representing an increase of approximately 20.7% as compared with RMB0.58 for the same period of 2025.

LIQUIDITY AND FINANCIAL RESOURCES

Inventories

As at 30 June 2026, the balance of inventories was RMB234,694,000, representing a decrease of approximately 13.5% as compared with the balance of RMB271,405,000 as at 31 December 2025. Inventory turnover days for the first half of 2026 were 136.9 days, as compared with 136.5 days for 2025, remaining relatively stable.

Trade Receivables and Bills Receivable

As at 30 June 2026, the balance of trade receivables and bills receivable was RMB291,839,000, representing a decrease of approximately 5.2% as compared with the balance of RMB307,718,000 as at 31 December 2025. Trade receivables turnover days for the first half of 2026 were 30.2 days, as compared with 32.3 days for 2025, remaining relatively stable.

Trade Payables and Bills Payable

As at 30 June 2026, the balance of trade payables and bills payable was RMB130,443,000, remaining largely stable compared with the balance of RMB130,503,000 as at 31 December 2025. Trade payables and bills payable turnover days for the first half of 2026 were 70.6 days, increased by 20.5 days as compared with 50.1 days for 2025, which was mainly due to the Group's optimization of supplier settlement methods and the enhancement of working capital management.

Cash Flows

For the first half of 2026, the Group's net cash generated from operating activities was RMB781,438,000, representing an increase of approximately 58.6% as compared with RMB492,695,000 for the same period of 2025. The increase was mainly attributable to the further improvement in the Group's consistently strong profitability, as well as an increase in the proportion of cash payments by customers and an extension of credit terms by suppliers. For the first half of 2026, the Group's net cash used in investing activities was RMB412,435,000, representing a decrease of approximately 52.8% as compared with the net cash used in investing activities of RMB874,061,000 for the same period of 2025. The decrease was mainly attributable to lower aggregate net cash outflows arising from transactions in time deposits and wealth management products during the period. For the first half of 2026, the Group's net cash used in financing activities was RMB309,129,000, representing an increase of approximately 16.7% as compared with the net cash used in financing activities of RMB264,830,000 for the same period of 2025. The change was mainly due to the increase in dividends paid to Shareholders during the current period.

Cash and Bank Balances and Bank Loans

As at 30 June 2026, the Group's cash and bank balances (including time deposits with banks and restricted cash) and wealth management products were RMB4,815,325,000, representing an increase of approximately 9.8% as compared with RMB4,383,691,000 as at 31 December 2025, among which, cash and cash equivalents were RMB1,268,932,000 (31 December 2025: RMB1,234,384,000), time deposits with banks were RMB2,803,507,000 (31 December 2025: RMB2,097,282,000), restricted cash was RMB23,445,000 (31 December 2025: RMB42,899,000) and wealth management products were RMB719,441,000 (31 December 2025: RMB1,009,126,000). The Group's wealth management products were mainly issued by banks, featured low risk and principal guarantee, and could be redeemed on demand or in the short term. The Group's restricted cash mainly comprised deposits pledged as security for bills payable and performance guarantee deposits in respect of construction projects.

As at 30 June 2026, the Group's bank loans (mainly denominated in RMB) were RMB216,855,000, all of which were repayable within 1 year or on demand.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the first half of 2026. 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 bank loans divided by total equity attributable to equity shareholders of the Company as at 30 June 2026 was 4.6% (31 December 2025: 4.4%). The gearing ratio increased by 0.2 percentage points, remaining relatively stable.

EXCHANGE RATE RISKS

The Group's transactions are mainly denominated in RMB and HKD. The majority of assets and liabilities are also denominated in RMB and HKD, 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 six months ended 30 June 2026, the Group did not use any financial instruments to hedge its exposure to foreign currency risk.

CAPITAL STRUCTURE

During the six months ended 30 June 2026, the Company issued a total of 1,538,704 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**") (same period of 2025: 2,964,612 ordinary shares were issued pursuant to employees' exercise of share options), at a consideration ranging from HKD3.280 to HKD4.476 per share (total consideration: approximately HKD6,208,000). The weighted average closing price of the Company's shares immediately before the dates on which the relevant share options were exercised was approximately HKD16.32.

During the six months ended 30 June 2026, the Company repurchased 2,598,000 shares (same period of 2025: 2,041,000 shares) on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at an aggregate price of approximately HKD35,456,000 (equivalent to approximately RMB30,994,000) (same period of 2025: HKD23,009,000 (equivalent to approximately RMB21,023,000)). For the six months ended 30 June 2026, 8,485,000 shares have been cancelled by the Company.

Save as disclosed above, there was no change in the capital structure of the Company during the six months ended 30 June 2026. As at 30 June 2026, the Company's issued share capital comprised 841,547,111 ordinary shares of HKD0.1 each and amounted to HKD84,155,000. As at 30 June 2026, total equity attributable to equity shareholders of the Company was approximately RMB4,760,942,000 (31 December 2025: RMB4,535,033,000).

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had capital commitments of approximately RMB665,025,000 (31 December 2025: RMB673,931,000).

INFORMATION ON EMPLOYEES

As at 30 June 2026, the Group hired a total of 2,847 employees (31 December 2025: 3,115 employees). The total staff costs (including the directors' remuneration) for the six months ended 30 June 2026 was RMB356,169,000 (same period of 2025: RMB284,398,000). 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 share award scheme adopted by the Group on 21 July 2014 expired on 20 July 2024. The Group operates a share option scheme and a share award scheme adopted by the Company on 31 May 2024 and 23 December 2025, respectively, whereby awards of share option and/or 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, 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, as at 30 June 2026, 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 first half of 2026.

PLEDGE OF ASSETS

As at 30 June 2026 and 31 December 2025, save for the restricted cash disclosed above, the Group did not have any other assets pledged.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any material contingent liabilities (31 December 2025: nil).

CONNECTED TRANSACTION

During the first half of 2026, 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 actively responds to the nation's "dual carbon" strategy, continuously improves its environmental management system, and is committed to achieving sustainable development of the environment (including climate change factors) and integrating it into its daily operations. In addition to complying with all relevant environmental rules and regulations, the management has always encouraged the promotion of resource conservation and recycling. Each production site is systematically advancing energy conservation and consumption reduction, clean production, process innovation and energy structure optimization, thereby promoting the in-depth integration of ESG principles into production and operations.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the first half of 2026, there were no significant incidents of non-compliance with laws and regulations relevant to the Group's operations.

KEY INDUSTRY POLICIES AND IMPLICATIONS

Multiple policies in the pharmaceutical industry were launched during the first half of 2026: the drug regulatory authorities have built up a strong safety line for drugs through full-chain regulations, the market regulatory authorities have cleaned up the industrial ecosystem by maintaining orderly fair competition, the healthcare security authorities have strengthened the base of livelihood protection through payment reforms and funds regulations, the health authorities have addressed on the public's health needs by optimizing medical resources and public health services, different authorities have collaborated in pharmaceutical regulation in all directions to accelerate formation of pharmaceutical governance.

I. Full-chain Support for Innovative Drugs: From research and development to payment, achieving systematic empowerment

The 15th Five-Year Plan designates the biopharmaceutical industry as a strategic emerging industry, with clear intention of establishing it as an emerging pillar industry. Under the plan, extraordinary measures will be deployed to drive breakthroughs in key core technologies across full-chain, providing a top-level policy support for the development of innovative drugs.

1. Continuous speedup of evaluation and approval

The working mechanisms of "early involvement, company-specific guidance, full-process supervision, and coordinated research and evaluation" will be implemented, optimizing priority evaluation and approval procedures for clinically urgently needed overseas-marketed drugs and bulk pharmaceuticals; low-risk clinical trial procedures will be simplified with the support of the latest version of Good Clinical Practice, improving the research and development conversion efficiency; alignment of drug standards with the international standards will continued to be moved forward, supporting the international expansion of innovative drugs.

2. Official implementation of trial data protection framework

On 15 May 2026, the National Medical Products Administration announced the Implementing Measures for the Protection of Trial Data of Drugs (《藥品試驗數據保護實施辦法》), effective on the same date. The document clearly states the trial data protection periods for different drugs: 6 years for innovative drugs, 4 years for improved drugs, and 3 years for biosimilar drugs. This provides protection for investment in innovative research and development through solid institutional policies and will continue to stimulate innovation in the industry.

3. Optimization of the mechanisms of new drug prices (Guo Ban Fa [2026] No. 9)

In April 2026, the General Office of the State Council released the Several Opinions on Improving the Drug Price Formation Mechanism (《關於健全藥品價格形成機制的若干意見》) (Guo Ban Fa [2026] No. 9), which improves the governance system of drug prices in full-cycle, omni-channel, and all areas. The opinions support autonomy over reasonable pricing for high-level innovative drugs. For innovative drugs with high innovation and outstanding clinical value, their manufacturers are allowed to set prices that reflect the high research and development investments and high risks involved when they are initially marketed, which helps maintain relatively stable prices for a certain period.

4. Progressively establishing an expanded payment system for innovative drugs

With reference drug pre-communication and pre-reporting mechanism continuing to implement, the medical insurance access continues to move up to the stage of drugs registration, or even to the early stage of research and development. The first edition of the Commercial Health Insurance Innovative Drug List (Category C) has been implemented, leading to the expansion of insurance coverage of innovative drugs in commercial insurance, thereby establishing a new joint payment scheme by medical insurance and commercial insurance.

II. Medical Insurance Contribution and Centralized Procurement: Approaching towards a normalized and refined governance stage

1. Further Refining of Medical Insurance Fund Supervision System

To support the implementation of the Implementation Rules for the Regulation on the Supervision and Administration of the Use of Medical Insurance Funds, the National Healthcare Security Administration issued the Medical Insurance and Fund Supervision and Inspection Five-Year Action Plan (2026-2030) (《醫療保障基金監督檢查五年行動計劃》(2026 年-2030 年)) to establish a full-chain, intelligent, and look-through approach fund supervision system, promote comprehensive on-site inspections, and strictly combat all forms of fraudulent and abusive insurance act.

2. Continuous Expansion of Centralized Procurement of Medicines

Centralized procurement continued to systemize and normalize with constant improvement of procurement rules, realizing the three objectives of price reduction, supply security and quality assurance for a continuously improving centralized procurement ecosystem.

3. Establishment of A Mechanism for Normalized Regulation of Drug Prices

Guo Ban Fa [2026] No. 9 aims to improve the market-driven price formation mechanism throughout the entire lifecycle of drugs. It calls for a phased implementation of a drug price early-warning system to enable normalized monitoring of drug prices and end-to-end risk management.

III. Upgrade of the Drug Regulatory System: Advancing intelligent regulation throughout the entire product lifecycle

1. Promulgation of the Implementation Rules for the Drug Administration Law (New Version)

On 16 January 2026, Premier Li Qiang signed State Council Order No. 828 to promulgate the revised Implementation Rules for the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法實施條例》)(the "Implementation Rules"), which became effective on 15 May 2026. The Implementation Rules persistently encourage innovation while maintaining strict regulation, refine provisions supporting innovation, such as expedited market access channels, protection of drug trial data, outsourced segmented manufacturing, and the marketing of commercially produced batches prior to full approval. The Implementation Rules also reinforce the primary responsibility of drug marketing authorization holders, strengthen control over the entire lifecycle of drug research, development, registration, manufacturing, distribution, and use, clarify legal liabilities, and strictly uphold the bottom line of drug quality and safety.

2. Issue of the Top-level Policy Document of "Artificial Intelligence + Drug Regulation"

On 2 April 2026, the National Medical Products Administration issued the Implementing Opinions on "Artificial Intelligence + Drug Regulation" (Guo Yao Jian Zong [2026] No. 6), setting out seven key directions of regulating digitalization and intelligentization which cover all stages in the entire chain from proposal evaluation and approval, regulation of the manufacturing, early warning, to administration and services. They aim to continue to improve evaluation efficiency to empower the high-quality development of the pharmaceutical industry while protecting the general public's safe use of drugs.

IV. Acceleration of Implementation of the Policy Framework for High-quality Development of Traditional Chinese Medicine ("TCM")

The 2026 Government Work Report expressly states that the promotion of the preservation and innovative development of TCM as well as integrated application of TCM and Western medicine is one of the key tasks of the year.

On 30 January 2026, eight government departments including the Ministry of Industry and Information Technology jointly issued the Implementation Plan for High-quality Development of the Traditional Chinese Medicine Industry (2026-2030) (Gong Xin Bu Lian Xiao Fei [2026] No. 33) (《中藥工業高質量發展實施方案(2026-2030年)》(工信部聯消費[2026]33 號)). The plan sets out the following development objectives: by 2030, a system for the coordinated development of the entire TCM industrial chain will be preliminarily established; the capacity for a stable supply of key TCM raw materials will continue to strengthen; the levels of digitalization, intelligent transformation, and green development within the industry will be significantly enhanced; a number of key core technologies will achieve breakthroughs; and the industry's overall capacity for collaborative innovation will be substantially improved. The plan systematically outlines tasks centered on coordination across the entire industrial chain, digital transformation, and quality upgrades to promote high-quality development of the TCM industry.

OUTLOOK

The year 2026 marks the opening year of the 15th Five-Year Plan. As the pharmaceutical industry undergoes profound restructuring and regulatory oversight continues to tighten, the trend of shifting growth toward the primary healthcare market has become increasingly evident. The pharmaceutical industry has officially entered a brand-new phase of development characterized by value-driven and compliant operations.

In the first half of the year, the Group adhered to its operational priorities of "driving growth, improving efficiency, and strengthening execution", and maintained steady growth in its overall performance. It made steady progress in the research and development project of innovative drugs, and advanced its overseas clinical trial footprint in an orderly manner. It was ranked among the "China Pharmaceutical Industry Top 100" for the first time, ranking 91st. The Group has steadily improved its comprehensive capabilities in research and development, supply chain, and commercialization.

Hold to the vital, practice the simple, and press forward with diligence; all toil bears fruit, and fruition comes at last. Looking into the second half of the year, the Group will continue to focus on its core business, streamline operation procedures and make every effort to capitalize on development opportunities in the industry. Through the organizational reform, each business segment will continuously unleash its business vitality, so as to deeply explore its growth potential in the grass-root market while consolidating the foundation of its core business. By capitalizing on the differentiated clinical value of its products, the Group will expand the breadth and depth of coverage in hospitals and channels. The Company will comprehensively improve workforce efficiency of the Group by continuing to promote the application of digital-intelligent operational tools and exercising refined management and control over resource allocation. Meanwhile, it will open up an efficient synergistic channel connecting the front- and back-end of business by optimizing its system of business review, ultimately ensuring the sound implementation of all operational initiatives.

The Group will consistently uphold the three key principles of being problem-oriented, data-driven and result-oriented. It will turn complexity into simplicity, break down annual goals into specific actions that are actionable, traceable and assessable, and steadfastly advance all operational tasks, so as to write a new chapter in the high-quality development of the Group in 2026!

OTHER INFORMATION

CORPORATE GOVERNANCE

The Group's business philosophy is "Based on principal, founded on morality, achieving benefits while prioritizing righteousness". 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 Provisions**") as set out in Part 2 of Appendix C1, Corporate Governance Code, to the Listing Rules during the six months ended 30 June 2026.

DEVIATION FROM PARAGRAPH C.2.1 OF THE CODE PROVISIONS

Currently, Mr. An Meng, the Chairman of the Board and an executive Director, concurrently serves as the Chief Executive Officer. Pursuant to paragraph C.2.1 of the Code Provisions, the roles of chairman and the chief executive officer should be separate and should not be performed by the same individual. Despite the said deviation from paragraph C.2.1 of the Code Provisions for Mr. An Meng to serve as the Chairman of the Board as well as the Chief Executive Officer of the Company, 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, it 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 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 six months ended 30 June 2026.

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, all of whom 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 Interim Results have been reviewed by the Audit Committee.

The financial information set out in this announcement was extracted from the interim financial report of the Group for the six months ended 30 June 2026, which is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the HKICPA.

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

During the six months ended 30 June 2026, the Company issued a total of 1,538,704 ordinary shares pursuant to employees' exercise of share options granted under the share option scheme adopted on 2 December 2013 (the "**2013 Share Option Scheme**") at consideration ranging from HKD3.280 to HKD4.476 per share (aggregate consideration approximately: HKD6,208,000 (equivalent to approximately RMB5,571,000)). The weighted average closing price of the Company's shares immediately before the dates on which such share options were exercised is approximately HKD16.32.

During the six months ended 30 June 2026, the Company repurchased an aggregate of 2,598,000 shares on the Stock Exchange. Of these shares, 100,000 shares repurchased on 6 January 2026 were cancelled on 12 February 2026, while the remaining 2,498,000 shares were held as treasury shares as at 30 June 2026. In addition, 8,385,000 shares repurchased in 2025 were cancelled on 16 January 2026.

Save as disclosed above, neither the Company nor any of its subsidiaries sold or redeem any of the Company's listed securities during the six months ended 30 June 2026.

NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the Board proposed to declare an interim dividend of HKD0.38 per share for the six months ended 30 June 2026. Further details are disclosed in the note headed "Interim Dividend" of this announcement.

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.

INTERIM DIVIDEND

The Board is pleased to announce the distribution of an interim dividend of HKD0.38 per share for the six months ended 30 June 2026 (the "**Interim Dividend**"), which amounted to approximately RMB274,974,000 in total. It is expected that the Interim Dividend will be paid on or around 8 October 2026 to the shareholders whose name appear on the register of members of the Company on 9 September 2026.

In order to qualify for the entitlements to the Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's 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, not later than 4:30 p.m. on 9 September 2026.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.chinaconsun.com) and the Stock Exchange (www.hkexnews.hk), and the interim report of the Group for the six months ended 30 June 2026 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 August 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.