四环医药
SihuanPharm

Sihuan Pharmaceutical Holdings Group Ltd.

四環醫藥控股集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 0460)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Sihuan Pharmaceutical Holdings Group Ltd. ("**Sihuan Pharmaceutical**" or the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2026 (the "**Period**") together with the comparative figures for the six months ended 30 June 2025. The interim condensed consolidated financial information has been reviewed by the external auditor of the Company, Ernst & Young, in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board, and by the audit committee of the Company (the "**Audit Committee**").

FINANCIAL SUMMARY OF THE GROUP

- Total revenue of the Group for the Period was approximately RMB1,161.2 million (for the six months ended 30 June 2025: RMB1,146.2 million), representing a year-on-year increase of approximately 1.3% (approximately RMB15.0 million).

- Among the changes in revenue, the increase was mainly driven by the medical aesthetics and innovative medicine business. During the Period, revenue from the medical aesthetics business amounted to approximately RMB693.3 million (for the six months ended 30 June 2025: RMB585.3 million), representing a year-on-year increase of approximately 18.5% (approximately RMB108.0 million). The medical aesthetics business maintained steady development. The medical aesthetics segment of the Group continued to benefit from the stable growth of its core product, Letybo® (botulinum toxin), as well as the continuous increase in sales volume of regenerative medical aesthetics products (including PLLA and PCL fillers) and functional medical aesthetics products, driving the related business revenue to maintain growth. The medical aesthetics business continued to be an important source of profit of the Group.

- Revenue from the innovative medicine and other medicine business amounted to approximately RMB261.4 million (for the six months ended 30 June 2025: RMB58.2 million), representing a year-on-year increase of approximately 349.1% (approximately RMB203.2 million). The commercialization process of the innovative drug business continued to advance. The commercialization and internationalisation of multiple approved products are progressing well, with consolidated revenue achieving significant growth and a slight amount of net profit from the last period's net loss.

- Revenue from the generic medicine business amounted to approximately RMB206.5 million (for the six months ended 30 June 2025: RMB502.7 million), representing a year-on-year decrease of approximately 58.9% (approximately RMB296.2 million). The decrease was mainly due to lower centralized procurement prices and keen market competition.

- The Group's gross profit for the Period amounted to approximately RMB681.7 million (for the six months ended 30 June 2025: RMB757.3 million), representing a year-on-year decrease of approximately 10.0% (approximately RMB75.6 million). The Group's overall gross profit margin was 58.7%, representing a year-on-year decrease of 7.4% as compared to 66.1% for the corresponding period last year, primarily due to adjustments to the listed prices of certain products of the generic medicine business, which led to a slight decline in the gross profit margin for the Period.

- The Group's overall research and development ("**R&D**") expenses for the Period amounted to approximately RMB105.6 million (for the six months ended 30 June 2025: RMB152.8 million), representing a year-on-year decrease of 30.9% (approximately RMB47.2 million), mainly because the core indications under the core pipelines of the innovative medicine business have been successively launched for marketing, with remaining sporadic indications at the marketing application stage or in the pre-clinical stage.

- The Group's operating profit for the Period was approximately RMB313.5 million (for the six months ended 30 June 2025: RMB264.4 million), representing a year-on-year increase of 18.6% (approximately RMB49.1 million), mainly attributable to the Group's medical aesthetics business continuing to serve as the core profit contributor, a significant narrowing of losses in the innovative medicine business, and the recognition of a gain of approximately RMB154.2 million on the disposal of a subsidiary during the Period, which successfully mitigated the loss to RMB74.1 million incurred by the generic medicine business due to lower centralized procurement prices. Consequently, the negative impact of losses from other segments was effectively offset, driving a year-on-year increase in the Group's overall operating profit.

- The profit before tax of the Group for the Period amounted to approximately RMB366.0 million (for the six months ended 30 June 2025: RMB156.9 million), representing a year-on-year increase of 133.3% (approximately RMB209.1 million), mainly attributable to the Group's medical aesthetics business continuing to serve as the core profit contributor, a significant narrowing of losses in the innovative medicine business, as well as the recognition of non-recurring gains on asset disposal and investment income. Although the generic medicine business recorded a loss of RMB74.1 million for the Period due to lower centralized procurement prices, a gain on the disposal of a subsidiary of approximately RMB154.2 million was recognized, alongside a share of profit of an associate of RMB110.7 million derived from an investee project. The aforementioned non-recurring gain and share of profit effectively offset losses from other business segments, thereby further enhancing the Group's overall profitability and resource allocation efficiency.

- Given the above, profit for the Period of the Group amounted to approximately RMB212.6 million (for the six months ended 30 June 2025: RMB66.2 million).

- Profit attributable to owners of the Company for the Period amounted to approximately RMB224.7 million (for the six months ended 30 June 2025: RMB102.6 million), representing a year-on-year increase of 119.0% (approximately RMB122.1 million), mainly due to the increase in revenue from the medical aesthetics business.

- The basic earnings per share for the Period was RMB2.49 cents.

- As at 30 June 2026, the total of the Group's cash and cash equivalents, wealth management products, pledged deposits and time deposits amounted to approximately RMB4,018.2 million in aggregate.

In 2025, Sihuan Pharmaceutical successfully achieved a full-year turnaround from loss to profit, marking a historic inflection point in its operating cycle and formally entering a value-realisation phase in which strategy implementation and performance release proceeded in parallel. In the first half of 2026, the Group continued to anchor its medium- to long-term core development strategy of dual-engine drive through "medical aesthetics + innovative drugs", and built a multi-tiered business layout under which "medical aesthetics served as the primary growth pillar, innovative drugs forged a second growth curve, generic drugs provided stable operating cash flow, and engaged in gradual divestment or disposal of generic drugs and non-core assets". During the reporting period, the Group's medical aesthetics business completed its strategic transformation from single-product sales to a provider of integrated medical aesthetics solutions, and established an omni-channel coordinated operating system anchored by its core products. Commercialisation of the two major innovative drug platforms continued to accelerate, segment losses continued to narrow, and the path to profitability improvement remained clear. The generic drugs segment steadily advanced asset structure optimisation and the divestment of non-core businesses, and continued to play its role as a cash-flow ballast. Meanwhile, the Group proactively deployed AI technology to empower R&D across the entire industrial chain, expanded domestic and overseas commercialisation networks in parallel, and orderly implemented multi-tier capital market initiatives. Multiple milestone advances were achieved in areas including medical aesthetics pipeline iteration, innovative drug clinical registration, cross-border industrial cooperation, platform capitalisation, channel system building and frontier technology platform construction, continuously consolidating the foundation for the Group's medium- to long-term high-quality and sustainable development, and laying a solid base for the delivery of full-year operating targets and the enhancement of long-term shareholder value.

I. CORE BUSINESS HIGHLIGHTS DURING THE PERIOD

In the first half of 2026, the Group continued to anchor its medium- to long-term development strategy of dual-engine drive through "medical aesthetics + innovative drugs". Multiple milestone operating results were delivered across business segments; the overall operating fundamentals continued to improve; the logic of profitability optimisation continued to be realised; and AI-empowered R&D, global deployment and multi-tier capital market initiatives were advanced in parallel, further consolidating the foundation for medium- to long-term value growth.

As the Group's core growth engine, the medical aesthetics segment has completed its strategic transformation from single-product sales to a one-stop integrated medical aesthetics solutions provider, and has fortified its competitive barriers by leveraging an industry-scarce, full-category compliant product matrix. Channels adopt a dual-track "direct sales + agency" model; through the "Spark Plan", penetration into lower-tier markets is deepened to build a tiered channel ecosystem comprising leading chains, regional stand-alone institutions and lower-tier outlets. The core traffic-driving product Letybo® is deeply bound to thousands of compliant medical aesthetics institutions nationwide, achieving nationwide coverage and full coverage of the TOP500 leading institutions, while standardised combination packages effectively drive sales of regenerative products. On the product front, six additional specifications of Meiyan Space's self-developed Poly-L-lactic acid facial filler (PLLA filler) were approved; the graduated dosing system, through channel-differentiated operations, mitigates cross-region diversion and low-price involution, and sales volume in the first half of the year ranked in the domestic industry's first tier. Skin boosters have formed a tiered layout of "traffic products + high-end reserve products", and are linked with the "PCL filler" and bone-support hyaluronic acid to create high-value anti-ageing treatment courses such as contour fixation. Taking the 3.0 omni-channel marketing system as the vehicle, and combining evidence-based medical research, B-end academic empowerment and the professional platform of Meiyan Academy, physician loyalty is strengthened, while online and offline collaboration drives brand building and terminal sell-through. At the R&D level, the Group has co-built an AI R&D platform with dProtein; AI technology covers the full medical aesthetics R&D chain, and more than 40 pipeline candidates are reserved on five proprietary technology platforms, over 20 products of which are in clinical trials. Its first-in-class PHA regenerative materials enjoy a unique track advantage. On the capital and globalisation fronts, during the reporting period, the Group increased its shareholding in Meiyan Space to 90% and thereby thickening profit attributable to owners of the parent; relying on its Swiss holding platform, Korean subsidiary and U.S. R&D base, it is building a global R&D, manufacturing and sales network, with multiple self-developed products undergoing overseas registration and expected to achieve EU market access.

The innovative drugs segment will become the Group's second growth curve. During the Period, revenue grew rapidly, losses narrowed substantially, and commercialisation delivery, clinical expansion and overseas licensing proceeded in parallel, with the two platforms developing synergistically under differentiated layouts. Xuanzhu Biopharmaceutical Co., Ltd. ("**Xuanzhu Biopharm**") (Stock Code:02575.HK) focuses on the R&D of innovative drugs in oncology, digestion and metabolism. Commercialisation of its three core products – Xuan Yue Ning, Xuan Fei Ning and An Jiu Wei – continued to accelerate: Xuan Yue Ning became the only CDK inhibitor in China covering the full treatment course of advanced breast cancer with hormone receptor positive and human epidermal growth factor receptor 2 negative ("**HR+/HER2-**"); pivotal Phase III clinical study results were published in a leading international journal, fully validating its efficacy; Xuan Fei Ning was included in multiple authoritative lung cancer diagnosis and treatment guidelines, with Phase III clinical data demonstrating outstanding intracranial anti-tumour efficacy; and An Jiu Wei, with differentiated metabolic characteristics suited to special populations, has covered nearly 2,500 medical institutions, with an NDA filed for the new indication of reflux esophagitis and a Phase III clinical study initiated for the new indication of Helicobacter pylori. On the R&D front, frontier technology platforms for AI drug design, T-cell engagers ("**TCE**") and oligonucleotide therapeutics have been established, with multiple early-stage pipelines initiated. Internationalisation achieved a milestone breakthrough, with exclusive licensing of two core products in the Middle East and North Africa to an overseas partner, under which an upfront payment and potential milestone payments exceeding US$100 million will be received. At the capital level, inclusion in Stock Connect and completion of H-share full circulation significantly improved share liquidity.

Huisheng Biopharmaceutical Co., Ltd. ("**Huisheng Biopharm**") is deeply engaged in full-course medication for diabetes and has obtained approval for 18 products, forming a complete matrix of oral hypoglycemic drugs, insulin and GLP-1 products, tens of millions of units of biologics manufacturing capacity to support domestic and overseas supply. Core products accelerated market coverage through external commercialisation licensing collaborations: the SGLT-2 innovative drug Hui You Jing has covered over 7,000 hospitals through partner channels; Hui You Jia and Hui You Da, two insulin products that have been approved as domestic first biosimilar, have been licensed to Tonghua Dongbao (stock code: 600867.SH) for exclusive commercialisation in Mainland China, with hospital access continuing to increase. The R&D pipeline focuses on the GLP-1 track: the registration application for the glycemic control indication of Semaglutide has passed on-site verification organised by the National Medical Products Administration ("**NMPA**"), and a new drug application for the weight-loss indication is about to be submitted, with dual-target agonists laid out in parallel. Internationalisation is steadily expanding across six regions as: ASEAN, South Asia, Latin America, the Russian-speaking region and Eastern Europe, the Middle East and Africa – with collaborations reached with enterprises in 15 countries; overseas registration, technical collaboration and market access work for multiple products is advancing steadily, and overseas markets are expected to form incremental growth.

The generic drugs business is the cornerstone of the Group's stable cash flow and continuously channels resources to the two core high-growth segments of medical aesthetics and innovative drugs. Affected by volume-based procurement and key monitoring catalogue policies, industry profitability came under pressure, and the segment's revenue and profit for the current period declined year on year. The Company's strategy has shifted from scale expansion to value optimisation, with proactive divestment of generic drugs business and non-core, low-efficiency assets. Capital and management resources released will be fully focused on core tracks, while asset disposals concurrently thickened current-period earnings. Meanwhile, high-quality generic varieties continued to be replenished: during the reporting period, a total of eight generic drugs passed the consistency evaluation for quality and efficacy of generic drugs, covering advantageous therapeutic areas such as cardiovascular and cerebrovascular, anti-infective and neurological diseases, with multiple differentiated varieties featuring technical barriers and favourable competitive landscapes launched, consolidating cash-flow resilience. Going forward, the Group will continue to advance the clearance of generic drugs and non-core assets, optimise asset structure and resource allocation, and drive the Group's overall high-quality transformation toward the dual main businesses of "medical aesthetics + innovative drugs".

At the level of capital operations and shareholder returns, the Group continued to convey confidence in long-term development. During the Period, it cumulatively repurchased 46 million shares and put in place an employee share award scheme; since listing, it has maintained a stable dividend policy to fully reward all shareholders. The Company holds ample cash reserves and a solid financial safety cushion. Meanwhile, Xuanzhu Biopharm completed a series of capitalisation upgrades, unlocking diversified financing channels and providing ample capital support for pipeline iteration and domestic and overseas industrial expansion.

Overall, in the first half of the year, the Group accurately grasped multiple industry development opportunities, including the standardised and concentrated development of the medical aesthetics industry, continued policy support for the innovative drug industry, deep AI empowerment of drug R&D, and accelerated globalisation of domestic innovative products. It continuously advanced optimisation and upgrade of its business structure, commercialisation of core product pipelines, and parallel expansion of domestic and overseas channels and markets, continuously consolidating the chassis for medium- to long-term high-quality and sustainable development, and laying a solid foundation for achieving full-year operating targets and continuously enhancing long-term shareholder value.

II. INDUSTRY DEVELOPMENT TRENDS AND THE GROUP'S CORE COMPETITIVE ADVANTAGES

- **Compliance-driven expansion dividends in the medical aesthetics industry becoming prominent; full industrial-chain layout fully benefiting**

  In the first half of 2026, regulation of the medical aesthetics industry tightened further; non-compliant institutions were cleared at an accelerated pace; and market share continued to concentrate toward leading enterprises with complete compliant pipelines and pharmaceutical-grade R&D and manufacturing capabilities. On the demand side, light medical aesthetics continued to expand; the regenerative materials track grew rapidly; and, superimposed with the implementation of control policies on Class II optoelectronic devices, compliant Class III optoelectronic devices ushered in an incremental window. Consumption stratification trends were evident; institutions rely on combination therapies to enhance profitability; and the Group's "full-category product + standardised package model" highly matches market demand. Meanwhile, AI digitalisation is reshaping R&D and clinical systems across the medical aesthetics industrial chain. The Group's joint-venture AI R&D platform has positioned itself in advance at the technological transformation inflection point, seizing long-term industrial opportunities.

- **Biopharmaceutical policy dividends continuing to be released; dual-track strategy aligned with industrial development direction**

  Biopharmaceuticals have been upgraded as a national emerging pillar industry and included as a key cultivation strategic segment under the "15th Five-Year Plan", continuously strengthening the certainty of the industry's long-term growth. The domestic pharmaceutical manufacturing industry is recovering; commercialisation of innovative drugs and overseas business development (BD) licensing have become mainstream development paths; AI tools have substantially optimised new-drug R&D efficiency; and the Group has entered into a strategic collaboration with Biocytogen to position itself in advance in the AI innovative drug track. Medical insurance payment reform continues to advance; multiple core innovative products of the Group have been included in the National Reimbursement Drug List ("**NRDL**"), effectively accelerating hospital-end penetration. Normalisation of volume-based procurement for generic drugs continues to compress profitability; industry resources are gradually tilting toward high-prosperity tracks such as innovation and medical aesthetics; and the Group's dual-engine deployment of "medical aesthetics + innovative drugs" is deeply aligned with the broader trend of industrial resource migration.

III. STRATEGIC PLANNING AND DEVELOPMENT OBJECTIVES: DEEPENING THE DUAL-ENGINE STRATEGY AND DELIVERING MULTI-DIMENSIONAL GROWTH REALISATION MEASURES

In the second half of the year, the Group will unswervingly advance its medium- to long-term core strategy of dual-engine drive through "medical aesthetics + innovative drugs", take AI full-chain R&D empowerment as the core innovation lever, open up long-term growth space by deeply cultivating high-quality domestic channels and expanding diversified global markets, continuously consolidate its leading advantage in full-category compliant medical aesthetics, accelerate the commercialisation conversion pace of innovative drug pipelines, and orderly implement various workstreams for optimisation of the generic drugs asset structure.

- **Medical aesthetics segment: accelerating pipeline delivery and global deployment, focusing on core clients to become a comprehensive solutions provider for the medical aesthetics industry**

  In pipeline R&D, the Group will continue to advance the clinical and registration progress of frontier medical aesthetics products such as collagen filler materials, PHA regenerative microspheres and high-end skin boosters, consolidating medium- to long-term product reserves. In the second half of the year, priority will be given to following the review progress of high-end super skin boosters, while promoting the high-end filler combination of the "PCL filler" with Sifuyan, to deeply tap incremental demand in the high-end medical aesthetics consumption market.

  In domestic channel operations, Meiyan Space will implement an integrated omni-channel marketing approach of "central ignition, regional penetration", building six core marketing workstreams around the full category pipeline and concurrently mining more than twenty featured operating items. The Group will deepen exclusive strategic cooperation with leading chain medical aesthetics institutions and, relying on supporting services such as academic empowerment, standardised combination diagnosis solutions and treatment protocols and dedicated physician training, enhances terminal product penetration and channel partnership loyalty, releasing channel synergy value.

  In global expansion, the Group will consolidate mature overseas channels in the EU and North America, and accelerate overseas registration of proprietary medical aesthetics products through the Swiss platform; strengthen its wholly-owned operating entity in Korea; orderly develop emerging markets in Southeast Asia and Latin America; and build a self-controllable global medical aesthetics sales network.

At the technology innovation level, relying on the AI R&D platform co-built with dProtein, the Group will accelerate R&D conversion of regenerative and skin-repair innovative products; continue to place Sylfirm X dual-wave optoelectronic devices; and tap long-term recurring revenue from associated consumables. On the equity front, acquisition of the remaining equity interest in Meiyan Space will be steadily completed to further enhance the contribution of the high-growth medical aesthetics business to profit attributable to owners of the parent.

- **Innovative drugs segment: advancing pipeline delivery and expanding overseas collaboration**

  In pipeline R&D, multiple core innovative drugs of the Group have entered critical stages of review or clinical development. The Group will continue to follow the review of the new indication of Anaprazole Sodium for reflux esophagitis; accelerate the registration and clinical wrap-up work of Huisheng Biopharm's Semaglutide; and continue to reserve incremental varieties in the metabolic track.

  At the R&D collaboration level, relying on the AI antibody R&D collaboration system with Biocytogen, the Group will continue to advance development of innovative pipelines in weight loss and metabolism, and continuously enrich product reserves for the second growth curve.

  In globalisation planning, the Group will deepen cooperation with overseas industrial partners, steadily advance overseas registration and commercialisation of oncology innovative drugs, and continuously explore overseas BD collaboration opportunities.

- **Generic drugs and non-core business segment: optimising the stock asset structure and upholding the cash-flow support function**

  The Group will continue to sort out, and gradually divest or dispose of generic drugs and non-core assets, retain core mature varieties with stable market competitiveness that can sustainably provide operating cash flow, and continue to play the segment's role as a cash flow ballast. Resources will continue to tilt toward the two core tracks of medical aesthetics and innovative drugs. In accordance with medium- to long-term plans, optimisation and clearance of low-efficiency generic drug businesses will be orderly advanced to continuously enhance the Group's overall asset operating efficiency.

CONCLUSION

In the next stage, the Group will continue to take AI digital technology empowerment of R&D across the full industrial chain as the core innovation driver; broaden long-term growth boundaries through deep cultivation of leading domestic channels and two-way multi-regional global layout; continuously consolidate the industry-unique differentiated competitive barriers of full-category compliant medical aesthetics; comprehensively accelerate commercialisation delivery across the full innovative drug pipeline; steadily optimise the overall business structure and profitability model; continuously narrow the phased R&D losses of innovative drugs; orderly complete the strategic divestment of low-value generic drug assets; and continuously enhance the Group's comprehensive operating profitability, long-term growth certainty and global industrial competitiveness, committed to creating steady, sustainable and long-term growth-oriented value returns for all shareholders.

DETAILED SEGMENT DEVELOPMENT

(I) Progress of the medical aesthetics product segment: Meiyan Space consolidating full-category compliance barriers; multi-dimensional breakthroughs in products, AI R&D, channels and globalisation; integrated solutions model delivered

During the reporting period, Meiyan Space, the Group's core medical aesthetics operating entity, continued to anchor its core strategic positioning as a one-stop integrated medical aesthetics solutions provider with underlying pharmaceutical R&D capabilities, and continuously iterated its medical aesthetics product pipeline by leveraging the Group's mature pharmaceutical-grade full-chain R&D and quality-control system. Its business model was upgraded from single-product distribution to overall output of standardised combination therapy protocols. During the reporting period, revenue of the Group's medical aesthetics product business segment reached RMB693.3 million, representing a year-on-year increase of 18.5%; profit before tax amounted to RMB343.2 million, representing a year-on-year increase of 10.9%, with commercialisation delivery capability continuing to be validated.

Meiyan Space steadily advanced operations around four core growth mainlines, pipeline innovation R&D, frontier technology delivery, deep binding with leading institutions, and global R&D, manufacturing and sales arrangements, and built an irreplicable differentiated competitive moat by virtue of industry-scarce qualifications for full-category compliant medical aesthetics products. During the Period, the upgraded 3.0 omni-channel marketing system was fully rolled out, connecting the closed-loop operations of commercialisation promotion, professional academic empowerment, and integrated online and offline communication. The core operating logic for the full year is clear: multi-category differentiated division of labour realises release of full-portfolio synergy value; regenerative filler series serve as the segment's core profit carrier; botulinum toxin builds the channel traffic base; and PLLA fillers paired with kinetic-factor skin boosters create blockbuster standardised comprehensive anti-ageing treatment courses. Meiyan Space proactively avoids homogenised low-price involution in the industry and, through packaged combination therapy protocols, continuously enhances partner institutions' per-store average transaction value, terminal gross margin and consumer repurchase conversion efficiency. Channel coverage breadth, depth of institutional operations and professional brand voice in the industry achieved simultaneous and significant leaps. Core operating delivery results for the Period are as follows:

- ***Establishing an AI R&D platform overlay with five proprietary technology platforms and accelerating the development of its comprehensive medical aesthetics product portfolio***

  During the reporting period, the Group has co-built an AI R&D platform with dProtein; AI technology covers the full medical aesthetics R&D chain. More than 40 pipeline candidates are reserved on five proprietary technology platforms, over 20 products of which are in clinical trials. The Group will continue to advance the clinical and registration progress of frontier medical aesthetics products such as collagen filler materials, PHA regenerative microspheres, high-end skin boosters, and laser and light-based treatments, consolidating medium- to long-term product reserves. Its first-in-class PHA regenerative materials enjoy a unique track advantage. In the second half of the year, priority will be given to following the review progress of high-end super skin boosters, while accelerating the overseas registration and market access process for medical aesthetics products. Details of the R&D pipeline are set out in the following figure:

Category	Subcategory	Products	Preclinical	Clinical	Registration	Approval
Injection	**Novel regenerative materials** (CaHA, PHA, etc.)	4 self-developed*				
		2 jointly invested*				
	Collagen/Silk fibroin (Animal-, recombinant humanized-, recombinant human collagen)	8 self-developed*				
		2 exclusively distributed*				
	HA super booster (PDRN skin booster & other component composites optimized)	4 self-developed*				
		2 exclusively distributed*				
	HA composite products, HA filler (Efficacy optimized)	7 self-developed*				
Optoelectronic device body shaping	**Facial & body ultrasound**	2 exclusively distributed*				
	Cryolipolysis device	1 exclusively distributed				
	Thermage	1 exclusively distributed				
	Fat harvesting system	1 merged or acquired				
Weight loss	**GLP-1 receptor agonist** (Semaglutide Injection)	1 self-developed				

Statistical cutoff date: as of 31 July 2026

* The product stage diagram demonstrates the current stage of the fastest progressing project among similar products

- ***Graduated planning of regenerative and skin-booster pipelines; tiered product matrix opening profitability and long-term growth space***

  In January, 2026, Meiyan Space's self-developed polylactic acid regenerative filler pipeline achieved important approval progress: six additional specifications were approved of the two PLLA filler products Huiyanzhen and Sifuyan, and a multi-tier graduated dosing system covering the 45 mg–150 mg range has now been established, which can meet, on a tiered basis, diverse anti-ageing needs of aesthetic consumers from shallow skin-quality repair to deep volumetric remodelling. Among them, Huiyanzhen focuses on shallow collagen regeneration and routine refined maintenance, and is suited to cross-linkage with full-category projects; large-particle Sifuyan focuses on deep facial volumetric filling, anchors high-net-worth clientele of high-end institutions, and is a key strategic priority product for the full year. The two form a complementary product ladder of high-low pairing and customer-segment stratification, continuously broadening consumer circles and optimising the segment's profitability structure. Since commercial launch in July 2025, growth momentum of Meiyan Space's PLLA fillers has continued to be released, with terminal sales volume in the first half of 2026 ranking in the domestic industry's first tier. Nationwide, specialised operations of the "Magic Youthful Face" gold combination treatment course were advanced in parallel; terminal market education was completed through regional launch conferences and in-clinic consumer salons; and the positive synergy between product-combination monetisation and channel-scale expansion was fully delivered.

  The skin-booster category has formed a tiered layout of "traffic base products + high-end reserve products": the core traffic SKU Dongyan completed compliant approval in 2025; its active ingredients possess differentiated advantages versus peer competitors, combining dual value of skin repair and endogenous collagen regeneration; commercialisation strategy focuses on new-customer acquisition by institutions, repurchase retention and cross-category conversion. During the reporting period, Meiyan Space continuously drove terminal sell-through through the "Magic Youthful Face" package combination and Meituan 618 peak-season digital marketing; Dongyan alone has achieved coverage of more than one thousand medical aesthetics institutions, with significant lower-tier penetration results. On the R&D side, growth pipelines are well reserved: two high-end skin-booster products compounded with multiple active ingredients have completed preparation of filing dossiers, enriching Meiyan Space's high-end kinetic-factor pipeline reserves and expected to complete Meiyan Space's product layout in the high-end anti-ageing skin-booster track. Meiyan Space is also laying out multiple differentiated skin-booster candidates under development, covering diverse price bands and skin-improvement needs, continuously enriching the skin-booster product ladder.

The regenerative filler system further creates high-value treatment courses through multi-product linkage: the PCL filler Qingyan focuses on mid-face lifting and refined anti-ageing for mild soft-tissue repositioning, and is a core component SKU of Meiyan Space's high-end anti-ageing treatment courses. Meiyan Space has specifically optimised its market promotion strategy, linking Qingyan with the PLLA filler Sifuyan and the high-G bone-support hyaluronic acid Persnica to customise and launch a combination therapy protocol of "contour fixation + advanced anti-ageing", directed at leading chains and high-end private institutions serving high-net-worth clientele. Through synergistic design of bone support + deep collagen regeneration, the full treatment course can achieve more stable and natural long-lasting anti-ageing effects, meeting refined contouring needs of high-end aesthetic consumers, and has become a benchmark high-value project for partner institutions. The accompanying filler consumable Persnica high-G hyaluronic acid focuses on bony contour sculpting, is positioned as an exclusive accompanying product for combination therapy and is not retailed alone at the terminal, forming a strongly bound synergistic relationship with the regenerative series and further enhancing average transaction value of the full treatment course and institutional loyalty.

- ***Letybo® continuing to release channel value and building a high-loyalty partnership network***

  As the core traffic botulinum toxin product of the medical aesthetics segment, Letybo® is a core foundational category supporting stable development of omni-channel business. Meiyan Space adopts a steady operating strategy, with consolidating market share and fortifying the nationwide channel network as the core orientation, avoiding low-price homogenised competition in the industry. In 2025, product sales scale and institutional coverage increased substantially, with market share steadily ranking in the industry's first tier, the sales scale of Letybo® has achieved steady growth in the first half of 2026, and the price system is stable. The product is adapted to the physiological characteristics of Asian populations and possesses differentiated advantages in reducing allergy and resistance risks; its pricing range sits between imported high-end and domestic value products, precisely matching mass high-value-for-money medical aesthetics consumption demand.

  Relying on a complete full-category pipeline, Meiyan Space has built a multi-product synergistic operating system and, with Letybo® as the core, created the "Letybo+" standardised combination therapy protocol, linking hyaluronic acid, regenerative fillers and kinetic-factor skin boosters to deliver integrated anti-ageing services, deeply binding leading medical aesthetics chains, effectively driving partner institutions' average transaction value and consumer repurchase levels, and concurrently driving sustained volume growth of high-value categories such as regenerative products.

- ***Sylfirm X builds a differentiated ecosystem for basal anti-ageing, Achieving dual growth in channel expansion and brand recognition***

  Sylfirm X is the core strategic optoelectronic product of the Company. Beijing Meifu Space Medical Equipment Co., Ltd. ("**Meifu Space**") anchored its differentiated track positioning centered on this product as "basal anti-ageing" and built a unique product proposition through "basement membrane repair + gold microneedle". It adopts a dimension-upgrading and off-axis competitive strategy to avoid price competitions in traditional optoelectronics and standard gold microneedles, thereby capturing higher recognition in the niche of basal anti-ageing. The core population of this product are customers aged 25 to 40 with high demands in seeking preventive anti-ageing, as well as those with sensitive skin, pigmentation and damaged skin barriers. On the channel front, the Company employed a dual-engine model of direct sales and agency distribution. As of the end of June 2026, the workforce of direct sales teams exceeded 100 members with more than 10 distribution partners. Channel coverage reached 31 provinces nationwide, Hong Kong, Macau and nearly 100 prefecture-level cities. Nearly 400 medical aesthetics institutions entered product partnerships, with the number of serviced consumers exceeding 100,000. The three-staged "Sylfirm Peak" campaign has been implemented simultaneously to complete the full-cycle channel operations, including device installation, traffic empowerment and benchmark building. In the first half of the year, nearly 20 offline academic and marketing events were held across more than 15 cities (including Seoul, Korea), reaching over 1,700 industry peers and continuously deepening in-depth collaborations with leading medical aesthetic chain groups.

  Product academia and brand communication have formed a simultaneous closed-loop ecosystem to support business growth. Leveraging the Meifu Academy and the AI Aesthetics Learning Community, the Company has built a tiered medical education system supported by a four-level lecturer development mechanism. In the first half of the year, a total of 38 comprehensive training sessions were conducted, and 16 departmental seminars were held in public hospitals. The Company also completed multiple half-face clinical observations for melasma and sensitive skin, as well as Investigator-Initiated Trials (IIT) clinical research on acne scarring. Furthermore, over 20 industry literature reviews and expert consensus documents were published, establishing a standardised clinical solution and complication management system. On the online front, using Xiaohongshu as the core seeding platform, Sylfirm X ranked TOP1 among the gold microneedle brands in the platform for five consecutive months from January to May 2026 with a stable monthly search volume of more than 40,000. Coupled with a content matrix featuring niche expert interviews, official WeChat accounts, and Channels, two-way brand penetration across both B2B institutional and B2C consumer segments has been achieved. This has successfully established the brand image of "Basal Anti-Aging Expert" and achieved the transformation from product technological advantages to strong industrial brand equity, thereby laying a solid foundation for subsequent channel expansion, product penetration, and growth in institutional repeated purchases.

- ***Omni-channel integrated marketing delivered; online and offline two-way drive of channel sell-through and brand momentum***

  During the reporting period, Meiyan Space implemented an integrated omni-channel marketing approach of "central ignition, regional penetration", building six core marketing workstreams around the full-category pipeline and concurrently mining more than twenty featured operating items, achieving synergistic online and offline marketing resources and continuously amplifying brand industry voice. In the first half of 2026, the channel operated three types of institutions: leading chain institutions, regional stand-alone institutions, and county-level institutions, the scale of channel coverage continues to expand, with over 9000 cooperative medical aesthetics institutions nationwide, covering more than 370 cities in 34 provinces. Among them, all the top 500 institutions in the industry have reached cooperation agreements, and strategic partnerships have been signed with more than 350 medical aesthetics institutions, covering over 1500 key core hospitals. The dedicated 618 Meituan platform marketing campaign delivered GMV of RMB22 million and the conversion performance of online channels is impressive.

  Offline, industry brand building and terminal sell-through conversion are addressed in parallel: Meiyan Space continues to participate deeply in various leading domestic medical aesthetics industry summits, projecting a professional brand image to industry professionals; selects high-quality potential leading institutions to implement customised "one clinic, one strategy" operating plans and build regional benchmark institutions, driving overall regional sales through benchmark effects. For terminal consumers, regions collaborate with partner institutions to conduct diversified in-clinic salons and themed marketing activities, completing aesthetic consumer education and effectively driving in-clinic product volume. At new-product launch stages, Meiyan Space holds national launch conferences in core cities, supported by regional institution special sessions, injection practical salons and other diversified activities, completing large-scale institutional product education and driving continuous repurchase sell-through at key partner institutions.

  To fortify the foundation for long-term channel cooperation, Meiyan Space has built a standing institutional empowerment system, linking domestic senior medical aesthetics experts and domestic and overseas clinical lecturers to offer, online and offline, a series of training courses covering physicians, operations and consultation roles, and providing expert on-site in-store guidance services, continuously enhancing partner institutions' professional operating capabilities.

  Online, a complete social media communication matrix has been built. Communication cadence is orderly advanced by stages covering new-product cold start, category-themed marketing and full-category major promotions; content seeding is conducted in tiers with consumer-end KOLs and institution professional bloggers; brand omni-channel exposure and consumer reach scale have increased significantly; and conversion efficiency of core marketing campaign placements has been outstanding.

- ***Evidence-based medicine and global academic exchange building professional competitive barriers***

  Meiyan Space continues to collaborate with leading domestic tertiary Grade-A hospitals to conduct multi-category prospective clinical research, producing multiple high-quality academic papers and industry clinical application consensus around core tracks such as regenerative fillers, botulinum toxin and skin-booster combination anti-ageing, continuously accumulating evidence-based data on full product-line safety and efficacy, and fortifying professional clinical endorsement of products.

  High-end academic exchange activities at home and abroad are conducted in an orderly and standing manner, with regular organisation of China-Korea-Thailand cross-border clinical practical workshops and overseas expert technical exchange seminars. Meanwhile, multiple national medical aesthetics medical congresses are hosted, delivering a series of advanced academic forums, practical training and in-institution clinical observation projects, and building an offline professional exchange platform covering medical aesthetics physicians nationwide.

  Relying on its proprietary online academic platform Meiyan Academy, Meiyan Space continuously outputs original clinical professional content and accumulates a large base of precise physician private-domain users. From user reach data, professional clinical content is the core vehicle for physicians' cognition of and attention to the brand, continuously strengthening recognition of and partnership loyalty toward the Company's products among the physician community.

- ***Optimising equity to thicken profit attributable to owners of the parent; global R&D, manufacturing and sales system taking shape***

  At the equity structure level, during the reporting period, the Group increased its shareholding in Meiyan Space from 77% to 90%. The Group plans to subsequently acquire the remaining equity interest in the target to further thicken the contribution of the medical aesthetics segment to net profit attributable to owners of the parent. As global R&D and business development capabilities are consolidated in parallel, Meiyan Space will also build a scaled global BD R&D team to continuously introduce overseas frontier medical aesthetics innovative varieties; and, relying on standardised academic training capabilities accumulated from the Group's mature pharmaceutical system, conduct systematic professional empowerment for medical aesthetics physicians to help various new products rapidly complete market penetration and realise commercialisation volume growth.

Overall, the Group's medical aesthetics product segment has formed four core competitive advantages: first, relying on an industry-scarce full-category compliant pipeline to build one-stop medical aesthetics solutions, launching multiple standardised combination anti-ageing treatment courses, with each SKU operated in tiered and staggered positioning, effectively avoiding price competition in any single track, and continuously enhancing partner institutions' average transaction value, profitability and user repurchase; second, building a dual-engine model of global self-development and introduction of overseas varieties, superimposed with AI technology empowerment of pipeline R&D, with ample innovative regenerative material reserves ensuring continuous medium- to long-term new-product delivery; third, relying on the core botulinum toxin product to build a tiered, fully covered, high-loyalty channel network, a mature direct sales + agency commercialisation system and a complete institutional empowerment mechanism can significantly shorten new-product market introduction cycles; and fourth, relying on the Group's mature quality control and scaled cost advantages across the pharmaceutical industrial chain, supported by a complete evidence-based medicine, omni-channel brand communication and global academic exchange system, underpinning products' high value-for-money positioning and precisely matching mainstream market consumption demand.

Looking to the second half of the year, the segment will continue to deepen cooperation with leading medical aesthetics chains, accelerate market penetration of high-end regenerative skin boosters and optoelectronic consumables, and advance in parallel domestic and overseas clinical research and new-product filings. The Company will take four-dimensional synergy of product matrix, omni-channel coverage, professional academia and global expansion as the core lever, continuously enhance the market share of the medical aesthetics product segment, and steadily achieve healthy growth in revenue and profitability.

(II) Progress of the innovative drugs and other drugs segment: commercialisation of core products of Xuanzhu Biopharm and Huisheng Biopharm accelerating; innovation-driven growth-engine effects beginning to emerge

During the reporting period, revenue of the Group's Xuanzhu Biopharm segment amounted to RMB69.4 million, representing a year-on-year increase of 288.1%; aggregate loss before tax amounted to RMB75.3 million, representing a year-on-year reduction in loss of 32.1%. Revenue of the Huisheng Biopharm and other segments amounted to RMB191.9 million, representing a year-on-year increase of 375.9%; the aggregate profit before tax of RMB172.2 million, representing a year-on-year growth of 181.9%. Commercialisation delivery capability continued to be validated. Core products of Xuanzhu Biopharm achieved rapid volume growth through NRDL access; indication expansion and readout of pivotal clinical data continuously strengthened pipeline value; international licensing breakthroughs will further open growth space; and completion of H-share full circulation drove optimisation of capital structure. Core products of Huisheng Biopharm achieved rapid volume growth through commercialisation out-licensing, commercialisation accelerated; the blockbuster product Semaglutide Injection is about to enter the harvest period; and international expansion is steadily expanding incremental space in emerging markets. With the dual platforms of Xuanzhu Biopharm and Huisheng Biopharm exerting synergistic force and international business expansion advancing in parallel, they are expected to build the Group's second growth curve and open medium- to long-term growth space.

1. Xuanzhu Biopharm (02575.HK): commercialisation accelerating, pipeline value continuously released, international licensing breakthroughs and capital structure optimisation driving long-term development

As the Group's core platform focused on innovative drug R&D, Xuanzhu Biopharm concentrates on major disease areas including oncology, digestion and metabolism, with the long-term goal of building a globally competitive differentiated innovative drug pipeline. During the reporting period, Xuanzhu Biopharm achieved systematic progress around the four dimensions of commercialisation advancement, clinical value expansion, overseas market licensing breakthroughs and capital structure optimisation. Meanwhile, it continued to strengthen construction of frontier technology platforms including AI drug design, next-generation TCE and oligonucleotide therapeutics, and completed initiation of multiple early-stage innovative projects, accumulating momentum for medium- to long-term sustainable development.

CONTINUOUSLY ADVANCING A DIVERSIFIED INNOVATIVE PIPELINE UNDER R&D TO DRIVE THE LONG-TERM GROWTH ENGINE

Therapeutic area	Candidates	Target	Drug Classification	Self-developed/ Externally Introduced	Clinical indication	Current Phase
						Pre-clinical / IND-enabling / Phase I / Phase II / Phase III / NDA / Approval
Digestion	Anaprazole Sodium	PPI	Innovative small molecule drug	In-house R&D	**Duodenal ulcer**	
					Adult reflux esophagitis	
					Helicobacter pylori eradication	
Oncology	Bireociclib	CDK2/4/6	Innovative small molecule drug	In-house R&D	**HR+/HER2- advanced breast cancer (+Fulvestrant)**	
					HR+/HER2- advanced breast cancer (+AI)	
					HR+/HER2- locally advanced or metastatic breast cancer	
					Adjuvant therapy for HR+/HER2- early breast cancer (+endocrine)	
	Dirozalkib	ALK	Innovative small molecule drug	In-house R&D	**1st-line treatment for ALK+ advanced NSCLC**	
					Adjuvant treatment for ALK+ NSCLC following tumor resection	
	KM602	CD80 fusion protein	Innovative biological drug	Acquired	Solid tumors (Melanoma, etc)	
	KM501	HER2/HER2	ADC	In-house R&D	HER2+ and HER2-low expressing solid tumors (breast cancer, etc.)	
	XZP-7797	PARP1 Inhibitors	Innovative small molecule drug	In-house R&D	Solid tumors (breast cancer, ovarian cancer, prostate cancer, pancreatic cancer, etc.)	
	XZP-6924	USP1 Inhibitors	Innovative small molecule drug	In-house R&D	Solid tumors (breast cancer, ovarian cancer, prostate cancer, pancreatic cancer, etc.)	
	XZB-0004	AXL	Innovative small molecule drug	License-in	Solid tumor	
					Myelodysplastic syndromes/acute myeloid leukemia	
	XZP-6877	DNA-PK	Innovative small molecule drug	In-house R&D	Solid tumors	
	NG-350A	CD40	Innovative biological drug	License-in	Solid tumors (pancreatic cancer, colorectal cancer)	
	XZP-P607	ENPP3/CD3	Bispecific antibody	In-house R&D	Solid tumors (renal cancer, lung cancer, endometrial cancer, etc.)	
Metabolism & Others	XZP-P608	KLK5/7-IL4R	Bispecific antibody	In-house R&D	Atopic dermatitis	
	XZP-5610	FXR	Innovative small molecule drug	In-house R&D	Non-alcoholic steatohepatitis (NASH)	
	XZP-6019	KHK	Innovative small molecule drug	In-house R&D	NASH	

Core products Key products Exempted from the relevant clinical trial stage

R&D progress in China R&D progress in US Statistical cutoff date: as of 31 July 2026

Commercialisation of core products accelerating; differentiated advantages and expansion of hospital-end access building the foundation for growth

- **Xuan Yue Ning (Bireociclib Tablets)** is China's first and only cyclin-dependent kinase 2/4/6 ("**CDK2/4/6**") inhibitor approved as monotherapy for later-line treatment of HR+/HER2- advanced breast cancer, and possesses the differentiated advantage of "high efficacy and low toxicity". As at the end of the reporting period, the product had achieved access at more than 500 hospitals, with its commercialisation network expanding at an accelerated pace.

- **Xuan Fei Ning (Dirozalkib Tablets)** is a next-generation anaplastic lymphoma kinase ("**ALK**") inhibitor with excellent systemic and intracranial anti-tumour efficacy, and demonstrates potent inhibitory activity against common resistance mutations to first-generation and most second-generation ALK tyrosine kinase inhibitors (ALK-TKIs), such as G1202R and I1171N. Xuan Fei Ning obtained NMPA marketing approval in August 2025 and is indicated as monotherapy for the treatment of patients with ALK-positive locally advanced or metastatic non-small cell lung cancer ("**NSCLC**") who have not previously received ALK inhibitor therapy. During the reporting period, the product was included in three authoritative guidelines – the China Treatment Guidelines for Stage IV Primary Lung Cancer (2026 Edition), the China Treatment Guidelines for Brain Metastases of Lung Cancer (2026 Edition), and the Chinese Society of Clinical Oncology (CSCO) Guidelines for Diagnosis and Treatment of Non-Small Cell Lung Cancer 2026. Relying on differentiated advantages such as clinical efficacy in populations with brain metastases and favourable safety, the above evidence-based and guideline achievements fortify the foundation for rapid market penetration of Xuan Fei Ning.

- **An Jiu Wei (Anaprazole Sodium Enteric-coated Tablets)** is China's first proton pump inhibitor ("**PPI**") of entirely new structure with proprietary intellectual property rights and R&D. It possesses differentiated advantages including non-enzymatic and multi-enzymatic metabolism and balanced dual-channel intestinal and renal excretion, with only 3.5% metabolised via cytochrome P450 enzyme 2C19 ("**CYP2C19**"), rendering it unaffected by CYP2C19 genetic polymorphism. Compared with earlier-generation PPIs, Anaprazole Sodium presents lower risk in concomitant medication, and is especially suitable for patients on polypharmacy and those with renal insufficiency, with outstanding clinical safety advantages. During the reporting period, the product received priority recommendation in the Chinese Expert Consensus on Rational Use of Acid Suppressants in the Elderly (2026 Edition). As at the end of the reporting period, it had covered nearly 2,500 medical institutions, with the channel network continuing to penetrate into primary care.

Multiple important advances in indication expansion and clinical data readout, continuously enhancing pipeline value

- The new first-line indication of **Xuan Yue Ning** in combination with an aromatase inhibitor obtained NMPA marketing approval, making Xuan Yue Ning China's first CDK2/4/6 inhibitor covering the full treatment course of first-line, second-line and later-line HR+/HER2- advanced breast cancer. Patient coverage expanded significantly. The final analysis of its Phase III study in combination with fulvestrant (BRIGHT-2) was published in the leading journal JAMA Oncology (IF=20.1). Results assessed by blinded independent central review (BICR) showed that median progression-free survival ("**mPFS**") in the Bireociclib combination treatment group reached 17.5 months (HR=0.47), significantly longer than 7.3 months in the control group; objective response rate ("**ORR**") reached 50.3%, significantly higher than 16.7% in the control group, fully validating its outstanding efficacy.

- Results of the Phase III DIAMOND-2 study of **Xuan Fei Ning (Dirozalkib Tablets)** as first-line treatment of ALK-positive advanced NSCLC were presented as an oral presentation at the 2026 Annual Meeting of the American Association for Cancer Research ("**AACR**"). In the modified intention-to-treat ("**mITT**") population, investigator-assessed mPFS reached 31.3 months, significantly superior to 12.9 months in the control group, with risk of disease progression significantly reduced by 53% (HR=0.47); ORR reached 88.5%; intracranial objective response rate ("**IC-ORR**") reached as high as 91.7% (versus only 11.1% in the control group); and risk of intracranial disease progression was reduced by 55% (HR=0.45). In terms of safety, the proportion of patients discontinuing treatment due to adverse events of Dirozalkib was only 1.5%, demonstrating a more favourable clinical safety profile.

- For **An Jiu Wei**, the marketing application for the new indication of treatment of reflux esophagitis was formally accepted by the NMPA, and the China Phase III clinical study for eradication of Helicobacter pylori ("**Hp**") successfully completed dosing of the first enrolled patient. Through indication expansion, maximisation of the product's clinical value is driven.

Substantive breakthroughs in internationalisation; overseas markets to open incremental space

During the reporting period, Xuanzhu Biopharm entered into a licence and supply agreement with Boston Oncology CGT Holding Co. Limited ("**Boston Oncology**") in respect of Bireociclib and Dirozalkib, granting Boston Oncology exclusive rights of development, registration and commercialisation in 21 countries and regions in the Middle East and North Africa. Pursuant to the agreement, Xuanzhu Biopharm will receive an upfront payment and potential regulatory and commercial milestone payments that may exceed US$100 million, together with royalties at a fixed rate. This collaboration is the first milestone of Xuanzhu Biopharm's globalisation strategy.

Capital structure optimisation driving long-term development

During the reporting period, Xuanzhu Biopharm was successively included in the Hang Seng Composite Index and the Stock Connect list, and completed H-share full circulation, with total share capital of approximately 518 million shares, significantly enhancing share liquidity and market attention, further optimising capital structure, and providing solid support for long-term value release.

Looking ahead, Xuanzhu Biopharm will continue to be guided by clinical needs, deeply cultivate core tracks in oncology, digestive diseases, metabolism and other fields, focus on advancement of R&D and commercialisation of core products, seize the hospital-end access window, accelerate commercialisation of core products, continuously expand indication boundaries, deepen international licensing and collaboration, and, through proprietary R&D and BD collaboration, build innovative TCE, oligonucleotide and AI technology platforms, advance delivery of out-licensing/collaboration development projects, realise dual-engine drive of out-licensing and in-licensing, and continuously maximise pipeline asset value while enriching innovative pipeline reserves.

*2. **Huisheng Biopharm: product commercialisation accelerating; GLP-1 drugs poised for take-off; international expansion expected to open new growth space***

Huisheng Biopharm is the Group's core biopharmaceutical platform focused on diabetes and complications. Centred on patients' full-course management needs, it has systematically built a complete product matrix covering mainstream treatment pathways including oral hypoglycemic drugs, insulin and GLP-1 drugs, gradually forming a comprehensive product layout covering early intervention, glycaemic control and related complication management, to meet clinical medication needs of patients at different disease stages.

As at the end of the reporting period, Huisheng Biopharm had cumulatively obtained marketing approval for 18 varieties and 27 specifications, with a total of 29 drug marketing approvals. Core products include the Class 1 innovative drug Hui You Jing (Proline Ganagliflozin Tablets), and the first domestically produced generics Hui You Jia (Insulin Degludec and Insulin Aspart Injection) and Hui You Da (Insulin Degludec Injection). In the R&D pipeline, Huisheng Biopharm focuses on advancing Semaglutide Injection (dual indications of glycaemic control/weight loss), and has laid out the GLP-1R/GCGR dual-target agonist P052 Injection with differentiated competitive potential, forming a multi-tiered product portfolio linking "innovative drugs, first generics and subsequent R&D echelons".

A COMPLETE PRODUCT MATRIX COVERING MAINSTREAM TREATMENT PATHS SUCH AS ORAL HYPOGLYCEMIC DRUGS, INSULIN DRUGS, AND GLP-1 DRUGS

Therapeutic Area	Category	Drug Name	Pre-clinical	IND	Phase I	Phase II	Phase III	NDA/ ANDA	Approval
Diabetes	GLP-1 RA	**Semaglutide Injection (diabetes)**							
		Semaglutide Injection (obesity or overweight)*							
		P052 Injection (GLP-1R/GCGR)							
	SGLT-2 inhibitors	**Ganagliflozin proline tablets (Hui You Jing) (Single drug, + metformin tablets)**							
		Ganagliflozin metformin sustained-release tablets							
		Empagliflozin tablets, Dapagliflozin tablets							
	Insulin (New type)	**Insulin degludec injection (Hui You Da)**							
		Insulin degludec and insulin aspart injection (Hui You Jia)							
		Insulin degludec and liraglutide injection							
		HSP002 (Insulin injection, once weekly)							
	Insulin (3rd generation)	**Insulin aspart injection (Hui You Rui)**							
		Insulin aspart 30 injection (Hui You Rui 30)							
		Insulin aspart 50 injection (Hui You Rui 50)							
	DPP-4 inhibitors	Sitagliptin phosphate tablets, Sitagliptin phosphate/metformin hydrochloride tablets, Vildagliptin tablets, Linagliptin tablets							
	Glinide	Repaglinide tablets							
Complications of diabetes	Preferred or commonly used in clinical, with unique mechanism	Mecobalamin tablets, Mecobalamin injection, Thioctic acid injection, Calcium dobesilate capsules, Epalrestat tablets							

Innovative drugs;

First biosimilar;

* The clinical R&D and commercialization rights in Greater China have been authorized to Meiyan Space in 2024

Note: Statistical date: as of 31 July 2026

Huisheng Biopharm's manufacturing system is designed and built to international standards, with existing biologics annual capacity of approximately 25 million units and Phase II planned capacity of approximately 100 million units. Ample capacity reserves can provide scaled supply assurance for sustained domestic market volume growth of core products and rapid future expansion into international markets.

During the reporting period, commercialisation of core products accelerated; collaboration and licensing drove rapid volume growth

- Hui You Jing obtained marketing approval from the National Medical Products Administration in January 2024 and was included in the National Reimbursement Drug List in the same year. It is the second domestically developed SGLT-2 inhibitor Class 1 innovative drug approved for marketing in China. While lowering blood glucose, it can bring multiple metabolic benefits to patients in respect of body weight, blood pressure and blood lipids, with low risk of hypoglycaemia and favourable clinical application value. In 2024, Huisheng Biopharm entered into exclusive commercialisation collaboration with Huadong Medicine (stock code: 000963.SZ) for Hui You Jing in Mainland China. Relying on Huadong Medicine's mature marketing system and terminal coverage capabilities in the metabolic disease field, hospital access and market promotion of Hui You Jing advanced rapidly. As at the end of the reporting period, Hui You Jing had covered over 7,000 hospitals, with market coverage and terminal penetration steadily increasing.

  Hui You Jia and Hui You Da were approved for marketing as China's first generics in July and August 2024, respectively. To further enhance commercialisation efficiency of Hui You Jia and Hui You Da, during the reporting period Huisheng Biopharm entered into collaboration with Tonghua Dongbao (stock code: 600867.SH), granting Tonghua Dongbao exclusive commercialisation rights for the two products in Mainland China. The collaboration is expected to further enhance market penetration and patient accessibility of the two products, accelerate scaled promotion of domestic insulin analogues, and help drive iterative upgrade of China's insulin treatment regimens. As at the end of the reporting period, Hui You Jia had covered nearly 6,000 hospitals and Hui You Da nearly 900 hospitals; hospital access and market coverage work for the two products is in an accelerating phase.

R&D pipeline advancing in an orderly manner; GLP-1 drugs poised for take-off

The marketing application for the glycemic control indication of Semaglutide Injection has passed on-site verification organised by the National Medical Products Administration and is expected to obtain marketing approval in early 2027; Phase III clinical trials for the weight-loss indication have been completed, and a new drug application is expected to be submitted in the fourth quarter of 2026. As R&D and registration work for Semaglutide-related indications continue to advance, the product layout from oral hypoglycemic drugs and insulin to GLP-1 drugs is expected to be further completed, expanding the potential growth market of weight management. In addition, Repaglinide Tablets obtained marketing approval and were deemed to have passed the consistency evaluation for quality and efficacy of generic drugs, further enriching Huisheng Biopharm's oral hypoglycemic product line.

International business expansion accelerating; expected to open new incremental space

During the reporting period, Huisheng Biopharm accelerated overseas expansion, focusing on the insulin product series, initially completed building of an international business team, and conducted business expansion around six key regions: ASEAN, South Asia, Latin America, the Russian-speaking region and Eastern Europe, the Middle East and Africa. Leveraging product and industrialisation advantages formed in the fields of insulin degludec, insulin degludec/insulin aspart and other insulin analogues, Huisheng Biopharm's related products possess favourable competitive foundations and commercialisation potential in the aforementioned emerging markets. Compared with existing treatment products such as insulin glargine and traditional human insulin, next-generation insulin analogues possess differentiated advantages in duration of action, stability of glycaemic control, hypoglycaemia risk and convenience of use, and can better meet needs for upgrade of insulin treatment regimens in relevant markets. As at the end of the reporting period, Huisheng Biopharm had gradually established an overseas collaboration network covering key regions, signed collaboration agreements with partners in 15 countries including Brazil, India, Indonesia, Algeria and the United Kingdom, and is conducting commercial discussions with potential partners in multiple countries and regions; overseas registration, technical collaboration and market access work for multiple products is advancing steadily.

Looking ahead, Huisheng Biopharm will continue to deeply cultivate diabetes and related metabolic disease fields, focusing business on three strategic directions: domestic commercialisation volume growth of core products, advancement of innovative product R&D, and international market expansion. With a differentiated product pipeline covering the full disease course, a mature external commercialisation collaboration system, a manufacturing and quality system meeting international standards, and sustained R&D innovation capability, Huisheng Biopharm has established the foundation to further enhance its industry competitive position. Going forward, through synergistic development of domestic and international markets, Huisheng Biopharm will continuously enhance market coverage and brand influence of core products, providing a new driving force for the Group's long-term sustainable performance growth.

(III) Progress of the generic drugs and non-core business segment: "cash cow" supporting development of the core "medical aesthetics + innovative drugs" businesses; structural optimisation advancing steadily

During the reporting period, the generic drugs business, as a stable cash-flow source of the Group, continuously provided funding support for the high-growth medical aesthetics and high-value innovative drugs core businesses. The Group has nearly one hundred generic drug products on sale, covering key therapeutic areas including cardiovascular and cerebrovascular, anti-infective and nervous system diseases. However, affected by the continuous deepening of policies such as national volume-based drug procurement and key monitoring catalogues, the overall pricing system and profit space of the generic drugs industry have come under pressure, and revenue and profitability of certain of the Group's existing products have been subject to phased impact. During the reporting period, the Group's generic medicine segment recorded revenue of approximately RMB206.5 million, representing a year-on-year decrease of 58.9%; and recorded a segment results of a loss before tax of RMB74.1 million, representing a year-on-year decrease of 144.0%. Facing continued pressure on the generic drugs business from policies such as national volume-based procurement, the Group continued to advance optimisation of the generic drugs and non-core business and asset integration; related asset divestments generated gains of approximately RMB154.2 million during the Period, further enhancing the Group's overall profitability and resource allocation efficiency.

Facing industry change, the Group's strategic direction for the generic drugs business is clear and firm: proactively subtract, fully shifting from "scale-driven" to "value-driven". The Group is accelerating advancement and implementation of spin-off, divestment or disposal of generic drugs and other non-core traditional pharmaceutical and healthcare businesses and assets that have not met operating expectations or do not align with long-term strategic development objectives, retaining competitive high-quality varieties, and optimising business structure while safeguarding cash-flow contribution.

During the reporting period, the Group actively engaged potential interested parties, orderly advanced disposal of generic drugs and non-core assets, and achieved phased progress, the divestment of related assets generated a profit of RMB154.2 million during the Period, effectively offsetting the loss impact of the generic drugs segment, further improved the overall profitability and resource allocation efficiency of the Group; and multiple other non-core projects are also advancing steadily. Capital and management resources released will be fully focused on the two core businesses of "medical aesthetics + innovative drugs", increasing R&D and market investment to build a more barrier-protected long-term competitive system.

While proactively disposing of assets, the Group continued to replenish high-value generic drug reserves to safeguard cash-flow resilience. During the reporting period, a total of eight generic drug preparation products newly obtained national drug registration approvals and were all deemed to have passed the consistency evaluation for quality and efficacy of generic drugs, covering multiple therapeutic areas: three in the cardiovascular and cerebrovascular field, including Pentoxifylline Injection, Pentoxifylline Sustained-release Tablets and Tirofiban Hydrochloride and Sodium Chloride Injection, further consolidating the Group's product matrix in its traditional advantageous cardiovascular and cerebrovascular field; three in the anti-infective field, namely Cefazolin Sodium for Injection/Sodium Chloride Injection (non-PVC powder-liquid dual-chamber bag, a differentiated variety with technical barriers), Lopinavir and Ritonavir Tablets (as at the end of the reporting period, only four domestic approvals, with a favourable competitive landscape) and Tedizolid Phosphate for Injection (a next-generation oxazolidinone high-end anti-infective generic); in addition, one nervous system drug (Vortioxetine Hydrobromide Tablets) and one muscle relaxant (Cisatracurium Besilate Injection) were newly added. Continuous delivery of new products both supplements momentum for current-period cash flow and consolidates the foundation for quality enhancement of the generic drugs business.

Looking ahead, the Group will continue to firmly advance divestment of generic drugs and non-core assets, equity transfers/disposals and related work. Strategic clearance will effectively optimise asset structure and enhance resource allocation efficiency, further strengthen long-term competitive barriers, drive the Group's comprehensive transformation onto a higher-quality and more sustainable growth track, and continuously enhance comprehensive competitiveness and long-term shareholder value.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	**2026** ***RMB'000*** **(Unaudited)**	2025 *RMB'000* (Unaudited)
Revenue	*3*	**1,161,218**	1,146,203
Cost of sales		**(479,561)**	(388,947)
GROSS PROFIT		**681,657**	757,256
Other income	*3*	**84,472**	100,390
Other gains – net	*3*	**151,309**	22,159
Distribution expenses		**(217,223)**	(231,419)
Administrative expenses		**(207,224)**	(211,909)
Research and development expenses		**(105,587)**	(152,846)
Impairment losses on investments accounted for using the equity method		**(64,231)**	–
Other expenses		**(9,705)**	(19,251)
OPERATING PROFIT		**313,468**	264,380
Finance expenses	*4*	**(69,325)**	(104,970)
Share of profits and losses of investments accounted for using the equity method		**121,841**	(2,486)
PROFIT BEFORE TAX		**365,984**	156,924
Income tax expense	*5*	**(153,405)**	(90,730)
PROFIT FOR THE PERIOD		**212,579**	66,194
Attributable to:			
Owners of the Company		**224,704**	102,603
Non-controlling interests		**(12,125)**	(36,409)
		212,579	66,194

	Notes	**2026** ***RMB'000*** **(Unaudited)**	2025 *RMB'000* (Unaudited)
PROFIT FOR THE PERIOD		**212,579**	66,194
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**212,579**	66,194
Attributable to:			
Owners of the Company		**224,704**	102,603
Non-controlling interests		**(12,125)**	(36,409)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**212,579**	66,194
		RMB	*RMB*
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*6*		
Basic earnings per share for profit for the period		**2.49 cents**	1.11 cents
Diluted earnings per share for profit for the period		**2.49 cents**	1.11 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	**30 June 2026** ***RMB'000*** **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**1,832,892**	1,902,754
Right-of-use assets		**563,674**	566,779
Investment properties		**228,452**	234,663
Goodwill		**1,853**	1,853
Intangible assets		**997,561**	953,765
Investments accounted for using the equity method		**754,605**	663,158
Deferred tax assets		**39,742**	41,414
Financial assets at fair value through profit or loss	*7*	**401,984**	396,680
Other non-current assets		**60,534**	113,433
Time deposits		**105,875**	104,700
Total non-current assets		**4,987,172**	4,979,199
CURRENT ASSETS			
Inventories		**559,751**	617,728
Trade and other receivables	*8*	**2,372,041**	1,940,141
Financial assets at fair value through profit or loss	*7*	**344,490**	350,675
Cash and cash equivalents		**3,063,206**	3,560,506
Time deposits		**150,114**	66,106
Pledged deposits		**158,940**	117,574
Total current assets		**6,648,542**	6,652,730
CURRENT LIABILITIES			
Trade and other payables	*11*	**1,788,081**	1,933,772
Interest-bearing bank borrowings	*10*	**322,196**	192,314
Contract liabilities		**87,009**	93,802
Income tax payable		**89,291**	122,515
Lease liabilities		**17,069**	17,751
Other current liabilities		**1,391,072**	1,329,891
Total current liabilities		**3,694,718**	3,690,045
NET CURRENT ASSETS		**2,953,824**	2,962,685
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,940,996**	7,941,884

	Notes	**30 June 2026** ***RMB'000*** **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**43,567**	3,694
Interest-bearing bank borrowings	*10*	**559,739**	694,437
Lease liabilities		**6,586**	7,673
Contract liabilities		**239,901**	200,945
Other non-current liabilities		**129,384**	134,913
Total non-current liabilities		**979,177**	1,041,662
Net assets		**6,961,819**	6,900,222
EQUITY			
Equity attributable to owners of the Company			
Share capital	*9*	**77,058**	77,058
Treasury shares	*9*	**(284,651)**	(242,734)
Share premium	*9*	**3,882,304**	3,882,304
Reserves		**1,650,283**	1,531,098
Retained earnings		**824,258**	601,745
		6,149,252	5,849,471
Non-controlling interests		**812,567**	1,050,751
Total equity		**6,961,819**	6,900,222

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company							
	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium *RMB'000*	Reserves *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
As at 31 December 2025 (audited)	**77,058**	**(242,734)**	**3,882,304**	**1,531,098**	**601,745**	**5,849,471**	**1,050,751**	**6,900,222**
Profit/(loss) for the period	**–**	**–**	**–**	**–**	**224,704**	**224,704**	**(12,125)**	**212,579**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**224,704**	**224,704**	**(12,125)**	**212,579**
Employee share incentive scheme:								
– Value of employee services	**–**	**–**	**–**	**2,977**	**–**	**2,977**	**–**	**2,977**
Transfer to PRC statutory reserve fund	**–**	**–**	**–**	**1,452**	**(1,452)**	**–**	**–**	**–**
Special reserve for maintenance and production funds (i)	**–**	**–**	**–**	**739**	**(739)**	**–**	**–**	**–**
Repurchase of shares	**–**	**(41,917)**	**–**	**–**	**–**	**(41,917)**	**–**	**(41,917)**
Disposal of a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**3,991**	**3,991**
Capital contribution by a non-controlling shareholder of a subsidiary	**–**	**–**	**–**	**(16,919)**	**–**	**(16,919)**	**17,719**	**800**
Dividends paid to non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**(102,508)**	**(102,508)**
Acquisition of non-controlling interests	**–**	**–**	**–**	**130,936**	**–**	**130,936**	**(145,261)**	**(14,325)**
As at 30 June 2026 (unaudited)	**77,058**	**(284,651)**	**3,882,304**	**1,650,283**	**824,258**	**6,149,252**	**812,567**	**6,961,819**

	Attributable to owners of the Company							
	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium *RMB'000*	Reserves *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
As at 31 December 2024 (audited)	77,058	(54,109)	3,882,304	(31,419)	498,424	4,372,258	577,046	4,949,304
Profit/(loss) for the period	–	–	–	–	102,603	102,603	(36,409)	66,194
Total comprehensive income/(loss) for the period	–	–	–	–	102,603	102,603	(36,409)	66,194
Employee share incentive scheme:								
– Value of employee services	–	–	–	2,487	–	2,487	–	2,487
Special reserve for maintenance and production funds (i)	–	–	–	1,813	(1,813)	–	–	–
Repurchase of shares	–	(78,343)	–	–	–	(78,343)	–	(78,343)
Capital contribution by a non-controlling shareholder of a subsidiary	–	–	–	(14,088)	–	(14,088)	15,497	1,409
As at 30 June 2025 (unaudited)	77,058	(132,452)	3,882,304	(41,207)	599,214	4,384,917	556,134	4,941,051

Note:

(i) Pursuant to the relevant PRC regulations, the Group is required to transfer production and maintenance funds at fixed rates based on revenue to a specific reserve account. The production and maintenance funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of production and maintenance funds utilised would be deducted from the specific reserve account.

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

1.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

1.2 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

The nature and impact of the amended IFRS Accounting Standards are described below:

(a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(b) Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to IFRS Accounting Standards – Volume 11* set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

2. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the medical aesthetic products segment engaging in the provision of optoelectronic devices, body sculpturing, skin care and other services to provide comprehensive non-invasive medical aesthetics solutions;

(b) the innovative medicine and other medicine segment; and

(c) the generic medicine segment.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is measured in a form of an adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, non-lease-related finance costs, dividend income, fair value gains/losses from the Group's financial instruments as well as head office and corporate expenses are excluded from such measurement.

Information relating to segment assets and liabilities is not disclosed as such information is not regularly reported to the chief operating decision-maker who assesses the performance of the operating segments based on the Group's revenue and operating profit rather than the Group's assets and liabilities.

Six months ended 30 June 2026

	Medical aesthetic products *RMB'000* (Unaudited)	Innovative medicine and other medicine *RMB'000* (Unaudited)	Generic medicine *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue *(Note 3)*				
Sales to external customers	**693,347**	**261,385**	**206,486**	**1,161,218**
Intersegment sales	**–**	**26,599**	**–**	**26,599**
Total segment revenue	**693,347**	**287,984**	**206,486**	**1,187,817**
Reconciliation:				
Elimination of intersegment sales				**(26,599)**
Total				**1,161,218**
Segment results	**343,239**	**28,385**	**(74,070)**	**297,554**
Reconciliation:				
Unallocated other income				**51,820**
Unallocated other gains – net				**(1,028)**
Unallocated expenses				**(26,350)**
Unallocated finance expenses				**(13,622)**
Share of profits and losses of investments accounted for using the equity method				**121,841**
Impairment losses on investments accounted for using the equity method				**(64,231)**
Profit before tax				**365,984**

Six months ended 30 June 2025

	Medical aesthetic products *RMB'000* (Unaudited)	Innovative medicine and other medicine *RMB'000* (Unaudited)	Generic medicine *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue *(Note 3)*				
Sales to external customers	585,249	58,220	502,734	1,146,203
Intersegment sales	–	16,957	–	16,957
Total segment revenue	585,249	75,177	502,734	1,163,160
Reconciliation:				
Elimination of intersegment sales				(16,957)
Total				1,146,203
Segment results	309,544	(274,331)	168,425	203,638
Reconciliation:				
Unallocated other income				34,110
Unallocated other gains – net				198
Unallocated expenses				(63,604)
Unallocated finance expenses				(14,932)
Share of profits and losses of investments accounted for using the equity method				(2,486)
Profit before tax				156,924

Revenue of approximately RMB173,595,000 (six months ended 30 June 2025: RMB213,605,000) was derived from sales by the medical aesthetic products segment and the generic medicine segment to a single customer, including sales to a group of entities which are known to be under common control with that customer.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue and other income is as follows:

	Notes	For the six months ended 30 June 2026 **RMB'000** (Unaudited)	2025 RMB'000 (Unaudited)
Revenue			
Revenue from contracts with customers:	*(i)*		
Sale of pharmaceutical products and medical aesthetic products		1,161,218	1,146,203
Other income			
Interest income		22,054	49,594
Hospital service income		47,959	27,189
Gross rental income from investment property operating leases	*(ii)*	2,875	5,742
Research and development income		1,235	7,305
Others		10,349	10,560
Total		84,472	100,390

Notes:

(i) Revenue from contracts with customers

Disaggregated revenue information for contracts with customers

For the six months ended 30 June 2026

	Medical aesthetic products RMB'000 (Unaudited)	Innovative medicine and other medicine RMB'000 (Unaudited)	Generic medicine RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Type of goods				
Pharmaceutical products and medical aesthetic products	**693,347**	**261,385**	**206,486**	**1,161,218**
Geographical markets				
Chinese mainland	**689,070**	**261,385**	**206,486**	**1,156,941**
United States of America	**4,277**	**–**	**–**	**4,277**
Total	**693,347**	**261,385**	**206,486**	**1,161,218**
Timing of revenue recognition				
Goods transferred at a point in time	**693,347**	**261,385**	**206,486**	**1,161,218**

For the six months ended 30 June 2025

	Medical aesthetic products *RMB'000* (Unaudited)	Innovative medicine and other medicine *RMB'000* (Unaudited)	Generic medicine *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Type of goods				
Pharmaceutical products and medical aesthetic products	585,249	58,220	502,734	1,146,203
Geographical markets				
Chinese mainland	578,736	58,220	502,734	1,139,690
United States of America	6,513	–	–	6,513
Total	585,249	58,220	502,734	1,146,203
Timing of revenue recognition				
Goods transferred at a point in time	585,249	58,220	502,734	1,146,203

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the six months ended 30 June 2026

Segments:

	Medical aesthetic products *RMB'000* (Unaudited)	**Innovative medicine and other medicine *RMB'000* (Unaudited)**	**Generic medicine *RMB'000* (Unaudited)**	**Total *RMB'000* (Unaudited)**
Sales to external customers	**693,347**	**261,385**	**206,486**	**1,161,218**
Intersegment sales	**–**	**26,599**	**–**	**26,599**
Subtotal	**693,347**	**287,984**	**206,486**	**1,187,817**
Reconciliation:				
Elimination of intersegment sales				**(26,599)**
Total				**1,161,218**

For the six months ended 30 June 2025

	Medical aesthetic products *RMB'000* (Unaudited)	Innovative medicine and other medicine *RMB'000* (Unaudited)	Generic medicine *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Sales to external customers	585,249	58,220	502,734	1,146,203
Intersegment sales	–	16,957	–	16,957
Subtotal	585,249	75,177	502,734	1,163,160
Reconciliation:				
Elimination of intersegment sales				(16,957)
Total				1,146,203

(ii) The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing. An analysis of rental income is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Geographical markets:		
Chinese mainland	**1,094**	3,126
Hong Kong	**1,781**	2,616
Total	**2,875**	5,742

		For the six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
	Note	**(Unaudited)**	(Unaudited)
Other gains – net			
Gain on disposal of a subsidiary		**154,233**	–
Government grants	*(i)*	**11,025**	12,625
Gain on deemed dilution		**8,837**	–
Gain on changes in fair value of wealth management products, at fair value		**3,322**	847
Gain on disposal of an associate		**–**	11,697
Gain on disposal of property, plant and equipment		**–**	32
Exchange loss, net		**(26,108)**	(3,042)
Total		**151,309**	22,159

Note:

(i) The total government grants represent the subsidies received from the local government with no specific conditions attached to them.

4. FINANCE EXPENSES

An analysis of finance expenses is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest expenses on:		
Redemption liabilities on subsidiaries' shares	**52,860**	86,964
Interest-bearing bank and other borrowings	**16,255**	17,666
Lease liabilities	**210**	340
Total	**69,325**	104,970

5. INCOME TAX EXPENSE

Hong Kong profits tax was provided at the rate of 16.5% (six months ended 30 June 2025: 16.5%) on the estimated assessable profits arising in Hong Kong for the six months ended 30 June 2026. The PRC subsidiaries of the Group have determined and paid the corporate income tax in accordance with the Corporate Income Tax Law of the PRC at the tax rate of 25% (six months ended 30 June 2025: 25%). Certain PRC subsidiaries of the Group were qualified as high-tech enterprises. Accordingly, those subsidiaries' corporate income tax for the six months ended 30 June 2026 and 2025 was provided for at a preferential tax rate of 15%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current	**111,860**	90,235
Deferred	**41,545**	495
Total	**153,405**	90,730

6. EARNINGS PER SHARE

The calculation of the basic earnings per share for the period is based on the profit attributable to owners of the Company of RMB224,704,000 (six months ended 30 June 2025: RMB102,603,000), and the weighted average number of ordinary shares of 9,027,695,000 (six months ended 30 June 2025: 9,204,012,000) outstanding during the period, as adjusted to reflect the repurchased shares during the period.

The calculation of the diluted earnings per share for the period is based on the profit attributable to owners of the Company, as used in the basic earnings per share calculation. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to owners of the Company (RMB'000)	**224,704**	102,603

	For the six months ended 30 June	
	2026	2025
	Share'000	*Share'000*
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares outstanding for basic earnings per share*	**9,027,695**	9,204,012
Effect of dilution-weighted average number of ordinary shares:		
Share options**	**6,050**	–
Weighted average number of ordinary shares outstanding for the calculation of diluted earnings per share	**9,033,745**	9,204,012

* The weighted average number of shares was after taking into account the effect of treasury shares held.

** For the six months ended 30 June 2025, the calculation of diluted per share did not take into account the share options under the share option scheme of the Company as their inclusion would be anti-dilutive.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Basic earnings per share (RMB cents) for profit for the period	**2.49**	1.11
Diluted earnings per share (RMB cents) for profit for the period	**2.49**	1.11

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Set out below is an overview of financial assets, other than cash and cash equivalents and trade and other receivables, held by the Group as at 30 June 2026 and 31 December 2025:

		As at	
		30 June 2026	31 December 2025
		RMB'000	*RMB'000*
	Notes	**(Unaudited)**	(Audited)
Non-current			
Financial assets at fair value through profit or loss ("**FVPL**"):			
Unlisted equity investments, at fair value	*(i)*	**206,334**	198,871
Wealth management products	*(ii)*	**195,650**	197,809
Current			
Financial assets at FVPL:			
Wealth management products	*(ii)*	**344,490**	350,675
Total		**746,474**	747,355

Notes:

(i) The amount represents equity investments in the unquoted equity shares. The Group intends to hold these equity shares for the foreseeable future and has not irrevocably elected to classify them as financial assets at fair value through other comprehensive income.

(ii) The amount represents wealth management products with no fixed interest rate. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

8. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables – third parties	**1,267,395**	1,166,274
Loans to third parties	**259,900**	77,493
Prepayments to suppliers	**205,195**	213,585
Loans to associates	**170,120**	201,012
Notes receivable	**148,292**	94,102
Receivable from disposal of a subsidiary	**136,145**	82,517
Dividend receivable	**40,912**	40,912
Amount due from a joint venture	**14,960**	13,569
Amount due from other related party	**9,600**	9,600
Amount due from an associate	**224**	224
Other receivables	**262,034**	179,405
	2,514,777	2,078,693
Provision for impairment of trade receivables	**(117,023)**	(104,345)
Provision for impairment of other receivables	**(25,713)**	(34,207)
Total	**2,372,041**	1,940,141

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**730,044**	915,720
3 to 6 months	**349,369**	29,343
6 to 12 months	**23,050**	79,200
More than 1 year	**47,909**	37,666
Total	**1,150,372**	1,061,929

9. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of authorised ordinary shares *Share'000*	Number of issued and fully paid ordinary shares *Share'000*	Share capital *RMB'000*	Share premium *RMB'000*	Total *RMB'000*
As at 31 December 2024 and 31 December 2025 (audited) and as at 30 June 2026 (unaudited) (HK$0.01 per share)	**100,000,000**	**9,329,999**	**77,058**	**3,882,304**	**3,959,362**

Note:

(i) During the six months ended 30 June 2026, the Group repurchased 26,000,000 of its own shares on the Stock Exchange of Hong Kong Ltd. at a total consideration, including expenses, of HK$26,218,000 (equivalent to RMB 22,914,000) for the 2022 Share Award Scheme adopted in October 2022. As at 30 June 2026, these repurchased shares were not granted.

(ii) During the six months ended 30 June 2026, the Group repurchased 20,000,000 of its own shares on the Stock Exchange at a total consideration, including expenses, of HK$21,698,000 (equivalent to RMB19,003,000) and these shares were held as treasury shares. As at 30 June 2026, these repurchased shares were not cancelled.

As at 30 June 2026, the Group had 334,199,000 (31 December 2025: 288,199,000) purchased shares classified as treasury shares held for the share option scheme and for subsequent sale or transfer.

10. INTEREST-BEARING BANK BORROWINGS

	As at	
	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Current		
Secured bank borrowings	**322,196**	192,314
Total	**322,196**	192,314
Non-current		
Secured bank borrowings	**559,739**	694,437
Total	**881,935**	886,751
Analysed into:		
Bank borrowings:		
Within the first year	**322,196**	192,314
Within the second to fifth years	**279,144**	383,589
Beyond the fifth year	**280,595**	310,848
Total	**881,935**	886,751

Notes:

(a) Certain of the Group's bank borrowings are secured by:

(i) mortgages over the Group's leasehold land and property, plant and equipment with an aggregate carrying value of RMB561,116,000 (31 December 2025: RMB576,308,000);

(ii) the pledged deposit of the Group amounting to RMB56,000,000 (31 December 2025: RMB56,000,000); and

(iii) a portion of equity interests in a subsidiary.

(b) All bank borrowings are denominated in RMB.

(c) The effective interest rates of the bank borrowings as at 30 June 2026 ranged from 2.55% to 4.00% (31 December 2025: 2.45% to 4.00%) per annum.

11. TRADE AND OTHER PAYABLES

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**352,549**	387,724
Payable for acquisition of a subsidiary	**300,000**	300,000
Accrued reimbursement to distributors	**272,549**	279,192
Deposits payable	**216,755**	263,334
Payable for research and development expenses	**83,587**	90,775
Salaries payable	**68,548**	104,007
Notes payable	**63,809**	34,985
Cost of construction and purchase of payables	**58,426**	80,529
Interest payables	**3,524**	3,569
Dividends payable	**291**	307
Amounts due to associates	**110**	1,124
Other payables	**367,933**	388,226
Total	**1,788,081**	1,933,772

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 6 months	**263,683**	309,652
6 months to 1 year	**38,142**	44,795
More than 1 year	**50,724**	33,277
Total	**352,549**	387,724

12. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Dividends proposed by the Company for the period:		
Interim cash dividend for 2026: Nil (2025: Interim cash dividend for 2025 of RMB0.99 cents) per ordinary share	**–**	90,887

Up to the date of the approval of the unaudited interim condensed consolidated financial information, no interim dividend for 2026 has been declared and paid by the Company for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB90,887,000).

FINANCIAL REVIEW

Revenue

Total revenue of the Group for the Period was approximately RMB1,161.2 million (for the six months ended 30 June 2025: RMB1,146.2 million), representing a year-on-year increase of approximately 1.3% (approximately RMB15.0 million).

Among the changes in revenue, the increase was mainly driven by the medical aesthetics and innovative medicine business. During the Period, revenue from the medical aesthetics business amounted to approximately RMB693.3 million (for the six months ended 30 June 2025: RMB585.3 million), representing a year-on-year increase of approximately 18.5% (approximately RMB108.0 million). The medical aesthetics business maintained steady development. The medical aesthetics segment of the Group continued to benefit from the stable growth of its core product, Letybo® (botulinum toxin), as well as the continuous increase in sales volume of regenerative medical aesthetics products (including PLLA and PCL fillers) and functional medical aesthetics products, driving the related business revenue to maintain growth. The medical aesthetics business continued to be an important source of profit of the Group.

Revenue from the innovative medicine and other medicine business amounted to approximately RMB261.4 million (for the six months ended 30 June 2025: RMB58.2 million), representing a year-on-year increase of approximately 349.1% (approximately RMB203.2 million). The commercialization process of the innovative drug business continued to advance. The commercialization and internationalisation of multiple approved products are progressing well, with consolidated revenue achieving significant growth and a slight amount of net profit from the last period's net loss.

Revenue from the generic medicine business amounted to approximately RMB206.5 million (for the six months ended 30 June 2025: RMB502.7 million), representing a year-on-year decrease of approximately 58.9% (approximately RMB296.2 million). The decrease was mainly due to lower centralized procurement prices and keen market competition.

Gross Profit

The Group's gross profit for the Period amounted to approximately RMB681.7 million (for the six months ended 30 June 2025: RMB757.3 million), representing a year-on-year decrease of approximately 10.0% (approximately RMB75.6 million). The Group's overall gross profit margin was 58.7%, representing a year-on-year decrease of 7.4% as compared to 66.1% for the corresponding period last year, primarily due to adjustments to the listed prices of certain products of the generic medicine business, which led to a slight decline in the gross profit margin for the Period.

Other gains – net

The Group's other gains – net for the Period amounted to approximately RMB151.3 million (for the six months ended 30 June 2025: RMB22.2 million), representing a year-on-year increase of 581.5% (approximately RMB129.1 million), mainly because the Group continued to advance business optimisation and asset integration, and recognised a gain on disposal of a subsidiary of approximately RMB154.2 million during the Period.

Distribution expenses

The Group's distribution expenses for the Period amounted to approximately RMB217.2 million (for the six months ended 30 June 2025: RMB231.4 million), representing a year-on-year decrease of 6.1% (approximately RMB14.2 million), mainly due to a decrease in intermediary service fees of the generic medicine business.

Administrative expenses

The Group's administrative expenses for the Period amounted to approximately RMB207.2 million (for the six months ended 30 June 2025: RMB211.9 million), representing a year-on-year decrease of 2.2% (approximately RMB4.7 million), mainly due to listing expenses incurred for listing of Xuanzhu Biopharm in last year while no such expenses were incurred during the Period.

R&D expenses

The Group's overall R&D expenses for the Period amounted to approximately RMB105.6 million (for the six months ended 30 June 2025: RMB152.8 million), representing a year-on-year decrease of 30.9% (approximately RMB47.2 million), mainly because the core indications under the core pipelines of the innovative medicine business have been successively launched for marketing, with remaining sporadic indications at the marketing application stage or in the pre-clinical stage.

Other expenses

The Group's other expenses for the Period amounted to approximately RMB9.7 million (for the six months ended 30 June 2025: RMB19.3 million), representing a year-on-year decrease of 49.7% (approximately RMB9.6 million).

Operating profit

The Group's operating profit for the Period was approximately RMB313.5 million (for the six months ended 30 June 2025: RMB264.4 million), representing a year-on-year increase of 18.6% (approximately RMB49.1 million), mainly attributable to the Group's medical aesthetics business continuing to serve as the core profit contributor, a significant narrowing of losses in the innovative medicine business, and the recognition of a gain of approximately RMB154.2 million on the disposal of a subsidiary during the Period, which successfully mitigated the loss to RMB74.1 million incurred by the generic medicine business due to lower centralized procurement prices. Consequently, the negative impact of losses from other segments was effectively offset, driving a year-on-year increase in the Group's overall operating profit.

Finance expenses

Finance expenses for the Period amounted to approximately RMB69.3 million (for the six months ended 30 June 2025: RMB105.0 million), representing a year-on-year decrease of 34.0% (approximately RMB35.7 million). The total amount included the interest expenses on the redemption liabilities relating to third parties' investments in subsidiaries' shares amounting to approximately RMB52.9 million (for the six months ended 30 June 2025: RMB87.0 million). The decrease in interest expenses on the redemption liabilities was mainly due to the complete release, from the listing date, of the Group's repurchase obligations toward the third party shareholders of Xuanzhu Biopharm following the listing of Xuanzhu Biopharm on the The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") last year, such that the Group is no longer required to recognise or pay the related interest expenses.

Profit before tax

The profit before tax of the Group for the Period amounted to approximately RMB366.0 million (for the six months ended 30 June 2025: RMB156.9 million), representing a year-on-year increase of 133.3% (approximately RMB209.1 million), mainly attributable to the Group's medical aesthetics business continuing to serve as the core profit contributor, a significant narrowing of losses in the innovative medicine business, as well as the recognition of non-recurring gains on asset disposal and investment income. Although the generic medicine business recorded a loss of RMB74.1 million for the Period due to lower centralized procurement prices, a gain on the disposal of a subsidiary of approximately RMB154.2 million was recognized, alongside a share of profit of an associate of RMB110.7 million derived from an investee project. The aforementioned non-recurring gain and share of profit effectively offset losses from other business segments, thereby further enhancing the Group's overall profitability and resource allocation efficiency.

Income tax expense

Income tax expense of the Group for the Period amounted to approximately RMB153.4 million (for the six months ended 30 June 2025: RMB90.7 million), representing a year-on-year increase of 69.1% (approximately RMB62.7 million), mainly due to higher taxable profit as a result of the increase in revenue from the medical aesthetics business.

Profit for the Period

Given the above, profit for the Period of the Group amounted to approximately RMB212.6 million (for the six months ended 30 June 2025: RMB66.2 million).

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the Period amounted to approximately RMB224.7 million (for the six months ended 30 June 2025: RMB102.6 million), representing a year-on-year increase of 119.0% (approximately RMB122.1 million), mainly due to the increase in revenue from the medical aesthetics business.

Loss attributable to non-controlling interests

During the Period, loss attributable to non-controlling interests amounted to approximately RMB12.1 million (for the six months ended 30 June 2025: loss of RMB36.4 million). The lower amount of attributable loss was mainly because non-controlling interests benefited from the increase in revenue from the medical aesthetics business.

Liquidity and financial resources

The Group maintained a sound financial position. As at 30 June 2026, the Group's cash and cash equivalents, wealth management products, pledged deposits and time deposits amounted to approximately RMB4,018.2 million (31 December 2025: RMB4,397.4 million) in aggregate, representing a decrease of 8.6% (approximately RMB379.2 million). Of the aggregated balance, cash and cash equivalents amounted to approximately RMB3,063.2 million (31 December 2025: RMB3,560.5 million), wealth management products recognised in the consolidated statement of financial position amounted to approximately RMB540.1 million (31 December 2025: RMB548.5 million), and pledged deposits and time deposits amounted to approximately RMB414.9 million in aggregate (31 December 2025: RMB288.4 million).

In general, the Group places its surplus cash into interest-bearing bank accounts. The Group may use extra cash for short-term investments for higher returns. Thus, the Group has entered into agreements with certain banking institutions for surplus cash investment. According to the terms of the agreements signed, the total amount of investments conducted by the Group was approximately RMB2,872.0 million. The investments made by the Group were short-term in nature and mainly consisted of wealth management products purchased from certain state-owned banks.

At their discretion, issuing banks for the above-mentioned wealth management products may invest the relevant proceeds in financial instruments such as government bonds, discounted bank acceptance bills and commercial acceptance bills and bank deposits. As the highest applicable percentage ratio in respect of the investments in each bank (after aggregation according to Rules 14.22 and 14.23 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")) separately is less than 5% as at the time of the investments according to Rule 14.07 of the Listing Rules, such investments did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

As at 30 June 2026, bank borrowings of the Group amounted to approximately RMB881.9 million (31 December 2025: RMB886.8 million) and other borrowings of the Group amounted to approximately RMB33.7 million (31 December 2025: RMB25.2 million). Approximately 89.0% of total borrowings were at floating rates and the remaining 11.0% were at fixed rates (31 December 2025: 94.0% floating; 6.0% fixed). The Group's borrowings-to-equity ratio, expressed as a percentage of borrowings over equity attributable to owners of the Company, was 14.9% (31 December 2025: 15.6%). The Group had sufficient cash as at 30 June 2026. The Directors are of the opinion that the Group does not have any significant capital risk.

Inventories

As at 30 June 2026, inventories amounted to approximately RMB559.8 million (31 December 2025: RMB617.7 million), representing a decrease of 9.4% (approximately RMB57.9 million). The inventory turnover period for the Period was 221 days (for the six months ended 30 June 2025: 206 days), mainly due to optimisation of inventory management and the implementation of a stricter make-to-order production model to control inventory levels and avoid overstocking.

Trade and other receivables

The Group's trade receivables and notes receivable include credit sales of its products to be paid by its distributors. Other receivables of the Group mainly consisted of prepayments to suppliers and loans to associates and third parties. As at 30 June 2026, the Group's trade and other receivables were approximately RMB2,372.0 million (31 December 2025: RMB1,940.1 million), representing an increase of 22.3% (approximately RMB431.9 million). Trade receivables and notes receivable were approximately RMB1,298.7 million (31 December 2025: RMB1,156.0 million), representing an increase of 12.3% (approximately RMB142.7 million), mainly due to continued growth in revenue from the medical aesthetics business and the corresponding increase in trade receivables.

Property, plant and equipment

The Group's property, plant and equipment included buildings, production and electronic equipment, vehicles and construction in progress. As at 30 June 2026, the net book value of the property, plant and equipment was approximately RMB1,832.9 million (31 December 2025: RMB1,902.8 million), representing a decrease of 3.7% (approximately RMB69.9 million).

Intangible assets

The Group's intangible assets mainly comprised customer relationships, deferred development costs, product development in progress and trademark and software. The deferred development costs and product development in progress mainly related to the acquisition of several drug R&D projects and self-development of R&D projects. As at 30 June 2026, net intangible assets amounted to approximately RMB997.6 million (31 December 2025: RMB953.8 million), representing an increase of 4.6% (approximately RMB43.8 million), mainly due to the successive capitalisation of R&D expenditure of the medical aesthetics business and the innovative medicine business.

Trade and other payables

The Group's trade and other payables mainly comprised trade payables, notes payable, deposit payables, accrued expenses, payables for cost of construction and equipment procurement, and payables for acquisition of a subsidiary. As at 30 June 2026, trade and other payables amounted to approximately RMB1,788.1 million (31 December 2025: RMB1,933.8 million), representing a decrease of 7.5% (approximately RMB145.7 million).

Contingent liabilities

As at 30 June 2026, the Group had no material contingent liabilities (31 December 2025: Nil).

Off-balance sheet commitments and arrangements

As at 30 June 2026, the Group had neither entered into any off-balance sheet arrangements nor commitments to provide guarantees for any payment obligations of any third party. The Group did not have any variable interests in any unconsolidated entities which receive financing or liquidity funding, or generate market risk or provide credit support, or engage in the provision of leasing or hedging or R&D services to the Group.

Capital commitment

As at 30 June 2026, the Group's total capital commitment was approximately RMB103.2 million. It was mainly set aside for purchase of property, plant and equipment and intangible assets.

Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, notes receivable, wealth management products and other receivables. All the cash equivalents and bank deposits are placed in certain reputable financial institutions in the People's Republic of China (the "**PRC**") and high-quality international financial institutions outside Chinese Mainland. All those irrevocable bank bills, classified as notes receivable, are issued by banks in the PRC with high credit rating. There was no recent history of default of cash equivalents and bank deposits in relation to these financial institutions.

In relation to trade receivables, the Group has no significant concentrations of credit risk and has policies in place to ensure that certain cash advance has been received upon the agreement of the related sales orders with customers. For those with credit periods granted, the credit quality of the counterparties is assessed by taking into account their financial position, credit history and other factors. It also undertakes certain monitoring procedures to ensure that proper follow-up action is taken to recover overdue debts. The Group regularly performs aging analysis, assesses credit risks and estimates the recoverability of receivables based on historical data and cash collection history of groups of trade receivables bearing similar credit risk.

Wealth management products are financial products issued by certain reputable financial institutions. There was no recent history of default and the executive Directors of the Company are of the opinion that the credit risk related to the investments is low.

In relation to other receivables, the credit quality of the debtors is assessed by taking into account their financial position, relationship with the Group, credit history and other factors. Management also regularly reviews the recoverability of these other receivables and follows up on the disputes or amounts overdue, if any. The executive Directors are of the opinion that the default by counterparties is likely to be low.

No other financial assets bear a significant exposure to credit risk.

Foreign exchange risk

The Group's functional currency is RMB and financial instruments are mainly denominated in RMB. The Group has some cash balances mainly denominated in United States dollars and Hong Kong dollars ("**HK$**"). It is expected that any fluctuation of these foreign currencies' exchange rates would not have material effect on the operation of the Group. In addition, dividend payment in foreign currencies converted from RMB is subject to foreign exchange rules and regulations promulgated by the PRC government. The Group would closely monitor such exchange risk from time to time. During the Period, the Group did not purchase any foreign exchange, interest rate derivative products or relevant hedging tools.

Treasury policy

The Group finances its ordinary operations mainly with internally generated resources. The principal objective of the Group's capital management is to maintain its ability to operate on a continuous basis. The Group regularly reviews its capital structure to ensure that the Group has sufficient financial resources to support its business operations.

Capital expenditure

The Group's capital expenditure mainly includes purchase of property, plant and equipment, investment properties and intangible assets. During the Period, the Group's capital expenditure amounted to approximately RMB142.5 million, of which approximately RMB47.0 million and RMB95.5 million were spent on purchase of property, plant and equipment and purchase of or self-development of intangible assets, respectively.

Significant investment, acquisition and disposal

During the Period, the Group did not have any significant investment, acquisition or disposal.

As of 30 June 2026, the Group did not have any significant investment required to be disclosed pursuant to paragraph 32(4A) of Appendix D2 to the Listing Rules.

Future plans for material investments or capital assets

Save as disclosed in this announcement, the Group did not have other plans for material investments and capital assets during the Period and up to the date of this announcement.

Pledge of assets

As at 30 June 2026, the Group had pledged certain assets to secure banking facilities granted to subsidiaries. For details, please refer to note 10 to the interim condensed consolidated financial information.

Human resources and remuneration of employees

Human resources are indispensable assets to the Group's success in a competitive environment. The Group is committed to providing competitive remuneration packages to all the employees and regularly reviewing human resources policies, to encourage employees to work towards enhancing the value of the Company and promoting the sustainable growth of the Company. The Group has also adopted share option scheme and share award scheme to recognise and reward the contribution of the employees for the benefit of the Group's operations and future development. The Group continues to promote the building of talent training and development system, and conducts online and offline training based on the competency standards for positions at different levels to promote the cultivation and development of talents in the Group and ensure continuous supply of various types of talents.

As at 30 June 2026, the Group had 2,712 employees. During the Period, the Group's total salary and related costs amounted to approximately RMB165.5 million (for the six months ended 30 June 2025: RMB219.6 million), including bonus and non-cash share-based payments of approximately RMB31.2 million and RMB3.0 million (for the six months ended 30 June 2025: RMB13.8 million and RMB2.5 million). Salary for employees was determined based on their job nature, personal performance and the market trends. The Group provides basic social insurance and housing accumulation fund for company employees as required by the PRC law.

CORPORATE GOVERNANCE CODE

The Company recognises the importance of corporate transparency and accountability. The Company is committed to achieving a high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures.

The Company has complied with all the applicable code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules throughout the Period.

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**") set out in Appendix C3 to the Listing Rules. Having made specific enquiries, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Period, the Company has, at all times, complied with the minimum requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors (representing at least one-third of the Board) and one of them should have appropriate professional qualifications or accounting or related financial management expertise.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors (Mr. Tsang Wah Kwong, Dr. Zhu Xun and Mr. Wang Guan), and is chaired by Mr. Tsang Wah Kwong who has a professional qualification in accountancy. The chairman of the Audit Committee has the appropriate professional qualification and experience in financial matters. The Audit Committee has reviewed the Group's interim unaudited condensed consolidated financial information for the Period.

REVIEW OF ACCOUNTS

Ernst & Young, the Company's external auditor, has reviewed the Company's interim financial information for the six months ended 30 June 2026 in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

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

During the Period, the Company repurchased 20,000,000 shares through the Stock Exchange at a total consideration, before expenses, of approximately HK$21.62 million and held as treasury shares (the "**Treasury Shares**[1]"). Details of repurchase are as follows:

	Number of shares repurchased	**Repurchasing price for each share**		**Aggregate consideration paid**	
		Highest HK$	*Lowest HK$*	*HK$ million*	*Equivalent to RMB million*
May 2026	20,000,000	1.10	1.05	21.62	18.93
Total:	**20,000,000**			**21.62**	**18.93**

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of Treasury Shares) during the six months ended 30 June 2026. As at 30 June 2026, the Company held 204,011,000 Treasury Shares. The Company intended to use such Treasury Shares for subsequent sale or transfer.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (six months ended 30 June 2025: interim cash dividend of RMB0.99 cents per share).

[1] has the meaning ascribed to it under the Listing Rules

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Save for other disclosures in this announcement, there have been no significant events of the Group from 30 June 2026 to the date of this announcement.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

This announcement is published on the websites of the Company (www.sihuanpharm.com) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the Period will be dispatched to the Shareholders and available on the above websites in due course.

Shareholders are encouraged to elect to receive corporate communications electronically. Shareholders may at any time send written notice to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via email at sihuanpharm-ecom@vistra.com specifying his/her name, address and request to change his/her choice of language or means of receipt of all corporate communications.

By order of the Board
Sihuan Pharmaceutical Holdings Group Ltd.
Dr. Che Fengsheng
Chairman and Executive Director

Hong Kong, 26 August 2026

As at the date of this announcement, the executive Directors are Dr. Che Fengsheng (Chairman), Dr. Guo Weicheng (Deputy Chairman and Chief Executive Officer), Dr. Zhang Jionglong and Ms. Chen Yanling; the non-executive Director is Mr. Che Yuxuan; and the independent non-executive Directors are Mr. Tsang Wah Kwong, Dr. Zhu Xun and Mr. Wang Guan.