SHENZHEN HEPALINK PHARMACEUTICAL GROUP CO., LTD.
(深圳市海普瑞藥業集團股份有限公司)

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

(Stock code: 9989)

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

The board of directors (the "**Board**") of Shenzhen Hepalink Pharmaceutical Group Co., Ltd. (the "**Company**" or "**Hepalink**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**", "**we**", "**our**" or "**us**") for the six months ended June 30, 2026 (the "**Reporting Period**"), together with comparative figures for the same period in 2025.

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2026, the Group recorded the following unaudited results:

	For the six months ended June 30,		
	2026	2025	% Changes
	RMB'000	*RMB'000*	
Revenue	**2,563,258**	2,791,387	-8.2%
Gross profit	**866,482**	809,246	7.1%
Gross profit margin (%)	**33.8%**	29.0%	4.8%
Profit attributable to equity holders of the parent	**275,286**	421,851	-36.6%

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended June 30, 2026

		Six months ended June 30,	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
REVENUE	*4*	**2,563,258**	2,791,387
Cost of sales		**(1,696,776)**	(1,982,141)
Gross profit		**866,482**	809,246
Other income and gains	*5*	**156,820**	233,913
Selling and distribution expenses		**(252,953)**	(193,154)
Administrative expenses		**(286,574)**	(296,706)
Impairment losses on financial assets		**(17,654)**	(1,289)
Impairment losses on property, plant and equipment		**–**	(6,954)
Other expenses		**(155,669)**	(1,539)
Finance costs	*6*	**(26,879)**	(42,212)
Share of losses of associates		**(3,044)**	(17,663)
PROFIT BEFORE TAX	*7*	**280,529**	483,642
Income tax expense	*8*	**(5,631)**	(62,462)
PROFIT FOR THE PERIOD		**274,898**	421,180
Attributable to:			
Owners of the parent		**275,286**	421,851
Non-controlling interests		**(388)**	(671)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		
Basic			
— for profit for the period		**RMB0.19**	RMB0.29
Diluted			
— for profit for the period		**RMB0.19**	RMB0.29

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
PROFIT FOR THE PERIOD	**274,898**	421,180
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations	**(134,383)**	(142,067)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(134,383)**	(142,067)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Change in fair value of equity investments designated at fair value through other comprehensive income	**(25,675)**	94,363
Remeasurement gains on defined benefit pension schemes	**–**	4,417
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	**(25,675)**	98,780
Other comprehensive loss for the period (net of tax)	**(160,058)**	(43,287)
Total comprehensive income for the period (net of tax)	**114,840**	377,893
Attributable to:		
Owners of the parent	**115,325**	378,576
Non-controlling interests	**(485)**	(683)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2026

	Notes	**As at June 30, 2026** ***RMB'000*** **(unaudited)**	As at December 31, 2025 *RMB'000* (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**2,294,557**	2,426,032
Right-of-use assets		**132,952**	153,249
Goodwill		**2,233,254**	2,304,702
Other intangible assets		**207,551**	240,167
Investments in associates		**182,975**	223,669
Equity investments designated at fair value through other comprehensive income		**584,130**	622,509
Financial assets at fair value through profit or loss		**712,424**	920,165
Deferred tax assets		**341,378**	320,441
Other non-current assets		**85,809**	89,402
Time deposits – non-current		**299,593**	180,507
Total non-current assets		**7,074,623**	7,480,843
CURRENT ASSETS			
Inventories		**3,922,627**	4,446,648
Trade and bills receivables	*11*	**1,240,975**	1,367,519
Prepayments, other receivables and other assets		**518,653**	415,661
Financial assets at fair value through profit or loss		**1,912,638**	1,481,105
Derivative financial instruments		**5,104**	2,893
Pledged deposits		**5,986**	7,008
Time deposits		**274,962**	241,583
Cash and cash equivalents		**1,351,826**	1,188,503
Total current assets		**9,232,771**	9,150,920

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)

As at June 30, 2026

	Notes	**As at June 30, 2026** ***RMB'000*** **(unaudited)**	As at December 31, 2025 *RMB'000* (audited)
CURRENT LIABILITIES			
Trade payables	*12*	**262,560**	257,067
Other payables and accruals		**532,650**	636,301
Contract liabilities		**192,120**	227,596
Interest-bearing bank and other borrowings		**2,815,548**	2,605,055
Tax payable		**83,437**	107,317
Amounts due to related parties		**89,810**	89,939
Lease liabilities		**19,566**	30,101
Total current liabilities		**3,995,691**	3,953,376
NET CURRENT ASSETS		**5,237,080**	5,197,544
TOTAL ASSETS LESS CURRENT LIABILITIES		**12,311,703**	12,678,387
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**27,455**	298,057
Deferred income		**39,188**	42,584
Deferred tax liabilities		**220,597**	207,071
Other non-current liabilities		**9,919**	10,191
Lease liabilities		**32,296**	40,318
Total non-current liabilities		**329,455**	598,221
Net assets		**11,982,248**	12,080,166
EQUITY			
Equity attributable to owners of the parent			
Share capital	*13*	**1,467,296**	1,467,296
Reserves		**10,466,548**	10,563,644
Total equity attributable to owners of the parent		**11,933,844**	12,030,940
Non-controlling interests		**48,404**	49,226
Total equity		**11,982,248**	12,080,166

In the first half of 2026, the global economic and trade environment remained complex and volatile, with geopolitical conflicts, trade barriers, and policy uncertainties emerging as the primary constraints. Against this backdrop, global economic growth was stagnant across the board. In its mid-year report released in May, the United Nations noted that, due to energy and shipping crises in the Middle East, the 2026 global GDP growth rate forecast was further revised downward from the 2.7% projected at the beginning of the year to 2.5%, with structural headwinds such as high debt levels and geopolitical conflicts continuing to weigh on the pace of recovery. In April and July 2026, the International Monetary Fund (IMF) successively lowered its global economic growth forecast to 3.0%, which was below the 3.5% average for that of 2024 to 2025, and clearly stated that energy price volatility triggered by the escalation of the Middle East conflict, together with accelerating trade fragmentation, constituted the key downside risks facing the global economy. In its Global Economic Prospects report released in June, the World Bank lowered its 2026 global growth forecast to 2.5%, down from 2.9% in 2025, while growth forecasts for nearly two-thirds (approximately 67%) of the world's economies were revised downward.

During the Reporting Period, geopolitical conflicts and trade fragmentation further intensified. Since February 2026, escalating hostilities in the Middle East have resulted in intermittent blockades of the Strait of Hormuz, causing widespread disruptions to global oil supplies. At one point, the price of Brent crude oil surged to as high as US$118 per barrel, directly affecting global energy and commodity markets and pushing up shipping and production costs. As a result, the trend of global inflation reversed, interrupting the downward trajectory since 2025. Inflation rate in developed economies is expected to rise from 2.6% in 2025 to 2.9% in 2026, while that in developing economies is expected to increase from 4.2% to 5.2%. During the Reporting Period, foreign exchange markets experienced significant volatility driven by factors such as the risk premium stemming from the Middle East conflict and the reversal of U.S. inflation, which shifted the expectation of Federal Reserve's interest rate cuts to interest rate hikes. Most non-U.S. currencies came under pressure and weakened. In particular, the euro continued to decline in the first half of the year, depreciating by approximately 4.5% year-to-date, due to factors including weak economic growth in the Eurozone, a sluggish manufacturing PMI, and a further deterioration in industrial output, together with funding pressures from the persistently high U.S.-EU interest rate spread, as well as the impact of the Middle East conflict on Europe's energy imports. Economic trends diverged significantly across regions. Developed economies such as the U.S. and Europe were disrupted by fluctuations in energy prices, with continuous monetary policy and inflationary pressures. Asian markets demonstrated certain resilience, but faced dual challenges from the weakening external demand and the restructuring of global technology supply chains.

During the Reporting Period, the global business environment faced multiple challenges. Geopolitical conflicts pushed up energy and shipping costs, inflation trend reversed, monetary policies across major economies diverged, and foreign exchange markets experienced significant volatility. In response to these uncertainties, the Group actively adjusted its marketing strategies, by flexibly addressing price fluctuations in various regional markets while ensuring sales volume growth, striving to maintain its competitiveness and position in the market. Although the external environment was complex and volatile in the short-term, the Group's business fundamentals remained sound, and the demand for its core product, enoxaparin sodium formulation, remained solid and stable. In respect of operations, the Group leveraged Europe as a strategic hub while deepening channel development in the Chinese and U.S. markets and actively exploring emerging markets to gradually build a global sales network covering major regions in the world. Leveraging on differentiated market strategies and a comprehensive in-house sales management system, the Group achieved sales volume growth across major regional markets, with sales of enoxaparin sodium formulation maintaining double-digit growth year-on-year during the Reporting Period. In terms of internal management, the Group adheres to financial prudence, achieving continuous improvement in financial management level through debt management and cash flow optimization, to ensure robust cash reserves and ample liquidity even in a complex operating environment. The Group continues to strengthen its forward-looking capital planning and systematic risk management, ensuring a sound financial structure through capital allocation and efficiency optimization, thereby providing strong support for the Group's sustainable development.

During the Reporting Period, the Group achieved total operating revenue of approximately RMB2,563.3 million, representing a year-on-year decrease of approximately 8.2%. Gross profit was approximately RMB866.5 million, representing a year-on-year increase of 7.1%, with a gross profit margin of approximately 33.8%, representing a year-on-year increase of approximately 4.8 percentage points. During the Reporting Period, the Group's net profit was approximately RMB274.9 million, and the net profit attributable to the equity holders of the Company was approximately RMB275.3 million. The year-on-year decrease in net profit was primarily due to rapid fluctuations in international exchange rates, and significant currency depreciation in certain regions. As an enterprise with a global presence, the Group's overseas operations were highly susceptible to exchange rate fluctuations, which placed certain pressure on its overall revenue and profit. During the Reporting Period, the Group recorded foreign exchange losses of more than RMB155.4 million, resulting in a year-on-year decline in net profit attributable to ordinary shareholders of the listed companies of the Group.

Sales

The Group mainly operates three main business segments, including (i) heparin industrial chain business; (ii) CDMO business; and (iii) innovative drugs and innovative business.

Heparin Industrial Chain Business

During the Reporting Period, the Group's heparin industrial chain business achieved sales revenue of approximately RMB2,133.7 million, representing a year-on-year decrease of approximately 4.3%. Sales volume of heparin formulations continued to maintain a double-digit increase, achieving sales revenue of approximately RMB1,786.1 million, which accounted for approximately 69.7% of the Group's total revenue. Gross profit was approximately RMB708.6 million, representing a year-on-year increase of approximately 44.0%, with a gross profit margin of approximately 39.7%. During the Reporting Period, the Group continued to implement the strategy of strengthening the market competitiveness of formulation products and actively expanding market share, and made structural adjustments to product sales prices in different regional markets, achieving favorable results. At the same time, through the strategy to actively optimize product mix and enhance raw material cost control, the Group has achieved a significant improvement in the gross profit margin of enoxaparin sodium formulations. Furthermore, exchange rate fluctuations had an impact on the Group's overseas revenue, which was offset to some extent by an increase in overall sales revenue driven by the stable growth in sales volume of formulations. Overall, the Group's market share and core competitiveness in enoxaparin sodium formulations have been continuously enhanced, and its operational resilience and market influence have also improved, laying a more solid foundation for future business expansion.

During the Reporting Period, the European market was the key sales region for the Group's enoxaparin sodium formulations, which maintained double-digit sales volume growth, and continued to occupy a top-two market share. In terms of sales strategies, the Group continued to deepen penetration in existing markets by strengthening strategic partnerships with core customers, conducting in-depth analyses of national healthcare policies and market trends, and optimizing bidding strategies, which steadily improved product bid success rate; at the same time, we actively expanded coverage in new markets by developing more precise sales strategies for untapped markets, successfully securing tender orders from new markets. In terms of brand building, the Group actively participated in major European pharmaceutical exhibitions and industry summits, comprehensively showcasing the advantages in clinical efficacy and quality management system of its products, thereby continuously enhancing its brand influence. In addition, the Group also focused on improving localized operational capabilities by strengthening its self-operated marketing team building in Europe and iterating market monitoring and rapid response mechanisms, continuously enhancing its ability to adapt to changes in pharmaceutical policies and market dynamics.

During the Reporting Period, benefiting from the implementation of the dual-track operating model of "self-operated +agency-driven" in the U.S. market, the Group achieved double-digit sales growth despite facing multiple challenges. In particular, our self-operated sales team demonstrated exceptional execution capabilities, actively improving the sales network, filling market gaps, and continuously increasing product sales. Currently, we have established in-depth collaborations with several leading healthcare groups, laying a solid business foundation. By flexibly adjusting our operational strategies to effectively respond to market changes, we have maintained stable sales growth in the U.S. market.

In the Chinese market, the Group's enoxaparin sodium injection was successfully selected in the national centralized procurement renewal, further solidifying its sales position in the Chinese market. The Group has implemented differentiated marketing strategies based on regional clinical needs and market characteristics, steadily expanding into markets with growth potential, and continuously strengthening its market position in the enoxaparin sodium formulation sector, so as to further enhance the Group's overall competitiveness.

During the Reporting Period, the Group's sales volume in non-US and non-European overseas markets demonstrated robust performance, achieving a rapid growth of nearly 30%, and continuously expanding its business presence and market influence. In established markets, we have continuously enhanced operational efficiency and solidified our existing sales base by refining management practices and deepening channel engagement. Meanwhile, we have aggressively expanded into new markets and strengthened strategic collaboration with local commercial partners to develop a more efficient and precise marketing system. These efforts have further elevated the Group's competitive position in regional markets, and laid a more solid foundation for the long-term development of our non-US and non-European overseas businesses.

During the Reporting Period, the Group's API business faced great market pressures, generating sales revenue of RMB329.2 million, representing a 25.9% year-on-year decline, with a gross profit margin of 17.3%. The decline in the Group's API business was primarily driven by persistently low export prices for heparin APIs and intensifying industry competition, resulting in insufficient momentum for price increases, which delivered a challenging business environment overall. The Group continues to strategically position its API business as a strategic support for the development of the formulation business, and on this basis, flexibly adjusts its proportion in our operations. Despite the severe market environment, the Group remains committed to product quality as our core priority, continuously optimizing production processes to enhance cost competitiveness. Meanwhile, we are maintaining a rational pricing system to ensure that our API business is well-positioned for rapid growth upon the market recovery.

CDMO Business

During the Reporting Period, the Group's CDMO business generated sales revenue of RMB385.5 million, representing a year-on-year decrease of 26.3%. The decline in revenue was primarily attributable to the successful completion of certain service contracts and the recognition of the revenue therefrom during the Reporting Period, while business collaborations with newly developed customers remain in the stage of preliminary technical alignment and commercial terms negotiation, with the projects involved having not contributed to revenue, resulting in an interim absence of revenue momentum during the Reporting Period. In addition, certain existing customers have not commenced new projects due to adjustments in their product pipelines, which also had a certain impact on the revenue performance during the Reporting Period. The contraction in revenue led to a relatively higher burden of fixed production costs and depreciation and amortization, resulting in an increase in the fixed cost allocated to the product per unit. In addition, due to the intensifying competition in the CDMO industry, certain service projects adopted a more conservative pricing strategy in order to maintain customer relationships and market share, which further compressed gross profit margins, resulting in a year-on-year decline in gross profit margin during the Reporting Period. During the Reporting Period, the pressure on both revenue and gross margin mainly reflected the short-term impact of project cycle alternations and market competition. In response to these challenges, the Group has proactively taken initiatives. In respect of customer development, we continued to deepen the strategic collaborations with existing core customers to solidify business foundation. Meanwhile, we fully cultivated new customer groups by enhancing marketing efforts, actively participating in international exhibitions and industry exchanges, and proactively engaging with potential partners to broaden potential target customer groups. Regarding operations, the Group has introduced an innovative project management mechanism, driving significant improvement in client satisfaction and loyalty through process optimization and efficiency enhancement. We have proactively integrated internal resources to fully leverage the synergies of our two key platforms, Cytovance and SPL, achieving optimized allocation of production capacity and resources. This has not only enhanced overall operational efficiency, but also delivered greater service value for customers, injecting robust and sustainable growth momentum into our CDMO business. We are confident that, as new customers' projects have been progressively finalized, our CDMO business will return to its growth trajectory.

Innovative Drugs and Innovation Business

The continuous expansion of the Group's innovative business ventures reflects its unwavering commitment to its internationalization strategy and determination to promote Chinese pharmaceuticals into mainstream markets in Europe and the U.S.. Currently, the Group has established comprehensive self-operating teams and localized sales channels in five European countries (the United Kingdom, Italy, Spain, Germany, and Poland) as well as the U.S., all of which possess the capabilities to drive sales in key markets. Leveraging its international layout, we are actively identifying and evaluating projects with high market potential that synergize with its existing operations. The Group is proactively cultivating new growth opportunities while continuously exploring strategic collaborations with domestic and international partners to expand its global pharmaceutical market presence. These efforts aim to further enhance the Group's overall competitiveness and brand influence in overseas markets.

H1710

H1710 is a candidate drug independently developed by the Group, and the Group owns the global rights to develop and commercialize H1710. During the year, the Group received the Notice of Approval for Clinical Trial (《藥物臨床試驗批准通知書》) issued by the National Medical Products Administration ("**NMPA**") in February 2025, which approved the clinical trial of H1710 for injection. The Group completed the enrollment of the first subject and administered the first dose in the Phase I clinical trial of the H1710 for injection in July 2025. The Phase I study is currently progressing smoothly, indicating good safety and tolerability.

H1710 is a novel compound that targets heparanase, a heparin-degrading enzyme. It has a suitable chain length and a unique flexible structure, and competitively binds to heparanase with heparan sulfate proteoglycans or heparin, making it a highly efficient and selective heparanase inhibitor. Heparanase is over expressed in various tumors and is associated with tumor growth and metastasis. Studies have shown that targeting heparanase is a new anticancer strategy of cancer treatment. The Group's preclinical research has demonstrated that H1710 exhibits anti-tumor pharmacological activity by inhibiting the activity and expression of heparanase. H1710 has shown significant anti-tumor effects in various tumor animal models.

Oregovomab

Oregovomab, a murine monoclonal antibody, is an anti-CA125 immunotherapy drug candidate being developed by an associate of the Company, OncoQuest Inc. It has completed a Phase II clinical trial as a standard treatment combined with chemotherapy in patients with advanced primary ovarian cancer. The Group has exclusive development and commercial rights for Oregovomab in the Greater China region. An interim analysis of Oregovomab Phase III clinical trial suggested that the study did not meet its intended objectives and a patient follow-up on survival statistics is being conducted as recommended by the Data and Safety Monitoring Board (DSMB). The Group will actively explore options to advance the development of new drugs for Oregovomab. One of the Group's non-wholly-owned subsidiaries, Shenzhen OncoVent Biomedical Technology Co., Ltd., has also entered into a licensing agreement for Oregovomab with Orient EuroPharma Co., Ltd. (a biotechnology company). The Group will continue to explore cooperation opportunities, accelerate the strategic layout of innovative drugs and build up diversified commercialization capabilities.

AR-301 (Salvecin)

AR-301 is a fully human monoclonal IgG1 antibody (mAb) that specifically targets S. aureus alpha-toxin. It is being developed by a subsidiary of the Company, Aridis Pharmaceuticals, Inc. ("**Aridis**"). The Group has exclusive development and commercial rights in the Greater China region. AR-301 was granted Fast Track Designation by the United States Food and Drug Administration (the "**FDA**") and Orphan Drug Designation by the European Medicines Agency ("**EMA**"). The Global Phase III Study of Tosatoxumab (AR-301) in Combination with Antibiotics (SOC) for the Treatment of Staphylococcus aureus Ventilator-associated Pneumonia did not reach the primary study endpoint. However, the study data revealed that Tosatoxumab significantly improves outcomes for patients aged over 65 with ventilator-associated pneumonia, and also demonstrates efficacy against Methicillin-resistant Staphylococcus aureus (MRSA) infections. Based on this finding, Aridis has discussed with and obtained guidance from the FDA and the EMA on the design of a second Phase III study for the treatment of hospitalized patients who are diagnosed with pneumonia caused by Staphylococcus aureus and require mechanical ventilation by combining with standard-of-care antibiotics.

RVX-208 (Apabetalone)

RVX-208 is a selective inhibitor of bromodomain and BET proteins with selectivity for the second bromodomain. It is the first small molecule drug being developed by a subsidiary of the Company, Resverlogix Corp. The Group has exclusive development and commercial rights in the Greater China region. RVX-208 has completed phase III clinical trial (BETonMACE) in combination with standard-of-care antibiotics to reduce the incidence of major adverse cardiovascular events among high-risk cardiovascular disease patients with type II diabetes mellitus, recent acute coronary syndrome, and low levels of high-density lipoprotein (HDL). RVX-208 was granted Breakthrough Therapy Designation by the FDA in February 2020 and the clinical plan for pivotal phase III was approved by the FDA in June 2020. Apabetalone, the first drug in its class to receive the FDA Breakthrough Therapy approval for a major cardiovascular indication, will further advance its drug development progress, including planned clinical trials and the implementation of an accelerated development strategy.

Outlook

During the Reporting Period, the global economic landscape was complex and volatile, geopolitical conflicts continued to drive up energy and shipping costs, and growth in major economies was slower generally, leading to a downward revision forecast of global GDP growth to approximately 2.5%. Meanwhile, with the intensifying competition in the pharmaceutical industry, the pricing in the heparin supply chain remained at cyclical lows, which imposed pressure on the industry as a whole. In the face of these multiple challenges, the Group has maintained a prudent approach while steadfastly pursuing our commitment to high-quality product development. By optimizing our business structure and enhancing operational efficiency, we will implement stable management strategies to navigate market volatility, continuously strengthen our core competitiveness, and lay a solid foundation for future growth.

The Group's formulation business will continue to focus on Europe as its core market and, leveraging on our existing competitive advantages, we will integrate resources from our global sales network, in-house sales teams and partners, to steadily enhance our market penetration and brand influence. Meanwhile, we will actively deepen business penetration and broaden market coverage across the U.S., China and other non-European and non-American overseas markets by establishing deep collaborations with leading local pharmaceutical companies to accelerate commercial execution. By taking full advantages of the benchmark position in European markets, the Group will promote synergistic global market development to further strengthen our worldwide position in the heparin formulations sector.

For our API business, the Group will maintain a prudent and steady operating strategy. Current API market supply remains ample, with product prices at cyclical lows, and customers maintain cautious procurement approaches. Given this market environment, the Group will consistently and closely monitor signals of end-user demand recovery and raw material inventory changes, while adjusting strategies, if appropriate, to enhance operational resilience. Meanwhile, we are actively expanding our new customer base and building diversified sales channels, as well as continuously strengthening the overall competitiveness of our API business, so as to be well positioned to capitalize on industry recovery opportunities.

The Group's dual platforms, Cytovance and SPL, will continue to serve as the core support for the development of the CDMO business. The Group will optimize capacity allocation and coordinate project timelines to fulfill customer demands more effectively and drive continuous scale expansion of the CDMO business. In addition, we will further enhance market development and customer relationship management, boosting market penetration in CDMO business and accurately identifying potential needs of both existing and new customers. For operational management, the Group will continue to improve production and managerial efficiency, optimize project management workflows, and elevate overall operation efficiency, laying solid foundation for sustainable development of the CDMO business. In addition, we will increase technological R&D investment, and continuously enhance CDMO technical capabilities and service standards, to provide customers with high value-added solutions, further strengthening the Group's competitive edges in the CDMO sector.

Confronting an increasingly competitive market environment, the Group will comprehensively advance management upgrades by continuously optimizing organizational structure and building a flattened, high-efficiency management system to fully enhance overall operational effectiveness. We will further refine process management and establish rapid decision-making channels, ensuring business units are able to promptly respond to market dynamics. In addition, the Group is implementing a refined management model, and making data-driven allocation of human, financial and production resources to maximize resource utilization efficiency. Against a backdrop of many uncertainties in the current operating environment, the Group will manage resource allocation by adopting a prudent approach, remain committed to expanding revenue streams while reducing costs, and strengthen cost discipline, to ensure a robust financial structure and maintain ample buffers against potential risks. Building on this, the Group will take initiatives to explore emerging business opportunities and capture incremental market growth, as well as accelerate our expansion into new sectors and businesses with growth potential. Furthermore, we will continue to enhance the motivity and entrepreneurial spirit of our frontline business units, encouraging innovative thinking, aiming to seize first-mover advantages by attempting to adopt new models and pathways amidst changes. Driven by the dual engines of enhanced management efficiency and expanded business presence, the Group is confident in further strengthening our competitive edges, improving profitability, and injecting stronger momentum into our future development.

Financial Review

Revenue

	For the six months ended June 30,				
	2026 sales amount *RMB'000* (unaudited)	**2026 % of revenue**	2025 sales amount *RMB'000* (unaudited)	2025 % of revenue	**Year-on-year increase/ decrease (%)**
Sale of goods	**2,133,691**	**83.3%**	2,229,683	79.9%	-4.3%
Finished dose pharmaceutical products	**1,786,077**	**69.7%**	1,767,907	63.3%	1.0%
API	**329,172**	**12.8%**	444,504	15.9%	-25.9%
Others[(1)]	**18,442**	**0.8%**	17,272	0.7%	6.8%
CDMO services	**385,524**	**15.0%**	523,229	18.7%	-26.3%
Others[(2)]	**44,043**	**1.7%**	38,475	1.4%	14.5%
Total	**2,563,258**	**100%**	2,791,387	100%	-8.2%

Notes:

(1) Other products mainly include Pancreatin API.

(2) Other businesses mainly include manufacture and marketing services, processing services, technical support services and other services.

Revenue from manufacturing and sales of goods decreased by RMB96.0 million to RMB2,133.7 million, accounting for 83.3% of the total revenue during the Reporting Period, as compared with RMB2,229.7 million, accounting for 79.9% of the Group's revenue in the corresponding period in 2025. During the Reporting Period, the Company's product sales declined 4.3%, mainly attributed to the sales volume and unit price decline of the API resulting in a decline in revenue.

Cost of sales

For the six months ended June 30, 2026, cost of sales decreased by RMB285.3 million to RMB1,696.8 million (the same period of last year: RMB1,982.1 million).

Gross profit

	For the six months ended June 30,			
	2026 gross profit *RMB'000* (unaudited)	**2026 gross profit margin (%)**	2025 gross profit *RMB'000* (unaudited)	2025 gross profit margin (%)
Sale of goods	**770,906**	**36.1%**	592,673	26.6%
Finished dose pharmaceutical products	**708,557**	**39.7%**	492,136	27.8%
API	**57,100**	**17.3%**	102,388	23.0%
Others[(1)]	**5,249**	**28.5%**	-1,851	-10.7%
CDMO services	**61,778**	**16.0%**	190,773	36.5%
Others[(2)]	**33,798**	**76.7%**	25,800	67.1%
Total	**866,482**	**33.8%**	809,246	29.0%

Notes:

(1) Other products mainly include Pancreatin API.

(2) Other businesses mainly include manufacture and marketing services, processing services, technical support services and other services.

For the six months ended June 30, 2026, gross profit increased by RMB57.3 million to RMB866.5 million (the same period of last year: RMB809.2 million). During the Reporting Period, gross profit margin was 33.8% (the same period of last year: 29.0%), increased by 4.8 percentage points year-on-year. Specifically, the gross profit margin for the finished dose pharmaceutical products business increased by 11.9 percentage points year-on-year, primarily due to lower inventory costs, while the CDMO services saw a year-on-year drop of 20.5 percentage points in gross profit margin, mainly driven by sluggish market conditions and a sharp decline in revenue.

Finance Costs

The Group's finance costs consist of interest on bank borrowings and corporate bonds and finance costs. For the six months ended June 30, 2026, finance costs decreased by RMB15.3 million to RMB26.9 million (the same period of last year: RMB42.2 million), representing a decrease of 36.2%. The decrease in finance costs was mainly due to a decrease in interest bearing debt and a decrease in borrowing interest rates.

Taxation

For the six months ended June 30, 2026, income tax expense was RMB5.6 million (the same period of last year: RMB62.5 million).

Profit Attributable to Equity Holders of the Company

For the six months ended June 30, 2026, profit attributable to equity holders of the Company was RMB275.3 million (the same period of last year: RMB421.9 million), representing a decrease of approximately 34.8%.

Earnings per Share

The basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, by the weighted average number of ordinary shares of the Company in issue for the six months ended June 30, 2026. The diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company, by the weighted average number of ordinary shares of the Company in issue for the six months ended June 30, 2026 (with adjustments made for all potential dilution effect of the ordinary shares).

For the six months ended June 30, 2026, both basic earnings per share and diluted earnings per share were RMB0.19 (the same period of last year: RMB0.29), representing a decrease of approximately 34.5%.

Liquidity and Financial Resources

Treasury Policies

The primary objective of the Group's capital management is to maintain its ability to continue as a going concern so that the Group can constantly provide returns for shareholders of the Company and benefits for other stakeholders by implementing proper product pricing and securing access to financing at reasonable costs. The Group actively and regularly reviews and manages its capital structure and makes adjustments by taking into account the changes in economic conditions, its future capital requirements, prevailing and expected profitability and operating cash flows, expected capital expenditures and expected strategic investment opportunities. The Group closely monitors its debt-to-asset ratio, which is defined as total borrowings divided by total assets.

Foreign Currency Risk

For the six months ended June 30, 2026, the Group's primary source of revenue is from sales in overseas markets, and major currencies of settlement are Euro and U.S. dollar. There are many overseas companies within the scope of consolidation, involving Euro, U.S. dollar, Hong Kong dollar, etc., and drastic fluctuation of the international exchange rate may have a significant impact on the Company's foreign exchange gains and losses. The Group's foreign exchange gains and losses include unrealized foreign exchange gains and losses related to its internal foreign currency borrowings due to the fact that the reporting currency is different in domestic and overseas companies, and the foreign currency statement translation differences are not accounted through foreign exchange gains and losses. Therefore, there were unrealized foreign exchange gains and losses in the domestic and overseas companies themselves that cannot be offset in the statement of profit or loss. Such after tax unrealized foreign exchange losses during the Reporting Period were RMB128.8 million. The Company will use financial market tools in a more flexible way, including export bill purchase, foreign exchange derivatives and other tools to reduce the risk of foreign exchange losses caused by exchange rate fluctuations, and will actively promote the approval procedures for the conversion of internal borrowings to lower the effect of unrealized foreign exchange gains and losses caused by internal transactions on the results.

Liquidity and Financial Resources

The Group's liquidity remains strong. During the Reporting Period, the Group's primary source of funds was from its ordinary business operations. As at June 30, 2026, the Group's cash and bank balances were approximately RMB1,351.8 million (December 31, 2025: approximately RMB1,188.5 million).

Capital Structure

As at June 30, 2026, the Group recorded short-term loans of approximately RMB2,815.5 million (December 31, 2025: approximately RMB2,605.1 million) and long-term loans of approximately RMB27.5 million (December 31, 2025: approximately RMB298.1 million).

Pledge of Assets

As at June 30, 2026, the Group's assets of approximately RMB785.6 million were pledged to banks and other financial institutions to secure the credit facilities granted to the Group (December 31, 2025: approximately RMB811.7 million).

Contingent Liabilities

As at June 30, 2026, neither the Group nor the Company had material contingent liabilities (December 31, 2025: nil).

Asset-liability Ratio

As at June 30, 2026, the Group's total assets amounted to approximately RMB16,307.4 million (December 31, 2025: approximately RMB16,631.8 million), whereas the total liabilities amounted to approximately RMB4,325.1 million (December 31, 2025: approximately RMB4,551.6 million). The asset-liability ratio (i.e., total liabilities divided by total assets) was approximately 26.5% (December 31, 2025: approximately 27.4%).

Interest Rate Risk

The Group's exposure to the risk of changes in interest rates relates to the interest-bearing bank borrowings with floating interest rates. The Group's policy is to manage our interest cost using a mix of fixed and variable rate debts. As at June 30, 2026, the Group had approximately 73.9% interest-bearing borrowings bore interest at fixed rates (December 31, 2025: approximately 63.7%).

Indebtedness

	As at June 30, 2026 ***RMB'000*** **(unaudited)**	As at December 31, 2025 *RMB'000* (audited)
Interest-bearing bank and other borrowings	**2,843,003**	2,903,112
Lease liabilities	**51,862**	70,419
Total financial indebtedness	**2,894,865**	2,973,531
Pledged bank deposits	**(5,986)**	(7,008)
Net financial indebtedness	**2,888,879**	2,966,523

The maturity profile of the Group's interest-bearing bank and other borrowings is set out as follows:

	As at June 30, 2026 ***RMB'000*** **(unaudited)**	As at December 31, 2025 *RMB'000* (audited)
Repayable:		
Within one year or on demand	**2,815,548**	2,605,055
After one year but within two years	**250**	100,710
After five years	**27,205**	197,347
Total	**2,843,003**	2,903,112

The Group's bank borrowings as at June 30, 2026 were approximately RMB1,124.5 million (December 31, 2025: RMB1,638.1 million). As at June 30, 2026, the Group's total amount of other borrowings was approximately RMB1,718.5 million (December 31, 2025: RMB1,265.0 million).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended June 30, 2026

1. Corporate Information

The Company is a joint stock company with limited liability established in the People's Republic of China (hereafter, the "**PRC**") on April 21, 1998. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and was listed on the Shenzhen Stock Exchange (stock code: 002399.SZ) on May 6, 2010. The Company completed its public offering in Hong Kong and its H shares were listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") (stock code: 9989) on July 8, 2020. The registered address of the office of the Company in the PRC is No. 21 Langshan Road, Nanshan District, Shenzhen. The Company's principal place of business in Hong Kong is at Room 4724, 47/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong. The Company is ultimately controlled by Mr. Li Li and Ms. Li Tan who are acting in concert.

The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in biopharmaceutical production, biopharmaceutical services, biopharmaceutical trading and biopharmaceutical research and development in Asia, Europe, North America and Australia, and investment business in Asia, Europe and North America.

This interim condensed consolidated financial information was approved for issuance by the Audit Committee and the Board on August 28, 2026.

2.1 Basis of Preparation

The interim condensed consolidated financial information for the six months ended June 30, 2026 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 Interim Financial Reporting and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2025, which has been prepared in accordance with International Financial Reporting Standards ("**IFRSs**").

The interim condensed consolidated financial information has been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income, derivative financial instruments and financial assets at fair value through profit or loss which have been measured at fair value. The Group's interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies and methods of computation used in the interim condensed consolidated financial information for the six months ended June 30, 2026 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2025.

The financial information relating to the six months ended June 30, 2025 that is included in the interim condensed consolidated financial information as comparative information does not constitute the Group's statutory annual consolidated financial statements for that year but is derived from those financial statements.

2.2 Changes in Accounting Policies and Disclosures

The accounting policies adopted in preparing the interim condensed consolidated financial information are consistent with those adopted in preparing the Group's annual consolidated financial statements for the year ended December 31, 2025, except for the following revised International Financial Reporting Standards Accounting Standard, which are being adopted for the first time in relation to the financial information for the current period.

Amendments to IFRS 9 and 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and 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 revised IFRS Accounting Standard 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. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending December 31, 2026.

(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.

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.

3. Operating Segment Information

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

(a) the finished dose pharmaceutical products segment, which includes enoxaparin sodium injection;

(b) the API segment, which includes heparin sodium active pharmaceutical ingredients, and enoxaparin sodium active pharmaceutical ingredients;

(c) the CDMO segment, which includes R&D, manufacturing, quality management, program management and commercial manufacture under customers' specific order; and

(d) the "others" segment.

Segment revenue and results

For the six months ended June 30, 2026 (unaudited)

Segment	Finished dose pharmaceutical products *RMB'000*	API *RMB'000*	CDMO *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue:					
Sales to external customers	**1,786,077**	**329,172**	**385,524**	**62,485**	**2,563,258**
Intersegment sales	**1,970,449**	**980,258**	**22**	**57,172**	**3,007,901**
	3,756,526	**1,309,430**	**385,546**	**119,657**	**5,571,159**
Reconciliation:					
Elimination of intersegment sales					**(3,007,901)**
Revenue from contracts with customers					**2,563,258**
Segment results:	**647,320**	**110,006**	**64,991**	**86,063**	**908,380**
Reconciliation:					
Elimination of intersegment results					**(41,898)**
Other income and gains					**156,820**
Selling and distribution expenses					**(252,953)**
Administrative expenses					**(286,574)**
Impairment losses on financial and contract assets					**(17,654)**
Other expenses					**(155,669)**
Finance costs					**(26,879)**
Share of losses of associates					**(3,044)**
Group's profit before tax					**280,529**

For the six months ended June 30, 2025 (unaudited)

Segment	Finished dose pharmaceutical products *RMB'000*	API *RMB'000*	CDMO *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue:					
Sales to external customers	1,767,907	444,504	523,229	55,747	2,791,387
Intersegment sales	1,909,719	1,155,634	48	41,283	3,106,684
	3,677,626	1,600,138	523,277	97,030	5,898,071
Reconciliation:					
Elimination of intersegment sales					(3,106,684)
Revenue from contracts with customers					2,791,387
Segment results:	443,041	136,316	190,773	53,610	823,740
Reconciliation:					
Elimination of intersegment results					(14,494)
Other income and gains					233,913
Selling and distribution expenses					(193,154)
Administrative expenses					(296,706)
Reversal of impairment losses on financial assets					(1,289)
Impairment losses on property, plant and equipment and other intangible assets					(6,954)
Other expenses					(1,539)
Finance costs					(42,212)
Share of losses of associates					(17,663)
Group's profit before tax					483,642

Geographical information

(a) Revenue from external customers

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Hong Kong	**7,829**	3,656
United States of America	**553,707**	522,133
Europe	**1,307,538**	1,548,299
Mainland China	**185,948**	217,898
Other countries/regions	**508,236**	499,401
	2,563,258	2,791,387

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	As at	As at
	June 30,	December 31,
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Mainland China	**2,235,412**	2,230,412
United States of America	**3,118,039**	3,111,445
Europe	**79,234**	92,606
Hong Kong	**4,006**	2,758
Total	**5,436,691**	5,437,221

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

During the period ended June 30, 2026, revenue of approximately RMB390,274,000 derived from a single external customer accounted for more than 10% of the total revenue.

During the period ended June 30, 2025, revenue of approximately RMB322,465,000 derived from a single external customer accounted for more than 10% of the total revenue.

4. Revenue

Revenue from contracts with customers

(i) Disaggregated revenue information

For the six months ended June 30, 2026 (unaudited)

Segment	Finished dose pharmaceutical products *RMB'000*	API *RMB'000*	CDMO *RMB'000*	Others *RMB'000*	Total *RMB'000*
Type of goods or services					
Sale of products	**1,786,077**	**329,172**	**–**	**18,442**	**2,133,691**
CDMO services	**–**	**–**	**385,524**	**–**	**385,524**
Others	**–**	**–**	**–**	**44,043**	**44,043**
Total revenue from contracts with customers	**1,786,077**	**329,172**	**385,524**	**62,485**	**2,563,258**
Timing of revenue recognition					
Products transferred at a point in time	**1,786,077**	**329,172**	**–**	**18,442**	**2,133,691**
Services transferred at a point in time	**–**	**–**	**296,905**	**15,534**	**312,439**
Services transferred over time	**–**	**–**	**88,619**	**28,509**	**117,128**
Total revenue from contracts with customers	**1,786,077**	**329,172**	**385,524**	**62,485**	**2,563,258**

For the six months ended June 30, 2025 (unaudited)

Segment	Finished dose pharmaceutical products *RMB'000*	API *RMB'000*	CDMO *RMB'000*	Others *RMB'000*	Total *RMB'000*
Type of goods or services					
Sale of products	1,767,907	444,504	–	17,272	2,229,683
CDMO services	–	–	523,229	–	523,229
Others	–	–	–	38,475	38,475
Total revenue from contracts with customers	1,767,907	444,504	523,229	55,747	2,791,387
Timing of revenue recognition					
Products transferred at a point in time	1,767,907	444,504	–	17,272	2,229,683
Services transferred at a point in time	–	–	284,878	13,470	298,348
Services transferred over time	–	–	238,351	25,005	263,356
Total revenue from contracts with customers	1,767,907	444,504	523,229	55,747	2,791,387

The following table shows the amounts of revenue recognised during the each of the periods ended June 30, 2026 and 2025 that were included in the contract liabilities at the beginning of each reporting period and recognised from performance obligations satisfied in previous periods:

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue recognised that was included in the contract liabilities balance at the beginning of period:		
Sale of products	**11,637**	53,003
CDMO services	**180,483**	246,108
	192,120	299,111

(ii) Performance obligations

Sale of products

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 180 days from delivery, except for PRC customers of the finished dose pharmaceutical products, where payment in advance is normally required.

CDMO services

For services under the Fee-for-service ("**FFS**") model, revenue is recognised over time and the performance obligation is part of a contract that has an original expected duration of one year or less. Therefore, under practical expedients allowed by IFRS 15, the Group does not disclose the value of unsatisfied performance obligations under the FFS model.

For certain CDMO services, the directors of the Company have determined that performance obligations are satisfied upon acceptance of the deliverable products under customers' specific orders, and therefore, the performance obligation is recognised as revenue at a point in time.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at June 30, 2026 and December 31, 2025 are as follows:

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within one year	**386,754**	264,009

All the performance obligations are expected to be recognised within one year. The amounts disclosed above do not include variable consideration which is constrained.

5. Other Income and Gains

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Other income		
Bank interest income	**17,943**	19,396
Interest income from debt investment	**–**	1,886
Government grants related to		
– Assets*	**2,037**	1,572
– Income**	**2,105**	2,638
Dividend income from financial assets at fair value through profit or loss	**16,942**	17,508
Total other income	**39,027**	43,000
Other gains		
Foreign exchange gains, net	**–**	214,543
(Losses)/gains on disposal of financial assets at fair value through profit or loss	**(1,174)**	2,412
Fair value gains/(losses), net:		
Fair value gains/(losses) on financial assets at fair value through profit or loss	**104,107**	(28,535)
Fair value gains/(losses) on derivative instruments	**11,407**	(2,865)
(Losses)/gains on disposal of items of property, plant and equipment	**(27)**	1,289
Others	**3,480**	4,069
Total other gains	**117,793**	190,913
Total other income and gains	**156,820**	233,913

* The Group has received certain government grants related to assets to invest in laboratory equipment and plant. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets.

** The government grants and subsidies related to income have been received to compensate for the Group's research and development costs. Certain of the grants related to income have future related costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions. These grants related to income are recognised in the statement of profit or loss on a systematic basis over the periods that the costs, which they are intended to compensate, are expensed. Other government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

6. Finance Costs

An analysis of finance costs is as follows:

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expenses on:		
Bank borrowings	**24,005**	39,431
Lease liabilities	**1,676**	545
Other finance cost	**1,198**	2,236
	26,879	42,212

7. Profit before Tax

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of inventories sold	**1,373,030**	1,649,750
Cost of services provided	**323,746**	332,391
Depreciation of property, plant and equipment	**143,332**	137,228
Depreciation of right-of-use assets	**21,277**	19,219
Amortisation of other intangible assets	**27,056**	30,210
Research and development costs*	**82,330**	102,717
Impairment losses on property, plant and equipment	**–**	6,954
Auditor's remuneration	**2,961**	2,660
Employee benefit expense (including directors' and supervisors' remuneration):		
Salaries and other benefits	**375,387**	312,752
Pension scheme contributions, social welfare and other welfare**	**54,156**	30,684
	429,543	343,436
Rental expenses not included in the measurement of lease liabilities	**1,716**	2,149
Finance costs	**26,879**	42,212
Foreign exchange losses/(gains), net	**155,360**	(214,543)
Write-down of inventories to net realisable value	**5,396**	48,531
Impairment losses/(reversed) on financial and contract assets:		
Impairment losses on trade receivables:	**18,950**	6,138
Impairment reversed on other receivables	**(1,296)**	(4,849)
	17,654	1,289

* Research and development costs are included in "Administrative expenses" in the consolidated statements of profit or loss.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. Income Tax Expense

The major components of the income tax expense for the period are as follows:

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax expense		
PRC	**3,447**	63,049
United States of America	**7,610**	29,815
Elsewhere	**28,345**	1,656
(Over)/under provision in prior years	**(29,945)**	7,270
	9,457	101,790
Deferred tax credit		
PRC	**17,830**	(35,365)
United States of America	**17**	(1,442)
Elsewhere	**(21,673)**	(2,521)
	(3,826)	(39,328)
Total tax expense for the period	**5,631**	62,462

9. Dividends

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Dividends declared by the Company	**212,758**	366,824

On May 22, 2026, the shareholders of the Company approved the 2025 profit distribution plan at the annual general meeting, according to which a dividend of RMB1.45 (tax inclusive) has been distributed for every 10 shares of the Company, with a total payment amount of RMB 212,757,949.58 (tax inclusive).

10. Earnings per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic and diluted earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during each of the periods ended June 30, 2026 and 2025 as adjusted to reflect the subsequent changes in capital at nil consideration.

The calculation of basic and diluted earnings per share is based on:

	For the six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent	**275,286**	421,851

	For the six months ended June 30,	
	2026	2025
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares in issue during the period, used in the basic and diluted earnings per share calculation	**1,467,296,204**	1,467,296,204

11. Trade and Bills Receivables

	As at	As at
	June 30,	December 31,
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables	**1,289,629**	1,407,874
Bill receivables	**2,259**	91
Allowance for expected credit losses	**(50,913)**	(40,446)
	1,240,975	1,367,519

The Group's trading terms with its customers are mainly on credit. The credit period is generally from one month to three months. The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at June 30, 2026 and December 31, 2025, based on the billing date and net of allowance for expected credit losses, is as follows:

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within one year	**1,220,362**	1,347,935
One to two years	**48,893**	40,702
Two to three years	**11,262**	7,421
Over three years	**11,371**	11,907
	1,291,888	1,407,965
Less: Allowance for expected credit losses	**50,913**	40,446
	1,240,975	1,367,519

The movements in the allowance for expected credit losses of trade receivables are as follows:

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
At beginning of the year/period	**40,446**	25,927
Impairment losses	**21,750**	17,976
Write-off	**(10,596)**	(5,630)
Exchange realignment	**(687)**	2,173
	50,913	40,446

12. Trade payables

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade payables	**262,560**	257,067

An ageing analysis of the trade payables as at June 30, 2026 and December 31, 2025, based on the invoice date, is as follows:

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within one year	**250,073**	242,739
One year to two years	**6,290**	8,131
Two years to three years	**5,869**	5,869
Over three years	**328**	328
	262,560	257,067

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

13. Share Capital

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Registered, issued and fully paid 1,467,296,204 ordinary shares	**1,467,296**	1,467,296

Use of Proceeds from the H Share Listing of the Company

The H shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on July 8, 2020, and the Company obtained net proceeds from such H shares offering ("**Net Proceeds**") of approximately RMB3,538.4 million. According to the plan on use of Net Proceeds as set out in the prospectus dated June 24, 2020 of the Company, approximately 30% of the Net Proceeds (or approximately RMB1,061.5 million) is intended to be used for improving capital structure and repaying the existing debt; approximately 30% of the Net Proceeds (or approximately RMB1,061.5 million) is intended to be used for expansion of the sales and marketing network and infrastructure in the European Union and other global markets, such as the PRC; approximately 20% of the Net Proceeds (or approximately RMB707.7 million) is intended to be used for expanding our development and manufacturing capacity and broadening the Group's product and services offering of Cytovance; and approximately 20% of the Net Proceeds (or approximately RMB707.7 million) is intended to be used for investment in innovative drugs.

On November 20, 2023 and March 30, 2026, the Group announced changes in use of the remaining Net Proceeds, which would be utilized in accordance with, among others, the business needs of the Group and the market conditions. For further details of the proposed changes, please refer to the Company's announcement dated November 20, 2023 and March 30, 2026 respectively. The changes in use of the remaining Net Proceeds were approved by the Shareholders at the extraordinary general meeting of the Company held on December 15, 2023 and the 2025 annual general meeting of the Company held on May 22, 2026, respectively.

As at June 30, 2026, the unutilized Net Proceeds amounted to approximately RMB26.6 million. Details are set out in the following table:

Business objectives	Unutilized Net Proceeds as at December 31, 2025 *(RMB million)*	Revised allocation of unutilized Net Proceeds *(RMB million)*	Utilized Net Proceeds during the six months ended June 30, 2026 *(RMB million)*	Cumulative utilization of Net Proceeds as of June 30, 2026 *(RMB million)*	Unutilized Net Proceeds as at June 30, 2026 *(RMB million)*
(1) Improving capital structure and repaying the existing debt	–	–	–	1,034.4	–
(2) Expansion of the sales and marketing network and infrastructure in the European Union and other global markets, such as the PRC; in expanding production scale and organization, increasing procurement and reserves of production resources	–	–	–	1,013.8	–
(3) Expanding our development and manufacturing capacity and broadening our product and services offering of Cytovance	–	–	–	311.6	–
(4) Investment in innovative drugs	52.8	–	–	117.5	–
(5) General working capital of the Company or, subject to permission under the PRC laws and regulations, the balance to be placed with PRC financial institutions as short-term deposits	–	52.8	26.2	1,034.5	26.6
Total:	52.8	52.8	26.2	3,511.8	26.6

As at June 30, 2026, an accumulative amount of RMB1,034.4 million had been used by the Company to improve capital structure and repay the existing debt; an accumulative amount of RMB1,013.8 million had been used to expand our sales and marketing network and infrastructure in the European Union and other global markets such as the PRC, and in expanding production scale and organization, increasing procurement and reserves of production resources; an accumulative amount of RMB311.6 million had been used to enhance our development and production capabilities and to expand our product and service offerings of Cytovance; an accumulative amount of RMB117.5 million had been used for investments in innovative drugs; an accumulative amount of RMB1,034.5 million had been used for general working capital of the Company; and the remaining unutilized Net Proceeds of RMB26.6 million were deposited with licensed financial institutions as deposits. The Group expects to fully utilize the remaining Net Proceeds on or before December 31, 2026.

The expected timeline for utilization of the unutilized Net Proceeds above is based on the Group's best estimation and is subject to change based on the future development of market conditions.

Significant Investments

As at June 30, 2026, the Group did not hold significant investments with a value of 5% or more of the Company's total assets. As at June 30, 2026, the Group does not have any plan for significant investments or purchase of capital assets.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2026. The Company did not have any treasury shares (as defined under the Listing Rules) as at June 30, 2026.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Events after the Reporting Period

The Company has no events after the Reporting Period that need to be brought to the attention of the shareholders of the Company.

Employee and Remuneration Policy

As at June 30, 2026, the Group had 2,102 employees, where their salaries, bonus and allowances were determined based on their performance, experience and the then prevailing market rates. Other employee benefits include the Mandatory Provident Fund, insurance and medical care, subsidized training, and employee share incentive schemes. During the Reporting Period, the total staff costs (including director's emoluments) were approximately RMB429.6 million (the same period of last year: approximately RMB343.4 million).

Compliance with Corporate Governance Code

The Company is committed to ensuring high standards of corporate governance and has adopted the code provisions set out in the Corporate Governance Code in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Corporate Governance Code**"). During the Reporting Period, the Company had complied with all the applicable code provisions in the Corporate Governance Code.

The Board currently comprises four executive Directors and three independent non-executive Directors, with the independent non-executive Directors representing no less than one-third of the Board. Having such a percentage of independent non-executive Directors on the Board can ensure their views carry significant weight and reflect the independence of the Board.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has devised its own code of conduct for the trading of securities by its Directors and members of senior management of the Group (who are likely to possess inside information about the securities of the Company due to their offices or employments in the Company or its subsidiaries) on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Model Code**"). Having made specific enquiry by the Company, all Directors and members of senior management of the Group have confirmed that they had complied with the required standard set out in the Model Code during the Reporting Period. The Company will continue to ensure the compliance with the corresponding provisions set out in the Model Code.

Review of Interim Results by the Audit Committee

The audit committee of the Company (the "**Audit Committee**") has reviewed the unaudited consolidated interim results of the Group for the six months ended June 30, 2026.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group, and has discussed with management on issues in relation to internal control, risk management and financial reporting. The Audit Committee is of the opinion that the unaudited consolidated interim results of the Group for the six months ended June 30, 2026 are in compliance with the relevant accounting standards, laws and regulations and have been officially disclosed in due course.

Interim Dividends

The Board has resolved not to declare interim dividends for the six months ended June 30, 2026 (the same period of last year: nil).

Publication of 2026 Interim Results Announcement and Interim Report

This announcement will be published on the websites of the Company (http://www.hepalink.com) and the Hong Kong Stock Exchange (http://www.hkexnews.hk). The 2026 interim report of the Company will be made available to the shareholders of the Company in due course and will be published on the websites of the Company and the Hong Kong Stock Exchange.

Appreciation

On behalf of the Board, I would like to express my gratitude to all shareholders for their trust, support and understanding, as well as to all the staff of the Group for their unremitting efforts.

By order of the Board
Shenzhen Hepalink Pharmaceutical Group Co., Ltd.
Li Li
Chairman

Shenzhen, the PRC
August 28, 2026

As at the date of this announcement, the executive directors of the Company are Mr. Li Li, Ms. Li Tan, Mr. Shan Yu and Mr. Wang Jianyi; and the independent non-executive directors of the Company are Mr. Huang Peng, Mr. Yi Ming and Mr. Pu Hong.

This announcement contains forward-looking statements relating to the business outlook, estimates of financial performance, forecast business plans and growth strategies of the Group. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this announcement. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond control of the Group. These forward-looking statements may prove to be incorrect and may not be realised in the future. Underlying these forward-looking statements are a large number of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved. Furthermore, this announcement also contains statements based on the Group's management accounts, which have not been audited or reviewed by the Group's auditor. Shareholders and potential investors should therefore not place undue reliance on such statements.