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上海先鋒控股有限公司
Shanghai Pioneer Holding Ltd

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01345)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Shanghai Pioneer Holding Ltd (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**") together with comparative figures for the corresponding period in 2025, as follows:

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the six months ended 30 June 2026 was RMB602.8 million, which represents a 6.9% decrease compared to RMB647.3 million for the same period last year.

- Gross profit of the Group for the six months ended 30 June 2026 was RMB317.4 million, which represents a 4.7% increase compared to RMB303.0 million for the same period last year.

- Net profit of the Group for the six months ended 30 June 2026 was RMB55.3 million, which represents a 20.7% increase compared to RMB45.8 million for the same period last year.

- Basic earnings per share of the Company were RMB0.05 for the six months ended 30 June 2026, which represents a 25.0% increase compared to RMB0.04 for the same period last year.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2026

	Notes	**Six months ended 30 June 2026 RMB'000 (Unaudited)**	Six months ended 30 June 2025 RMB'000 (Unaudited)
Revenue	*3*	**602,814**	647,266
Cost of sales		**(285,439)**	(344,238)
Gross profit		**317,375**	303,028
Other income	*4*	**25,035**	7,588
Other gains and losses, net	*5*	**651**	(10,449)
Impairment losses under expected credit loss model, net of reversal	*6*	**(660)**	(114)
Distribution and selling expenses		**(184,286)**	(163,918)
Administrative expenses		**(67,866)**	(68,563)
Research and development expenses		**(2,062)**	(2,378)
Finance costs		**(1,610)**	(1,312)
Share of results of associates		**28**	(302)
Profit before tax		**86,605**	63,580
Income tax expense	*7*	**(31,293)**	(17,811)
Profit for the period	*6*	**55,312**	45,769
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
– Fair value losses on investments in financial assets at fair value through other comprehensive income ("**FVTOCI**"), net of income tax		**(11,109)**	(13,845)
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of foreign operations		**487**	–
– Share of exchange difference of associates		**(221)**	184
Other comprehensive income for the period		**(10,843)**	(13,661)
Total comprehensive income for the period		**44,469**	32,108
Profit for the period attributable to:			
Owners of the Company		**56,401**	47,736
Non-controlling interests		**(1,089)**	(1,967)
		55,312	45,769
Total comprehensive income for the period attributable to:			
Owners of the Company		**45,558**	34,075
Non-controlling interests		**(1,089)**	(1,967)
		44,469	32,108
Earnings per share	*8*		
– Basic (RMB yuan)		**0.05**	0.04
– Diluted (RMB yuan)		**0.05**	0.04

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	*10*	**156,796**	163,772
Right-of-use assets		**17,317**	21,082
Intangible assets		**16,000**	16,434
Interests in associates		**57,002**	55,057
Financial assets at FVTOCI	*11*	**60,163**	71,002
Financial assets at fair value through profit or loss ("**FVTPL**")	*13*	**54,612**	57,412
Prepayments for technique know-hows	*12*	**76,594**	76,594
Amount due from a related party	*12*	**56,256**	40,649
Deferred tax assets		**8,945**	11,586
		503,685	513,588
Current assets			
Inventories		**294,717**	297,114
Trade and other receivables	*12*	**525,457**	449,953
Taxation recoverable		**17,666**	18,191
Financial assets at FVTPL	*13*	**–**	20,000
Pledged bank deposits		**110,031**	24,043
Cash and cash equivalents		**157,027**	166,606
		1,104,898	975,907
Current liabilities			
Trade and other payables	*14*	**242,693**	216,170
Amounts due to related parties		**859**	736
Tax liabilities		**31,894**	25,030
Bank borrowings	*15*	**159,094**	56,600
Lease liabilities		**3,179**	2,345
Contract liabilities		**2,478**	2,246
		440,197	303,127
Net current assets		**664,701**	672,780
Total assets less current liabilities		**1,168,386**	1,186,368

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As at 30 June 2026

	Notes	**As at 30 June 2026** *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Non-current liabilities			
Deferred tax liabilities		**21,416**	21,649
Bank borrowings	*15*	**52,000**	58,001
Lease liabilities		**3,733**	4,443
Financial liabilities at FVTPL	*13*	**20,000**	20,000
Deferred income		**35,970**	37,060
		133,119	141,153
Net assets		**1,035,267**	1,045,215
Capital and reserves			
Equity attributable to the owners of the Company			
Share capital		**77,399**	77,399
Reserves		**962,522**	971,996
Equity attributable to owners of the Company		**1,039,921**	1,049,395
Non-controlling interests		**(4,654)**	(4,180)
Total equity		**1,035,267**	1,045,215

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Shanghai Pioneer Holding Ltd (the "**Company**") is incorporated as an exempted company with limited liability in the Cayman Islands on 5 February 2013. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 5 November 2013. The registered office of the Company is at One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands and the principal place of business of the Company is at No. 15, Lane 88 Wuwei Road, Putuo District, Shanghai, the People's Republic of China ("**PRC**"). The Company's immediate and ultimate holding company are Pioneer Pharma (BVI) Limited ("**Pioneer BVI**") and Tian Tian Limited, respectively. Both companies are incorporated in the British Virgin Islands and are controlled by Mr. Li Xinzhou ("**Mr. Li**") and Ms. Wu Qian, the spouse of Mr. Li.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the "**Group**") are the marketing, promotion and sale of pharmaceutical products and medical equipment and supplies and provision of metal finishing services.

The condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board ("**IASB**") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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 revised IFRS accounting standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments
Amendment 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 application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements. The Group has not early applied any new or amended IFRSs that are not yet effective for the current accounting period.

3. SEGMENT INFORMATION

Revenue from sales of pharmaceutical products and medical equipment and supplies is recognised at a point of time when the customer obtains control of the distinct goods upon acceptance or consumption by customers.

Information reported to the executive directors, being the chief operating decision maker (the "**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. Segment profit represents the gross profit earned by each segment.

Specifically, the Group's reportable and operating segments under IFRS 8 are as follows:

(a) Ophthalmic pharmaceutical products – sales of the Group's ophthalmic pharmaceutical products to the customers under the channel management arrangement ("**Products sold via the provision of channel management services**"). Products sold via the provision of channel management services related solely to sale arrangements with Alcon.

In August 2024, Alcon entered into an agreement with Ocumension Therapeutics, an ophthalmic pharmaceutical platform company in the PRC, to which Alcon will transfer the market interests in China in eight of Alcon ophthalmic products (four marketed medicines for dry eye, one topical ophthalmic anesthetic, one funduscopic contrast agent, one mydriatic, and one pipeline product for dry eye). Accordingly, no new agreement will be renewed between the Group and Alcon in relation to the importation, warehousing, distribution and sale of the relevant products. The sales revenue of this product category during the year ended 31 December 2025 came from the digestion of inventory purchased during the previous agreement period.

(b) Sales of all of the Group's pharmaceutical products and medical equipment and supplies except for ophthalmic pharmaceutical products to the customers under the comprehensive marketing, promotion and channel management arrangement ("**Products sold via the provision of comprehensive marketing, promotion and channel management services**").

3. **SEGMENT INFORMATION (Continued)**

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the six months ended 30 June 2026 (unaudited)

	Products sold via the provision of comprehensive marketing, promotion and channel management services *RMB'000*	**Products sold via the provision of channel management services** *RMB'000*	**Consolidated** *RMB'000*
Segment revenue	**602,814**	**–**	**602,814**
Segment results	**317,375**	**–**	**317,375**
Other income			**25,035**
Other gains and losses, net			**651**
Impairment losses under expected credit loss model, net of reversal			**(660)**
Distribution and selling expenses			**(184,286)**
Administrative expenses			**(67,866)**
Research and development expenses			**(2,062)**
Finance costs			**(1,610)**
Share of results of associates			**28**
Profit before tax			**86,605**

For the six months ended 30 June 2025 (unaudited)

	Products sold via the provision of comprehensive marketing, promotion and channel management services *RMB'000*	Products sold via the provision of channel management services *RMB'000*	Consolidated *RMB'000*
Segment revenue	587,690	59,576	647,266
Segment results	299,242	3,786	303,028
Other income			7,588
Other gains and losses, net			(10,449)
Impairment losses under expected credit loss model, net of reversal			(114)
Distribution and selling expenses			(163,918)
Administrative expenses			(68,563)
Research and development expenses			(2,378)
Finance costs			(1,312)
Share of results of associates			(302)
Profit before tax			63,580

3. **SEGMENT INFORMATION (Continued)**

Disaggregation of revenue from contracts with customers

	For six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of sales		
Sales of pharmaceutical products	**209,178**	272,502
Sales of medical equipment and supplies	**393,636**	374,764
	602,814	647,266
Types of major products		
Products sold via the provision of channel management services:		
Alcon	**–**	59,576
Products sold via the provision of comprehensive marketing, promotion and channel management services:		
Pharmaceutical products	**209,178**	212,926
Medical equipment and supplies	**393,636**	374,764
	602,814	587,690
	602,814	647,266

Geographical information

All of the Group's revenue from external customers is attributed to the group entities' country of domicile (i.e. The People's Republic of China).

4. **OTHER INCOME**

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants *(Note)*	**17,105**	3,413
Interest income on bank deposits	**128**	158
Loan interests from other loans	**3,536**	3,124
Metal finishing service income	**3,773**	733
Others	**493**	160
	25,035	7,588

Note: Government grants amounting to RMB1,090,000 (2025: RMB1,090,000) represented the amount of deferred income released to profit or loss for the six months ended 30 June 2026. The remaining amounts of government grants represented cash received from unconditional grants by the local government to encourage the business operations in the PRC which are recognised in profit or loss when received.

5. OTHER GAINS AND LOSSES, NET

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net foreign exchange gains/(losses)	**730**	(9,890)
Gain/(loss) on disposal of property, plant and equipment	**15**	(732)
Gain on early termination of lease	**–**	672
Others	**(94)**	(499)
	651	(10,449)

6. PROFIT BEFORE TAX

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit before tax has been arrived at after charging:		
Directors' remuneration	**3,068**	2,704
Other staff's retirement benefits scheme contributions	**5,705**	4,379
Other staff costs	**49,405**	27,528
Total staff costs	**58,178**	34,611
Write-down of inventories	**4,135**	1,756
Depreciation of right-of-use assets	**1,503**	590
Depreciation of property, plant and equipment	**11,949**	14,691
Amortisation of intangible assets	**434**	3,404
Impairment losses under expected credit loss model, net of reversal *(Note)*	**660**	114

Note: The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
– PRC Enterprise Income Tax ("**EIT**")	**18,528**	23,034
– Under-provision in prior periods	**10,357**	265
	28,885	23,299
Deferred taxation charge	**2,408**	(5,488)
	31,293	17,811

8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	For the Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of calculating basic earnings per share	**56,401**	47,736
Numbers of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,158,964,000**	1,164,472,366

For the six months ended 30 June 2026 and 2025, the weighted average number of ordinary shares for the purpose of calculating basic earnings per share has taken into account the ordinary shares purchased by Bank of Communications Trustee Limited from the market pursuant to the share award scheme and the ordinary shares repurchased by the Company.

No diluted earnings per share for both periods were presented as there were no potential dilutive ordinary shares in issue for both periods.

9. DIVIDENDS

During the current interim period, a final dividend of HKD0.054 (equivalent to approximately RMB0.048) per share in respect of the year ended 31 December 2025 (2025: a final dividend of HKD0.056 (equivalent to approximately RMB0.052) per share in respect of the year ended 31 December 2024) was declared to shareholders of the Company. The aggregate amount of the dividends declared and paid in the interim period amounted to RMB54,417,000 (2025: RMB59,708,000).

9. DIVIDENDS (Continued)

Subsequent to the end of the current interim period, the Directors of the Company have determined that an interim dividend of HKD0.056 (equivalent to approximately RMB0.049) per share amounting to HKD70,417,000 (equivalent to approximately RMB61,615,000) (2025: HKD80,477,000 (equivalent to approximately RMB74,189,000) in aggregate will be paid to shareholders of the Company.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group paid approximately RMB5,406,000 (2025: RMB17,942,000) for acquisition of furniture and equipment and construction for factory building.

11. FINANCIAL ASSETS AT FVTOCI

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Listed investment:		
– Equity securities listed in Australia *(Note a)*	**18,197**	29,036
Unlisted investment:		
– Ke Rui Si *(Note b)*	**28,304**	28,304
– SuisHealth *(Note c)*	**13,662**	13,662
	60,163	71,002

Notes:

(a) The amount represents equity investment in 1.74% (FY2025: 1.74%) ordinary shares of Paragon Care Limited ("**Paragon**").

As at 30 June 2026, the fair value of the Group's interest in Paragon, the shares of which are listed on the Australian Securities Exchange, was Australian Dollars ("**AUD**") 3,888,000 (equivalent to approximately RMB18,197,000) based on the quoted market price available on the Australian Securities Exchange.

As at 31 December 2025, the fair value of the Group's interest in Paragon, the shares of which are listed on the Australian Securities Exchange, was AUD6,192,000 (equivalent to approximately RMB29,036,000) based on the quoted market price available on the Australian Securities Exchange.

(b) The amount represents equity investment in 10% (FY2025: 10%) equity shares of Ke Rui Si Medical Technology (Shanghai) Co., Ltd ("**Ke Rui Si**"), a private company that engaged in medical technology production.

(c) The amount represents equity investment in 30% (FY2025: 30%) equity shares of SuisHealth Biotech AG ("**SuisHealth**"), a private company that engaged in development, manufacture, sale, and marketing of cosmetics, skincare products, personal care products, nutritional supplements.

The Directors had elected to designate the above investments as financial assets at FVTOCI as they believed that recognising short-term fluctuations in these investments' fair value in profit or loss would be inconsistent with the Group's strategy of holding these investments for long-term purpose and realising their performance potential in the long run.

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Prepayments for technique know-hows *(Note 1)*	**76,594**	76,594
Amount due from a related party *(Note 2)*	**56,256**	40,649
Non-current portion	**132,850**	117,243
Trade and bills receivables *(Note 3)*	**302,117**	281,138
Less: Allowance for credit losses	**(1,724)**	(1,434)
	300,393	279,704
Other receivables *(Note 4)*	**57,665**	7,065
Amount due from a related party *(Note 5)*	**39,439**	34,528
Staff advance	**46,592**	42,750
Deposits	**2,126**	1,964
	446,215	366,011
Advance payment to suppliers *(Note 6)*	**42,036**	44,583
Other tax recoverable	**37,206**	39,359
Current portion	**525,457**	449,953

Note 1: The Company's wholly owned subsidiary, Chongqing Pioneer Pharma Co, Ltd ("**Chongqing Pioneer**") that incorporated in the PRC entered into an transfer agreement (the "**Transfer Agreement**") with a related party, Q3 Medical Devices Limited ("**Q3 Medical**"). Pursuant to the terms of the Transfer Agreement, Chongqing Pioneer acquired the intellectual rights from Q3 Medical at a fixed consideration of EUR9,000,000. The amount was fully settled by the Group as at 31 December 2025 and no additional consideration or payment is required in accordance to the terms in the Transfer Agreement. Up to 30 June 2026, the Group has obtained and registered 5 out of 8 patents in Chinese Mainland under its subsidiary. There are no other non-cash transactions and capital commitment relating to this acquisition and the Transfer Agreement.

The amount is recognised by the Group as a prepayment because the Group has yet to obtain control in the intellectual property rights according to IAS 38 Intangible Assets taking into consideration that pursuant to the transfer agreement, Q3 Medical has the right to exercise its buyback rights on the intellectual property rights within three years. In such case, Q3 Medical shall refund all costs paid by the Company and plus a premium ranged from 30%-80%. The consideration for the acquisition of intellectual property rights is referenced to the valuation prepared by the independent third-party valuer. The Company planned to utilise its existing factories in the PRC and to purchase equipment necessary to produce and sell the products under this intellectual property rights. Up to the date of this announcement, Q3 Medical do not exercise their buyback rights to acquire the intellectual property rights.

Note 2: Amount due from a related party, Q3 Medical of RMB56,256,000 at 30 June 2026 (FY2025: RMB40,649,000), is unsecured, bearing interest at 6% per annum with contractual maturity date in December 2027.

Q3 Medical's innovative medical device products have gained widespread recognition among physicians across European, Latin American and Southeast Asian markets demonstrating outstanding clinical value and significant market potential. At the time of the loans, the products were in their sales ramp-up phase and required financial support.

Note 3: In relation to the sales of pharmaceutical products, the Group allows a credit period from 30 days to 180 days to its trade customers.

For sales of medical equipment and supplies, the Group allows a credit period from 120 days to 180 days to its trade customers.

Note 4: Included in other receivables of approximately RMB40,700,000 at 30 June 2026 (FY2025: RMBnil) was loans to an independent third party which is unsecured, bearing interest at 5.8% per annum with contractual maturity date not exceeding 12 months after the reporting period.

Note 5: Amount due from a related party, Shenzhen Terra Maestro Technology Co., Ltd ("**Terra Maestro**"), is unsecured, bearing interest at 12% per annum with contractual maturity date not exceeding 12 months after the reporting period. Mr. Li Xinzhou is a director of the Terra Maestro.

The directors of the Company considered the impairment of the advance is immaterial.

Note 6: Advance payments to suppliers include an amount of approximately RMB9,369,000 (FY2025: RMB11,605,000) due from Terra Maestro. These balances represent advance payments made in respect of the purchase of goods and are of trade nature.

Included in trade and bills receivables are trade debtors (net of impairment losses) with the following ageing analysis, based on invoice dates, as of the end of reporting period, which approximated the respective revenue recognition dates:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
0 to 60 days	**156,278**	145,730
61 to 180 days	**92,424**	112,399
181 days to 1 year	**41,914**	13,496
Over 1 year	**9,777**	8,079
	300,393	279,704

As at 30 June 2026, total bills receivables amounting to RMB5,485,000 (31 December 2025: RMB12,020,000) are held by the Group for future settlement of trade receivables. The Group continues to recognise their full carrying amounts at the end of the reporting period. All bills receivables held by the Group are with a maturity period of less than 1 year.

13. FINANCIAL ASSETS/(LIABILITIES) AT FVTPL

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Financial assets:		
Unlisted investments:		
– Structured bank deposits *(Note 1)*	**–**	20,000
Current portion	**–**	20,000
Unlisted debt instruments:		
– Investment in Shanghai Yuhan Fund *(Note 2)*	**36,655**	37,655
– Investment in Jiaxing Yuhan Fund *(Note 3)*	**17,957**	19,757
Non-current portion	**54,612**	57,412
Financial liabilities:		
– Convertible note *(Note 4)*	**(20,000)**	(20,000)
Non-current portion	**(20,000)**	(20,000)

Note 1: As at 31 December 2025, the structured bank deposits carry interest rates ranging from 1.20% to 2.20% per annum. The structured bank deposits pledged to banks to secure issue of letter of credit which are therefore classified as current assets. The deposits were released upon the settlement of relevant bank borrowings on 5 January 2026.

Note 2: The amount represents the investment in Shanghai Yuhan fund (limited partnership) (上海譽瀚股權投資基金合夥企業(有限合夥), the "**Shanghai Yuhan Fund**"), which is incorporated in the PRC. The Shanghai Yuhan Fund specialises in making investment in various targets within the pharmaceutical industry. As at 30 June 2026, the Shanghai Yuhan Fund received contributions from its partners of approximately RMB76.5 million (2025: RMB86.5 million), among which the Group injected approximately RMB7.65 million (2025: RMB8.65 million) which accounted for 10% (2025: 10%) of the partners' capital of the Shanghai Yuhan Fund. The Shanghai Yuhan Fund invests in unlisted private entities and structured bank deposit.

Note 3: The amount represents an investment in Jiaxing Yuhan fund (limited partnership) (嘉興譽瀚股權投資合夥企業(有限合夥), the "**Jiaxing Yuhan Fund**"), which is incorporated in the PRC. The Jiaxing Yuhan Fund specialises in making investments in various targets within the pharmaceutical industry. As at 30 June 2026, the Jiaxing Yuhan Fund received contributions from its partners of approximately RMB124 million (FY2025: RMB151 million), among which the Group injected approximately RMB8.20 million (FY2025: RMB10 million) which accounted for 6.62% (31 December 2025: 6.62%) of the partners' capital of the Jiaxing Yuhan Fund. The Jiaxing Yuhan Fund invests in unlisted private entities and structured deposits.

Note 4: On 19 December 2025, Chongqing Qiushan Medical Equipment Co., Ltd ("**Chongqing Qiushan**"), a wholly owned subsidiary of the Company, issued RMB20,000,000 convertible loan notes to an independent third party. The notes mature on 18 December 2028 and are denominated in RMB. The holder has the right, but not the obligation, to convert the notes into ordinary shares of Chongqing Qiushan subject to specified performance and event conditions.

The conversion feature does not meet the fixed for fixed criterion under IAS 32, as the conversion price and number of shares to be issued are contingent on future conditions. Accordingly, the instrument has been classified as a financial liability and designated at fair value through profit or loss. The fair value As at 31 December 2025 was determined based on a valuation report issued by an independent qualified professional valuer, using the discounted cash flow method with an option adjusted spread to reflect credit risk.

Key valuation inputs as at 31 December 2025 included discount rate, option adjusted spread, expected life, and risk free interest rate.

The movement of the convertible loan note for the year is set out as below:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Carrying amount at the beginning of the period	**20,000**	–
Advance from financial liabilities at FVTPL	**–**	20,000
Carrying amount at the end of the period	**20,000**	20,000

14. TRADE AND OTHER PAYABLES

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Trade payables	**190,277**	167,780
Payroll and welfare payables	**6,675**	6,364
Other tax payables	**3,536**	5,268
Marketing service fee payables	**9,481**	8,005
Deposits received from distributors	**9,689**	8,675
Other payables and accrued charges	**23,035**	20,078
	242,693	216,170

The Group typically receives credit periods on its purchases of goods from 30 days to 180 days.

The following is an aging analysis of trade payables presented based on the delivery date at the end of the reporting dates:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
0 to 90 days	**78,308**	123,816
91 to 180 days	**107,173**	1,198
181 days to 1 year	**2,806**	41,323
Over 1 year	**1,990**	1,443
	190,277	167,780

15. BANK BORROWINGS

During the current interim period, the Group repaid its current bank borrowings of RMB42,773,000 (30 June 2025: RMB65,934,000) and raised current bank borrowings of RMB139,266,000 (30 June 2025: RMB61,162,000). Except for current bank borrowings of RMB66,679,000 (31 December 2025: RMB29,600,000) which are unsecured, bank borrowings of RMB92,415,000 (31 December 2025: RMB27,000,000) are secured by personal guarantee, company guarantee and property, plant and equipment. The amounts are due within one year. The effective interest rates on the Group's fixed-rate borrowings range from 1.60% to 3.90% per annum (31 December 2025: 1.30% to 3.00% per annum).

The Group's non-current secured bank borrowings of RMB52,000,000 (31 December 2025: 58,001,000) are repayable on 19 December 2027 and 17 June 2030. The contracts include a covenant that requires the amount be used in property, plant and equipment investment purpose every year. The loan will be repayable on demand if the covenant is not met. The Group met the covenant requirements as at 30 June 2026 and the borrowing was classified as non-current. As at 30 June 2026, the Group complied with all the covenants that were required to be met on or before 30 June 2026. The covenants that are required to be complied with after the end of the current interim period do not affect the classification of the related borrowings as current or non-current at the end of the current interim period. The effective interest rates on the Group's floating rate borrowings range from 2.50% to 2.51% per annum (31 December 2025: 2.50% to 2.51%).

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

In the first half of 2026, China's economy generally maintained a smooth operation. Gross domestic product (GDP) reached RMB69,570.4 billion, representing a 4.7% year-on-year increase, with the economic development continuing to demonstrate resilience. Per capita disposable income for the first half of year in China amounted to RMB22,981, representing a nominal increase of 5.2%; while per capita consumption expenditure amounted to RMB14,836, representing a nominal increase of 3.7%. As for healthcare sector, per capita consumption expenditures for the first half of year amounted to RMB1,330, representing a 1.2% year-on-year increase, accounting for 9.0% of total per capita consumption expenditures, indicating the sustained and steady release of the people's rigid demand for healthcare.

Driven by an increasing ageing population and the national health strategy, China's healthcare system has continued to be refined, with the reform of the "Three-Medicine Linkage (三醫聯動)" advancing in depth, forming a full-chain standardised regulatory system covering pharmaceutical research and development, registration, production, distribution and terminal services. The industry as a whole has shown a developmental paradigm centred on "cost containment and quality enhancement, coupled with the promotion of innovation (控費提質、鼓勵創新)". The refined management and control of medical insurance have continuously optimised the allocation of healthcare resources, while policy support for products with high clinical value and cutting-edge medical technologies has been progressively strengthened. The expanding penetration of digitalisation and evidence-based approaches has driven the industry away from traditional distribution models and toward a more specialised, service-oriented and precision-driven model, which has in turn compelled industry participants to optimise their operational frameworks and seize structural growth opportunities.

Reforms in the pharmaceutical commercialisation services sector continue to deepen. The centralised procurement of pharmaceuticals and medical consumables has entered a normalised and institutionalised phase, persistently compressing the profit margins on standardised and mature products, and reshaping the industry's pricing and market distribution landscape. The competitive dynamics of the industry keep on evolving, with the extensive price-differential distribution model gradually weakening, which has prompted market participants to transform towards refined operations and professionalised academic services. Supporting policy frameworks for the industry have been consistently improved. In May 2026, the National Medical Products Administration (NMPA), together with six other government authorities, jointly published the Measures for the Administration of Pharmaceutical Representatives (《醫藥代表管理辦法》), which clearly defined the boundaries of academic promotion and guided market promotion activities back towards compliance with the principles of evidence-based medicine. Meanwhile, in March 2026, the National Healthcare Security Administration, in collaboration with multiple authorities, promulgated the Guiding Opinions on Supporting the Development of Primary Healthcare Services through Medical Insurance (《關於醫保支持基層醫療衛生服務發展的指導意見》), which further advanced the development of county-level medical alliances and refined the primary healthcare reimbursement mechanisms, thereby unlocking additional demand in the lower-tier healthcare markets. These successive policy measures have consistently improved the industry's operating environment, driving corporate compliance management towards a more routine and proactive stance, and are beneficial for professional pharmaceutical and medical device commercialisation service providers with compliance and operational capabilities as well as nationwide channel distribution advantages.

The innovative medical device sector has embraced structural development opportunities, positioning itself as a key area of focus within the broader upgrading of the pharmaceutical industry. In March 2026, the NMPA issued the Notice on Carrying out the 'Chunyu Initiative' for the Transformation of Clinical Innovation Achievements of Medical Devices (《關於開展醫療器械臨床創新成果轉化「春雨行動」的通知》), which focuses on the deep integration of medical and engineering disciplines, establishes a dedicated pathway for streamlined regulatory review of innovative medical devices, and facilitates the translation of clinical innovations into tangible products, with the aim of fostering a robust pipeline of innovative devices with demonstrable clinical value. The medical device segments such as bioresorbable interventional consumables, which address unmet clinical needs and offer differentiated innovation value, are poised to capture favourable growth opportunities. The industry is accelerating its transformation towards technological innovation and self-reliance, with enterprises that possess proprietary technological rights gradually establishing core competitive moats.

The continued deepening of market liberalisation for imported medicines and medical devices has significantly enhanced the efficiency of the exchange of high-quality medical resources domestically and internationally. During the Reporting Period, the newly revised Regulations for Implementation of the Drug Administration Law (《藥品管理法實施條例》) formally took effect, accompanied by the implementation of the Measures for the Implementation of Drug Trial Data Protection (《藥品試驗數據保護實施辦法》), which provides data protection support for imported original research medicines from overseas. The NMPA continued to optimise the review process for overseas-approved new drugs, granting recognition to compliant overseas clinical data, thereby effectively shortening the launch cycle for imported innovative medicines and medical devices in the domestic market. In addition, the State is progressively refining the mechanism for setting drug prices, whilst reinforcing the central role of clinical value in the pricing of new drugs. During the Reporting Period, the

Guangdong-Hong Kong-Macao Greater Bay Area continued to refine the "Hong Kong-Macao Medicine and Equipment Connect" policy, expanding application scenarios for innovative medicines and medical devices from overseas. Shanghai and other regions also introduced supporting measures to facilitate the localised production and technology transfer of imported medical devices. This increasingly open policy environment has provided favourable market conditions for the Group to deepen its engagement with global supply chains and continue to introduce high-quality specialised imported medicines and medical devices, whilst competition within the sector has gradually shifted towards a contest of comprehensive capabilities in resource integration, compliant operations and industrial implementation.

Against a backdrop of both opportunities and challenges in the industry, the Group is steadily developing its operational footprint by leveraging established global partnerships with manufacturers and nationwide channels for academic promotion. In response to the trend towards normalisation of centralised procurement and standardisation of the industry, we continue to consolidate our core business of academic promotion for imported specialist medicines and high-end medical devices, optimised our channel layout, refined our supply chain compliance framework, and strengthened our core existing businesses. Meanwhile, capitalising on the policy benefits associated with the localisation of innovative medical devices, we steadily advance the localisation of cutting-edge overseas technologies, systematically carry out the clinical registration process for the Archimedes biodegradable digestive intervention stent project, and accelerate the construction of the Rongchang production base in Chongqing ("**Rongchang Production Base**"). We persistently advance our strategic upgrade, striving to gradually transform from a platform specialising solely in the commercialisation of imported medicines and medical devices into a comprehensive medical enterprise that integrates product introduction, technology commercialisation and in-house production and operations. By leveraging our dual-drive strategy, we continue to capitalise on structural growth opportunities in the industry.

1. Product Development

As at 30 June 2026, the Group had a product portfolio of pharmaceutical products (mostly being prescription medicines) covering pain management, cardiovascular disease, immunology, gynecology, gastroenterology and other treatment areas; and medical device products covering several treatment areas including ophthalmology, odontology, cardiology and wound care.

1.1 Products Sold via the Provision of Comprehensive Marketing, Promotion and Channel Management Services:

	For the six months ended 30 June			
Category	**2026** ***RMB'000*** **(unaudited)**	**Percentage of the Group's Total Revenue/ Gross Profit** ***(%)***	2025 *RMB'000* (unaudited)	Percentage of the Group's Total Revenue/ Gross Profit *(%)*
Revenue:				
Pharmaceutical Products	**209,178**	**34.7**	212,926	32.9
Medical Equipment and Supplies	**393,636**	**65.3**	374,764	57.9
Gross Profit:				
Pharmaceutical Products	**146,523**	**46.2**	152,627	50.4
Medical Equipment and Supplies	**170,852**	**53.8**	146,615	48.4

During the Reporting Period, revenue generated from pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services decreased by 1.8% compared to last year to RMB209.2 million, representing 34.7% of the Group's revenue for the Reporting Period. Gross profit decreased by 4.0% compared to last year to RMB146.5 million, representing 46.2% of the Group's gross profit for the Reporting Period.

During the Reporting Period, the Group actively promoted various marketing efforts, and expanded brand influence through in-depth exploration of the product's unique features, strict implementation of professional academic promotion strategies, active expansion and deepening of the network of clinical experts. For the Group's key product, Difene, the Group focused on exploring a broader market space, providing in-depth services and enhancing the professional capabilities of terminal channels through professional academic empowerment and marketing initiatives, thus ensuring its sustainable growth on a systematical basis. During the Reporting Period, the sales volume of Difene remained stable.

As a product on which the Group holds high expectations, the cardiovascular product Zanidip has secured contract renewals spanning from the first batch to the eighth batch of the national CVBP. This coordinated renewal initiative, involving all provinces across the country has once again driven growth in sales of Zanidip. Leveraging its differentiated product characteristics, the Group has strictly implemented a professional academic promotion strategy, building a multi-level academic exchange ecosystem and executing precise brand management. These efforts have further strengthened Zanidip's brand influence in its core therapeutic areas, enabling sales revenue to remain stable. By making use of Zanidip's inclusion in the national CVBP catalogue (集採目錄), the Group fully grasped the opportunity of market capacity expansion, explored several new markets through reasonable bidding strategies, and continuously enhanced the penetration and application of Zanidip through close follow-up and effective participation in clinical promotion work. The Group believes that Zanidip still has the potential for sustained growth by virtue of its leading position in quality among similar products, better market layout, and people's increasing awareness of clinical prevention and treatment of hypertension.

During the Reporting Period, the Group's revenue generated from medical equipment and supplies sold via the provision of comprehensive marketing, promotion and channel management services amounted to RMB393.6 million, with overall performance remaining stable. The performance of the Group's several dental medical device products such as Zenostar® systems, several medical device products in cardiology, and NeutroPhase (a wound cleanser) all maintained a steady growth momentum. The Group believes that a medical device distribution enterprise with extensive market coverage, efficient management capabilities and high quality services will benefit from the development trend of centralisation and flattening of the industry, further consolidate its pivotal position in the industry chain, and utilise its scale and management advantages to reduce the overall operating costs of the industry chain and enhance operational efficiency. The Group will continue to improve the market layout of its medical device products and strengthen its promotional efforts in order to continuously enhance the business segment's revenue contributions to the Group.

In April 2025, the clinical team led by Jiang Tiemin (蔣鐵民), the Director of the Department of Hepatobiliary Hydatid Disease Surgery at the First Affiliated Hospital of Xinjiang Medical University, completed the first implantation of the "Archimedes Biodegradable Biliary and Pancreatic Stent" ("**Archimedes Stent**") (the slow-degrading version) as part of the pre-market clinical trial in Mainland China, after which, the Archimedes Stent (the slow-degrading version) has now completed 90% patient enrollment. Meanwhile, the registration application process for the Archimedes Stent (the fast-degrading version) is also proceeding in an orderly manner. The Group is currently pressing ahead with the clinical registration and localisation of full series of medical device products of Q3 Medical.

1.2 Product Pipeline

In the first half of 2026, the newly revised Regulations for Implementation of the Drug Administration Law took effect. This, together with the NMPA's "Chunyu Initiative (春雨行動)" and other policies supporting commercialisation of innovation, as well as the continued refinement of mechanisms such as acceptance of overseas clinical data, pre-market review for innovative medical devices and localised production of imported products, has provided strong policy support for the Group's dual-track product strategy. On one hand, we continue to expand our exclusive overseas partnerships in ophthalmology, odontology and specialist prescription medicines by leveraging our well-established import channels for medicines and medical devices, thereby strengthening our portfolio of mature agency businesses. During the Reporting Period, the Group entered into a new exclusive partnership with Bredent Medical in Germany to introduce its premium dental implant products. On the other hand, we capitalise on the policy benefits for the commercialisation of innovative medical devices, advancing pipeline development by leveraging the comprehensive domestic intellectual property rights for our acquired Archimedes biodegradable stent. The Rongchang Production Base will also tap into industrial support policies to facilitate the localisation of this device series, thereby establishing an integrated system covering importation, production and academic promotion.

Given the uncertainties in the clinical trial and registration timelines for innovative medical devices, we will continue to seize policy opportunities arising from the ongoing optimisation of domestic regulatory review to advance our pipeline. At the same time, we will identify high-quality global partnership opportunities in both medicines and medical devices. By maintaining a dual-track strategy of distributing mature licensed products while manufacturing our own innovative devices, we aim to hedge against industry volatility and build a solid foundation for medium- to long-term growth.

2. Marketing Network Development

As the sole importer of overseas medical products served by the Group in China, the Group, during the Reporting Period, closely kept pace with the latest industry trends of normalisation of centralised procurement , full-chain price regulation, and extensive channel flattening. It has continuously optimised its distributor system, consolidated and streamlined distribution channels, and strictly implemented the requirements of the Two-Invoice System and the full-chain traceability for pharmaceutical products. While enhancing channel turnover and overall operational efficiency, the Group has continuously upgraded its proactive full-process compliance governance system to comprehensively mitigate operational risks associated with distribution and pricing.

The Group's marketing and promotion model involves both in-house teams and third-party promotion partners. To maintain the efficiency and stability of the marketing network, the Group has established an in-house sales and product academic support team for each product business unit, to manage and support its third-party promotion partners.

The Group's marketing and promotional activities are carried out by the in-house teams and the third-party promotion partners. The in-house teams are primarily responsible for formulating marketing and promotion strategies, conducting pilot marketing programmes, and appointing, training and supervising the third-party promotion partners. The third-party promotion partners are responsible for most of the day-to-day marketing and promotional activities for the Group's products.

During the Reporting Period, the Group continued to implement the operational mechanism of product business units divided by products or product series, and conducted products' promotion and sales work. In the environment of complex policies and intense market competition within the pharmaceutical industry, the Group constantly adjusted and optimised all components within the marketing network, with the aim of strengthening its rapid response to the market as well as improving the professionalism and efficiency of product promotional activities. During the Reporting Period, with more attention paid to the academic training of the in-house marketing teams, the Group strengthened the frequency and depth of the academic promotion activities directly involved by the in-house marketing teams, so as to raise the core driving force for the product promotion. According to the market situation, the Group has also increased its efforts in optimising the network structure of the third-party promotion partners, improved the understanding and knowledge of the products of the third-party promotion partners through providing further large-scale and regular trainings, and assisted them in providing doctors with clinical solutions related to the products. Through close collaboration between in-house marketing teams and the third-party promotion partners, the Group shared pharmaceutical policy and market information all over the country, and improved the communication mechanism and platform with the third-party promotion partners so as to improve the operation efficiency and continuously drive the Group's product development. During the Reporting Period, the development of the Group's marketing network led to significant improvement to its market coverage. In the constantly changing pharmaceutical sector, having a well-developed and robust marketing network is fundamental to the Group's operation.

3. Significant Investment

As at 30 June 2026, the Group did not have any investment in an investee company with a value of 5% or more of the Company's total assets.

3.1 Investment in DMAX Co

In January 2020, the Group, via Pioneer Pharma (Hong Kong) Co., Limited, a subsidiary of the Company, made an investment of US$3,000,000 in DMAX Co., Ltd. ("**DMAX Co**"), a company established in the Republic of Korea ("**Korea**").

Pursuant to the subscription agreement entered into by the parties, DMAX Co shall issue and Pioneer Pharma (Hong Kong) Co., Limited shall subscribe for 8,906 shares in the capital of DMAX Co for a consideration of US$3,000,000. Upon the completion of the issuance, the Company, through its subsidiary, holds 25% of the issued share capital of DMAX Co, and has the right to appoint a person as a director of DMAX Co.

DMAX Co is a reputable manufacturer of zirconia products in Korea and is primarily engaged in producing zirconia-related dental products, including veneers, crowns and implants, etc. Since the Company became the exclusive agent for the products of DMAX Co in China (excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) from 2018, both parties have together dedicated themselves to the promotion of the products of DMAX Co in China. The zirconia-related products of DMAX Co have found popularity with their unique medical aesthetics techniques since the entry into China's market. The investment this time will further facilitate both parties to deepen cooperation and consolidate partnership in expansion of the market share of the products of DMAX Co in China.

3.2 *Investment in Shanghai Yuhan Fund and Jiaxing Yuhan Fund*

As of 30 June 2026, the Group's investment in Shanghai Yuhan Fund was recognized as financial assets at FVTPL, representing an amount of RMB36.7 million. Shanghai Yuhan Fund, incorporated in the PRC, specializes in making investment in various target enterprises within the pharmaceutical industry. As at 30 June 2026, the Group held 10% of the partners' capital of Shanghai Yuhan Fund. Shanghai Yuhan Fund mainly engages in the investment in unlisted private entities and structured bank deposits. During the six months ended 30 June 2026, the Group has received a capital distribution of RMB1.0 million from Shanghai Yuhan Fund and 1.8 million from Jiaxing Yuhan Fund respectively. The Group's investment in Jiaxing Yuhan Fund, which amounted to RMB18.0 million, has been recognized as financial assets at FVTPL. As at 30 June 2026, the Group held 6.62% of the partners' capital in Jiaxing Yuhan Fund. Jiaxing Yuhan Fund was incorporated in the PRC and specialized in making investment in various target enterprises within the pharmaceutical industry. The Group's strategy of this investment is for long-term holding. The Group has no intention of realizing its interests in the fund or speculating on its market performance in any short run, and intends to lever on its role in the Jiaxing Yuhan Fund for exploring and ascertaining targets with growth potential in the pharmaceutical industry for business partnering and investment opportunities, and achieving development goals in the long run.

3.3 *Investment in Rongchang Production Base*

In 2019, the Group, through a wholly-owned subsidiary, Chongqing Qianfeng Pharmaceutical Co., Ltd. ("**Chongqing Qianfeng**"), obtained the state-owned construction land use right of land numbered as 2019-RC-1-03 transferred from Rongchang District Government of Chongqing Municipality ("**Rongchang District Government**"). The land covers a total area of 38,972m^2 and has a transfer price of RMB5,998,800. In March 2019, Chongqing Qianfeng entered into a state-owned construction land use right transfer contract with the local government and obtained the state-owned construction land use right of the land.

In June 2019, the construction of Rongchang Production Base began. The planned construction area of this production base in the project is over 40,000 m^2.

On 6 August 2025, Rongchang Production Base held a ribbon-cutting ceremony for the commencement of operation of its first project, the import and repackaging project of Difene® diclofenac sodium dual-release enteric-coated capsules, which is a pharmaceutical (capsule) repackaging line with a designed annual production capacity of 30 million boxes, and passed the GMP compliance inspection in China as well as the EU-GMP audit in July 2025. In this regard, Chongqing Qianfeng will commence the import and repackaging business of Difene®.

Rongchang Production Base is a significant strategic plan of the Group, which will direct the Group's transformation from a sales-oriented company to a comprehensive pharmaceutical company integrating research and development, production and sales. Through such series of measures, the Group hopes to respond to the national policy of industry development by turning Rongchang Production Base into an open technology platform, introducing new technologies and new products, and realizing the localization of high-quality imported products, and give full play to the comprehensive advantage of manufacturing and sales integration of the Group, resulting in constant improvement of the market competitiveness of the products and profitability of the Group.

4. Future and Outlook

The reform of the "Three-Medicine Linkage (三醫聯動)" in China continues to be deepened, with the full-chain regulatory system covering drug and device evaluation, distribution and pricing increasingly refined. This has been complemented by the implementation of opening-up supporting policies such as priority review for innovative devices and the acceptance of overseas clinical trial data, which has further facilitated the entry of high-quality overseas healthcare products into the domestic market. As the centralised procurement mechanism evolves, price control and standardised distribution become normalised, market resources are progressively concentrating towards high-quality products with distinctive clinical value. This has also guided industry participants to proactively explore development directions such as global collaboration, full-industry-chain operation, and refined compliance management. The industry may exhibit a pattern of tiered development and differentiated competition over the long term.

With years of in-depth cultivation in the cross-border medical industry, the Group has always adhered to its global and diversified strategic approach, given full play to its core strengths in transnational resource integration, collaborated with multiple overseas original manufacturers across Europe, the United States, Japan, and South Korea, and continuously explored products with potential in multi-track segments including ophthalmology, odontology, interventional biodegradable stents, and specialty pharmaceuticals, thereby building a synergistic and complementary diversified product matrix. Relying on our professional academic promotion system and flat distribution network, we will facilitate the deployment of cutting-edge global medical solutions to underserved medical institutions at all levels. Meanwhile, leveraging our self-owned Rongchang Production Base, we have implemented pharmaceutical repackaging and local adaptation of innovative devices, thereby fully integrating the entire chain of "global sourcing-local manufacturing-nationwide academic commercialisation", and fully releasing the synergistic growth momentum of multiple pipelines.

Looking at the global industry landscape, we are committed to extending our industrial chain vertically and adopting a dual-track approach to domestic and overseas markets. Leveraging our overseas capital platform in Hong Kong, we will seize opportunities to engage in technical cooperation, industrial mergers and acquisitions, and resource integration, continuously building robust competitive barriers. We will continue to upgrade our proactive compliance management system and flexibly adjust our industrial and channel layouts both domestically and internationally. With our global cooperation network, diversified product pipeline, and core strength of the integrated production and sales, we are well-positioned to navigate industry cyclical fluctuations with resilience. By seizing the era-defining opportunities arising from healthcare opening-up and industrial upgrading, we will steadily realise our medium-to-long-term development blueprint featuring globalisation, full-industry-chain integration and multi-sector synergy.

FINANCIAL REVIEW

Revenue

The Group's revenue in the Reporting Period was RMB602.8 million, representing a 6.9% decrease from RMB647.3 million for the six months ended 30 June 2025. Revenue generated from pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services in the Reporting Period was RMB209.2 million, representing a 1.8% decrease from RMB212.9 million for the six months ended 30 June 2025. Revenue generated from medical equipment and supplies sold via the provision of comprehensive marketing, promotion and channel management services in the Reporting Period was RMB393.6 million, representing a 5.0% increase from RMB374.8 million for the six months ended 30 June 2025.

Cost of sales

The Group's cost of sales in the Reporting Period was RMB285.4 million, representing a 17.1% decrease from RMB344.2 million for the six months ended 30 June 2025. Cost of sales for pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services in the Reporting Period was RMB62.7 million, representing a 3.9% increase from RMB60.3 million for the six months ended 30 June 2025. Cost of sales for medical equipment and supplies sold via the provision of comprehensive marketing, promotion and channel management services in the Reporting Period was RMB222.8 million, representing a 2.4% decrease from RMB228.1 million for the six months ended 30 June 2025.

Gross profit and gross profit margin

The Group's gross profit in the Reporting Period was RMB317.4 million, representing a 4.7% increase from RMB303.0 million for the six months ended 30 June 2025. The Group's average gross profit margin in the Reporting Period was 52.6%, representing an increase from 46.8% for the six months ended 30 June 2025. The Group's gross profit margin for pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services in the Reporting Period was 70.0%, representing a decrease from 71.7% for the six months ended 30 June 2025. The Group's gross profit margin for medical equipment and supplies sold via the provision of comprehensive marketing, promotion and channel management services in the Reporting Period was 43.4%, representing an increase from 39.1% for the six months ended 30 June 2025.

Other income

The Group's other income in the Reporting Period was RMB25.0 million, representing a 229.0% increase from RMB7.6 million for the six months ended 30 June 2025, primarily due to the increase in government grants during the Reporting Period.

Distribution and selling expenses

The Group's distribution and selling expenses in the Reporting Period were RMB184.3 million, representing a 12.4% increase from RMB163.9 million for the six months ended 30 June 2025. Distribution and selling expenses in the Reporting Period accounted for 30.6% of the revenue, representing an increase from 25.3% for the six months ended 30 June 2025.

Administrative expenses

The Group's administrative expenses in the Reporting Period were RMB67.9 million, representing a 1.0% decrease from RMB68.6 million for the six months ended 30 June 2025. Administrative expenses in the Reporting Period accounted for 11.3% of the revenue, representing an increase from 10.6% for the six months ended 30 June 2025.

Finance costs

The Group's finance costs in the Reporting Period were RMB1.6 million, representing a 23.1% increase from RMB1.3 million for the six months ended 30 June 2025.

Income tax expense

The Group's income tax expense in the Reporting Period was RMB31.3 million, representing a 75.7% increase from RMB17.8 million for the six months ended 30 June 2025, primarily due to the adjustments made to income tax provisions in prior periods during the Reporting Period. The Group's effective income tax rates for the six months ended 30 June 2025 and the Reporting Period were 27.6% and 28.0%, respectively. During the Reporting Period, the Group has been conducting business primarily through Tibet RongBo Medical Technology Co., Ltd. (西藏榮博醫療科技有限公司) ("**Tibet RongBo**"), Tibet Damei Pharma Co., Ltd. (西藏大美藥業有限公司) ("**Tibet Damei**") and Chongqing Pioneer Pharma Co., Ltd. (重慶先鋒醫藥有限公司) ("**Chongqing Pioneer**"). Among these, Tibet Rongbo and Tibet Damei were subject to enterprise income tax rate of 15%, while Chongqing Pioneer was subject to enterprise income tax rate of 25%.

Profit for the period

As a result of the above factors, the Group's profit for the Reporting Period was RMB55.3 million, representing a 20.7% increase from RMB45.8 million for the six months ended 30 June 2025. The Group's net profit margin for the Reporting Period was 9.2%, representing an increase from 7.1% for the six months ended 30 June 2025.

LIQUIDITY AND CAPITAL RESOURCES

Cash position

In the past, the Group's working capital and other capital needs were mainly funded by net cash flow from its operations, with supplementary financing from banks. The Group's cash and cash equivalents as at 30 June 2026 were RMB157.0 million, representing a decrease from RMB166.6 million as at 31 December 2025.

Inventories

The Group's inventory balance as at 30 June 2026 was RMB294.7 million, representing a 0.8% decrease from RMB297.1 million as at 31 December 2025.

Trade and other receivables

The Group's trade and other receivables as at 30 June 2026 were RMB525.5 million, representing a 16.8% increase from RMB450.0 million as at 31 December 2025. The trade receivables turnover as of 30 June 2026 was 88.1 days, representing an increase from 87.7 days as at 31 December 2025.

Trade and other payables

The Group's trade and other payables as at 30 June 2026 were RMB242.7 million, representing a 12.3% increase from RMB216.2 million as at 31 December 2025. The Group's trade payables turnover as at 30 June 2026 was 114.8 days, representing an increase from 80.2 days as at 31 December 2025, primarily due to the higher proportion of product purchases with relatively long payment cycles during the Reporting Period.

Bank borrowings and gearing ratio

The Group had total bank borrowings of RMB211.1 million as at 30 June 2026 as compared to RMB114.6 million as at 31 December 2025. As of 30 June 2026, the effective interest rates of the Group's bank borrowings ranged from 1.30% to 4.20%. The bank borrowings were denominated in RMB. The Group's gearing ratio, calculated as bank borrowings divided by total assets, was 13.1% as at 30 June 2026, as compared to 7.7% as at 31 December 2025.

Indebtedness

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities as at the dates indicated, based on undiscounted contractual payments:

	Less than 1 year *RMB'000*	**Over 1 year** *RMB'000*	**Total** *RMB'000*
As at 30 June 2026			
Bank borrowings	**159,094**	**52,000**	**211,094**
Trade payables	**188,287**	**1,990**	**190,277**
Amount due to related parties	**859**	**–**	**859**
Lease liabilities	**3,179**	**3,733**	**6,912**
As at 31 December 2025			
Bank borrowings	56,600	58,001	114,601
Trade payables	166,337	1,443	167,780
Amount due to related parties	736	–	736
Lease liabilities	2,345	4,443	6,788

Market risks

The Group is exposed to various types of market risks, including interest rate fluctuation risk, foreign exchange risk and credit risk in the normal course of business. The sales of the Group are denominated in RMB and the purchases, expenses and foreign investments of the Group are denominated in RMB, HKD, AUD, EUR and USD. At present, the Group has no foreign exchange hedging policy. Notwithstanding the above, the management continuously monitors the Group's foreign exchange risk and will consider hedging significant foreign exchange exposure should the need arises.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2026, the Group had a total of 448 employees. For the Reporting Period, staff costs of the Group were RMB58.2 million as compared to RMB34.6 million for the six months ended 30 June 2025. The Group's employee remuneration policy is determined by taking into account factors such as the remuneration level in the local market, the overall remuneration standard in the industry, the inflation level, the corporate operating efficiency and employees' performance. The Group conducts performance appraisals once every year for its employees, the results of which are taken into consideration in annual salary review and promotion assessment. The Group's employees are considered for annual bonuses based on certain performance criteria and appraisal results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC laws and regulations. The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve the quality of customer service. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or any material labour dispute during the Reporting Period.

DIVIDEND

The Board has resolved to declare an interim dividend of HK$0.056 per ordinary share of the Company, amounting to HK$70,417,000 in total to shareholders of the Company for the six months ended 30 June 2026. The expected payment date of the interim dividend is 15 December 2026.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 23 November 2026 to Thursday, 26 November 2026, in order to determine the entitlement of shareholders to the interim dividend. An interim dividend will be paid by the Company to shareholders whose names appear on the register of members of the Company at the close of business on Monday, 23 November 2026 (Hong Kong time). All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 20 November 2026.

CORPORATE GOVERNANCE PRACTICE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"). The Company has complied with the code provisions as set out in the CG Code for the six months ended 30 June 2026. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules as the code of conduct. Specific enquiries have been made to all the Directors and each of the Directors has confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**"), which comprises two independent non-executive Directors, namely Mr. Zhang Changhai (Chairman) and Mr. Zhang Hong, and one non-executive Director, namely Ms. Hu Mingfei.

The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system, risk management and internal control systems, preparation of financial statements and internal control procedures. It also acts as an important bridge between the Board and the external auditor in matters within the scope of the Group's audit.

The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed internal control and financial reporting matters with senior management relating to the preparation of the unaudited condensed consolidated financial statements of the Group for the Reporting Period. There is no disagreement raised by the Audit Committee on the accounting treatment adopted by the Company. The interim results for the Reporting Period are unaudited but certain agreed-upon procedures have been performed by the auditor of the Company in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. The findings on the aforementioned "agreed-upon procedures" have been taken into consideration by the Audit Committee in its review of the interim results of the Company for the Reporting Period, which have been approved by the Board on 28 August 2026 prior to its issuance.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the six months ended 30 June 2026. As at 30 June 2026, the Company did not hold any treasury shares.

SIGNIFICANT EVENTS AFFECTING THE GROUP AFTER THE REPORTING PERIOD

From the end of the Reporting Period to the date of this announcement, there are no other events affecting the Group significantly.

PUBLICATION OF INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The interim report of the Company for the six months ended 30 June 2026 will be published on the respective websites of the Company (http://www.pioneer-pharma.com) and the Stock Exchange (http://www.hkexnews.hk) in due course.

By order of the Board
Shanghai Pioneer Holding Ltd
Li Xinzhou
Chairman

Hong Kong, 28 August 2026

As at the date of this announcement, the Directors are Mr. LI Xinzhou and Mr. YANG Yuewen as executive Directors, Ms. WU Qian and Ms. HU Mingfei as non-executive Directors and Mr. ZHANG Hong, Mr. LAI Chanshu and Mr. ZHANG Changhai as independent non-executive Directors.