國藥控股股份有限公司

SINOPHARM GROUP CO. LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability and carrying on business in Hong Kong as 國控股份有限公司)

Stock Code: 01099

Interim Report **2026**

All for Health
Health for All

PRINTED WITH SOY INK

* The Company is registered as a non-Hong Kong company under the Hong Kong Companies Ordinance under its Chinese name and the English name "Sinopharm Group Co. Ltd.".

Company Profile

The Company was established in January 2003 and listed on The Stock Exchange of Hong Kong Limited (stock code: 01099. HK) in September 2009, is a core subsidiary of China National Pharmaceutical Group Co., Ltd. and a top-rank distributor and retailer of pharmaceuticals, medical devices and healthcare products, and a leading supply-chain service provider in the PRC.

The Group is mainly engaged in pharmaceutical products and medical device distribution business. Leveraging on its nationwide distribution and delivery network, the Group provides comprehensive distribution, delivery and other value-added services to domestic and foreign manufacturers and suppliers of pharmaceutical products, medical devices and consumables and other healthcare products, and also to downstream customers including hospitals, other distributors, retail drug stores and primary health services institutions.

Meanwhile, the Group manages its network of retail drug stores chain in major cities of China via direct operations and franchises to sell pharmaceutical and healthcare products to end customers. This business segment has been at the forefront of China's pharmaceutical retail industry.

Besides, the Group is also engaged in the production and sale of pharmaceutical products, chemical reagents and laboratory supplies, and actively engaged in the innovation of pharmaceutical, medical services and other health-related industries, to explore the synergistic development of its diversified businesses.

Taking advantage of its superior economies of scale, customer resources, network platforms and brand position, the Group will fully leverage on China's pharmaceutical and healthcare market, which shows steady and healthy development, actively respond to industry policies, and capture development opportunities to further consolidate and enhance its market leadership, actively striving to become an efficient organizer of pharmaceutical supply chain and comprehensive service solution provider in the industrial chain.

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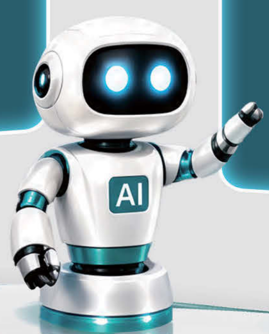
Corporate Vision

Becoming a distinguished technological and innovative global pharmaceutical and healthcare service provider



Corporate Mission

All for Health
Health for All

Corporate Information

As at the date of this report

Directors

Mr. Jin Bin *(Non-executive Director and Chairman)*
Mr. Chen Qiyu *(Non-executive Director and Vice Chairman)*
Mr. Lian Wanyong *(Executive Director and President)*
Mr. Yang Binghua *(Executive Director and Deputy Secretary of Party Committee)*
Mr. Li Peiyu *(Independent Non-executive Director)*
Mr. Wu Tak Lung *(Independent Non-executive Director)*
Mr. Yu Weifeng *(Independent Non-executive Director)*
Mr. Shi Shenghao *(Independent Non-executive Director)*
Mr. Chen Weiru *(Independent Non-executive Director)*
Mr. Zu Jing *(Non-executive Director)*
Mr. Xing Yonggang *(Non-executive Director)*
Mr. Ma Yue *(Non-executive Director)*
Mr. Chen Yuqing *(Non-executive Director)*
Mr. Wen Deyong *(Non-executive Director)*
Ms. Li Ying *(Non-executive Director)*

Supervisors

Ms. Guan Xiaohui *(Chief Supervisor)*
Mr. Liu Zhengdong
Mr. Guo Jinhong
Ms. Lu Haiqing

Company Secretary

Mr. Wu Yijian

Strategy and Investment Committee

Mr. Jin Bin *(Chairman)*
Mr. Chen Qiyu
Mr. Lian Wanyong
Mr. Yang Binghua
Mr. Li Peiyu
Mr. Shi Shenghao
Mr. Chen Weiru
Mr. Chen Yuqing
Mr. Wen Deyong

Audit Committee

Mr. Wu Tak Lung *(Chairman)*
Mr. Li Peiyu
Mr. Shi Shenghao
Mr. Zu Jing
Mr. Wen Deyong

Remuneration Committee

Mr. Li Peiyu *(Chairman)*
Mr. Wu Tak Lung
Mr. Yu Weifeng

Nomination Committee

Mr. Jin Bin *(Chairman)*
Mr. Wu Tak Lung
Mr. Yu Weifeng
Mr. Shi Shenghao
Mr. Chen Weiru
Ms. Li Ying

Legal and Compliance and Environmental, Social and Governance Committee

Mr. Yu Weifeng *(Chairman)*
Mr. Jin Bin
Mr. Lian Wanyong
Mr. Xing Yonggang

Corporate Information

As at the date of this report

Authorized Representatives

Mr. Jin Bin
Mr. Wu Yijian

Legal Advisers

As to Hong Kong laws:
DLA Piper UK LLP

As to PRC law:
Guantao Law Firm

Auditor

International auditor:
Confucius International CPA Limited
Registered PIE auditor

Domestic auditor:
Pan-China Certified Public Accountants LLP

Principal Place of Business in Hong Kong

Room 1601,
Emperor Group Center,
288 Hennessy Road,
Wanchai, Hong Kong

Principal Place of Business and Headquarters in the PRC

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Shanghai 200023, the PRC

Registered Office in the PRC

1st Floor, 11th to 15th Floor, No. 385,
East Longhua Road,
Huangpu District,
Shanghai 200023, the PRC

Company's Website

www.sinopharmgroup.com.cn

H Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor,
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Stock Code

01099

Principal Banks

Bank of Communications Co., Ltd.
China Merchants Bank Co., Ltd.
Bank of China Limited
China Construction Bank Co., Ltd.
Industrial and Commercial Bank of China Limited
Agricultural Bank of China Co., Ltd.
China Minsheng Banking Corp., Ltd.

Office of Board of Directors

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Email: ir@sinopharm.com/sinopharm@wsfg.hk

Definitions

In this interim report, unless the context otherwise requires, the following expressions have the following meanings:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of directors of the Company
"CNPGC"	China National Pharmaceutical Group Co., Ltd. (中國醫藥集團有限公司), a state wholly-owned enterprise incorporated in the PRC and the ultimate controlling shareholder of the Company
"CNPGC Group"	CNPGC and its subsidiaries and associates (excluding the Group)
"Company" or "Sinopharm"	Sinopharm Group Co. Ltd. (國藥控股股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability and whose H shares are listed and traded on the Hong Kong Stock Exchange
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Fosun High Technology"	Shanghai Fosun High Technology (Group) Company Limited (上海復星高科技(集團)有限公司), a company incorporated in the PRC with limited liability
"Fosun Holdings"	Fosun Holdings Limited (復星控股有限公司), a company incorporated in Hong Kong, the PRC with limited liability
"Fosun International"	Fosun International Limited (復星國際有限公司), a company incorporated in Hong Kong, the PRC with limited liability, whose H shares are listed and traded on the Hong Kong Stock Exchange
"Fosun International Holdings"	Fosun International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
"Fosun Pharma"	Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC with limited liability, the H shares and A shares of which are listed and traded on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
"Group"	the Company and its subsidiaries

Definitions

"Henlius"	Shanghai Henlius Biotech, Inc. (上海復宏漢霖生物技術股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H shares are listed and traded on the Hong Kong Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"RMB"	Renminbi, the lawful currency of the PRC
"PRC"	the People's Republic of China
"Reporting Period"	the six months ended 30 June 2026
"Shareholder(s)"	the shareholder(s) of the Company
"Sinopharm Accord"	China National Accord Medicines Corporation Ltd. (國藥集團一致藥業股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose A shares and B shares are listed and traded on the Shenzhen Stock Exchange
"Sinopharm (CNCM LTD)"	China National Medicines Corporation Ltd. (國藥集團藥業股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose A shares are listed and traded on the Shanghai Stock Exchange
"Sinopharm Investment"	Sinopharm Industrial Investment Co., Ltd. (國藥產業投資有限公司), a company incorporated in the PRC with limited liability
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Supervisor(s)"	the supervisor(s) of the Company
"Treasury Share(s)"	has the meaning ascribed to it under the Listing Rules

Management Discussion and Analysis

Industry Overview

Macroeconomic performance demonstrated resilience and accelerated growth of new growth drivers facilitated transformation

In the first half of 2026, against the backdrop of a complex and volatile international landscape and an overall slowdown in global economic growth, the Chinese government strove to advance high-quality development and implemented more proactive and effective macroeconomic policies. New growth drivers expanded rapidly, and measures to safeguard people's livelihoods were robust and effective. China's economy withstood the pressure and remained within a reasonable range, continuing to demonstrate its resilience.

According to the preliminary accounting data released by the National Bureau of Statistics, the GDP was RMB69.57 trillion in the first half of 2026, representing a year-on-year increase of 4.7% at constant prices. In the second quarter, the GDP grew by 0.9% quarter-on-quarter. In the first half of this year, new growth drivers represented by high-end manufacturing, digital economy and modern services contributed over 40% to economic growth, clearly demonstrating the economy's shift toward new and higher-quality development. Healthcare expenditure increased by 10.8% year-on-year. National fiscal funds further tilted toward livelihood sectors including medical and healthcare services, creating a sound external environment for stable operations, business format innovation and transformation of the pharmaceutical and healthcare industry.

According to the financial statistics published by the People's Bank of China in the first half of 2026, the People's Bank of China continued to implement a moderately loose monetary policy in the first half of 2026. The banking system maintained ample liquidity, comprehensive social financing costs stood at a low level, and the monetary policy delivered notable effects in supporting the real economy. In June 2026, the weighted average interest rate on newly issued corporate loans was approximately 3.0%, representing a decrease of approximately 20 basis points from the same period of the previous year, effectively helping enterprises continue to reduce their financing costs.

Pharmaceutical innovation policies built a full-cycle support system, and multi-level health needs reshaped the distribution industry landscape

In the first half of 2026, the State Council officially released the 15th Five-Year Plan for National Health, which emphasizes the implementation of the health-first development strategy and draws an all-round blueprint for people's livelihood protection centered on people's health. The pharmaceutical industry has entered a period of strategic transformation. The plan first explicitly puts forward full-chain support for the development of innovative drugs. In the same period, the General Office of the State Council issued the Opinions on Improving the Formation Mechanism of Drug Prices, clarifying the principle of "no centralized procurement for innovative drugs and centralized procurement for non-innovative drugs". It allows reasonable pricing space matching R&D investment for innovative drugs, guides pharmaceutical enterprises to increase investment in source innovation, improves the mechanism for returning value on innovation, and helps achieve the goal of high-quality development in the biopharmaceutical sector. The implementation of full-chain support policies for innovative drugs relies on high-standard professional distribution and cold-chain logistics conditions, professional hospital access and promotion capabilities, as well as the ability to explore diversified payment mechanisms, thereby generating corresponding commercial demands. Leading pharmaceutical distribution enterprises equipped with professional cold-chain capabilities, terminal pharmacy service capabilities, professional marketing capabilities and digital supply-chain management capabilities will become the indispensable link in the implementation of the national innovative drug development strategy. The national full-chain support policies for innovative drugs will bring profound structural changes and strategic opportunities to the pharmaceutical distribution industry.

Management Discussion and Analysis

China's population aging process continues to advance, with intensifying trends of declining birth rates and regional population growth and decline divergence. The demand for chronic disease drugs, long-term diagnosis and treatment, and health and wellness services among the elderly is steadily expanding, and the public's demand for all-round and full-cycle health services keeps growing. In recent years, the state has taken the silver economy as a key measure to foster new growth in consumption and actively address population aging. In July 2026, the State Council approved the 15th Five-Year Plan for Expanding Consumption, which explicitly calls for expanding the supply of health-related consumption for the elderly, improving the integrated pharmaceutical and healthcare service system, and promoting the continuous expansion of scenarios for elderly health services. Deepening population aging together with state support for the silver economy is building long-term and stable growth momentum for the medical and health market. Meanwhile, it drives the pharmaceutical distribution industry to build capabilities for targeted distribution and supply chain guarantee of chronic disease drugs, professional pharmacy and community health service capabilities, as well as supply chain integration capabilities for healthcare and elderly adapted products. Leveraging nationwide logistics networks, terminal pharmacy service capabilities and innovation collaboration capabilities, leading pharmaceutical distribution enterprises will gain first-mover advantages amid the silver economy wave and serve as hubs connecting the health demands of elderly groups with the supply of pharmaceutical and healthcare products.

Business Review

In the first half of 2026, under the leadership of the Board and the management, the Group gained an in-depth insight into the industry landscape, anchored the strategic goal of high-quality development, focused on the core business of pharmaceutical distribution, and concentrated on the key tasks of improving operational quality, risk management and control, and digital transformation. The business operated steadily in the first half of the year, with notable results in quality improvement and efficiency enhancement. As of the end of the Reporting Period, the Group recorded an operating income of RMB282,799.61 million, representing a slight decrease of 1.13% compared with the same period of the previous year; the net profit was RMB5,179.80 million, representing a year-on-year decrease of 2.95%; the net profit attributable to the parent company was RMB3,403.77 million, representing a year-on-year decrease of 1.79%.

During the Reporting Period, the Group further tapped into the potential of cost reduction and efficiency enhancement, continuously improving profitability and optimizing business quality. As of the end of the Reporting Period, the selling expense ratio, the administrative expense ratio and the financial expense ratio decreased to 2.59%, 1.23% and 0.29% respectively, and the overall expense ratio was 4.11%, representing a decrease of 0.27 percentage point year-on-year, facilitating the maintenance of the relative stability of the operating profit level. Relying on the implementation of the medical insurance direct settlement policy and the Group's scientific management and control of accounts receivable as well as special collection actions, in the first half of the year, the balance of accounts receivable of the Group decreased by 2.83% year-on-year, with the decrease in the balance of accounts receivable exceeding the decrease in operating income. The upward momentum of accounts receivable with a maturity of more than one year was effectively curbed, the overall collection situation was optimized year-on-year, and the results of accounts receivable management and control were evident. As of the end of the Reporting Period, the Group's debt structure was relatively stable, with the gearing ratio of 66.29%, representing a decrease of 2.96 percentage points compared with the same period of the previous year and a slight increase of 0.66 percentage point compared with the end of 2025, continuously strengthening the ability to withstand financial risks. The asset quality of the Group steadily improved, and the per capita efficiency level further increased.

Management Discussion and Analysis

In the first half of the year, the Group actively analyzed and judged the reform trends of industry policies and the regulatory environment, made forward-looking arrangements for various businesses, tapped into the growth potential of existing businesses while accelerating the layout of service business formats, and seized policy opportunities to promote innovation and transformation. During the Reporting Period, the retail pharmacy segment of the Group continued its good growth momentum, while the pharmaceutical distribution and medical device distribution segments developed relatively steadily. Among which, the revenue of the pharmaceutical distribution segment decreased by 1.39% year-on-year, with the revenue proportion decreasing by 0.64 percentage point year-on-year to 72.98%; the revenue size of the medical device distribution segment was basically the same as that of the same period of the previous year, with the revenue proportion increasing slightly by 0.03 percentage point year-on-year to 19.25%; the retail pharmacy segment continued to grow rapidly, with the revenue proportion increasing by 0.53 percentage point year-on-year to 6.31%.

Pharmaceutical Distribution: Seized innovative drug share by structure optimization and accelerated transformation and upgrading with marketing empowerment

In the first half of 2026, the volume-based procurement of drugs at the national and provincial alliance levels was implemented on a normalized basis, the national unified follow-up procurement of the first to eighth batches of drugs was advanced in an orderly manner, and the coverage of national negotiated varieties continued to expand, accompanied by long-term policy orientation of opposing "involution" and pursuing high quality. A red-and-yellow label risk warning mechanism for quoted prices of drugs was implemented nationwide, strengthening the monitoring of abnormal drug prices and further promoting the prices of drugs to return to a reasonable range. Under the combined effect of various policies, the pharmaceutical distribution industry accelerated its in-depth transformation toward high efficiency, digitalization, compliance and specialization, and the concentration of leading enterprises continued to increase.

During the Reporting Period, the Group's pharmaceutical distribution segment recorded an operating income of RMB215,496.05 million, representing a year-on-year decrease of 1.39%. Affected by multiple factors such as volume-based procurement, red-and-yellow label price governance, and medical insurance cost control, revenue of the pharmaceutical distribution segment decreased slightly year-on-year. During the Reporting Period, the Group firmly seized the development opportunities of national negotiated varieties and innovative drugs, and vigorously increased market share. The sales of national negotiated varieties and innovative drugs recorded a rapid year-on-year growth, and according to management caliber statistics, the growth rates reached 27% and 30% respectively, forming a structural complement to the decline in sales of volume-based procurement varieties and effectively hedging the downward pressure on overall revenue. The segment's overall performance remained relatively stable, and continued to demonstrate its operational resilience. In the first half of the year, affected by the decline in gross profit, the operating profit margin of the pharmaceutical distribution segment was 2.42%, representing a decrease of 0.16 percentage point year-on-year.

The national-level support policies for the full life cycle of innovative drugs have continuously generated increasing demand from suppliers for new product access, marketing services, and third-party logistics. In line with policy trends, the Group further accelerated the building of marketing teams and the enhancement of marketing capabilities, and actively promoted the compliance and high-quality development of marketing business formats. In the first half of the year, the revenue from the full-caliber marketing service achieved rapid double-digit growth, and the third-party logistics service revenue also achieved year-on-year growth. The contribution of professional CSO marketing services based on innovative drugs and specialty drugs to the overall gross profit gradually became prominent.

Medical Device Distribution: Deepened centralized procurement drove structural optimization and achieved remarkable results in medical device service transformation

In the first half of 2026, the volume-based procurement of medical devices such as high-value medical consumables was implemented on a normalized basis, the penetrating supervision of medical insurance funds was carried out, and the compliance rectification in the field of pharmaceutical purchase and sale was further advanced. The prices of medical devices declined in the terminal market, and the industry's gross profit space continued to narrow, accelerating the survival of the fittest in the market. The changes in industry policies and environment drove the continuous increase in demand from medical institutions for digitalized and intensive supply chain management. It promoted distribution enterprises to optimize their business structure and develop high value-added supply chain service business, exerting greater pressure on the medical device distribution industry to accelerate the transformation toward supply chain service providers.

Relying on the Group's key consensus on the transformation and development of the segment's business, during the Reporting Period, the medical device distribution segment focused on building medical terminal service capabilities, fully improved its full-process compliance management and control level and promoted the optimization and upgrading of the business structure. The proactive sales management and control measures for business with long credit period and high risk and low-value business initially showed effectiveness, and the operational quality and efficiency of the segment steadily improved. The medical device distribution segment recorded an operating income of RMB56,854.02 million, representing a slight year-on-year decrease of 0.35%. By category, the demand for clinically essential medical consumable products continued to increase, and sales revenue maintained its year-on-year growth momentum; affected by the continuous expansion and implementation of volume-based procurement for IVD reagents, as well as the implementation of the centralized procurement policy for large equipment in public medical institutions, the sales revenue of IVD products and equipments continued to decline year-on-year. The gross profit of the medical device distribution segment decreased accordingly, and the operating profit margin was 1.77%, representing a decrease of 0.15 percentage point year-on-year.

Facing the industry regulatory environment and market changes, the Group actively assessed reform trends, adhered to the compliance bottom line, deeply cooperated with upstream and downstream manufacturers and medical institutions to participate in various volume-based procurement projects, improved supply chain fulfillment efficiency, further consolidated the stickiness of upstream and downstream cooperation, and broadened business growth space. During the Reporting Period, the Group focused on improving business profitability, promoting the segment's business structure to gradually lean toward high value-added fields and industrial chain value-added services. The revenue of SPD services of medical device with high gross profit and medical device third-party services such as medical engineering services both achieved year-on-year growth, and the results of business transformation gradually emerged. Meanwhile, the Group continued to make efforts in the expansion of innovative business in the intelligent supply chain, and improved the full life cycle operation and management system for medical device. As of the end of June 2026, in terms of the intelligent supply chain of medical device, 35 new SPD projects and 28 single hospital centralised distribution projects were added, continuously releasing growth momentum for the segment.

Retail Pharmacy: Policies drove online and offline integration and specialty pharmacy led segment growth

In the first half of 2026, the pharmaceutical retail industry ushered in a new situation where multiple policy benefits and regulatory upgrades proceeded in parallel. The Opinions on Promoting the High-Quality Development of the Pharmaceutical Retail Industry issued by nine departments including the Ministry of Commerce was steadily implemented, continuously promoting the standardized construction of the electronic prescription circulation mechanism and encouraging innovative drugs to enter the retail pharmacy channel for sales. The demand for prescription outflow and out-of-hospital commercialization of innovative drugs was steadily released, bringing structural growth opportunities for retail enterprises with professional pharmacy service capabilities, mature compliance systems and extensive terminal layouts. In addition, the National Medical Products Administration issued the Compliance Guidelines for Online Retail of Prescription Drugs, gradually eliminating regulatory differences in areas such as prescription review, drug traceability, storage and distribution, and pharmacist management, thereby moving the online retail of prescription drugs away from a differentiated and lenient regulatory environment. Online channels meet consumers' need for convenience in immediate drug purchase and chronic disease prescription renewal, while physical stores carry scenarios such as pharmacy services, drug delivery, and patient health management. A single channel will be difficult to fully match the diversified terminal needs, and building the capability for coordinated development of online and offline will become a new round of competitive advantage for the sustainable development of the pharmaceutical retail industry.

During the Reporting Period, the Group's retail pharmacy segment continued its previous rapid growth momentum, achieving overall sales revenue of RMB18,635.02 million, representing a year-on-year increase of 8.58%. Among which, affected by factors such as the optimization and adjustment of store structure as well as the overall market environment including medical insurance cost control and price governance, the sales revenue of the Guoda Drugstore system decreased by 2.4% year-on-year; relying on the Group's wholesale-retail integration advantages and professional pharmacy service capabilities, the specialty pharmacy system deeply grasped the industry opportunities of expanded prescription circulation and accelerated out-of-hospital commercialization of innovative drugs, vigorously undertook prescription traffic such as innovative drugs, and maintained steady growth in sales revenue, thereby promoting the improvement of the segment's overall performance. Benefiting from the decrease in expenses of Guoda Drugstore and the increase in gross profit of specialty pharmacy, the operating profit margin of the retail pharmacy segment was 3.00%, representing a year-on-year increase of 0.32 percentage point. In terms of the number of stores, as of the end of June 2026, the number of stores of Guoda Drugstore was 7,975, representing a net decrease of 246 stores compared with the end of 2025; the number of stores of specialty pharmacy was 1,440, representing a net decrease of 21 stores compared with the end of 2025.

In the first half of the year, the Guoda Drugstore system continued to focus on operational quality optimization and service innovation and transformation. Guoda Drugstore actively responded to the national requirement of building a number of "health stations" close to communities and serving the people, promoting the transformation of its retail terminal system from traditional drug sales to comprehensive health services such as professional pharmacy services, chronic disease management, medication guidance, and health monitoring, and strengthening the integrated development of online and offline channels. At the operational level, it promoted refined management around the core objectives of improving profitability, reducing operating expenses, and improving store sales per square meter and per capita efficiency; it continuously deepened resource collaboration with industrial enterprises within the Group, enriched the product matrix, and focused on improving terminal market competitiveness. As of the end of the Reporting Period, the operating performance of existing comparable directly operated stores of Guoda Drugstore continued to improve compared with the overall market level, with remarkable results in expense reduction, which provided strong support for profit improvement.

The specialty pharmacy system continued to deepen its focus on prescription circulation and full-cycle patient management services, strengthened the wholesale-retail integration mechanism, improved the ability to obtain innovative drugs and high-value drugs, and efficiently undertook prescription resources from medical institutions. During the Reporting Period, the Group continuously improved the construction of the standardized service system for specialty pharmacy, increased the training of licensed pharmacists, consolidated professional pharmacy service capabilities, and was committed to building a patient-centered out-of-hospital medication service platform. At the organizational and operational level, it accelerated integration implementation, implemented a three-level flat operating model of headquarters, provincial retail platforms, and stores, achieved cost reduction and efficiency enhancement while striving to increase service fee income, and consolidated the Group's leading advantages in out-of-hospital retail in the fields of innovative drugs, rare diseases, and chronic diseases.

Transformation and Innovation: Integrated construction promoted cost reduction and efficiency enhancement and digital transformation empowered business innovation

Facing the in-depth reform of the industry and the brand-new market competition landscape, the Group made forward-looking arrangements to empower business development and deeply promoted integrated construction and digital transformation to help achieve quality improvement, efficiency enhancement and service innovation transformation, thereby breaking internal barriers, integrating all resources, and releasing scale effect.

The construction of business integration and management integration was steadily promoted. In terms of procurement integration, the Group focused on building and enhancing a compliant, standardized and integrated negotiation system and service implementation capabilities, and systematically advanced four key tasks: growing the share of strategic partners, introducing imported and innovative drug products, planning and designing integrated projects, and supporting procurement collaboration among subsidiaries, promoting the overall improvement of unified procurement. In the first half of the year, the proportion of drug sales from strategic partners increased to 60%, continuously improving bargaining power. In terms of logistics integration, the Group further promoted the integration and optimization of warehousing resources, continuously improved the logistics cost structure and operational efficiency, and promoted 35 subsidiaries to implement various cost reduction and efficiency enhancement measures. In terms of management integration, the Group continuously improved the middle and back office management and control standards of provincial companies, promoted the centralization of functions such as human resources, finance and operations into provincial companies or higher-level companies, and helped improve the profitability of the Group's subsidiaries in multiple aspects.

The implementation of the digital transformation strategy was accelerated. The Group deeply promoted the digital application of business scenarios, and built a penetrating risk management and control system relying on digital tools. As of the end of the Reporting Period, the Group's digital construction covered 15 core departments and 25 key projects, and the Group launched the construction of a procurement integration and centralized procurement platform. The Group continuously iterated the warehousing management system to accelerate the digital upgrading of logistics. In terms of the retail pharmacy segment, the Group gradually implemented the application of digital projects such as AI intelligent prescription review and member operation and promoted the construction of a patient-oriented service platform. In terms of data governance, the Group deepened the comprehensive collection and analysis of operational data, supported penetrating management and enhanced risk assessment capabilities. Currently, the Group's digital transformation has entered a new stage of coordinated planning and comprehensive implementation. By resolutely implementing the digital transformation strategy, the Group tapped into growth momentum for service innovation in various business segments, provided digital support for quality improvement and efficiency enhancement of the pharmaceutical industry supply chain, enhanced the collaborative efficiency of the entire chain, and ultimately helped the Group achieve the transformation from a traditional pharmaceutical distributor to a digitalized comprehensive pharmaceutical and healthcare service provider.

Management Discussion and Analysis

Future Prospects

The year 2026 is the opening year of the “15th Five-Year” Plan. Under the new situation of profound industry changes, the Group will anchor the strategic development vision of the “15th Five-Year Plan”, adhere to the goal of high-quality development, continuously deepen internal reform and business innovation, optimize the profit structure, improve operational efficiency, and fully promote the implementation of various annual business targets, so as to lay a solid foundation for the start of the Group’s “15th Five-Year Plan”.

In terms of the pharmaceutical and medical device distribution segments, the Group will continuously consolidate the advantages of its core business, and coordinate the expansion of market share with the optimization of product structures. While deeply cultivating core regional markets, actively promoting innovation transformation, and enhancing core service capabilities, the Group will deepen long-term cooperation with strategic partners and key medical institution customers, and steadily increase the cooperation share of core customers. In terms of product structure optimization, the Group will actively seek distribution rights of innovative drugs and medical devices and high-value varieties, remain focused on high-quality and sustainable businesses, stabilize its revenue base, and rely on the advantages of the entire supply chain to strengthen its core competitiveness as an industry leader.

In terms of the retail pharmacy segment, the Group will adhere to the “dual-brand” coordinated development strategy of “Guoda Drugstore” and “specialty pharmacy”. The Guoda Drugstore system will continuously promote refined operation, improve the full-process compliance management and control system, enhance pharmacy service capabilities, accelerate service transformation, and realize the value reshaping of existing businesses. The specialty pharmacy system will seize the policy opportunities of prescription outflow, innovative drug commercialization, and the expansion of medical insurance dual-channel, and actively undertake prescription circulation business from medical institutions. It will further improve the standardized service system of specialty pharmacy, enhance professional service capabilities, and build differentiated competitive advantages.

In terms of operation management and control and transformation upgrading, the Group will continuously focus on the orientation of operational quality and efficiency and cash flow safety, implement the risk management and control mechanism for accounts receivable, and scientifically and reasonably tap into the potential of cost reduction and efficiency enhancement. Relying on in-depth cooperation with strategic partners and core customers, the Group will promote the extension of full industrial chain value-added services, vigorously expand high value-added service businesses such as pharmaceutical marketing services, intelligent supply chain services for medical device, and third-party logistics, and accelerate the building of a second growth curve. In addition, the Group will systematically promote integrated operation and digital transformation, deeply tap into the potential for internal synergy, reduce costs and increase profits, break down data barriers, build a penetrating operation and risk management and control platform, actively explore the application of artificial intelligence in the fields of retail and logistics, and comprehensively empower business transformation and management upgrading through digitalization, thereby forging long-term competitiveness on the new journey of the “15th Five-Year Plan”.

Management Discussion and Analysis

Financial Summary

The financial summary set out below is extracted from the unaudited financial statements of the Group for the Reporting Period which were prepared in accordance with the HKASs 34 Interim Financial Reporting.

During the Reporting Period, the Group recorded revenue of RMB282,799.61 million, representing a decrease of RMB3,243.39 million or 1.13% as compared with the corresponding period of last year.

During the Reporting Period, the Group recorded a net profit of RMB5,179.80 million, representing a decrease of RMB157.44 million or 2.95% as compared with the corresponding period of last year; profit attributable to owners of the parent amounted to RMB3,403.77 million, representing a decrease of RMB61.92 million or 1.79% as compared with the corresponding period of last year.

During the Reporting Period, basic earnings per share of the Company amounted to RMB1.09, representing a decrease of 1.80% as compared with the corresponding period of last year.

Unit: in millions of RMB unless otherwise stated

	Six months ended 30 June 2026	Six months ended 30 June 2025	Change
Operating result			
Revenue	**282,799.61**	286,043.00	(3,243.39)
Earnings before interest and tax	**7,753.61**	8,205.27	(451.66)
Profit attributable to owners of the parent	**3,403.77**	3,465.69	(61.92)
Profitability			
Gross margin	**6.74%**	7.11%	decrease by 0.37 percentage point
Operating margin	**2.53%**	2.60%	decrease by 0.07 percentage point
Net profit margin	**1.83%**	1.87%	decrease by 0.04 percentage point
Earnings per share – Basic (RMB)	**1.09**	1.11	(0.02)

Unit: in millions of RMB unless otherwise stated

	Six months ended 30 June 2026	Six months ended 30 June 2025	Change
Key operational indicators			
Trade receivables turnover ratio (days)	**145**	143	2
Inventory turnover ratio (days)	**45**	44	1
Trade payables turnover ratio (days)	**103**	103	–
Current ratio (times)	**1.40**	1.34	0.06

Management Discussion and Analysis

Unit: in millions of RMB unless otherwise stated

	30 June 2026	31 December 2025	Change
Asset position			
Total assets	**404,426.58**	390,361.21	14,065.37
Equity attributable to owners of the parent	**85,194.06**	83,953.38	1,240.68
Gearing ratio	**66.29%**	65.63%	increase by 0.66 percentage point
Cash and cash equivalents	**31,044.91**	48,796.13	(17,751.22)

Revenue

During the Reporting Period, the Group recorded revenue of RMB282,799.61 million, representing a decrease of 1.13% as compared with RMB286,043.00 million for the six months ended 30 June 2025. This decrease was due to the decrease in revenue from the Group's pharmaceutical distribution business and medical device distribution business.

- **Pharmaceutical distribution segment:** During the Reporting Period, the revenue from pharmaceutical distribution of the Group was RMB215,496.05 million, representing a decrease of 1.39% as compared with RMB218,527.36 million for the six months ended 30 June 2025 and accounting for 72.98% of the total revenue of the Group. The decline is primarily attributable to a combination of factors, including volume-based procurement (VBP), the red-and-yellow label price governance, and healthcare insurance regulatory oversight.

- **Medical device distribution segment:** During the Reporting Period, the revenue from medical device distribution of the Group was RMB56,854.02 million, representing a decrease of 0.35% as compared with RMB57,052.73 million for the six months ended 30 June 2025 and accounting for 19.25% of the total revenue of the Group. The decline in sales revenue of medical instruments and equipment is primarily attributable to the implementation of the centralized procurement policy for large-scale equipment by public medical institutions.

- **Retail pharmacy segment:** During the Reporting Period, the revenue from retail pharmacy of the Group was RMB18,635.02 million, representing an increase of 8.58% as compared with RMB17,162.12 million for the six months ended 30 June 2025 and accounting for 6.31% of the total revenue of the Group. The increase was primarily attributable to the growth in sales revenue of the Group's specialty pharmacies.

- **Other business segment:** During the Reporting Period, the revenue from other business of the Group was RMB4,288.18 million, representing an increase of 5.20% as compared with RMB4,076.03 million for the six months ended 30 June 2025, primarily due to the increase in revenue from industrial products.

Cost of Sales

During the Reporting Period, the cost of sales of the Group was RMB263,728.13 million, representing a decrease of 0.74% as compared with RMB265,696.09 million for the six months ended 30 June 2025, which was comparable to the decline in the sales revenue.

Gross Profit

During the Reporting Period, the gross profit of the Group was RMB19,071.48 million, representing a decrease of 6.27% as compared with RMB20,346.91 million for the six months ended 30 June 2025, which was mainly due to the decline in the revenue scale of the Group.

The gross profit margin of the Group for the six months ended 30 June 2026 was 6.74%, and the gross profit margin for the corresponding period in 2025 was 7.11%.

Other Income

During the Reporting Period, the other income of the Group was RMB188.24 million, representing a decrease of 21.92% as compared with RMB241.10 million for the six months ended 30 June 2025, primarily due to the decrease in subsidies obtained by the Group from the central and local governments.

Selling and Distribution Expenses

During the Reporting Period, the selling and distribution expenses of the Group were RMB7,321.45 million, representing a decrease of 6.67% as compared with RMB7,844.86 million for the six months ended 30 June 2025.

Administrative Expenses

During the Reporting Period, the administrative expenses of the Group were RMB3,471.48 million, representing a decrease of 5.37% from RMB3,668.49 million for the six months ended 30 June 2025.

The proportion of the administrative expenses of the Group to the total revenue of the Group decreased from 1.28% for the six months ended 30 June 2025 to 1.23% for the Reporting Period.

Operating Profit

As a result of the above-mentioned factors, during the Reporting Period, the operating profit of the Group was RMB7,145.57 million, representing a decrease of 4.03% from RMB7,445.69 million for the six months ended 30 June 2025.

Other Gains – Net

During the Reporting Period, the other net gains of the Group was RMB65.35 million, representing a decrease of RMB6.24 million as compared with other net gains of RMB71.59 million for the six months ended 30 June 2025. Such decrease is mainly due to the decrease in the reversal of unpayable amounts in the current period.

Management Discussion and Analysis

Other Expenses

During the Reporting Period, other expenses of the Group were RMB44.42 million, representing an increase of RMB44.56 million as compared with the reversal of other expenses of the Group for the six months ended 30 June 2025 of RMB0.14 million. The increase was mainly due to the impairment losses on intangible assets.

Finance Costs – Net

During the Reporting Period, the finance costs – net of the Group were RMB808.72 million, representing a decrease of RMB186.66 million as compared with RMB995.38 million for the six months ended 30 June 2025, mainly due to a lowered interest rate, resulting in a reduction in financial costs.

Share of Profits and Losses of Associates

During the Reporting Period, the Group's share of profits and losses of associates was RMB585.86 million, representing a decrease of 14.68% as compared with RMB686.63 million for the six months ended 30 June 2025.

Share of Profits and Losses of Joint Ventures

During the Reporting Period, the Group's share of profits and losses of joint ventures was RMB1.25 million, representing an increase of 1.63% as compared with RMB1.23 million for the six months ended 30 June 2025, mainly due to the increase in business results of joint ventures.

Income Tax Expense

During the Reporting Period, the income tax expense of the Group was RMB1,765.09 million, representing a decrease of 5.74% as compared with RMB1,872.65 million for the six months ended 30 June 2025, primarily due to make-up payments for income taxes from prior years in the previous period.

Profit for the Period

As a result of the above-mentioned factors, the profit for the Reporting Period of the Group was RMB5,179.80 million, representing a decrease of 2.95% from RMB5,337.25 million for the six months ended 30 June 2025. The Group's net profit margin for the Reporting Period and for the corresponding period of 2025 was 1.83% and 1.87%, respectively.

Profit Attributable to Owners of the Parent

During the Reporting Period, profit attributable to owners of the parent was RMB3,403.77 million, representing a decrease of 1.79% or RMB61.92 million from RMB3,465.69 million for the six months ended 30 June 2025.

Profit Attributable to Non-controlling Interests

During the Reporting Period, profit attributable to non-controlling interests was RMB1,776.03 million, representing a decrease of 5.10% from RMB1,871.56 million for the six months ended 30 June 2025.

Management Discussion and Analysis

Liquidity and Capital Sources

Working capital

As at the end of the Reporting Period, the Group's cash and cash equivalents amounted to RMB31,044.91 million (31 December 2025: RMB48,796.13 million), primarily comprising cash, bank savings and cash generated from operating activities during the current period.

Cash flow

The cash of the Group is primarily used for financing working capital, repaying credit interest and principal due, financing acquisitions and providing funds for capital expenditures, growth and expansion of the Group's facilities and operations.

Net cash used in operating activities

The Group's cash outflow from operations primarily derives from payments for the purchase of raw material and provision of services in its pharmaceutical distribution, retail pharmacy, medical device distribution and other business segments. During the Reporting Period, the Group's net cash used in operating activities amounted to RMB23,762.76 million. The net cash used in operating activities of the Group was RMB34,111.09 million for the six months ended 30 June 2025. Such decrease was primarily attributable to the collection of trade receivables and the decreased payment in trade payables during the Reporting Period.

Net cash (used in)/generated from investment activities

During the Reporting Period, the net cash generated from investment activities of the Group was RMB8.77 million. The net cash used in investment activities for the six months ended 30 June 2025 was RMB531.24 million. Such increase was primarily due to increase in fixed-term deposits recovered in the current period.

Net cash generated from financing activities

During the Reporting Period, the net cash generated from financing activities of the Group was RMB6,000.31 million, representing a decrease of RMB9,578.69 million as compared with RMB15,579.00 million for the six months ended 30 June 2025. Such decrease was primarily due to the decrease in proceeds from borrowings obtained and the increase in payments for repayment of borrowings during the Reporting Period.

Capital Expenditure

The Group's capital expenditures were primarily utilised for the development and expansion of distribution channels, upgrading of its logistic delivery systems and decoration of new stores and equipment purchase. The Group's capital expenditures for the Reporting Period amounted to RMB1,578.86 million, representing a decrease of RMB228.23 million as compared with RMB1,807.09 million for the six months ended 30 June 2025, mainly due to the decrease in the expenditure on the purchase of property, plant and equipment.

The Group's current plans with respect to its capital expenditures may be modified according to the progress of its operation plans (including changes in market conditions, competition and other factors). As the Group continues to expand, it may incur additional capital expenditures. The Group's ability to obtain additional funding in the future is subject to a variety of uncertain factors, including the future operating results, financial condition and cash flows of the Group, economic, political and other conditions in mainland China and Hong Kong, and the PRC government's policies relating to foreign currency borrowings.

Capital Structure

Fiscal resources and fiscal policies

During the Reporting Period, the Group made certain improvement and adjustments to its capital structure, so as to relieve fiscal risks and reduce finance costs. The businesses of the Group faced a variety of fiscal risks: market risk (including foreign exchange risks, fair value and cash flow interest rate risk), credit risk and liquidity risk. The Group's risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group has not used any derivative financial instrument to hedge its risk exposures on changes in foreign currency exchange rates and interest rates.

The Group had successfully issued super short-term financing bonds in an aggregate amount of RMB1 billion during the Reporting Period for the purposes of broadening financing channels and reducing financing costs, so as to repay bank loans as well as to replenish working capital.

The Group's borrowings are mainly denominated in RMB.

As at 30 June 2026, the cash and cash equivalents of the Group were mainly denominated in RMB, with certain amount denominated in Hong Kong Dollars ("**HKD**") and small amount denominated in United States Dollars ("**USD**"), Euro ("**EUR**"), Swiss Franc, Great Britain Pound and Japanese Yen.

Indebtedness

As at 30 June 2026, the Group had aggregated banking facilities of RMB342,265.28 million (31 December 2025: RMB324,753.19 million), of which RMB222,169.63 million (31 December 2025: RMB201,040.79 million) were not yet utilised and are available to be drawn down at any time. Such banking facilities are primarily short-term loans for working capital. Among the Group's total borrowings as at 30 June 2026, RMB70,750.26 million (31 December 2025: RMB63,321.16 million) will be due within one year and RMB4,214.96 million (31 December 2025: RMB3,645.48 million) will be due after one year. During the Reporting Period, the Group did not experience any difficulties in renewing the bank loans with its lenders. As at 30 June 2026, all of the Group's borrowings from banks and other financial institutions were carried at floating interest rates and the weighted average effective annual interest rate for the six months ended 30 June 2026 was 2.28% (for the year ended 31 December 2025: 2.50%).

Gearing ratio

As at 30 June 2026, the Group's gearing ratio was 66.29% (31 December 2025:65.63%), which was calculated based on the total liabilities divided by the total assets as at 30 June 2026.

Credit Risk

The Group will focus on the recovery of account receivables with a maturity of more than one year, inventory risk and liquidity control, credit exposure and other potential risks, coordinate development and safety, continuously improve the level of compliance supervision, and prevent and control business operation risks. Meanwhile, the Group will continue to review the credit risk of trade receivables and fully consider changes in business structure and customer structure, changes in the macroeconomic environment and specific industry factors. At the same time, the Group will also continue to review the Group's customer credit risk characteristic portfolios to ensure that the division of credit risk characteristic portfolios can fully reflect the risk characteristics of different types of customers, and the Group will assess the accounting estimates such as historical observed default rates and forward-looking adjustments in a more prudent manner to ensure that the provision matrix of the Group's expected credit loss can fully reflect the impairment provisions for trade receivables. As at 30 June 2026, the trade and notes receivable of the Group in aggregate amounted to RMB236,432 million (31 December 2025: RMB205,622 million) and its aging analysis is set out in note 18 to the consolidated financial statements.

The Group has established a sound customer credit management system and trade receivables management measures to prevent credit risks and improve the turnover efficiency of trade receivables, and major measures included but not limited to: (i) establishing a scientific and rational credit evaluation model to strictly review and approve customers' credit limits and credit periods; (ii) reviewing the actual sales, collection of trade receivables and financial information of customers on a regular basis, and implementing a dynamic management on customers' credit limits and terms; (iii) strengthening the regular monitoring and analysis of several indicators such as the balance of trade receivables with a maturity of more than one year, balance of trade receivables overdue and turnover days of trade receivables based on different customer bases; and (iv) strengthening the reconciliation and collection of trade receivables, especially receivables with a maturity of more than one year and overdue receivables, developing practical collection measures and repayment terms, and other necessary measures.

Foreign Exchange Risks

The Group's operations are mainly located in the PRC and most of its transactions are denominated and settled in RMB. However, the Group is exposed to foreign exchange risks to a certain extent as certain cash and cash equivalents, borrowings from banks and other financial institutions and trade payables are denominated in foreign currencies, the majority of which are USD, HKD and EUR. During the Reporting Period, the Group had no corresponding hedging arrangements.

Pledge of Assets

As at 30 June 2026, part of the Group's borrowings and notes payable were secured by trade and notes receivable with book value of RMB2,418.98 million (31 December 2025: RMB2,146.10 million), bank deposits of RMB8,670.49 million (31 December 2025: RMB10,138.92 million), properties, plant and equipment with book value of RMB0.00 million (31 December 2025: RMB0.00 million).

Going Concern

Based on the current financial forecast and available financing facilities, the Group has sufficient financial resources for ongoing operation in the foreseeable future. As such, the financial statements were prepared on a going concern basis.

Contingent Liabilities and Material Litigations

As at 30 June 2026, the Group neither had any material contingent liabilities, nor had any material litigations.

Significant Investment

During the Reporting Period, the Group had no significant investments. As at the date of this announcement, the Board has not approved any plans for material investments or purchase of capital assets.

Major Acquisitions and Disposals

During the Reporting Period, the Group had no material acquisitions and disposals with respect to subsidiaries, associates and joint ventures.

Management Discussion and Analysis

Human Resources

As at 30 June 2026, the Group had a total of 90,447 employees (as at 30 June 2025: 100,251 employees). The Group has always adhered to the development philosophy that is "talents are the Group's core competitiveness". With the goal of supporting strategic implementation and driving high-quality development, the Group has established a professional and integrated human resource management system. Through scientific talent selection, systematic training and development and diverse incentive and restraint mechanisms, the Group has established a high-quality talent team.

For personnel employment, the Company established strict and standardized selection standards and procedures, adhered to the principle of selecting candidates with ability and integrity, and talent-post matching, and accurately selected outstanding talents who align with the Company's values and job requirements, injecting fresh vitality into the Company's sustainable development.

For talent development, the Company focused on the growth needs of employees at different functions and levels, and built a tiered and categorized training system to help employees improve their professional skills and overall quality, so as to achieve the resonance between personal development of employees and strategic goals of the Company.

For performance management, the Company implemented company-wide performance assessment with performance contributions as the core evaluation criterion. The Company closely linked performance assessment results with remuneration adjustments, promotions and career development, fully stimulating employees' enthusiasm and initiative in their work and entrepreneurship.

For remuneration strategies, based on the principle of "performance-oriented remuneration, prioritizing efficiency and considering fairness", the Company established a remuneration system with position value and ability as basis and performance contribution as the cornerstone. The employee remunerations include multiple dimensions such as basic salary, performance-based remuneration, bonus and piece rate wage. The Company further adopted a combination of short-term and medium-and long-term incentives, adhered to the performance-oriented principle while giving consideration to balance, and designed a remuneration structure comprising "basic remuneration, performance-based remuneration, and medium-and long-term incentives" for operational management, demonstrating the principles of "diversified structure, dynamic adjustments, value creation, the incremental value distribution, sharing benefits and risks, and aligning with market benchmarks", and upheld the compliance bottom line in remuneration management, which promoted the formation of a community of interests between operational management and the Company and facilitated the Company to achieve its long-term strategic goals. Details of employee benefit expenses of the Group during the Reporting Period are set out in the Note 11 to the consolidated financial statements.

Biographies of Directors, Supervisors and Senior Management

Directors

Mr. Jin Bin, aged 53, is currently the chairman, a non-executive Director and the secretary of the Party Committee of the Company. Mr. Jin holds a master's degree in business administration from Beijing Jiaotong University. Mr. Jin joined China National Medicines Corporation Ltd. (國藥集團藥業股份有限公司) in 2005, and served as the business supervisor of the office of Sinopharm (CNCM LTD). Mr. Jin joined CNPGC in 2008, successively holding positions including the deputy director of the administrative department, the deputy director of the office and the director of the office. Mr. Jin has served as the deputy general manager of CNPGC since November 2022 and has served as the general legal counsel and the chief compliance officer of CNPGC since April 2025. Mr. Jin has served as the secretary of the Party Committee of the Company since November 2025 and the chairman and a non- executive Director of the Company since December 2025. Mr. Jin is currently also the chairman of Sinopharm Investment.

Mr. Chen Qiyu, aged 54, is currently a non-executive Director and vice chairman of the Company. He obtained a bachelor's degree in genetics from Fudan University in July 1993 and an executive master's degree in business administration from China Europe International Business School in September 2005. Mr. Chen is currently the executive director and joint chief executive officer of Fosun International (a company listed on the Hong Kong Stock Exchange, stock code: 00656). Mr. Chen has joined Fosun Pharma Group (Fosun Pharma and its subsidiaries) since 1994, and currently serves as the non-executive director of Fosun Pharma and a non-executive director of Henlius (a company listed on the Hong Kong Stock Exchange, stock code: 02696). Mr. Chen served as the co-chairman of New Frontier Health Corporation (a company delisted from the NYSE in January 2022) and a director of Beijing Sanyuan Food Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600429), and a non-executive director of Gland Pharma Limited (a company listed on Bombay Stock Exchange and National Stock Exchange of India, stock code: GLAND). Mr. Chen has joined the Company since January 2003, and served as the chairman of the Supervisory Committee, and is currently a non-executive Director and vice chairman of the Company and the deputy chairman of Sinopharm Investment. Mr. Chen is currently the honorary chairman of China Medical Pharmaceutical Material Association, vice chairman of China Pharmaceutical Innovation and Research Development Association, honorary chairman and chairman of the supervisory committee of Shanghai Biopharmaceutics Industry Association, the standing member of the 14th Shanghai Committee of the Chinese People's Political Consultative Conference and the chairman of Shanghai Federation of Industry and Commerce Biomedical Chamber.

Mr. Lian Wanyong, aged 55, is currently an executive Director, president and deputy secretary of the Party Committee of the Company. Mr. Lian holds a master's degree in medicine from Zhongshan Medical Sciences University and a master's degree in business administration from the University of Miami and is an associate chief pharmacist. Mr. Lian successively served as the deputy director of the financial assets management department, a director of the investment management department and the deputy director of policy research office of China National Pharmaceutical Group Co., Ltd. (中國醫藥集團有限公司) ("CNPGC"). Mr. Lian successively served as a Director, a supervisor and a Director of the Company from December 2008 to January 2018, and served as a vice president of the Company from January 2018 to September 2022. Mr. Lian served as a director, the president and the deputy secretary of the Party Committee of Shanghai Shyndec Pharmaceutical Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600420) ("SSPC") from September 2022 to August 2024. Mr. Lian has been the President and deputy secretary of the Party Committee of the Company since August 2024 and an executive Director of the Company since September 2024. Mr. Lian is currently also a director and the general manager of Sinopharm Investment.

Biographies of Directors, Supervisors and Senior Management

Mr. Yang Binghua, aged 46, is currently an executive Director and a deputy secretary of the Party Committee of the Company. Mr. Yang holds a master's degree in Public Administration from School of Government of Peking University. Mr. Yang previously served as the deputy department head of the second secretarial department of the State-owned Assets Supervision and Administration Commission of State Council ("SASAC"), a deputy director of the Party Committee for offices directly under SASAC, the deputy department head and the department head of the communication department of the Party Committee for offices directly under SASAC, the deputy secretary of the Party Committee of SSPC, and the director of the work department of the Party Committee (the organization department of the Party Committee and the communication department of the Party Committee) of CNPGC. In the past three years, Mr. Yang served as a non-executive director of China Traditional Chinese Medicine Holdings Co. Limited (中國中藥控股有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 00570) ("China TCM") and a director of Chongqing Taiji Industry (Group) Co., Ltd. (重慶太極實業(集團)股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600129). Mr. Yang has served as a deputy secretary of the Party Committee of the Company since October 2025 and an executive Director of the Company since December 2025.

Mr. Zu Jing, aged 56, is currently a non-executive Director of the Company. Mr. Zu is a holder of bachelor's degree in economics and a senior accountant. Mr. Zu previously served as the deputy general manager of the finance department of China National Service Corporation For Chinese Personnel Working Abroad, the deputy general manager and the financial director of Zhongfu Jiayuan Trade Co. (中服嘉遠貿易公司), the general manager of the finance department, the deputy financial director and the financial director of China Sinopharm International Corporation, the financial director of SSPC, and the director of the international cooperation department of CNPGC. Mr. Zu has been serving as a full-time external director of CNPGC since October 2024, and has served as a non-executive director of China TCM since January 2025. Mr. Zu has been a non-executive Director of the Company since February 2025. Mr. Zu is currently also the director of Sinopharm Investment.

Mr. Xing Yonggang, aged 49, is currently a non-executive Director of the Company. Mr. Xing is a holder of doctor's degree in law, a senior economist and a lawyer. Mr. Xing previously served as a cadre of Sinopharm (CNCM LTD), the deputy head and the head of the legal department and the supervisor of the Company, the business supervisor and a senior business supervisor of the office and the legal affairs department, an assistant to director, the deputy director and the director of the legal affairs department of CNPGC, the secretary of the discipline inspection commission of China National Biotec Group Co., Ltd., the deputy general manager and the general legal counsel of China National Pharmaceutical Investment Co., Ltd., and the chairman of the board of supervisors of SSPC. Mr. Xing has served as a full-time external director of CNPGC since October 2024. Mr. Xing currently serves as a director of SSPC, and has been a non-executive Director of the Company since February 2025.

Biographies of Directors, Supervisors and Senior Management

Mr. Ma Yue, aged 44, is currently a non-executive Director of the Company. Mr. Ma holds a master's degree in science in microbiology from College of Life Sciences, Nankai University and a master's degree in management in accounting from Chinese Academy of Fiscal Sciences. He is a professor-level senior economist and practicing pharmacist. Mr. Ma currently serves as the director of the operation management department (safety, environmental protection and quality management division) of CNPGC. Mr. Ma joined CNPGC in October 2009 and has successively held various positions including the senior business supervisor of the international cooperation department, the assistant to the director of the international cooperation department, the deputy director of the office, the head of the operation management department and the director of the office (the office of the Party Committee and the board office) of CNPGC, and Mr. Ma has concurrently served as a director of Suzhou Capsugel Co., Ltd. (蘇州膠囊有限公司) and a supervisor of Sino Pharmengin Corporation during the period. Mr. Ma has served as the director of the operation management department (safety, environmental protection and quality management division) of CNPGC since May 2025. Mr. Ma has served as a non-executive Director of the Company since December 2025.

Mr. Chen Yuqing, aged 50, is currently a non-executive Director of the Company. Mr. Chen obtained a bachelor's degree in engineering from Shanghai University. Mr. Chen joined Fosun Pharma Group in January 2010 and successively served as an assistant to the president and the general manager of the human resources department, a vice president, a senior vice president, the co-president, the co-chief executive officer, a non-executive director and other positions of Fosun Pharma. Mr. Chen has served as an executive director and the chairman of the board of directors of Fosun Pharma since April 2025 and a non-executive director of Henlius since August 2025, and holds directorships and management positions in certain subsidiaries of Fosun Pharma. Mr. Chen served as a vice president of Fosun International from July 2023 to April 2025 and has served as a senior vice president of Fosun International since April 2025. Mr. Chen has previously held human resources management positions in various companies, and has substantial experience in human resources management. Mr. Chen has served as a non-executive Director of the Company since June 2025.

Mr. Wen Deyong, aged 54, is currently a non-executive Director of the Company. Mr. Wen graduated from Donghua University and received a master's degree in business administration in December 2007. Mr. Wen joined Fosun Pharma Group in May 2002, and is currently the executive director and the vice chairman of Fosun Pharma. Mr. Wen worked at Chongqing Yaoyou Pharmaceutical Co., Ltd. and Chongqing Healthman Pharma Co., Ltd. from September 1995 to May 2016. Mr. Wen has served as a non-executive Director of the Company since September 2017. Mr. Wen is currently also a director of Sinopharm Investment. Mr. Wen was also a director of Anhui Sunhere Pharmaceutical Excipients Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 300452) and Sinopharm (CNCM LTD), a non-executive director of Henlius and the chairman of the board of supervisors of China National Accord Medicines Corporation Ltd..

Ms. Li Ying, aged 52, is currently a non-executive Director of the Company. Ms. Li obtained a master's degree in agricultural economics and management from the School of Economics and Management of Northeast Agricultural University in 2000. Ms. Li possesses extensive experience in equity investment within the pharmaceutical industry, and has served as the director of the Beijing Bureau of China Banking and Insurance Regulatory Commission, the deputy general manager of the equity business department of China Huarong Financial Asset Management Co., Ltd., and a member of the party committee and deputy general manager of Huarong Ruitong Equity Investment Management Co., Ltd.. Ms. Li is currently the deputy general manager of the first asset management department of China CITIC Financial Asset Management Co., Ltd.. Ms. Li has served as a non-executive Director of the Company since December 2025.

Biographies of Directors, Supervisors and Senior Management

Mr. Li Peiyu, aged 63, is currently an independent non-executive Director of the Company. Mr. Li obtained a PhD of management in Management Science and Engineering from School of Economics and Management, Tsinghua University and a Master of Public Administration (MPA) from Harvard University in June 1998. Mr. Li has worked in the areas of economics, finance and management for more than 30 years. From July 1987 to September 2000, he held positions in the Development Research Center of the State Council. From September 2000 to December 2007, Mr. Li successively served as the deputy director of Henan Provincial Development Planning Committee and the mayor of Hebi City in Henan Province. From December 2007 to February 2023, Mr. Li successively served as director of alternative investment department of China Investment Corporation, inspector of the research office of the State Council, chairman of China Reinsurance (Group) Corporation, and managing director of Beijing Zhongyu Green Investment Management Co., Ltd., managing director of CASIC Investment Fund Management (Beijing) Limited Company (航天科工投資基金管理(北京)有限公司), the partner of the Beijing Qiyuanhouji Investment Management Co., Ltd. (北京啟源厚積投資管理有限公司) and the managing director of Lotus Lake Venture Capital Management (Beijing) Co., Ltd. (荷塘創業投資管理(北京)有限公司). Mr. Li has served as an independent non-executive Director of the Company since September 2020.

Mr. Wu Tak Lung, aged 61, is currently an independent non-executive Director of the Company. Mr. Wu received a bachelor's degree in Business Administration from the Hong Kong Baptist University and a master's degree in business administration jointly from the University of Manchester and the University of Wales, respectively. In addition, Mr. Wu also obtained certification for the Environmental, Social and Governance Reporting Certification Course organized by the Hong Kong Chartered Governance Institute. Mr. Wu currently serves as an independent non-executive director of Kam Hing International Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 2307), Zhongguancun Science-Tech Leasing Co., Ltd. (a company listed on the Hong Kong Stock Exchange, stock code: 1601) and Asiaray Media Group Limited (a company listed on the Hong Kong Stock Exchange, stock code: 1993). In the last three years, Mr. Wu was an independent non-executive director of Henan Jinma Energy Company Limited. Mr. Wu previously served as an independent non-executive director of Beijing Media Corporation Limited ("Beijing Media"). Details in relation to the criticization of the current and retired directors of Beijing Media by the Hong Kong Stock Exchange are set out in the announcements of the Hong Kong Stock Exchange and the Company dated 10 February 2022 and 14 February 2022, respectively. Mr. Wu had worked in Deloitte Touche Tohmatsu, an international accounting firm, for five years. Mr. Wu has served as an independent non-executive Director of the Company since September 2020. Mr. Wu is currently an accounting consultant of the Ministry of Finance of the State Council, a member of Hong Kong Institute of Certified Public Accountants, a senior fellow member of Hong Kong Securities and Investment Institute and a fellow member of the Association of Chartered Certified Accountants, the Taxation Institute of Hong Kong, and The Hong Kong Chartered Governance Institute, a member of the Hospital Governing Committee and the trustee of the Charitable Trust Fund of Pamela Youde Nethersole Eastern Hospital and a member of the Audit and Risk Committee of Chinese Medicine Hospital of Hong Kong Baptist University.

Mr. Yu Weifeng, aged 54, is currently an independent non-executive Director of the Company. Mr. Yu is a lawyer with more than 30 years of working experience as a practicing lawyer. Mr. Yu obtained a bachelor's degree in laws from Fudan University in June 1995 and then obtained a master's degree in business administration from China Europe International Business School. From July 1995 to December 1998, Mr. Yu served as a paralegal and lawyer in Shanghai Pu Dong International Law Office (now renamed as Shanghai Pu Dong Law Office). Mr. Yu has served as a partner in Llinks Law Offices since December 1998, and served as a director thereof from January 2014 to June 2020. Mr. Yu currently serves as an independent director of Shanghai M& G Stationery Inc. (a company listed on the Shanghai Stock Exchange, stock code: 603899). Mr. Yu served as an independent director of Shenergy Company Limited and Deppon Logistics Co., Ltd. and an external director of Shaanxi Jingxiaohe Commerce and Trade Co., Ltd., Jiahua Chemicals Inc. and Shanghai Life Science & Technology Co., Ltd. Mr. Yu has served as an independent non-executive Director of the Company since September 2020. Currently, Mr. Yu is also the chairman of Foreign-related Legal Services Committee of the All China Lawyers Association, president of Shanghai Arbitration Association, a member of Shanghai Arbitration Commission, and an arbitrator of Shanghai Arbitration Commission, Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) and other arbitration institution and a mediator of Shanghai Commercial Mediation Center.

Mr. Shi Shenghao, aged 58, is currently an independent non-executive Director of the Company. Mr. Shi graduated from Capital Normal University with a bachelor's degree and obtained an EMBA degree from China Europe International Business School. Mr. Shi has more than 30 years of experience in the medical and health industry. He has served as a senior executive and general manager in Greater China for a number of multinational medical companies, and has extensive experience in industry operation and mergers and acquisitions. Mr. Shi is currently the managing partner of Riverhead Capital Investment Management Co., Ltd., which is a private equity investment institution funded by insurance capital. Mr. Shi has held senior executive positions at multinational companies including GE Healthcare, Medtronic, Bayer and Dentsply Sirona. Mr. Shi has served as the independent non-executive Director of the Company since June 2023.

Mr. Chen Weiru, aged 55, is currently an independent non-executive Director of the Company. Mr. Chen holds a doctor of philosophy in strategic management from Purdue University in the United States. Mr. Chen currently serves as a professor of strategy at China Europe International Business School (中歐國際工商學院). Prior to that, he served as the chief strategy officer of Cainiao Network and the director of Industry Internet Center of Alibaba Group from July 2017 to July 2020. Mr. Chen currently serves as an independent non-executive director of Country Garden Services Holdings Company Limited (碧桂園服務控股有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 06098), an independent director of Opple Lighting Co., LTD. (歐普照明股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603515), and an independent director of Universal Vision Biotechnology Co., Ltd. (大學光學科技股份有限公司) (a company listed on the Taipei Exchange, stock code: 3218). In the past three years, Mr. Chen previously served as an independent director of Jack Technology Co., Ltd. (傑克科技股份有限公司) (formerly known as Jack Sewing Machine Co., Ltd. (傑克縫紉機股份有限公司), a company listed on the Shanghai Stock Exchange, stock code: 603337), an independent director of TAL Education Group (好未來教育集團) (a company listed on the New York Stock Exchange, stock code: TAL), an independent non-executive director of Vision Deal HK Acquisition Corp. (a special purpose acquisition company listed on the Hong Kong Stock Exchange, stock code: 07827), an independent director of WPG Holdings Limited (大聯大控股股份有限公司) (formerly known as 大聯大投資控股股份有限公司, a company listed on the Taiwan Stock Exchange, stock code: 3702) and an independent director of Dian Diagnostics Group Co., Ltd. (迪安診斷技術集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300244). Mr. Chen has served as the independent non-executive Director of the Company since June 2025.

Biographies of Directors, Supervisors and Senior Management

Supervisors

Ms. Guan Xiaohui, aged 55, is the chief Supervisor of the Company. Ms. Guan obtained a bachelor's degree in economics from Jiangxi University of Finance and Economics and obtained a master's degree in accounting for senior accountant from The Chinese University of Hong Kong in December 2007. Ms. Guan is qualified as Chinese Certified Public Account (CPA) and a member of the Association of Chartered Certified Accountants (ACCA) and a senior accountant. Ms. Guan has joined Fosun Pharma Group since May 2000 and currently serves as an executive director and co-chairman of Fosun Pharma. Ms. Guan worked at Jiangxi Provincial Branch of the Industrial and Commercial Bank of China from July 1992 to May 2000. Ms. Guan served as a non-executive Director of the Company from March 2019 to March 2021 and also once served as a supervisor of Sinopharm Accord. Ms. Guan has served as the Supervisor and the chief Supervisor of the Company since June 2021, and currently also serves as the vice president of Fosun International and a non-executive director of Henlius. Ms. Guan served as a non-executive director of GLAND from October 2020 to August 2022.

Mr. Liu Zhengdong, aged 56, is a Supervisor of the Company. Mr. Liu is a lawyer who has more than 32 years of working experience as a practising lawyer. Mr. Liu obtained a master's degree in laws from East China University of Political Science and Law. He served as an assistant prosecutor in Railway Transportation branch of Shanghai People's Procuratorate from July 1991 to June 1994. From June 1994 to October 1998, Mr. Liu worked at Shanghai Hongqiao Law Firm and has been serving as a lawyer. Mr. Liu worked at Shanghai Junyue Law Firm from October 1998 to February 2022, and served as director and chief partner successively. Mr. Liu has been working in Jun He Law Offices since February 2022 as a partner. Mr. Liu has served as an independent non- executive Director of the Company from September 2014 to September 2020 and has been a Supervisor of the Company since September 2020. Mr. Liu served as president of the Eighth Session of Shanghai Bar Association and the president of the First Session of Shanghai Bankruptcy Administrators Association (上海市破產管理人協會) and was also honored as National Excellent Lawyer and Shanghai Excellent Non-litigation Lawyer. Currently, Mr. Liu serves as a representative to the 16th People's Congress of Shanghai, the standing director of the National Lawyers Association and the chief supervisory of Shanghai Bankruptcy Administrators Association (上海市破產管理人協會). Mr. Liu also serves as an arbitrator of China International Economic and Trade Arbitration Commission, Shanghai International Economic and Trade Arbitration Commission (SHIAC) and Shanghai Arbitration Commission (SAC).

Mr. Guo Jinhong, aged 52, is a Supervisor of the Company. Mr. Guo is a senior auditor. Mr. Guo received a master's degree in economics from Shanxi University of Finance and Economics with a major in monetary and banking in July 1999. Mr. Guo has extensive experience in macroeconomic analysis, financial risk governance and corporate compliance management. Mr. Guo worked in the Audit Office from July 1999 to March 2019. Mr. Guo served as the general manager of the audit supervisory department of China Railway Construction Capital Holding Co., Ltd.. Mr. Guo joined CNPGC in February 2022 and served as the director of the audit department of CNPGC and the director of the compliance management department (the audit and legal department) of CNPGC. Mr. Guo has served as a Supervisor of the Company since September 2023. Mr. Guo is currently the chairman and the secretary of the Party Committee of China TCM.

Ms. Lu Haiqing, aged 52, is an employee representative Supervisor of the Company. Ms. Lu obtained a master's degree in accounting from The Chinese University of Hong Kong in December 2012. Ms. Lu is a non-executive member of The Chinese Institute of Certified Public Accountants (CPA) and a non-executive member of the International Certified Internal Auditor (CIA) Association. Ms. Lu has over 30 years of working experience, among which experience obtained from February 2000 to June 2006 was all audit experience. She had served successively as the project manager of the audit department of Guangxi GuiXinCheng Certified Public Accountants Co., Ltd. (廣西桂鑫誠會計事務所), the project manager of the audit department of Shanghai Huadong Certified Public Accountants Co., Ltd., Guangxi Branch (上海華東會計師事務所有限公司廣西分所), the project manager of the investment department of Shanghai Kangrun Investment Co., Ltd. (上海康潤投資有限公司), and the audit manager of the audit department of Bosideng Corporation Limited (波司登股份有限公司). Ms. Lu successively served as an auditor manager and the deputy head of the audit department of the Company from July 2006 to March 2022. She has served as the deputy general manager of the audit center of the Company since April 2022 and an employee representative Supervisor of the Company since September 2020.

Company Secretary

Mr. Wu Yijian, the company secretary, is also a vice president and the secretary to the Board of the Company. Please refer to the section headed "Senior Management" for Mr. Wu's biography.

Senior Management

Mr. Lian Wanyong, is currently an executive Director and the President of the Company. Please refer to the section headed "Directors" above for Mr. Lian's biography.

Mr. Li Yang, aged 48, is a vice president of the Company. Mr. Li has more than 20 years of operation and management experience in the medical devices industry. Mr. Li holds a master's degree in electronic information from Beijing Jiaotong University. Mr. Li is a senior engineer. Mr. Li worked at CNPGC and General Electric (China) Co., Ltd. Mr. Li has been serving as the senior management of China National Scientific Instruments and Materials Co., Ltd. and China National Medical Device Co., Ltd. since 2011. Mr. Li currently serves as the chairman of China National Scientific Instruments and Materials Co., Ltd. and China National Medical Device Co., Ltd. Mr. Li joined the Group as a vice president of the Company since November 2018.

Ms. Li Xiaojuan, aged 50, is the chief financial officer of the Company. Ms. Li is a non-practicing certified public accountant, a senior economist and a certified asset valuer. Ms. Li obtained a master's degree in national economics (investment economics) with specialty in securities investment from investment economics department of Dongbei University of Finance & Economics in April 2001. Ms. Li served as the project manager of Beijing Tianhua Accounting Firm and the vice director of strategic development department of Xi'an TopSun Group from April 2001 to February 2005. Ms. Li served as the manager of finance department, the director of auditing and supervision office and the manager of auditing department of China National Pharmaceutical Industry Corporation from February 2005 to August 2010. Ms. Li served at CNPGC from August 2010 to March 2021, and served as its vice director of investment management department, the vice director of auditing department, the director of auditing department, the director of finance department and the vice director of policy research office. Ms. Li served as the Supervisor of the Company from January 2016 to March 2021. Ms. Li has joined the Group since March 2021, and is currently the chief financial officer of the Company, during the foregoing period, Ms. Li acted as a director of Sinopharm Accord and Sinopharm (CNCM LTD).

Mr. Hu Ligang, aged 51, is a vice president of the Company. Mr. Hu is a holder of master's degree in professional accountancy, a principal senior accountant and a PRC certified public accountant (non-practicing member). Mr. Hu previously served as the supervisor and the deputy director of finance department of Sinopharm (CNCM LTD), the head of the finance department of the Company, the general manager of financial management centre and a director of the finance department of China National Biotec Group Co., Ltd., the financial director of China National Scientific Instruments and Materials Co., Ltd., and the secretary of the board of directors and the financial director of China National Biotec Group Co., Ltd. Mr. Hu served as a director of Beijing Tiantan Biological Products Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600161) from November 2015 to November 2024, and the deputy director (in charge of the work) of the operation management department (safety, environmental protection and quality management division) of CNPGC from August 2024 to June 2025. Mr. Hu has served as the non-executive Director of the Company from February 2025 to June 2025, and has been a vice president of the Company since June 2025. Mr. Hu is currently the general counsel and chief compliance officer of the Company.

Mr. Wu Yijian, aged 56, is a vice president, the secretary to the Board of the Company and the company secretary. Mr. Wu graduated from Shanghai Medical University with a bachelor's degree in preventive medicine in July 1993, and subsequently obtained his master's degree in business administration from Tsinghua University and his joint master's degree in professional accounting for senior accountant from The Chinese University of Hong Kong and Shanghai National Accounting Institute. Mr. Wu worked at Sanjiu Enterprise from July 1993 to May 2004 and served as the sales director of Sanjiu Pharmaceutical Trading Co., Ltd., the chief operating officer of Sanjiu Pharmaceutical Chain Co., Ltd. and the deputy general manager of Shanghai Sanjiu Pharmaceutical Technology Development Co., Ltd. Mr. Wu worked at Fosun Pharma Group from June 2004 to January 2019 and successively served as a vice general manager of the investment department and president assistant of Fosun Pharma, and Mr. Wu concurrently took senior management positions of several subsidiaries of Fosun Pharma during the period. Mr. Wu was a non-executive Director of the Company from June 2016 to September 2017 and from March 2018 to December 2018. He has served as the secretary to the Board of the Company since January 2019 and has served as a vice president of the Company since November 2024. Mr. Wu is currently also the chairman of Sinopharm Accord.

Other Information

Changes of Directors and Supervisors

On 18 August 2026, upon the consideration and approval by the Board, Mr. Yang Binghua was appointed as a member of the strategy and investment committee of the sixth session of the Board; Mr. Zu Jing and Mr. Wen Deyong were appointed as members of the audit committee of the sixth session of the Board; Ms. Li Ying was appointed as a member of the nomination committee of the sixth session of the Board; and Mr. Xing Yonggang was appointed as a member of the legal and compliance and environmental, social and governance committee of the sixth session of the Board. The above appointment took effect from the date of consideration and approval by the Board, being 18 August 2026.

Please refer to the section headed "Biographies of Directors, Supervisors and Senior Management" for details about the latest biographies of the Directors and Supervisors of the Company, which includes the latest information of the Directors and Supervisors of the Company disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Directors', Supervisors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2026, none of the Directors, Supervisors and the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements of the Model Code.

Other Information

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 30 June 2026, to the best knowledge of the Directors, the interests or short positions of the following persons (other than the Directors, Supervisors or the chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Class of shares	Nature of interest	Number of shares held	Approximate percentage to the total number of shares of the Company (%)	Approximate percentage to the relevant class of shares (%)	Long position/ short position
CNPGC	Domestic shares	Beneficial owner	207,289,498 (Note 2)	6.64	11.65	Long position
	Domestic shares	Interest of controlled corporation	1,571,555,953 (Notes 1 and 2)	50.36	88.35	Long position
Sinopharm Investment	Domestic shares	Beneficial owner	1,571,555,953 (Notes 1 and 2)	50.36	88.35	Long position
Fosun Pharma	Domestic shares	Interest of controlled corporation	1,571,555,953 (Notes 1 and 3)	50.36	88.35	Long position
Fosun High Technology	Domestic shares	Interest of controlled corporation	1,571,555,953 (Notes 1 and 4)	50.36	88.35	Long position
Fosun International	Domestic shares	Interest of controlled corporation	1,571,555,953 (Notes 1 and 5)	50.36	88.35	Long position
Fosun Holdings	Domestic shares	Interest of controlled corporation	1,571,555,953 (Notes 1 and 6)	50.36	88.35	Long position
Fosun International Holdings	Domestic shares	Interest of controlled corporation	1,571,555,953 (Notes 1 and 7)	50.36	88.35	Long position
Mr. Guo Guangchang	Domestic shares	Interest of controlled corporation	1,571,555,953 (Notes 1 and 8)	50.36	88.35	Long position
FMR LLC	H shares	Interest of controlled corporation	93,560,674 (Note 9)	3.00	6.97	Long position
Lazard Asset Management LLC	H shares	Investment manager	176,179,206 (Note 10)	5.65	13.13	Long position
JPMorgan Chase & Co.	H shares	Beneficial owner	22,165,785	0.71	1.65	Long position
			22,408,333	0.72	1.67	Short position
		Investment manager	18,004,410	0.58	1.34	Long position
		Person having a security interest in shares	918,019	0.03	0.07	Long position
		Trustee	2,450	0.00	0.00	Long position
		Approved lending agent	39,021,596 (Note 11)	1.25	2.91	Long position

Name	Class of shares	Nature of interest	Number of shares held	Approximate percentage to the total number of shares of the Company (%)	Approximate percentage to the relevant class of shares (%)	Long position/ short position
CITIC Securities Company Limited	H shares	Interest of controlled corporation	145,086,210	4.65	10.81	Long position
			1,136,800	0.04	0.08	Short position
		Beneficial owner	1,156,800 (Note 12)	0.04	0.09	Long position
CITIC Securities – Yunfan Single Asset Management Plan (雲帆單一資產管理計劃)	H shares	Others	145,886,000 (Note 13)	4.67	10.87	Long position
CITIC Securities Asset Management Co., Ltd.	H shares	Investment manager	145,886,000 (Note 13)	4.67	10.87	Long position
BlackRock, Inc.	H shares	Interest of controlled corporation	132,832,451	4.26	9.90	Long position
			5,295,600 (Note 14)	0.17	0.39	Short position
China CITIC Financial Asset Management Co., Ltd.	H shares	Others	67,205,200 (Note 15)	2.15	5.01	Long position

Notes:

The information was disclosed based on the data available on the website of the Hong Kong Stock Exchange (www.hkexnews.hk).

(1) Such 1,571,555,953 domestic shares belong to the same batch of shares.

(2) CNPGC is interested in 207,289,498 domestic shares directly and 1,571,555,953 domestic shares indirectly through Sinopharm Investment. As CNPGC owns 51% equity interest in Sinopharm Investment, it is deemed to be interested in the domestic shares held by Sinopharm Investment for the purposes of the SFO.

(3) Fosun Pharma is the beneficial owner of 49% equity interest in Sinopharm Investment and, therefore, Fosun Pharma is deemed to be interested in the domestic shares owned by Sinopharm Investment for the purposes of the SFO.

(4) Fosun High Technology is the beneficial owner of 36% equity interest in Fosun Pharma and, therefore, Fosun High Technology is deemed to be interested in the domestic shares owned by Sinopharm Investment for the purposes of the SFO.

(5) Fosun International is the beneficial owner of 100% equity interest in Fosun High Technology and 0.22% equity interest in Fosun Pharma and, therefore, Fosun International is deemed to be interested in the domestic shares owned by Sinopharm Investment for the purposes of the SFO.

(6) Fosun Holdings is the beneficial owner of 72.78% equity interest in Fosun International and, therefore, Fosun Holdings is deemed to be interested in the domestic shares owned by Sinopharm Investment for the purposes of the SFO.

(7) Fosun International Holdings is the beneficial owner of 100% equity interest in Fosun Holdings and, therefore, Fosun International Holdings is deemed to be interested in the domestic shares owned by Sinopharm Investment for the purposes of the SFO.

(8) Mr. Guo Guangchang is the beneficial owner of 85.29% equity interest in Fosun International Holdings, 0.01% equity interest in Fosun International and 0.004% equity interest in Fosun Pharma and, therefore, Mr. Guo Guangchang is deemed to be interested in the domestic shares owned by Sinopharm Investment for the purposes of the SFO.

(9) FMR LLC is interested in 93,560,674 H shares of the Company in long position.

(10) Lazard Asset Management LLC is interested in 176,179,206 H shares of the Company in long position.

(11) JPMorgan Chase & Co. is interested in an aggregate of 80,112,260 H shares of the Company in long position (including 39,021,596 H shares available for lending) and 22,408,333 H shares in short position.

(12) CITIC Securities Company Limited is interested in an aggregate of 146,243,010 H shares of the Company in long position and 1,136,800 H Shares in short position.

(13) CITIC Securities – Yunfan Single Asset Management Plan (雲帆單一資產管理計劃) is interested in 145,886,000 H shares of the Company in long position. All the asset management plans managed by CITIC Securities Asset Management Co., Ltd. on its behalf is interested in 145,886,000 H shares of the Company in long position.

(14) BlackRock, Inc. is interested in an aggregate of 132,832,451 H shares of the Company in long position and 5,295,600 H shares in short position.

(15) China CITIC Financial Asset Management Co., Ltd. entrusted CITIC Trust Co., Ltd. to establish a single trust, No. 1 Asset Service Trust Project of CITIC Trust, which holds 67,205,200 H shares of the Company. China CITIC Financial Asset Management Co., Ltd. is deemed to be interested in such H shares in long position for the purposes of the SFO.

(16) The above mentioned "approximate percentage to the total number of shares of the Company" was calculated based on the total issued shares of the Company of 3,120,656,191 shares as at 30 June 2026. In respect of H shares, the "approximate percentage to the relevant class of shares" was calculated based on the issued H shares of the Company of 1,341,810,740 H shares as at 30 June 2026. In respect of domestic shares, the "approximate percentage to the relevant class of shares" was calculated based on the issued domestic shares of the Company of 1,778,845,451 domestic shares as at 30 June 2026.

Save as disclosed above, to the best knowledge of the Directors, as at 30 June 2026, no person (other than the Directors, Supervisors or the chief executive of the Company) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Other Information

Purchase, Sale or Redemption of Listed Securities of the Company

During the Reporting Period, none of the Company and its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company (including sales of Treasury Shares within the meaning under the Listing Rules). As at 30 June 2026, the Company did not hold any Treasury Shares.

Dividends

Pursuant to the relevant resolution passed at the 2025 annual general meeting of the Company convened on 18 June 2026, the Company paid the final dividend for the year ended 31 December 2025 to the shareholders of the Company on 18 August 2026, totaling approximately RMB2,153,253,000.

The Board did not recommend the distribution of an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

Audit Committee

As at the date of this report, the Audit Committee of the Company comprises five Directors, including three independent non-executive Directors, namely Mr. Wu Tak Lung, Mr. Li Peiyu and Mr. Shi Shenghao, and two non-executive Directors, namely Mr. Zu Jing and Mr. Wen Deyong. Mr. Wu Tak Lung currently serves as the chairman. The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026 and agreed on the accounting treatment adopted by the Company.

Compliance with the Corporate Governance Code

The Company has adopted all the code provisions contained in the Corporate Governance Code as the code of corporate governance of the Company. Save as disclosed below, during the Reporting Period, the Company had complied with the code provisions as set out in the Corporate Governance Code.

Pursuant to Code Provision B.3.5 of the Corporate Governance Code, listed issuers shall appoint at least one director of a different gender to the nomination committee. During the Reporting Period, all members of the Nomination Committee of the Board of the Company (the "**Nomination Committee**") were of the same gender. Following the resolution of the Board on 18 August 2026 to appoint Ms. Li Ying as a member of the Nomination Committee, the composition of the Nomination Committee has been in compliance with Code Provision B.3.5 of the Corporate Governance Code.

Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code as the standards for governing the transactions of the Company's listed securities by the Directors and the Supervisors. Having made specific enquiries with all the Directors and Supervisors, all of them confirmed that they had complied with the required standard regarding the securities transactions by the Directors and Supervisors as set out in the Model Code during the Reporting Period.

Other Information

Subsequent Event

On 19 August 2026, the Company, CNPGC and Sinopharm (CNCM LTD) jointly entered into an equity transfer agreement ("**Equity Transfer Agreement**") with SSPC, pursuant to which, (i) the Company agreed to dispose of 30.13% equity interest in China National Medicines Guorui Pharmaceutical Co., Ltd. (the "**Target Company**") held by the Company to SSPC, at a consideration of RMB240.0731 million; (ii) Sinopharm (CNCM LTD) (a subsidiary of the Company) agreed to dispose of 12.06% equity interest in the Target Company held by it to SSPC, at a consideration of RMB96.0930 million; and (iii) CNPGC agreed to dispose of 8.81% equity interest in the Target Company held by it to SSPC, at a consideration of RMB70.1973 million. The total transfer consideration of aggregate 51% equity interest above is RMB406.3634 million. Upon completion of the Equity Transfer, the Target Company will no longer be a consolidated subsidiary of the Company. The Company will no longer hold any direct equity interest in the Target Company.

CNPGC is the ultimate controlling shareholder of the Company, and also the actual controller of SSPC. Therefore, CNPGC and SSPC constitute connected persons (as defined in the Hong Kong Listing Rules) of the Company under the Listing Rules, respectively. As such, the transactions contemplated under the Equity Transfer Agreement constitute connected transactions of the Company under the Listing Rules. For details, please refer to the Company's announcement (the "**Announcement**") dated 19 August 2026.

As disclosed in the Announcement, the Valuer adopted the asset-based approach as the basis for determining the consideration for the transaction, with 31 May 2026 as the Valuation Reference Date, to assess the market value of the total equity interest of the Target Company's shareholders. The valuation scope covered the entire assets and related liabilities of the Target Company. As at the Valuation Reference Date, the appraised value of the net assets of the Target Company exceeded its carrying amount by approximately RMB79.7281 million, representing an appreciation rate of approximately 11.12%. Such difference was primarily attributable to an increase in fixed assets of approximately RMB39.4156 million, a net increase in intangible assets of approximately RMB17.5813 million and an increase in current assets of approximately RMB6.2344 million.

The major valuation methods and key parameters adopted by the Valuer for each of the above major underlying asset categories are as follows:

(i) Fixed Assets (Buildings and Equipment)

As disclosed in the Announcement, with respect to fixed assets (buildings and equipment), the Valuer determined the appraised value based on the current replacement cost required for re-purchase or construction of relevant assets as at the Valuation Reference Date, and after comprehensive consideration of factors such as physical, functional and economic depreciation. Depending on the characteristics of each category of fixed assets, the type of appraised value and the availability of data, the Valuer primarily adopted the cost approach to value buildings and machinery equipment, with certain vehicles and electronic equipment valued using the market approach. Specifically:

- The cost approach estimates the replacement cost of the subject asset as at the Valuation Reference Date and determines the appraised value after comprehensive consideration of physical, functional and economic depreciation. The basic formula is: Appraised Value = Replacement Cost × Composite Depreciation Rate. With respect to the determination of replacement cost, the replacement cost of buildings comprises construction and installation costs, preliminary and other expenses, and capital costs. Construction and installation costs were determined based on the availability of data using the re-budgeting method, the final accounts adjustment method, or the unit cost index estimation method. Preliminary and other expenses were calculated as a percentage of the construction and installation costs, with a combined rate of approximately 5.79% (inclusive of tax). Capital costs were calculated based on a normal construction period of 2 years and a lending rate of 3.25% (being the average of the 1-year and over-5-year Loan Prime Rates). The replacement cost of equipment comprises equipment purchase price, transportation and miscellaneous fees, foundation costs, installation and commissioning costs, preliminary expenses and capital costs, net of deductible value-added tax. With respect to the determination of the composite depreciation rate, the composite depreciation rate for buildings was calculated as a weighted average of the on-site survey depreciation rate (weighted at 60%) and the age-limit depreciation rate (weighted at 40%). For large and key equipment, the composite depreciation rate was calculated as a weighted average of the theoretical depreciation rate (weighted at 40%) and the on-site survey depreciation rate (weighted at 60%), taking into account economic depreciation factors. For electronic and office equipment, the age-limit method was generally applied directly to determine the depreciation rate.

- For certain vehicles and electronic equipment that have exceeded their service lives, the Valuer determined the appraised value with reference to secondhand market transaction prices or salvage prices. The market approach determines the appraised value by comparing differences between comparable transaction cases and the subject asset and making appropriate adjustments.

Based on the above valuation methods, as at the Valuation Reference Date, the aggregate carrying amount (net) of fixed assets was approximately RMB277.86 million, and the aggregate appraised value (net) was approximately RMB317.28 million, representing an appreciation rate of approximately 14.18%, of which buildings appreciated by approximately 10.67% and equipment appreciated by approximately 27.70%. The appreciation was primarily attributable to the fact that most buildings were constructed at an earlier date, and increases in labour, machinery and material costs resulted in replacement costs exceeding the original carrying amounts, and the economic useful lives adopted in the valuation were longer than the financial depreciation periods.

(ii) Land Use Rights

As disclosed in the Announcement, with respect to land use rights, the Valuer determined the appraised value with reference to comparable transaction cases of similar industrial land in adjacent areas as at the Valuation Reference Date, and after making appropriate adjustments for transaction conditions, land price levels, regional factors and individual factors. The land use rights included in the scope of this valuation comprised two parcels of state-owned construction land use rights, both located in Datong District, Huainan City, with a total land area of 167,896.40 square metres, both being assigned industrial land. The Valuer selected three land transactions as comparable samples based on criteria of proximity in location to the subject land parcels and proximity in transaction timing to the Valuation Reference Date. All such comparable land parcels were industrial land located in Datong District, Huainan City. The appraised value was determined after adjustments for transaction conditions, date, regional factors and individual factors.

The three comparable land transactions had construction land areas of 118,627.06 sq.m., 60,545.40 sq.m. and 17,286.93 sq.m. respectively (approximately 196,459 sq.m. in aggregate), with transaction prices of RMB315/sq.m., RMB330/sq.m. and RMB330/sq.m. respectively. The Valuer applied a multiplicative factor adjustment method, making adjustments for transaction conditions, date, regional factors and individual factors, and determined the unadjusted (pre-term correction) appraised unit price as the simple arithmetic average of the adjusted benchmark prices of the three comparable transactions at RMB302.60/sq.m.. As the comparable transactions had a land use term of 50 years (being the statutory maximum grant term), while the remaining land use terms of the two subject land parcels were shorter (approximately 35.8 years and approximately 38 years, respectively), the Valuer applied a land use term correction using an industrial land capitalisation rate of 6.5%. The appraised unit prices of the two subject land parcels are RMB291.63/sq.m. (with land area of 123,193.00 sq.m.) and RMB295.75/sq.m. (with land area of 44,703.40 sq.m.) respectively. The difference in the appraised unit prices of the two parcels was primarily attributable to the difference in their remaining land use terms.

Based on the above valuation methods, as at the Valuation Reference Date, the carrying amount of land use rights was approximately RMB42.05 million, and the appraised value was approximately RMB49.15 million, representing an appreciation rate of approximately 16.88%. The appreciation was primarily attributable to the fact that the carrying amount reflected the historical acquisition cost net of amortisation, while the valuation reflected the objective market value as at the Valuation Reference Date.

(iii) Drug Pipelines

As disclosed in the Announcement, with respect to drug pipelines in intangible assets, in light of the relatively clear market prospects and foreseeable future earnings of such assets, the Valuer determined the appraised value by estimating the contribution of the relevant intangible assets to the future cash flows generated by the products of the Target Company, and discounting the contribution amount of each year to the present value as at the Valuation Reference Date using an appropriate discount rate, and aggregating such present values.

The drug pipelines included in the scope of this valuation comprised 54 on-book drug pipelines (including non-patented technology assets and patented technology assets) and nine off-book drug pipelines (including non-patented technology assets), totalling 63 drug pipelines. These drug pipelines cover five major therapeutic areas, namely anti-infection, cardiovascular and cerebrovascular, narcotics and psychotropic substances, respiratory system and oncology. Considering that the products corresponding to the drug pipelines have relatively clear market prospects and foreseeable future earnings, and that there is a relatively stable proportional relationship between the technology and operating earnings, the Valuer adopted the revenue sharing method under the income approach to value the drug pipelines.

The revenue sharing method estimates the appraised value by estimating the contribution of the drug pipelines to the future cash flows generated by the related products of the Target Company, discounting the contribution amount of each year to the present value as at the Valuation Reference Date using an appropriate discount rate, and aggregating such present values. The basic formula is: $P = \Sigma[(Ri \times \text{Revenue Sharing Rate} \times \text{Technology Decay Rate}) \div (1+r)^i]$, where: P is the appraised value; Ri is the sales revenue of related products in year i; r is the discount rate; and i is the i-th year of the forecast period. The Valuer adopted a revenue sharing rate of 3.95% (determined with reference to the average royalty rate in the pharmaceutical manufacturing industry and the contribution rate of intangible assets) as the measure of the contribution of drug pipelines to related product revenues, and applied a discount rate of 14.45% (comprising a risk-free rate of return of 2.054% and individual risk premiums totalling 12.40%) determined using the risk build-up method. The contribution amounts for each year during the forecast period (June 2026 to 2037) were discounted to the present value as at the Valuation Reference Date and aggregated to determine the appraised value, with technology decay factors also taken into account.

With respect to the determination of the *Ri* parameter in the above formula, the Valuer determined the sales revenue of the products corresponding to each drug pipeline based on future revenue forecasts provided by the management of the Target Company. The aggregate sales revenue of the drug pipelines for the full year preceding the forecast period (twelve months ended 31 December 2025) was approximately RMB282.77 million. Taking the period from 2026 to 2030 as the calculation period, the projected compound annual growth rate of the overall revenue of the drug pipelines is approximately 8.72%, which is broadly consistent with the overall compound annual growth rate of the PRC pharmaceutical market (approximately 8%).

With respect to the determination of the *Technology Decay Rate* in the above formula, the *Technology Decay Rate* is an adjustment factor that reflects the gradual diminishment in excess returns generated by existing intangible assets over time and in the wake of research and development investment of new technologies. It primarily takes into account the risk of technological substitution arising from the development and launch of new drugs and alternative therapies in the same therapeutic areas, as well as the gradual weakening of excess return capacity due to the natural product life cycle. In the valuation formula, the *Technology Decay Rate* and the *Revenue Sharing Rate* together measure the degree of contribution of the drug pipelines to the revenue of the related products. The Valuer adopted an equal-amount declining method to determine the *Technology Decay Rate* for each year, declining from 85.71% in Year 1 (June to December 2026) of the forecast period to 7.14% in Year 12 (2037), with an annual decline of approximately 7.14 percentage points.

Based on the above valuation methods, as at the Valuation Reference Date, the carrying amount of drug pipelines and related patented technology was approximately RMB70.00 million (net book value of approximately RMB95.37 million, net of impairment provisions of approximately RMB25.37 million), and the appraised value was approximately RMB80.48 million, representing an appreciation rate of approximately 14.97%. The appreciation was primarily attributable to the expanded market scale of products corresponding to certain drug pipelines, reflecting the present value of future excess earnings, and the inclusion of nine off-book drug pipelines within the scope of the valuation.

Save for the information above, all other contents of the Announcement remain unchanged.

Disclosure of Information

This report will be despatched to the shareholders according to the manner in which shareholders of the Company have elected to receive corporate communications and published on the websites of the Company (http://www.sinopharmgroup.com.cn) and the Hong Kong Stock Exchange (http://www.hkexnews.hk).

Report on Review of Interim Financial Information

PAN-CHINA 天健國際會計師事務所有限公司
Confucius International CPA Limited Certified Public Accountants

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TO THE BOARD OF DIRECTORS OF SINOPHARM GROUP CO. LTD.
(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements set out on pages 42 to 82, which comprise the condensed consolidated statement of financial position of Sinopharm Group Co. Ltd. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") as of 30 June 2026 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("**HKAS 34**"), issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of the interim financial report in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Report on Review of Interim Financial Information

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Confucius International CPA Limited
Certified Public Accountants
Hong Kong

Chan Lap Chi
Practising Certificate number: P04084
Hong Kong, 21 August 2026

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	6	**282,799,605**	286,042,998
Cost of sales	10	**(263,728,126)**	(265,696,092)
Gross profit		**19,071,479**	20,346,906
Other income	7	**188,242**	241,099
Selling and distribution expenses	10	**(7,321,452)**	(7,844,858)
Administrative expenses	10	**(3,471,478)**	(3,668,488)
Expected credit losses on financial and contract assets	8	**(1,115,017)**	(1,386,864)
Losses on derecognition of financial assets measured at amortised cost and fair value through other comprehensive income		**(206,206)**	(242,106)
Operating profit		**7,145,568**	7,445,689
Other gains – net	9	**65,353**	71,592
Other (expenses)/income	9	**(44,421)**	136
Finance income		**163,032**	254,851
Finance costs		**(971,748)**	(1,250,228)
Finance costs – net	12	**(808,716)**	(995,377)
Share of profits and losses of:			
Associates		**585,860**	686,627
Joint ventures		**1,245**	1,226
		587,105	687,853
Profit before tax		**6,944,889**	7,209,893
Income tax expense	13	**(1,765,086)**	(1,872,648)
PROFIT FOR THE PERIOD		**5,179,803**	5,337,245
Attributable to:			
Owners of the parent		**3,403,773**	3,465,686
Non-controlling interests		**1,776,030**	1,871,559
		5,179,803	5,337,245
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (expressed in RMB per share)			
– Basic and diluted	14	**1.09**	1.11

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**5,179,803**	5,337,245
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Remeasurements of post-employment benefit obligations:	**(11,681)**	3,357
Income tax effect	**2,839**	(854)
Remeasurements of post-employment benefit obligations, net of tax	**(8,842)**	2,503
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(14,145)**	451
Income tax effect	**3,536**	(113)
Fair value (losses)/gains on financial assets, net of tax	**(10,609)**	338
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods, net of tax	**(19,451)**	2,841
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(12,136)**	(2,529)
Share of other comprehensive loss of associates	**(1,379)**	(799)
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods, net of tax	**(13,515)**	(3,328)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(32,966)**	(487)
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**5,146,837**	5,336,758
Attributable to:		
Owners of the parent	**3,379,099**	3,464,978
Non-controlling interests	**1,767,738**	1,871,780
	5,146,837	5,336,758

Interim Condensed Consolidated Statement of Financial Position

30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Right-of-use assets	16	**5,778,046**	6,144,487
Investment properties	16	**352,002**	364,101
Property, plant and equipment	16	**11,836,622**	12,084,076
Intangible assets	16	**7,986,247**	8,174,953
Investments in joint ventures		**24,810**	25,357
Investments in associates	17	**10,862,003**	10,586,951
Equity investments designated at fair value through other comprehensive income		**64,217**	80,921
Financial assets at fair value through profit or loss		**595,150**	617,162
Finance lease receivables		**95,907**	94,965
Deferred tax assets	22	**3,064,696**	2,849,179
Other non-current assets		**2,495,951**	2,543,199
Total non-current assets		**43,155,651**	43,565,351
CURRENT ASSETS			
Inventories		**66,639,993**	63,341,334
Trade and notes receivable	18	**236,431,956**	205,622,310
Contract assets		**1,092,417**	1,015,176
Prepayments, other receivables and other assets		**15,209,601**	15,242,128
Financial assets at fair value through profit or loss		**81**	129
Finance lease receivables		**12,583**	14,366
Pledged deposits, restricted cash and bank deposits with an initial term of over three months		**10,839,392**	12,764,286
Cash and cash equivalents		**31,044,905**	48,796,132
Total current assets		**361,270,928**	346,795,861
Total assets		**404,426,579**	390,361,212
EQUITY			
Equity attributable to owners of the parent			
Share capital	19	**3,120,656**	3,120,656
Treasury shares		**(3,838)**	(3,838)
Other reserves		**22,046,550**	22,058,553
Retained earnings		**60,030,690**	58,778,013
		85,194,058	83,953,384
Non-controlling interests		**51,145,134**	50,206,358
Total equity		**136,339,192**	134,159,742

Interim Condensed Consolidated Statement of Financial Position

30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
LIABILITIES			
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	20	**4,214,957**	3,645,484
Lease liabilities	21	**2,339,246**	2,495,092
Deferred tax liabilities	22	**561,978**	565,223
Post-employment benefit obligations	23	**368,452**	364,902
Contract liabilities		**77,910**	76,084
Other non-current liabilities	24	**2,380,307**	2,329,107
Total non-current liabilities		**9,942,850**	9,475,892
CURRENT LIABILITIES			
Trade and notes payable	25	**150,735,709**	150,248,418
Contract liabilities		**6,133,900**	5,984,158
Accruals and other payables		**23,014,061**	24,003,793
Dividends payable		**2,409,956**	257,070
Tax payable		**1,088,822**	1,412,292
Interest-bearing bank and other borrowings	20	**73,439,267**	63,321,164
Lease liabilities	21	**1,322,822**	1,498,683
Total current liabilities		**258,144,537**	246,725,578
Total liabilities		**268,087,387**	256,201,470
Total equity and liabilities		**404,426,579**	390,361,212

Jin Bin
Director

Wu Tak Lung
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

		Attributable to owners of the parent						
	Notes	Share capital RMB'000 (Note19)	Treasury shares held for share incentive scheme RMB'000	Other Reserves RMB'000	Retained Earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2026 (audited)		**3,120,656**	**(3,838)**	**22,058,553**	**58,778,013**	**83,953,384**	**50,206,358**	**134,159,742**
Total comprehensive income for the period		**–**	**–**	**(24,674)**	**3,403,773**	**3,379,099**	**1,767,738**	**5,146,837**
Effect of transactions with non-controlling interests	26	**–**	**–**	**10,766**	**–**	**10,766**	**(30,737)**	**(19,971)**
Capital injection from non-controlling shareholders of subsidiaries		**–**	**–**	**–**	**–**	**–**	**6,800**	**6,800**
Disposal of subsidiaries		**–**	**–**	**–**	**–**	**–**	**(20,954)**	**(20,954)**
Dividends paid to non-controlling interests		**–**	**–**	**–**	**–**	**–**	**(784,692)**	**(784,692)**
Dividend declared	15	**–**	**–**	**–**	**(2,153,253)**	**(2,153,253)**	**–**	**(2,153,253)**
Share of changes in other equity of associates excluding comprehensive income and profit distribution		**–**	**–**	**6**	**–**	**6**	**–**	**6**
Others		**–**	**–**	**1,899**	**2,157**	**4,056**	**621**	**4,677**
At 30 June 2026 (unaudited)		**3,120,656**	**(3,838)**	**22,046,550**	**60,030,690**	**85,194,058**	**51,145,134**	**136,339,192**
At 1 January 2025 (audited)		3,120,656	(3,838)	22,022,096	53,744,881	78,883,795	47,803,507	126,687,302
Total comprehensive income for the period		–	–	(708)	3,465,686	3,464,978	1,871,780	5,336,758
Effect of transactions with non-controlling interests	26	–	–	6,713	–	6,713	–	6,713
Capital injection from non-controlling shareholders of subsidiaries		–	–	–	–	–	15,494	15,494
Dividends paid to non-controlling interests		–	–	–	–	–	(664,923)	(664,923)
Dividend declared	15	–	–	–	(2,122,046)	(2,122,046)	–	(2,122,046)
Others		–	–	(614)	–	(614)	2,792	2,178
At 30 June 2025 (unaudited)		3,120,656	(3,838)	22,027,487	55,088,521	80,232,826	49,028,650	129,261,476

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS USED IN OPERATING ACTIVITIES:			
Profit before income tax		**6,944,889**	7,209,893
Adjustments for:			
– Share of profits and losses of associates	17	**(585,860)**	(686,627)
– Share of profits and losses of joint ventures		**(1,245)**	(1,226)
– Asset impairment		**1,197,102**	1,410,851
– Depreciation of property, plant and equipment and investment properties	16	**818,420**	903,843
– Amortisation of intangible assets	16	**223,393**	214,847
– Depreciation of right-of-use assets	16	**954,079**	1,114,699
– Loss/(gain) on disposal of investment properties, property, plant and equipment and intangible assets	9	**(5,557)**	1,190
– Gain on disposal of right-of-use assets	9	**(7,306)**	(12,977)
– Write-back of certain liabilities	9	**(28,251)**	(50,090)
– Loss on disposal of financial assets measured at amortised cost and finance costs		**855,053**	1,116,124
– Gain on disposal of a subsidiary	9	**(1,457)**	–
– Fair value gain on financial assets at fair value through profit or loss	9	**(3,197)**	(2,478)
– Dividend from financial assets at fair value through other comprehensive income	9	**(263)**	(396)
		10,359,800	11,217,653
(Increase)/decrease in working capital:			
– Restricted cash		**1,468,439**	–
– Inventories		**(3,339,267)**	(4,464,746)
– Trade and notes receivable		**(31,880,673)**	(44,039,879)
– Contract assets		**(50,566)**	30,107
– Prepayments, other receivables and other assets		**34,019**	(372,910)
– Trade and notes payable		**2,578,304**	1,563,710
– Contract liabilities		**149,742**	(87,890)
– Accruals, other payables and other liabilities		**(779,515)**	4,454,058
Cash used in operations		**(21,459,717)**	(31,699,897)
Income tax paid		**(2,303,045)**	(2,411,192)
Net cash flows used in operating activities		**(23,762,762)**	(34,111,089)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES:			
Proceeds from disposal of intangible assets		**94**	681
Proceeds from disposal of property, plant and equipment		**10,044**	7,907
Proceeds from disposal of financial assets at fair value through profit or loss		**29,738**	274
Proceeds from disposal of an associate		**–**	13,174
Interest received from long-term deposits		**30,139**	39,748
Disposal of subsidiaries, net of cash disposed		**23,068**	–
Dividends received from associates		**101,412**	77,275
Dividends received from financial assets at fair value through profit and loss		**3,197**	–
Dividends received from financial assets at fair value through other comprehensive income		**263**	396
Purchase of property, plant and equipment		**(586,344)**	(626,664)
Purchase of intangible assets		**(39,321)**	(35,594)
Purchase of investment properties		**–**	(8,441)
Acquisition of subsidiaries		**(19,971)**	–
(Decrease)/Increase in restricted cash		**456,455**	–
Net cash flows (used in)/from investing activities		**8,774**	(531,244)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings from banks		**46,656,739**	55,947,887
Proceeds from borrowings from related parties		**8,918,589**	4,877,968
Repayments of borrowings from banks		**(42,976,935)**	(38,388,554)
Repayments of borrowings from related parties		**(5,034,826)**	(3,949,318)
Repayments of bonds		**–**	(574,000)
Proceeds from issue of bonds		**1,000,000**	800,000
Capital injections from non-controlling shareholders of Subsidiaries		**6,800**	16,350
Dividends paid to non-controlling shareholders of subsidiaries		**(785,058)**	(683,626)
Interest paid		**(877,816)**	(1,459,833)
Principal portion of lease payments		**(907,181)**	(1,007,471)
Net cash flows from financing activities		**6,000,312**	15,579,003
Net decrease in cash and cash equivalents		**(17,753,676)**	(19,063,330)
Cash and cash equivalents at beginning of year		**48,796,132**	54,313,359
Effect of foreign exchange rate changes, net		**2,449**	(11,890)
Cash and cash equivalents at end of period		**31,044,905**	35,238,139

Notes to the Interim Condensed Consolidated Financial Information

30 June 2026

1. General information

Sinopharm Group Co. Ltd. (the "**Company**") was incorporated in the People's Republic of China (the "**PRC**") on 8 January 2003 as a company with limited liability under the PRC Company Law.

On 6 October 2008, the Company was converted into a joint stock limited liability company under the PRC Company Law by converting its registered share capital and reserves as at 30 September 2007 with the proportion of 1:0.8699 into 1,637,037,451 shares of RMB1 each. In September 2009, the Company issued overseas-listed foreign-invested shares ("**H Shares**"), which were listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**") on 23 September 2009. The Company issued 204,561,102 domestic shares to China National Pharmaceutical Group Co., Ltd. ("**CNPGC**") under general mandate at the issue price of RMB24.97 per consideration share on 13 December 2018. On 23 January 2020, the Company placed and issued 149,000,000 new H shares at the price of HKD27.30 per H share. The actual net proceeds of the placing were HKD4,026,710,000, equivalent to RMB3,567,383,000.

The address of the Company's registered office is 1st and 11th to 15th Floors, No.385 East Longhua Road, Huangpu District, Shanghai, the PRC.

The Company and its subsidiaries (together, the "**Group**") are mainly engaged in: (1) the distribution of pharmaceutical products to hospitals, other distributors, retail pharmacy stores and clinics, (2) the distribution of medical devices, (3) the operation of chain pharmacy stores, and (4) the distribution of laboratory supplies, manufacture and distribution of chemical reagents, production and sale of pharmaceutical products.

The ultimate holding company of the Company is CNPGC, which was established in the PRC.

This interim condensed consolidated financial statements is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand, unless otherwise stated. This interim condensed consolidated financial statements has not been audited.

2. Basis of preparation and changes in accounting policies

(1) Basis of preparation

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026 has been prepared in accordance with HKASs 34 Interim Financial Reporting and the Rules Governing the Listing of Securities on the Stock Exchange. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited annual financial statements for the year ended 31 December 2025, which has been prepared in accordance with HKFRS Accounting Standards ("**HKFRSs**").

2. Basis of preparation and changes in accounting policies (continued)

(2) Changes in accounting policies

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 HKFRSs for the first time for the current period's financial information. The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contacts Referencing Nature-dependent Electricity*
Amendments to HKFRS Accounting Standards	*Annual Improvements to HKFRS Accounting Standards – Volume 11*

The application of the new amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. Estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial information for the year ended 31 December 2025.

4. Financial risk management

(i) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and fair value and cash flow interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

There have been no changes in the risk management department since year end or in any risk management policies.

4. Financial risk management (continued)

(ii) Liquidity risk

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	Less than 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 30 June 2026 (unaudited)					
Interest-bearing bank and other borrowings	**73,740,185**	**822,665**	**3,375,999**	**273,265**	**78,212,114**
Trade and notes payable	**150,735,709**	**–**	**–**	**–**	**150,735,709**
Dividends payable	**2,409,956**	**–**	**–**	**–**	**2,409,956**
Accruals and other payables	**19,794,827**	**–**	**–**	**–**	**19,794,827**
Lease liabilities	**1,399,209**	**1,230,617**	**877,856**	**424,123**	**3,931,805**
Other non-current liabilities	**–**	**22,359**	**–**	**–**	**22,359**
	248,079,886	**2,075,641**	**4,253,855**	**697,388**	**255,106,770**
As at 31 December 2025 (audited)					
Interest-bearing bank and other borrowings	63,736,155	730,877	3,148,800	–	67,615,832
Trade and notes payable	150,248,418	–	–	–	150,248,418
Dividends payable	257,070	–	–	–	257,070
Accruals and other payables	20,396,818	–	–	–	20,396,818
Lease liabilities	1,643,591	1,268,744	978,848	496,516	4,387,699
Other non-current liabilities	–	–	24,008	–	24,008
	236,282,052	1,999,621	4,151,656	496,516	242,929,845

Note: The calculation of expected interest to be paid is based on borrowings as at 30 June 2026 and 31 December 2025 and the interest rates as at 30 June 2026 and 31 December 2025.

4. Financial risk management (continued)

(iii) Fair value estimation

The table below analyses financial instruments carried at fair value, by the valuation method. The different levels have been defined as follows:

- Quoted prices unadjusted in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The table below presents the Group's assets and liabilities that are measured at fair value at 30 June 2026 and 31 December 2025

	Level 1 RMB'000	**Level 2** RMB'000	**Level 3** RMB'000	**Total** RMB'000
At 30 June 2026 (unaudited)				
Equity investments designated at fair value through other comprehensive income	**54,555**	**–**	**9,662**	**64,217**
Financial assets at fair value through profit or loss	**81**	**–**	**595,150**	**595,231**
Notes receivables held both to collect cash flows and to sell	**–**	**10,279,654**	**2,268,140**	**12,547,794**
	54,636	**10,279,654**	**2,872,952**	**13,207,242**
As at 31 December 2025 (audited)				
Equity investments designated at fair value through other comprehensive income	68,700	–	12,221	80,921
Financial assets at fair value through profit or loss	129	–	617,162	617,291
Notes receivables held both to collect cash flows and to sell	–	11,670,036	1,482,947	13,152,983
	68,829	11,670,036	2,112,330	13,851,195
Financial liabilities at fair value through profit or loss	–	–	54,910	54,910

There were no significant transfers of financial assets among level 1, level 2 and level 3 during the period.

There were no changes in valuation techniques during the period.

4. Financial risk management (continued)

(iv) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts and fair values of the Group's financial instruments measured at amortised cost, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amount		Fair value	
	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)	**30 June 2026 RMB'000 (unaudited)**	31 December 2025 RMB'000 (audited)
Borrowings from banks and other financial institutions (Note 20)	**1,217,261**	647,907	**1,200,455**	647,636
Bonds (Note 20)	**2,997,696**	2,997,577	**2,997,696**	2,997,577

The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2026 were assessed to be insignificant.

5. Segment Information

Management has determined the operating segments based on the Group's business types, overall strategic planning, internal organisational structure and management requirements. The reportable operating segments derive their revenue primarily from the following four business types:

(i) Pharmaceutical distribution – distribution of medicine and pharmaceutical products to hospitals, other distributors, retail drug stores and clinics;

(ii) Medical device distribution – distribution of medical devices, and installation and maintenance services;

(iii) Retail pharmacy – operation of medicine chain stores;

(iv) Other business – distribution of laboratory supplies, manufacture and distribution of chemical reagents, and production and sale of pharmaceutical products.

5. Segment Information (continued)

Although the retail pharmacy and other business segments do not meet the quantitative thresholds required by HKFRSs 8 Operating segments, management has concluded that these segments should be reported, as they are considered to be as potential growth segments and are expected to materially contribute to group revenue in the future.

Segment assets are those operating assets that are employed by a segment in its operating activities. Segment assets consist primarily of investment properties, property, plant and equipment, intangible assets, right-of-use assets, investments in associates and joint ventures, inventories, receivables and operating cash.

Segment liabilities are those operating liabilities that result from the operating activities of a segment. Segment liabilities do not include borrowings, deferred tax liabilities and other liabilities that are incurred for financing rather than operating purpose.

Unallocated assets mainly represent deferred tax assets. Unallocated liabilities mainly represent corporate borrowings and deferred tax liabilities.

Capital expenditure comprises mainly additions to right-of-use assets, investment properties, property, plant and equipment and intangible assets, including additions resulting from acquisitions through business combinations.

Inter-segment revenues are conducted at prices and terms mutually agreed upon amongst those business segments. The revenue from external parties reported to the management is measured in a manner consistent with that in the condensed consolidated statement of profit or loss.

5. Segment Information (continued)

Segment revenue and results

(1) For the six months ended 30 June 2026 and 2025

	Pharmaceutical distribution RMB'000	Medical device distribution RMB'000	Retail pharmacy RMB'000	Other business RMB'000	Eliminations RMB'000	Group RMB'000
Six months ended 30 June 2026 (unaudited)						
Segment results						
External segment revenue	204,454,403	56,683,485	18,441,423	3,220,294	–	282,799,605
Inter-segment revenue	11,041,644	170,537	193,599	1,067,882	(12,473,662)	–
Revenue	215,496,047	56,854,022	18,635,022	4,288,176	(12,473,662)	282,799,605
Operating profit	5,208,302	1,004,694	559,768	385,246	(12,442)	7,145,568
Other (losses)/gains, net	30,862	40,395	(22,795)	16,891	–	65,353
Other expenses	1,349	143	–	(45,913)	–	(44,421)
Share of profits and losses of associates and joint ventures	657	20,601	(874)	566,721	–	587,105
	5,241,170	1,065,833	536,099	922,945	(12,442)	7,753,605
Finance costs, net						(808,716)
Profit before tax						6,944,889
Income tax expense						(1,765,086)
Profit for the period						5,179,803
Other segment items included in the consolidated statement of profit or loss						
Expected credit losses on financial and contract assets	848,375	255,874	6,113	4,655	–	1,115,017
Reversal of provision for prepayment	(1,349)	(143)	–	–	–	(1,492)
Provision for impairment of inventories	22,443	13,153	1,057	1,011	–	37,664
Impairment of intangible assets	–	–	–	45,913	–	45,913
Depreciation of property, plant and equipment	432,443	239,527	110,517	23,474	–	805,961
Depreciation of investment properties	4,692	5,157	174	2,436	–	12,459
Depreciation of right-of-use assets	213,871	136,052	522,898	81,258	–	954,079
Amortisation of intangible assets	154,640	42,991	21,313	4,449	–	223,393
Capital expenditures	565,413	200,414	500,317	312,715	–	1,578,859

5. Segment Information (continued)

Segment revenue and results (continued)

(1) For the six months ended 30 June 2026 and 2025 (continued)

	Pharmaceutical distribution RMB'000	Medical device distribution RMB'000	Retail pharmacy RMB'000	Other business RMB'000	Eliminations RMB'000	Group RMB'000
Six months ended 30 June 2025 (unaudited)						
Segment results						
External segment revenue	209,253,090	56,869,466	16,903,658	3,016,784	–	286,042,998
Inter-segment revenue	9,274,265	183,263	258,462	1,059,243	(10,775,233)	–
Revenue	218,527,355	57,052,729	17,162,120	4,076,027	(10,775,233)	286,042,998
Operating profit	5,645,589	1,097,505	460,084	326,487	(83,976)	7,445,689
Other gains, net	19,757	62,779	(11,095)	151	–	71,592
Other expenses	(545)	681	–	–	–	136
Share of profits and losses of associates and joint ventures	1,278	15,525	(1,546)	672,596	–	687,853
	5,666,079	1,176,490	447,443	999,234	(83,976)	8,205,270
Finance costs, net						(995,377)
Profit before tax						7,209,893
Income tax expense						(1,872,648)
Profit for the period						5,337,245
Other segment items included in the consolidated statement of profit or loss						
Expected credit losses on financial and contract assets	1,017,832	360,494	6,606	1,932	–	1,386,864
Reversal of provision for prepayment	(262)	(85)	–	–	–	(347)
Provision for impairment of inventories	18,714	4,647	3,152	(2,393)	–	24,120
Reversal of provision for impairment of other non-current assets	807	(596)	–	–	–	211
Depreciation of property, plant and equipment	477,805	264,651	122,109	25,936	–	890,501
Depreciation of investment properties	5,024	5,523	186	2,609	–	13,342
Depreciation of right-of-use assets	249,877	158,956	610,928	94,938	–	1,114,699
Amortisation of intangible assets	148,724	41,346	20,498	4,279	–	214,847
Capital expenditures	647,147	229,385	572,640	357,919	–	1,807,091

5. Segment Information (continued)

Segment assets and liabilities

(2) At 30 June 2026 and 31 December 2025

	Pharmaceutical distribution RMB'000	Medical device distribution RMB'000	Retail pharmacy RMB'000	Other business RMB'000	Eliminations RMB'000	Group RMB'000
As at 30 June 2026 (unaudited)						
Segment assets and liabilities						
Segment assets	**288,432,459**	**93,019,294**	**20,348,660**	**26,247,370**	**(26,685,900)**	**401,361,883**
Segment assets include:						
Investments in associates and joint ventures	**200,377**	**90,129**	**34,704**	**10,561,603**	**–**	**10,886,813**
Unallocated assets – Deferred tax assets						**3,064,696**
Total assets						**404,426,579**
Segment liabilities	**138,125,694**	**61,268,716**	**13,047,287**	**5,274,643**	**(27,845,155)**	**189,871,185**
Unallocated liabilities – Deferred tax liabilities and borrowings						**78,216,202**
Total liabilities						**268,087,387**
As at 31 December 2025 (audited)						
Segment assets and liabilities						
Segment assets	283,059,526	90,702,748	16,322,073	24,158,992	(26,731,306)	387,512,033
Segment assets include:						
Investments in associates and joint ventures	202,225	69,702	35,658	10,304,723	–	10,612,308
Unallocated assets – Deferred tax assets						2,849,179
Total assets						390,361,212
Segment liabilities	137,517,199	60,866,684	12,857,937	4,893,662	(27,465,883)	188,669,599
Unallocated liabilities – Deferred tax liabilities and borrowings						67,531,871
Total liabilities						256,201,470

The Group's operations are mainly located in the PRC and substantially all non-current assets are located in the PRC.

5. Segment Information (continued)

Information about major customers

No revenue from a singular customer in the Reporting Period amounted to over 10% of the total revenue of the Group.

6. Revenue

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sales of goods (at a point in time)	**281,019,042**	284,076,565
Logistics service income (over time)	**590,638**	639,014
Marketing and service income (over time)	**770,916**	904,786
Import agency income (at a point in time)	**24,073**	22,497
Others (at a point in time)	**295,062**	299,596
Revenue from other sources		
Operating lease income	**99,874**	100,540
	282,799,605	286,042,998

7. Other income

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants	**188,242**	241,099

Government grants mainly represent subsidy income received from various government authorities as incentives to certain members of the Group. There are no unfulfilled conditions or other contingencies attached to these grants.

8. Expected credit losses on financial and contract assets

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Expected credit losses of financial and contract assets, net:		
Trade and notes receivable	**1,142,717**	1,358,810
Contract assets	**(10,337)**	6,514
Other receivables	**11,001**	17,594
Other non-current assets	**(28,364)**	3,946
	1,115,017	1,386,864

9. Other gains, net/other expenses

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other gains, net		
Write-back of certain liabilities	**28,251**	50,090
Gain on disposal of investment properties, property, plant and equipment, intangible assets and right-of-use assets	**12,863**	11,787
Gain on disposal of subsidiaries	**1,457**	–
Foreign exchange gain/(loss), net	**12,803**	(9,579)
Donation	**(4,200)**	(1,807)
Dividend from equity investments at fair value through other comprehensive income	**263**	396
Fair value gains on equity investments at fair value through profit or loss, net	**3,197**	2,478
Others, net	**10,719**	18,227
	65,353	71,592
Other (expenses)/income		
Provision for impairment of other non-current assets	**–**	(211)
Provision for impairment of intangible assets	**(45,913)**	–
Reversal of provision for impairment of prepayment	**1,492**	347
	(44,421)	136

10. Expenses by nature

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Raw materials and trading merchandise consumed	**262,365,101**	264,702,385
Employee benefit expenses (Note 11)	**6,379,674**	6,691,460
Provision for impairment of inventories	**37,664**	24,120
Lease payments not included in the measurement of lease liabilities	**204,849**	237,110
Depreciation of property, plant and equipment (Note 16)	**805,961**	890,501
Depreciation of investment properties (Note 16)	**12,459**	13,342
Depreciation of right-of-use assets (Note 16)	**954,079**	1,114,699
Amortisation of intangible assets (Note 16)	**223,393**	214,847
Auditor's remuneration	**12,155**	10,000
Advisory and consulting fees	**108,177**	102,290
Transportation expenses	**967,118**	1,002,185
Travel expenses	**81,400**	87,015
Market development and business promotion expenses	**1,133,729**	1,191,267
Utilities	**112,328**	127,442
Others	**1,122,969**	800,775
Total cost of sales, selling and distribution expenses, and administrative expenses	**274,521,056**	277,209,438

11. Employee benefit expenses

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, wages, allowances and bonus (i)	**4,642,485**	4,969,987
Contributions to pension plans (ii)	**725,728**	734,902
Post-employment benefits (Note 23)	**5,805**	2,175
Housing benefits (iii)	**306,855**	306,902
Other benefits (iv)	**698,801**	677,494
	6,379,674	6,691,460

Notes:

(i) Bonus was determined based on the performance of the Group as well as employees' performance and contribution to the Group.

(ii) As stipulated by the related regulations in the PRC, the Group makes contributions to state-sponsored retirement schemes for its employees in Mainland China. The Group has also made contributions to another retirement scheme managed by an insurance company from 2011 for its employees of the Company and certain subsidiaries. The Group's employees make monthly contributions to the schemes at approximately 8% (2025: 8%) of the relevant income (comprising wages, salaries, allowances and bonus, and subject to maximum caps), while the Group makes contributions of 12% to 20% (2025: 12% to 20%) of such relevant income and has no further obligations for the actual payment of post-retirement benefits beyond the contributions. These retirement schemes are responsible for the entire post-retirement benefit obligations to the retired employees. Contributions totaling RMB15,207,000 (31 December 2025: RMB14,103,000) were payable to the fund pension plan at 30 June 2026.

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions. The Group operates retirement benefit schemes, details of which are set out in Note 23.

(iii) Housing benefits represent contributions to the government-supervised housing funds in Mainland China at rates ranging from 5% to 12% (2025: 5% to 12%) of the employees' relevant income.

(iv) Other benefits mainly represent expenses incurred for medical insurance, employee welfare, employee education and training, and for union activities.

12. Finance income and costs

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expense:		
– Interest-bearing bank and other borrowings	**825,581**	1,056,055
– Net interests on net defined benefit liability (Note 23)	**3,561**	3,530
– Lease liabilities (Note 21)	**63,614**	92,404
Gross interest expense	**892,756**	1,151,989
Bank charges	**86,556**	103,363
Less: capitalised interest expense	**(7,564)**	(5,124)
Finance costs	**971,748**	1,250,228
Finance income:		
– Interest income on deposits in bank or other financial institutions	**(132,893)**	(203,823)
– Interest income on long-term deposits	**(30,139)**	(51,028)
Net finance costs	**808,716**	995,377

13. Taxation

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	**1,977,195**	2,326,980
Deferred income tax (Note 22)	**(212,109)**	(454,332)
	1,765,086	1,872,648

During the six months ended 30 June 2026, enterprises incorporated in the PRC are normally subject to enterprise income tax ("**EIT**") at the rate of 25%, while certain subsidiaries enjoy preferential EIT at a rate of 15% as approved by the relevant tax authorities or due to their operation in designated areas with preferential EIT policies.

13. Taxation (continued)

Two of the Group's subsidiaries were subject to Hong Kong profits tax at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong during the year, except for one subsidiary of the Group which was a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019. The first HKD2,000,000 (2025: HKD2,000,000) of assessable profits of this subsidiary was taxed at 8.25% and the remaining assessable profits were taxed at 16.5%.

14. Earnings per share

The calculation of basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 3,120,656,000 (31 December 2025: 3,120,656,000) in issue excluding treasury shares at the end of the Reporting Period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2026 and 30 June 2025.

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to equity holders of the parent used in the basic and diluted earnings per share calculation ('000)	**3,403,773**	3,465,686
Shares		
Weighted average number of ordinary shares outstanding used in the basic and diluted earnings per share calculation ('000)	**3,120,532**	3,120,532
Basic and diluted earnings per share (RMB per share)	**1.09**	1.11

15. Dividends

The final dividend for year 2025 of RMB0.69 per share (tax inclusive), amounting to approximately RMB2,153,253,000 in total, was approved by the shareholders at the annual general meeting of the Company held on 18 June 2026 ("**2025 AGM**"). Pursuant to the relevant resolution passed at 2025 AGM, the final dividend for year 2025 was paid on 18 August 2026 to the shareholders whose names appeared on the register of members of the Company on 30 June 2026.

No interim dividend was proposed for the six-month period ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

16. Right-of-use assets, Investment properties, Property, plant and equipment and Intangible assets

	Investment properties RMB'000	Property plant and equipment RMB'000	Intangible assets RMB'000	Right-of-use assets RMB'000
For the six months ended 30 June 2026 (unaudited)				
Net carrying amount as at 1 January 2026	**364,101**	**12,084,076**	**8,174,953**	**6,144,487**
Additions	**–**	**661,275**	**65,601**	**851,983**
Transfers	**360**	**(18,607)**	**18,247**	**–**
Disposals	**–**	**(83,784)**	**(3,223)**	**(264,345)**
Disposals of subsidiaries	**–**	**(377)**	**(25)**	**–**
Depreciation or amortisation (Note 10)	**(12,459)**	**(805,961)**	**(223,393)**	**(954,079)**
Provision for impairment of intangible assets (Note 9)	**–**	**–**	**(45,913)**	**–**
Net carrying amount as at 30 June 2026	**352,002**	**11,836,622**	**7,986,247**	**5,778,046**
For the six months ended 30 June 2025 (unaudited)				
Net carrying amount as at 1 January 2025	393,033	12,386,202	8,948,873	7,246,238
Additions	5,838	703,673	78,280	1,019,300
Transfers	1,432	(20,662)	19,230	–
Disposals	–	(102,803)	(1,294)	(381,169)
Depreciation or amortisation (Note 10)	(13,342)	(890,501)	(214,847)	(1,114,699)
Net carrying amount as at 30 June 2025	386,961	12,075,909	8,830,242	6,769,670

Goodwill, included in intangible assets, is allocated to the Group's cash-generating units ("**CGUs**"), identified by the operating segment. The recoverable amount of a CGU is determined based on the higher of value-in-use and fair value less costs of disposal. Value-in-use calculation uses pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. The growth rates do not exceed the long-term average growth rates for the businesses in which the CGUs operate.

Management determined the budgeted gross margin and growth rates based on past performance of the CGUs and expectations for market development. The discount rates used are before tax after reflecting specific risks of the relevant businesses.

17. Investments in associates

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At 1 January	**10,586,951**	10,145,325
Share of results	**585,860**	686,627
Unrealised gain/(loss) on transactions with an associate	**24,833**	13,405
Share of other comprehensive income/(loss)	**(1,219)**	(799)
Share of changes in equity other than comprehensive income and distributions received from associates	**–**	4,984
Dividends declared by associates attributable to the Group	**(334,422)**	(361,061)
Disposal of investment in an associate	**–**	(12,715)
At 30 June	**10,862,003**	10,475,766

Particulars of the material associate are as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentages of equity interest attributable to the Group		Principal activities
			30 June 2026 (i)	31 December 2025	
Shanghai Shyndec Pharmaceutical Co., Ltd. (上海現代製藥股份有限公司)	Ordinary shares of RMB1 each	Mainland China	**13.88%**	13.88%	Pharmaceutical manufacturing
Yichang Humanwell Pharmaceutical Co., Ltd. (宜昌人福藥業有限責任公司)	Ordinary shares of RMB1 each	PRC/Mainland China	**20.00%**	20.00%	Pharmaceutical manufacturing

(i) The Group's investment in this associate is accounted for under the equity method of accounting because the Group has significant influence over it by way of representation on the board of directors and participation in the policy-making process, despite the fact that the Group's equity interests in it were lower than 20% for the period ended 30 June 2026 and the year ended 31 December 2025.

17. Investments in associates (continued)

The following table illustrates the summarised financial information of Shanghai Shyndec Pharmaceutical Co., Ltd. extracted from its financial information, reconciled to the carrying amount in the consolidated financial information:

	30 June 2026 RMB'000 (Unaudited)
Current assets	11,255,109
Non-current assets	8,115,537
Current liabilities	(3,190,238)
Non-current liabilities	(250,852)
Non-controlling interests	(2,143,414)
Net assets	13,786,142
Reconciliation to the Group's interest in the associate:	
Proportion of the Group's ownership	13.88%
Carrying amount of the investment	1,913,517
Revenue	3,940,089
Profit for the period	363,224
Total comprehensive income for the year	363,174
Dividend declared	37,242

17. Investments in associates (continued)

The following table illustrates the summarised financial information of Yichang Humanwell Pharmaceutical Co., Ltd extracted from its financial information, reconciled to the carrying amount in the consolidated financial information:

	30 June 2026 RMB'000 (Unaudited)
Current assets	**7,296,397**
Non-current assets	**6,084,903**
Current liabilities	**(1,682,129)**
Non-current liabilities	**(559,839)**
Non-controlling interests	**(60,642)**
Net assets	**11,078,690**
Reconciliation to the Group's interest in the associate:	
Proportion of the Group's ownership	**20.00%**
Carrying amount of the investment	**2,215,738**
Revenue	**4,687,636**
Profit for the period	**1,492,207**
Total comprehensive income for the year	**1,492,207**
Dividend declared	**279,966**

18. Trade and notes receivable

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	**228,687,767**	194,613,010
Notes receivable held both to collect cash flows and to sell	**12,547,794**	13,152,983
Notes receivable	**2,110,058**	3,622,503
	243,345,619	211,388,496
Less: Expected credit losses	**(6,913,663)**	(5,766,186)
	236,431,956	205,622,310

The fair value of trade receivables approximates to their carrying amounts.

18. Trade and notes receivable (continued)

The term of notes receivable are less than 12 months mostly. Retail sales at the Group's medicine chain stores are generally made in cash or by debit or credit cards. For medicine and device distribution business, sales are made on credit terms ranging from 30 to 210 days mostly. The ageing analysis of trade receivables, based on the invoice date and net of provisions, as at the end of the Reporting Period, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	**203,321,822**	175,264,021
1 to 2 years	**13,953,550**	9,623,396
Over 2 years	**4,528,739**	4,024,063
	221,804,111	188,911,480

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade and notes receivable. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the ageing from billing.

19. Share capital

	Number of shares '000	Domestic shares with par value of RMB1 per share RMB'000	H shares with par value of RMB1 per share RMB'000	Total RMB'000
At 1 January 2026 (audited) and 30 June 2026 (unaudited)	**3,120,656**	**1,778,845**	**1,341,811**	**3,120,656**
At 1 January 2025 (audited) and 30 June 2025 (unaudited)	3,120,656	1,778,845	1,341,811	3,120,656

20. Interest-bearing bank and other borrowings

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current		
Unsecured bank borrowings	**1,007,140**	432,770
Unsecured borrowings from other financial institutions and related parties	**210,121**	215,137
Bonds (notes)	**2,997,696**	2,997,577
	4,214,957	3,645,484
Current		
Mortgaged bank borrowings	**–**	–
Pledged bank borrowings	**2,647,574**	1,058,073
Guaranteed bank borrowings	**30,000**	–
Unsecured bank borrowings	**51,525,898**	44,224,500
Bank loans under supplier finance arrangements	**1,574,868**	3,556,085
Unsecured borrowings from other financial institutions and related parties	**15,582,748**	13,482,186
Secured borrowings from other financial institutions and related parties	**1,063,269**	952,859
Bonds (notes)	**1,014,910**	47,461
	73,439,267	63,321,164
Total borrowings	**77,654,224**	66,966,648
The carrying amounts of the Group's borrowings are denominated in the following currencies:		
– RMB	**77,654,224**	66,966,648
	77,654,224	66,966,648

Notes:

As at 30 June 2026, the Group had bank loans of approximately RMB1,574,868,000 (2025: RMB3,556,085,000) entered into certain supplier financing arrangements with banks. Under these arrangements, the banks pay the Group's outstanding amounts to suppliers by the original due dates. The Group's obligations towards a supplier legally terminate upon reaching a settlement with the supplier. The Group pays discount interest to the bank. These arrangements extend the Group's payment terms and may extend to 120-360 days after the original due date of the respective invoice. The relevant supplier financing rates are 2.08%-3.0%.

20. Interest-bearing bank and other borrowings (continued)

Notes: (continued)

On 23 May 2024, the Company completed the issuance of the first tranche of the corporate bonds with an aggregate nominal value of RMB3,000,000,000. After deduction of the expenses of approximately RMB2,800,000 in relation to the issuance, the total net proceeds were approximately RMB2,997,200,000. The corporate bonds will expire on 23 May 2029, for a period of five years commencing from the issue date of 23 May 2024. The annual interest rate of the corporate bonds is fixed at 2.48%. Interest is paid on an annual basis. As at 30 June 2024, the corporate bonds were classified as non-current liabilities.

On 3 March 2026, a subsidiary of the Group issued 5,000,000 units of bonds at a total par value of RMB500,000,000. After deduction of the expenses of approximately RMB39,000 in relation to the issuance, the total net proceeds were approximately RMB499,961,000. The bonds will mature on 31 August 2026, and the annual interest rate was 1.69%. As at 30 June 2026, the corporate bonds were classified as current liabilities.

On 2 April 2026, a subsidiary of the Group issued 5,000,000 units of bonds at a total par value of RMB500,000,000. After deduction of the expenses of approximately RMB33,000 in relation to the issuance, the total net proceeds were approximately RMB499,967,000. The bonds will mature on 29 September 2026, and the annual interest rate was 1.56%. As at 30 June 2026, the corporate bonds were classified as current liabilities.

All proceeds from the issuance of the above bonds are used to supplement the Group's working capital and repaying bank borrowings and debentures.

At the end of respective reporting period, borrowings were repayable as follows:

	Borrowings and other borrowings		Bonds	
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
Within 1 year	**72,424,357**	63,273,703	**1,014,910**	47,461
Between 1 to 2 years	**733,239**	647,907	**–**	–
Between 2 to 5 years	**288,064**	–	**2,997,696**	2,997,577
Over 5 years	**195,958**	–	**–**	–
	73,641,618	63,921,610	**4,012,606**	3,045,038

21. Lease liabilities

The carrying amount of lease liabilities and the movements during the period are as follows:

	2026	2025
	RMB'000	RMB'000
Carrying amount at 1 January (audited)	**3,993,775**	5,019,855
New leases	**858,610**	1,014,314
Accretion of interest recognised during the period	**63,614**	92,404
Payments	**(974,930)**	(1,117,322)
Disposals	**(279,001)**	(456,997)
Carrying amount at 30 June (unaudited)	**3,662,068**	4,552,254
Analysed into:		
Current portion	**1,322,822**	1,607,200
Non-current portion	**2,339,246**	2,945,054

The maturity analysis of lease liabilities is disclosed in Note 4 to the financial information.

22. Deferred income tax

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Deferred tax assets	**3,064,696**	2,849,179
Deferred tax liabilities	**(561,978)**	(565,223)
	2,502,718	2,283,956

22. Deferred income tax (continued)

The gross movements in deferred tax assets and liabilities are as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At 1 January	**2,283,956**	1,769,633
Disposal of a subsidiary	**278**	–
Credited to the consolidated statement of profit or loss (Note 13)	**212,109**	454,332
Credited to other comprehensive income	**6,375**	(967)
At 30 June	**2,502,718**	2,222,998

23. Post-employment benefit obligations

Certain subsidiaries provide post-employment pension and medical benefits to their retirees. The Group accounts for these benefits using the accounting treatments similar to a defined benefit plan.

The amounts recognised in the consolidated statement of profit or loss are as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current service cost	**5,805**	2,175
Interest expense	**3,561**	3,530
	9,366	5,705

23. Post-employment benefit obligations (continued)

The amounts recognised in the consolidated statement of financial position are analysed as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Present value of funded obligations	**21,319**	18,659
Fair value of plan assets	**(138,511)**	(132,966)
Surplus of funded plans	**(117,192)**	(114,307)
Present value of unfunded post-employment benefit obligations	**485,644**	479,209
Liability in the consolidated statement of financial position	**368,452**	364,902

The movements in the defined benefit liability during the period were as follows:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
At 1 January	**364,902**	412,884
Charged to consolidated statement of profit or loss	**9,366**	5,705
Remeasurements of post-employment benefit obligations recognised in the consolidated statement of other comprehensive income	**11,681**	(3,357)
Contributions by employers and benefit payments	**(17,497)**	(18,469)
At 30 June	**368,452**	396,763

The Group engaged an independent actuary, Towers Watson (Shenzhen) Consulting Co., Ltd., to estimate the present value of its above retirement benefit plan (the plan is funded by the Group) obligations using the actuarial method based on the expected cumulative welfare unit method. Towers Watson (Shenzhen) Consulting Co., Ltd. is an actuarial institution with professional certification qualifications. The undersigned actuary, Haichuan Wu, is member of the Society of Actuaries and China Association of Actuaries.

As at 30 June 2026, fair value of the plan asset was RMB138,511,000 (31 December 2025: RMB132,966,000). As at 30 June 2026, obligations under these defined benefit plans are 28.52% (31 December 2025: 27.75%) covered by the plan assets. No material surplus or deficiency was noted for the above mentioned plan assets.

24. Other non-current liabilities

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Medical reserve funds		
– general (i)	**1,443,355**	1,406,453
– for H1N1 vaccines	**488,024**	488,024
Government grants for construction of logistics centres (ii)	**75,017**	77,171
Other government grants	**294,929**	264,069
Others	**78,982**	93,390
	2,380,307	2,329,107

Notes:

(i) Certain medical reserve funds were received by CNPGC from the PRC government for the State reserve requirements of medical products (including medicines) for serious disasters, epidemics and other emergencies. In accordance with a responsibility letter dated 4 January 2006 signed between CNPGC and the Company, CNPGC has re-allocated the funds in relation to medicines to the Group. The Group received general medical reserve funds of RMB95,855,000 (2025: RMB102,669,000) during the year from CNPGC.

The Group will have to sell pharmaceutical products to specific customers at cost when there are any serious disasters, epidemic and other emergencies, and the relevant trade receivables from certain of these customers will be offset with the balance of the fund upon approval from CNPGC and the relevant PRC government authorities. No funds was settled with the government's approval due to the expiry or usage of relevant medicines during the year (2025: RMB100,791,000). The Group is required to maintain certain inventories at a level of not less than 70% of the general reserve funds. The medical reserve funds are required to be utilised only for use as mentioned above.

(ii) Certain of the Group's subsidiaries received funds from local governments as subsidies for construction of logistics centres. As at 30 June 2026, the directors expected that the construction will not be completed within one year and therefore, the balance was recorded as other non-current liability.

25. Trade and notes payable

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables	**118,258,190**	112,627,898
Notes payable	**25,371,132**	29,321,854
Trade payables under supplier finance arrangements	**7,106,387**	8,298,666
	150,735,709	150,248,418

The trade payables are non-interest-bearing and are normally settled within 90 days. The fair value of trade payables approximates to their carrying amount.

As at 30 June 2026, the Group had approximately RMB7,106,387,000 (2025: RMB8,298,666,000) in notes payable under supplier financing arrangements. The Group has entered into certain supplier financing arrangements with banks. Under these arrangements, the banks pay the Group's outstanding amounts to suppliers by the original due dates. The Group's obligations towards a supplier legally terminate upon reaching a settlement with the supplier. The Group pays discount interest to the bank. These arrangements extend the Group's payment terms and may extend to 30-360 days after the original due date of the respective invoice. The relevant supplier financing rates are 0.51%-2.85%.

The ageing analysis of the trade and notes payable as at the end of the Reporting Period, based on the invoice date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Below 3 months	**103,814,306**	98,534,981
Between 3 and 6 months	**25,226,931**	30,022,663
Between 6 months and 1 year	**11,892,305**	11,923,340
Between 1 and 2 years	**5,368,670**	5,878,396
Over 2 years	**4,433,497**	3,889,038
	150,735,709	150,248,418

26. Transactions with non-controlling interests

(a) Acquisition of additional interests in subsidiaries

During the period, the Group acquired the following additional equity interests in the subsidiaries from the non-controlling interests:

Subsidiaries	Equity interests acquired %	Cash consideration RMB'000
Sinopharm Holding Shanghai Biopharmaceutical Co., Ltd.	40%	19,971

The effect of changes in the equity interests of these subsidiaries on the total equity attributable to owners of the parent during the period is summarised as follows:

	Effect on the total equity RMB'000
Carrying amount of non-controlling interests acquired	(30,737)
Consideration payable to non-controlling interests	19,971
Excess of consideration paid over the carrying amount acquired	(10,766)

(b) Effects of transactions with non-controlling interests on the equity attributable to owners of the parent for the six months ended 30 June 2026

	Effect on the total equity RMB'000
Changes in equity attributable to owners of the parent arising from:	
– Acquisition of additional interests in subsidiaries	(10,766)
– Disposal of interests in subsidiaries without loss of control	–
Net effect for transactions with non-controlling interests on equity attributable to owners of the parent	(10,766)

27. Commitments

The Group had the following capital commitments at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Property, plant and equipment: contracted but not provided for	**77,558**	123,016
Others	**15,852**	14,971
	93,410	137,987

28. Significant related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The PRC government, indirectly, owns 100% of CNPGC, the ultimate holding company of the Company. The Group's significant transactions with the PRC government and other entities controlled, jointly controlled or significantly influenced by the PRC government are a large portion of its sale of goods, purchase of goods, purchase of fixed assets, interest expenses on borrowings and interest income from bank deposits. The Group's significant balances with the PRC government and other entities controlled, jointly controlled or significantly influenced by the PRC government are a large portion of its trade and notes receivable, prepayments and other receivables, trade payables and other payables, borrowings, pledged bank deposits, cash and cash equivalents.

28. Significant related party transactions (continued)

(i) Significant transactions with related parties except for other PRC government-related entities

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of goods		
Associates	**548,991**	544,980
Companies controlled by CNPGC	**736,703**	845,007
Associates of CNPGC	**592**	1,101
Subsidiaries of Fosun Pharmaceutical	**225,332**	215,116
Subsidiary of Natong Group	**836**	920
Purchases of goods		
Associates	**2,817,117**	2,707,254
Companies controlled by CNPGC	**1,973,367**	2,349,937
Associates of CNPGC	**900,471**	932,509
Subsidiaries of Fosun Pharmaceutical	**2,960,614**	2,958,421
Subsidiary of Natong Group	**11,268**	5,444
Borrowings		
Addition		
Associates	**33,747**	273,862
Companies controlled by CNPGC	**10,805,031**	10,657,209
Repayment		
Associates	**53,217**	241,544
Companies controlled by CNPGC	**8,567,718**	6,817,415
Interest fee paid for other financial services		
Associates	**1,146**	6,103
Companies controlled by CNPGC	**181,666**	187,308
Notes receivable discount		
Companies controlled by CNPGC	**524,773**	291,431
Trade receivable factoring		
Associates	**186,722**	439,716
Companies controlled by CNPGC	**309,196**	1,049,147

28. Significant related party transactions (continued)

(ii) Significant balances with related parties except for other PRC government-related entities

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Cash in other financial institution		
Companies controlled by CNPGC	**2,368,553**	2,416,426
Trade and notes receivable due from		
Subsidiary of Natong Group	**303**	433
Associates	**264,506**	280,231
Companies controlled by CNPGC	**1,208,258**	1,126,500
Associates of CNPGC	**5**	–
Subsidiaries of Fosun Pharmaceutical	**140,972**	116,118
Other receivables due from		
Subsidiary of Natong Group	**10,973**	11,964
Associates	**24,408**	24,023
Companies controlled by CNPGC	**16,311**	15,328
Associates of CNPGC	**1,346**	390
Subsidiaries of Fosun Pharmaceutical	**15,392**	6,985
Prepayments to		
Subsidiary of Natong	**2,553**	404
Group Associates	**626**	1,908
Companies controlled by CNPGC	**32,231**	37,835
Associates of CNPGC	**7,722**	6,347
Subsidiaries of Fosun Pharmaceutical	**11,039**	17,194
Trade and notes payable due to		
Subsidiary of Natong Group	**11,311**	13,400
Associates	**2,559,154**	2,984,337
Companies controlled by CNPGC	**1,433,432**	1,662,067
Associates of CNPGC	**168,050**	173,070
Subsidiaries of Fosun Pharmaceutical	**1,261,283**	1,297,309
Other payables due to		
Ultimate holding company	**3,882**	3,882
Subsidiary of Natong Group	**467**	467
Associates	**63,083**	121,437
Companies controlled by CNPGC	**702,056**	791,198
Associates of CNPGC	**1,716**	23,126
Subsidiaries of Fosun Pharmaceutical	**623**	5,924

28. Significant related party transactions (continued)

(ii) Significant balances with related parties except for other PRC government-related entities (continued)

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contract liabilities		
Subsidiary of Natong Group	–	–
Associates	539	3,312
Companies controlled by CNPGC	73,387	46,417
Associates of CNPGC	1	3
Subsidiaries of Fosun Pharmaceutical	213	65
Borrowing due to		
Associates	51,887	71,357
Companies controlled by CNPGC	16,594,131	14,356,817
Other non-current liabilities		
Ultimate holding company	1,075,918	980,064
Companies controlled by CNPGC	2,446	2,446

The receivables from the related parties were unsecured, non-interest-bearing and repayable on demand. The payables to the related parties were unsecured and non-interest bearing.

(iii) Key management compensation

The compensation of key management is on an annual basis and still in approval process.

29. Material subsequent events

On 19 August 2026, the Company, CNPGC and Sinopharm (CNCM Ltd) jointly entered into an equity transfer agreement with SSPC. Pursuant to the agreement, the Company and Sinopharm (CNCM Ltd) agreed to transfer their respective 30.13% and 12.06% equity interests in China National Medicines Guorui Pharmaceutical Co., Ltd. (the "**Target Company**") to SSPC for considerations of RMB240.0731 million and RMB96.0930 million, respectively.

Upon completion of the equity transfer, the Target Company will cease to be a consolidated subsidiary of the Company, and the Company will no longer directly hold any equity interest in the Target Company.

For further details regarding the transaction and asset valuation, please refer to the section headed "Other Information — Events After the Reporting Period" in this report and the announcement of the Company dated 19 August 2026.

30. Approval of the interim condensed consolidated financial information

The unaudited interim condensed consolidated financial statements was approved and authorised for issue by the board of directors on 21 August 2026.