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山東新華製藥股份有限公司

Shandong Xinhua Pharmaceutical Company Limited

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

(Stock Code: 00719)

**UNAUDITED QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2026**

This announcement is made pursuant to rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of Shandong Xinhua Pharmaceutical Company Limited (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the nine months ended 30 September 2026. All financial information set out in this announcement has been prepared in accordance with the China Accounting Standards for Business Enterprises (“**CASBE**”) and has been reviewed and approved by the Board and the Audit Committee of the Board.

Members of the Board of the Company, members of senior management and persons in charge of the accounting function of the Company (i) warrant that there is no false representation or misleading statement contained in, or material omission from, this announcement; and (ii) jointly and severally accept legal responsibility for the genuineness, accuracy and completeness of the information contained in this announcement.

This announcement is simultaneously made available on the website of The Stock Exchange of Hong Kong Limited at <https://www.hkexnews.hk> and the website of the Company at <http://www.xhzy.com>. The third quarterly report of 2026 of the Company for the nine months ended 30 September 2026, prepared in accordance with the CASBE, is simultaneously published at <http://www.cninfo.com.cn>.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

This announcement was prepared in both Chinese and English. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

1. KEY ACCOUNTING AND FINANCIAL DATA

Item	January to September 2026 (Unaudited) RMB Yuan	January to September 2025 (Unaudited) RMB Yuan	Change as compared to the same period last year
Operating income	6,060,829,901.78	6,762,620,901.32	(10.38%)
Net profit attributable to shareholders of the listed company	195,042,988.98	256,220,710.12	(23.88%)

Net profit attributable to shareholders of the listed company after deduction of non-recurring profit and loss items	186,892,626.52	239,056,816.15	(21.82%)
Net cash flow from operating activities	181,541,962.36	321,998,862.97	(43.62%)
Basic earnings per share (RMB Yuan / Share)	0.28	0.37	(24.32%)
Diluted earnings per share (RMB Yuan / Share)	0.28	0.37	(24.32%)
Weighted average return on net assets (%)	3.67%	5.01%	Decreased by 1.34 percentage
	As at 30	As at 31	Change as
Item	September 2026	December 2025	compared to the
	(Unaudited)	(Audited)	end of last year
	RMB Yuan	RMB Yuan	
Total assets	8,807,377,713.12	9,185,695,768.16	(4.12%)
Net assets attributable to the shareholders of the listed company	5,338,769,519.10	5,208,753,244.52	2.50%

2. CONSOLIDATED INCOME STATEMENT

Item	Nine months ended 30 September 2026 (Unaudited) RMB Yuan	Nine months ended 30 September 2025 (Unaudited) RMB Yuan
I. Gross revenue	6,060,829,901.78	6,762,620,901.32
Including: Operating revenue	6,060,829,901.78	6,762,620,901.32
II. Total operating costs	5,824,222,054.24	6,434,132,318.50
Including: Operating costs	4,927,789,293.50	5,466,108,298.73
Taxes and surcharges	54,883,572.36	49,992,363.37
Selling expenses	220,229,370.05	270,217,382.23
Administrative expenses	307,373,037.15	326,735,663.65
Research and development expenses	269,640,747.46	300,109,321.29
Financial expenses	44,306,033.72	20,969,289.23
Including: Interest expense	25,231,958.69	28,761,123.36
Interest income	3,961,955.19	4,427,041.36
Add: Other income	26,899,967.98	34,700,384.05
Investment income (losses to be listed with brackets)	7,238,588.61	6,102,717.35
Including: Income from investment in associates and joint ventures (losses to be listed with brackets)	369,589.38	(916,465.05)
Credit impairment loss (losses to be listed with brackets)	(6,187,277.52)	(9,035,931.30)
Assets impairment loss (losses to be listed with brackets)	(40,425,032.15)	(50,287,533.79)
Gains on disposal of assets (losses to be listed with brackets)	152,746.21	1,833,484.62
III. Operating profit (losses to be listed with brackets)	224,286,840.67	311,801,703.75
Add: Non-operating income	2,282,702.96	2,664,909.20
Less: Non-operating expenses	13,385,944.70	8,470,033.58
IV. Total profit (total loss to be listed with brackets)	213,183,598.93	305,996,579.37
Less: Income tax expense	19,328,539.09	39,087,967.80
V. Net profit (net loss to be listed with brackets)	193,855,059.84	266,908,611.57

(I) Classified by continuity of operations		
1. Net profit from continuing operations (net losses to be listed in brackets)	193,855,059.84	266,908,611.57
2. Net profit from discontinued operations (net losses to be listed in brackets)	-	-
(II) Classified by ownership		
1. Net profit attributable to the shareholders of the parent company	195,042,988.98	256,220,710.12
2. Profit or loss attributable to minority shareholders	(1,187,929.14)	10,687,901.45
VI. Net amount of other comprehensive income after tax (net loss to be listed with brackets)	(46,702,764.91)	(5,083,975.62)
Net amount of other comprehensive income after tax attributable to the shareholders of the parent company	(46,034,253.40)	(4,853,738.45)
(I) Other comprehensive income not subject to reclassification into profit or loss	(43,346,413.75)	(4,130,219.24)
1. Changes in fair value of investments in other equity instruments	(43,346,413.75)	(4,130,219.24)
(II) Other comprehensive income to be reclassified into profit or loss	(2,687,839.65)	(723,519.21)
1. Conversion difference of foreign currency financial statement	(2,687,839.65)	(723,519.21)
Net amount of other comprehensive income after tax attributable to the minority shareholders	(668,511.51)	(230,237.17)
VII. Total comprehensive income	147,152,294.93	261,824,635.95
Total comprehensive income attributable to the shareholders of the parent company	149,008,735.58	251,366,971.67
Total comprehensive income attributable to the minority shareholders	(1,856,440.65)	10,457,664.28
VIII. Earnings per share:		
(I) Basic earnings per share	0.28	0.37
(II) Diluted earnings per share	0.28	0.37

By order of the Board of Directors
Shandong Xinhua Pharmaceutical Company Limited
He Tongqing
Chairman

28 October 2026, Zibo, the People's Republic of China

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. He Tongqing (Chairman)

Mr. Xu Wenhui

Mr. Hou Ning

Non-executive Director:

Mr. Zhang Chengyong

Independent Non-executive Directors:

Mr. Pan Guangcheng

Mr. Zhu Jianwei

Mr. Ling Peixue

Ms. Cheung Ching Ching, Daisy