



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 國藥控股股份有限公司)

Stock Code: 01099

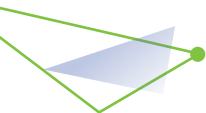
All for Health Health for All

INTERIM REPORT 2025



*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.

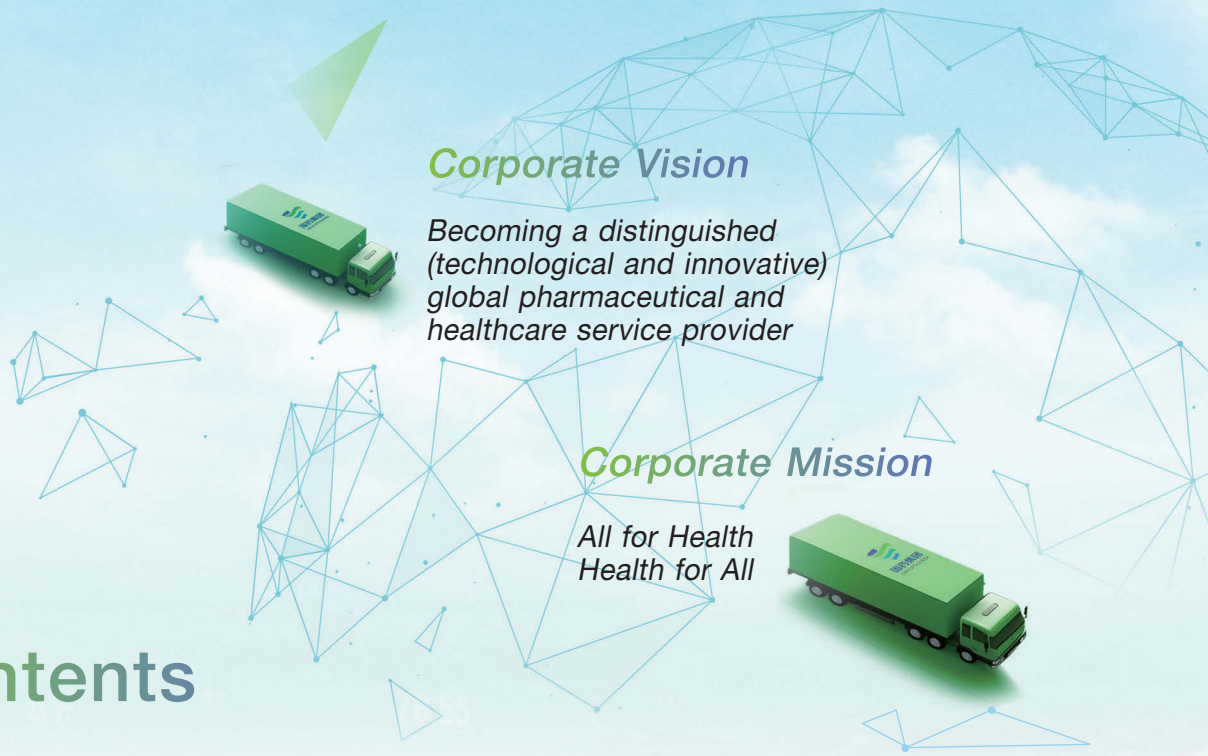
The Group is mainly engaged in pharmaceutical products and medical device distribution business. Leveraging on its nationwide distribution and delivery network, the Group provides comprehensive distribution, delivery and other value-added services to domestic and foreign manufacturers and suppliers of 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.





Corporate Vision

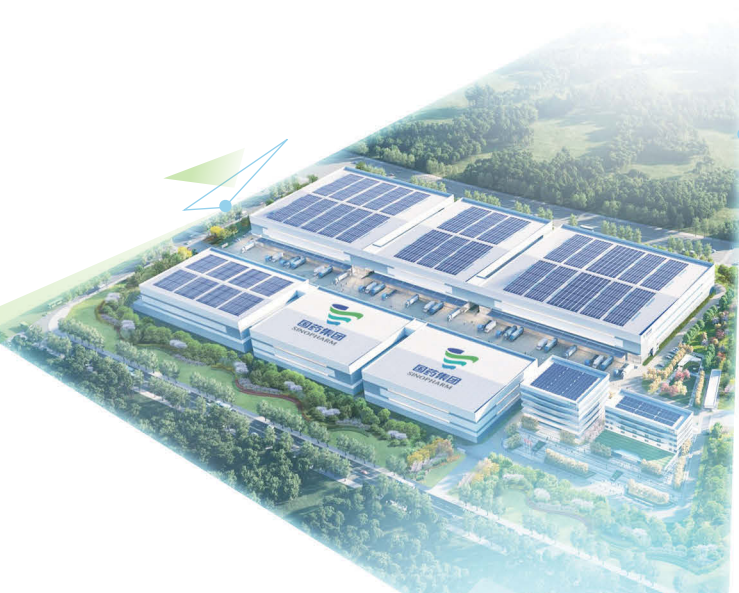
*Becoming a distinguished
(technological and innovative)
global pharmaceutical and
healthcare service provider*

Corporate Mission

*All for Health
Health for All*

Contents

1	Company Profile	
3	Corporate Information	
5	Definitions	
7	Management Discussion and Analysis	
24	Biographies of Directors, Supervisors and Senior Management	
33	Other Information	
38	Report on Review of Interim Financial Information	
40	Interim Condensed Consolidated Statement of Profit or Loss	
41	Interim Condensed Consolidated Statement of Comprehensive Income	
42	Interim Condensed Consolidated Statement of Financial Position	
44	Interim Condensed Consolidated Statement of Changes in Equity	
45	Interim Condensed Consolidated Statement of Cash Flows	
48	Notes to the Interim Condensed Consolidated Financial Information	



Corporate Information

As at the date of this report

Directors

Mr. Zhao Bingxiang (*Non-executive Director and Chairman*)
Mr. Chen Qiyu (*Non-executive Director and Vice Chairman*)
Mr. Lian Wanyong (*Executive Director and President*)
Mr. Sun Jinglin (*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. Chen Yuqing (*Non-executive Director*)
Mr. Wen Deyong (*Non-executive Director*)
Ms. Feng Rongli (*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. Zhao Bingxiang (*Chairman*)
Mr. Chen Qiyu
Mr. Lian Wanyong
Mr. Sun Jinglin
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

Remuneration Committee

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

Nomination Committee

Mr. Zhao Bingxiang (*Chairman*)
Mr. Wu Tak Lung
Mr. Yu Weifeng
Mr. Shi Shenghao
Mr. Chen Weiru
Ms. Feng Rongli

Legal and Compliance and Environmental, Social and Governance Committee

Mr. Yu Weifeng (*Chairman*)
Mr. Zhao Bingxiang
Mr. Lian Wanyong



Corporate Information

As at the date of this report

Authorized Representatives

Mr. Zhao Bingxiang
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

Sinopharm Group Building,
No. 385, East Longhua Road, Huangpu District,
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

Tel: (+86 21) 2305 2666
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 Group”	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 joint stock 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
“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 2025
“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

Macro economy operated smoothly and monetary policy gradually yielded results

In the first half of 2025, China's economy withstood the pressure and overcame difficulties, demonstrating strong resilience and vitality through the implementation of more proactive and promising macro policies. According to the preliminary accounting data released by the National Bureau of Statistics, the GDP was RMB66.05 trillion in the first half of 2025, representing a year-on-year increase of 5.3% at constant prices. On a quarterly basis, GDP in the first quarter increased by 5.4% year-on-year and GDP in the second quarter increased by 5.2% year-on-year. When compared with the previous quarter, the GDP increased by 1.1% in the second quarter, and the economic operation was generally stable and showed a steady improvement.

In the first half of 2025, China adopted a series of effective measures to promote sustained and healthy economic development. The People's Bank of China issued a package of financial support measures, such as lowering the reserve requirement ratio and reducing interest rates, and implemented a moderately loose monetary policy to guide the downward trend of market interest rates and reduce the financing costs of enterprises. As of the end of June 2025, the stock of social financing scale increased by 8.9% year-on-year, the weighted average interest rate of newly issued corporate loans decreased by about 45 basis points compared with the same period of last year, the cost of comprehensive social financing declined at a low level, and a package of financial policies continued to show their effectiveness.

Medical demand continued to grow and policy drove channel differentiation

According to the main indicators of the basic medical insurance pooling fund and maternity insurance published by the National Healthcare Security Administration from January to June 2025, the income of basic medical insurance (including maternity insurance) was RMB1.48 trillion, and the expenditure of basic medical insurance (including maternity insurance) was RMB1.18 trillion, representing an increase in both income and expenditure compared to the same period of the previous year. The public's demand for medicine and medical services has maintained a growing trend, coupled with the acceleration of population aging, the expansion of medical insurance coverage and other trends, the medical insurance fund payment is still under relatively high pressure, but in the long run, the growth potential of the pharmaceutical and healthcare industry will continue to be unleashed.

In the first half of 2025, the National Healthcare Security Administration actively promoted the reform of real-time settlement between medical insurance funds and designated medical institutions and the reform of direct settlement between medical insurance funds and pharmaceutical manufacturers, and optimized the medical insurance payment mechanism. According to the information released by the National Healthcare Security Administration, China will substantially realize the direct settlement of the centralized procurement drugs and consumables and national medical insurance negotiated drugs in 2025. As of July 2025, real-time settlement has covered 91% of the overall planning areas in China. Through the construction of the top-level system, the fund settlement norms and management efficiency of the pharmaceutical supply chain have been further optimized. The implementation of this policy has pointed out the direction for pharmaceutical distribution enterprises to improve the efficiency and process of fund settlement, and has a far-reaching impact on the reform of the service model of the pharmaceutical distribution industry.



Management Discussion and Analysis

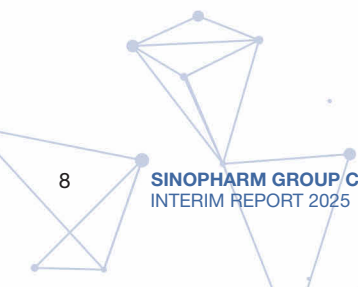
The continuous implementation of centralized procurement and national medical insurance negotiation for drugs policies have promoted the change in the demand for the category structure of drugs and medical devices in hospitals. The selected varieties in the centralized procurement quickly replaced the non-selected varieties in hospitals, and the proportion of the use of national negotiated drugs and just-needed consumables in hospitals continued to increase. China's strong support for innovative drugs has prompted retail terminals and out-of-hospital channels to usher in incremental opportunities. The change of the demand for product structure in terminal channels is pushing pharmaceutical distribution enterprises to accelerate the adjustment of varieties, the optimization of channels and the strategic transformation. On the basis of scale advantage, diversified channel coverage ability, efficient resource allocation efficiency and innovative service undertaking ability are becoming new driving forces for pharmaceutical distribution enterprises to build differentiated competitive advantages and long-term development potential.

Business Review

In the first half of 2025, faced with the rapidly changing policies and market environment, the Group, under the firm leadership by the Board and the management, focused on the stable recovery of its business, continuously improved various operational indicators, and strove to build the ability of sustainable business development in the new environment while strengthening compliance management and prudently managing risks. As of the end of June 2025, the Group recorded an operating income of RMB286,043.00 million, representing a decrease of 2.95% compared with the same period of the previous year; the net profit and the net profit attributable to the parent company were RMB5,337.25 million and RMB3,465.69 million respectively, representing year-on-year decreases of 9.53% and 6.43% respectively.

In the first half of the year, in line with the new industry environment and policy regulatory requirements, the Group actively explored the business growth momentum of channel collaboration and derivative services, further established the value-driven concept, and strengthened the assessment of core business indicators such as profitability and cash recovery. The year-on-year growth rates of the business revenue from major segments showed differentiated performance. Among which, the pharmaceutical distribution segment basically maintained steady development, with the revenue proportion decreasing by 0.48 percentage point year-on-year to 73.62%; the revenue size of the medical device distribution segment declined, with the revenue proportion increased slightly by 0.08 percentage point year-on-year to 19.22%; the retail pharmacy segment showed a contrarian growth trend, with the revenue proportion increasing by 0.36 percentage point year-on-year to 5.78%.

During the Reporting Period, the Group achieved remarkable results in expense control, due to the reduction of financing costs, integrated control measures and the reduction of business costs. The selling expense ratio, the administrative expense ratio and the financial expense ratio continued to decline to 2.74%, 1.28% and 0.35% respectively, and the ratio of the three expenses in aggregate improved by 0.2 percentage point, providing strong support for narrowing the decline in profits.



Management Discussion and Analysis

Pharmaceutical Distribution: Developed steadily in line with the trend, analyzed the demand and adjusted the category structure

During the Reporting Period, the policies of centralized procurement of drugs and national medical insurance negotiation for drugs were steadily promoted, the coverage of varieties continued to expand, and the year-on-year growth rate of the industry still slowed down. In the first quarter of 2025, the total sale volume of seven categories of pharmaceutical products in the national pharmaceutical distribution market was about RMB771 billion (tax inclusive), representing a decrease of 2.0% year-on-year after deducting incomparable factors. At the same time, the new medical insurance catalogue implemented since January 2025 added 91 kinds of drugs, representing an average decline of 63%. The eleventh batch of the centralized procurement of drugs was launched in July 2025, including 55 varieties, covering anti-tumor, cardiovascular and cerebrovascular diseases, anti-infection and other treatment categories. The policy of the centralized procurement of drugs continued to expand and deepen, and the concentration of the pharmaceutical distribution industry was further improved in an orderly manner.

As of the end of June 2025, the Group's pharmaceutical distribution segment recorded an operating income of RMB218,527.36 million, representing a year-on-year decrease of 3.52% and an increase of about 0.3% compared with the second half of 2024, maintaining the same development trend as the pharmaceutical distribution industry as a whole, and maintaining a steady growth trend in key business regional markets such as East China and North China. During the Reporting Period, the operating profit margin of the pharmaceutical distribution business was 2.58%, representing a decrease of 0.17 percentage point compared with the same period of the previous year, mainly because the overall environment of the industry led to a year-on-year decrease of the business income and the profitability of the segment.

In the first half of 2025, the Group accurately grasped the trend of drug use in the terminal market, effectively adjusted the category structure, actively increased the market share of centralized procurement drugs and national medical insurance negotiated drugs, strengthened communication and cooperation with upstream suppliers, and improved the ability to obtain varieties. Benefiting from the advantages of the Group's nationwide distribution network and the positive measures to respond quickly to market demand, during the Reporting Period, the subsidiaries of the Group continued to pay attention to and accelerate the introduction of national medical insurance negotiated varieties, and the sales of national medical insurance negotiated varieties maintained rapid growth, with double-digit year-on-year growth in sales revenue and gross profit, effectively supporting the stable development of the segment business. In addition, in terms of channel structure, on the one hand, the Group actively promoted the growth of core market varieties of grade hospitals; on the other hand, the Group grasped the urgent needs of the primary medical market to drive the growth of the overall share, and both types of channel markets achieved good growth performance.

Medical Device Distribution: Compliance governance solidifies the foundation, and service-driven strategies propel market share growth

During the Reporting Period, the policy of the centralized volume-based procurement of medical devices was comprehensively deepened, and the centralized volume-based procurement of medical consumables achieved full coverage at the provincial level nationwide, and the gross profit margin of supply chain services continued to decline. The normalization promotion of special rectification in the medical field, strict control of purchase and sale links and standardized service behavior continuously demonstrated the importance of compliance services, further purifying the ecological environment of the industry. Under the cumulated influence of various policies, the demand for medical devices in hospital terminals has undergone structural adjustment, and the cost-effective selection of consumables in centralized procurement and innovative medical devices with high clinical value were further favored, and the clearance of high-priced non-selected varieties was accelerated.

In the first half of 2025, under the new compliance regulatory environment, the demand for hospital equipment bidding for “replacing the old for new ones” was not fully released. At the same time, the Group strengthened the risk management and compliance management of the medical device business, and proactively strengthened supervision on business with long credit period and high collection risk and distribution business with low added value and large capital occupation, so as to control the proportions of the revenues of such businesses. The active business governance strategy coupled with the price reduction factor of centralized volume-based procurement products affected the current revenue of the medical device distribution segment. During the Reporting Period, the Group's medical device distribution segment recorded a sales revenue of RMB57,052.73 million, representing a year-on-year decrease of 2.46%. Among which, the sales of medical devices and IVD decreased significantly, but the sales of medical consumables increased steadily, demonstrating the effectiveness of the Group's strategy of promoting the development of the segment with high-stickiness terminal services. The operating profit margin of the medical device distribution business was 1.92%, representing a decrease of 0.33 percentage point compared with the same period of the previous year, mainly due to the slowdown of income growth and the decline of gross profit margin during the Reporting Period.

In the first half of 2025, by optimizing the channel structure, the Group accelerated the investment in businesses and services that can create long-term value, accelerated the transformation of medical device business model, and actively built its core competitiveness. Under the new environment, the Group accelerated the undertaking of the demand for services from suppliers and hospital terminals, continuously enhanced the service quality, and actively led the professional service transformation of the supply chain system. The Group continued to focus on intelligent supply chain projects of medical devices with strong business synergy, and relied on strong hospital terminals' penetration ability to further enhance the market share of medical devices such as consumables with professional services. As of the end of June 2025, the Group had a net increase of seven SPD projects, eighteen single hospital centralised distribution projects and one medical associations/medical communities centralised distribution project. In the first half of 2025, the revenue of the medical device business driven by SPD and centralised distribution projects increased by 13% compared with the same period of the previous year, and the synergistic effect of newly added intelligent supply chain projects gradually appeared. In addition, the Group continued to empower the business development of hospital terminals by leveraging its advanced experience and innovative capability in the field of intelligent supply chain services. During the Reporting Period, the Group focused on repair and maintenance services and SPD services, and 35 service software copyrights were newly added.

Management Discussion and Analysis

Retail Pharmacy: Segment's development rose against the trend, and retail pharmacy governance achieved remarkable results

In the first half of 2025, under the influence of the promotion of policy for the medical insurance personal account reform, changes in consumer demand and intensified industry competition, the retail pharmacy industry faced new development environment and challenges. According to the data of the MENET, the overall scale of the industry showed a downward trend from January to May 2025 year-on-year. The optimization of store network layout and the improvement of management and governance efficiency are becoming a brand-new driving force for the future high-quality sustainable development of the retail industry. At the same time, the policy system of electronic prescription circulation has been comprehensively deepened. Since 1 January 2025, electronic prescription circulation has been fully implemented for “dual-channel” drugs, accelerating the coverage of the electronic prescription circulation platform in China and promoting the transformation of prescription circulation to standardization, digitalization and safety.

During the Reporting Period, the Group's retail pharmacy segment grew against the trend, achieving a sales revenue of RMB17,162.12 million, representing a year-on-year increase of 3.65%. In the first half of 2025, the major listed chain pharmacies in the retail pharmacy industry continued their store closing strategy as a whole and slowed down their expansion. Comprehensively influenced by market environment, competition landscape and other factors, Guoda Drugstore's revenues in the first half of the year decreased year-on-year, but the growth rate of existing stores of Guoda Drugstore outperformed the market. As of the end of June 2025, the number of stores of Guoda Drugstore was 8,591, representing a net decrease of 978 stores compared with the end of 2024. During the Reporting Period, the number and proportion of loss-making stores decreased significantly compared with the same period of last year. At the same time, benefiting from China's support for innovative drugs, the growth rate of specialty pharmacy was still above double digits. As of the end of June 2025, the number of the stores of specialty pharmacy was 1,516, representing a net decrease of 128 stores compared with the end of 2024, and the same-store growth rate maintained a double-digit high-speed growth.

During the Reporting Period, benefiting from the revenue growth of the retail segment, network optimization strategies, and significant cost reduction effects, the operating profit margin of the Group's retail pharmacy business was 2.68%, representing an increase of 1.13 percentage points compared with the same period of the previous year. In particular, Guoda Drugstore focused on improving the quality of store operation, decisively optimized the network layout, and actively promoted the transformation by improving the commercial procurement system and business structure, accelerating the construction of proprietary brand and increasing the proportion of centralized procurement. Guoda Drugstore maintained a good trend of sustainable profitability during the Reporting Period, with the net profit increasing by 215.81% year-on-year, fully verifying the Group's business transformation concept in the new environment.

Operation Management and Control and Service Transformation: Integrated construction enhanced management and control, and service transformation drove growth

Driven by policies such as medical insurance reform, deepening centralized procurement and strengthening supervision, the Group focused on its core business, analyzed the trend of policy changes, continuously promoted the improvement of operation efficiency and business innovation and transformation, and deepened the integration construction. In the first half of 2025, on the basis of solidly promoting digital transformation, the Group further strengthened the integrated vertical management and control of all business lines, promoted the system construction of centralized procurement integration, logistics integration and financial integration, strengthened business penetration management, and achieved optimized allocation and efficient utilization of resources.

In terms of operation management and control, in order to improve the operation efficiency and smooth the downward pressure on gross profit margin, the Group carried out a series of effective measures to ensure the sustainable and steady development of various businesses. During the Reporting Period, the Group carried out special management of accounts receivable and implemented risk control measures such as comprehensive reconciliation and right confirmation of accounts receivable. At the same time, the Group seized the opportunity of the direct settlement policy for medical insurance funds, clarified key work arrangements to its subsidiaries, strengthened the fund collection management and increased the market share. As of the end of June 2025, the growth rate of receivables of more than half of the Group's major second-tier subsidiaries was lower than the sales growth rate in the same period. Benefiting from the lean cost reduction measures, the Group's various expense ratio indicators continued to be optimized, among which the selling and administrative expense ratio decreased by 0.19 percentage point, the financial expense ratio excluding factoring decreased by 0.01 percentage point, and the overall expense ratio decreased by 0.2 percentage point, effectively improving the utilization rate of funds. As of the end of the Reporting Period, the Group's net cash outflow from operating activities decreased by RMB6,882.58 million compared with the same period of the previous year, indicating the effectiveness of the accounts receivable control measures.

In terms of service transformation, the Group insisted on expanding the service business that permeates the upstream and downstream of the industrial chain, and relied on three main business segments to forge personalized and professional service capabilities and overall solutions. During the Reporting Period, the Group continued to carry out service projects such as marketing services, third-party logistics and SPD services. As of the end of June 2025, the service income continued to grow, continuously contributing to the Group's performance. In addition, relying on a strong distribution network, the Group continuously tapped the growth momentum of services, and at the same time strengthened the synergy among the main business segments, the main business and the service business, and promoted the share of the three business segments with services, fully tapping and giving play to the Group's nationwide network advantages.

Management Discussion and Analysis

Future Prospects

Looking forward to the second half of 2025, the Group will actively adapt to the in-depth implementation of industry policies and the evolving demand in the terminal market, focus on its core business, adhere to compliance operation, consolidate integrated management and control measures, and forge core competitiveness under the new situation.

In terms of the pharmaceutical and medical device distribution segments, in the second half of the year, the Group will promote the differentiated business development strategy by region. On the one hand, the Group will focus on the core market, make every effort to expand the market coverage and cooperation depth of core customers, and maintain the continuous and effective investment of resources. At the same time, the Group will continuously increase its market share according to the market competition landscape, and continue to pay attention to the variety structure adjustment of hospital-end drugs. On the other hand, the Group will comply with the market demand, actively enhance the supply chain derivative service capabilities of target regional markets and key customers, and form an efficient linkage business ecosystem. In addition, the Group will accelerate the optimization and adjustment of business structure, continue to increase the introduction of innovative drug and medical device, national medical insurance negotiated products and clinical high-value products, actively deepen the dimension and breadth of cooperation with strategic customers, increase the proportion of revenue from high value-added businesses, promote the transformation of segment businesses to high quality, and actively consolidate the Group's leading position in the industry.

In terms of the retail pharmacy segment, the Group will continue to deepen the “dual-brand” strategy of specialty pharmacy and Guoda Drugstore, optimize the collaborative integration of offline stores and online channels around professional services and compliance and efficient operation, and promote the high-quality growth of businesses. Among which, specialty pharmacy system will focus on undertaking the circulation of hospital outpatient prescriptions and strive to tap the business increment. At the same time, specialty pharmacy system will continue to deeply cultivate the building of personalized and specialized pharmacy service capacities, broaden the sources of service revenues through innovative service models, provide patients with full-cycle health management support, and forge the differentiated core competitiveness. Guoda Drugstore will continue to focus on improving the quality of operation, strengthen the integration of procurement and the capability of industrial and commercial collaboration within the Group, optimize the structure of varieties, continuously increase the proportion of high-selling varieties and hugely popular varieties, and expand diversified business models. In the future, the retail pharmacy segment of the Group will take specialization, compliance and digitalization as the starting point, and comprehensively enhance service value and market competitiveness.

In terms of operation management and control and service transformation, the Group will continue to deepen the integrated penetrating management and control, take digitalization as an important starting point, rely on the integrated management platform to achieve the penetrating management of data in the whole process, and strengthen the capability of centralized monitoring and overall management of risks, so as to provide a solid guarantee for high-quality development of businesses. At the same time, the Group will focus on reducing costs and improving efficiency, strengthen systematic management of accounts receivable through continuous optimization of cost control, continuously improve the quality of assets and enhance the overall operating efficiency.

Relying on the regulatory requirements and the development trend of the industry under the new situation, the Group will actively promote the transformation and innovation of services, strive to explore the second curve of performance growth, and continuously inject new momentum into the sustainable development of the Group. At the same time, the Group will continue to seize the service opportunities such as innovative drug marketing, improve the operational efficiency of third-party logistics, optimize the SPD service model, and drive the performance growth of the main business segments with services, so as to lay a solid foundation for the long-term and steady development of the Group.

Looking forward to the future, the Group will actively grasp the opportunity period of transformation and reform of the pharmaceutical distribution industry, conform to the policy trend, focus on our core business, strictly adhere to the risk bottom line, and give full play to our own advantages to promote various core business objectives, so as to create greater value for society and shareholders. We will also actively fulfill our social responsibilities and continue to lead the sustainable and high-quality development of the pharmaceutical distribution industry.

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 RMB286,043.00 million, representing a decrease of RMB8,683.81 million or 2.95% as compared with the corresponding period of last year.

During the Reporting Period, the Group recorded a net profit of RMB5,337.25 million, representing a decrease of RMB561.97 million or 9.53% as compared with the corresponding period of last year; profit attributable to owners of the parent amounted to RMB3,465.69 million, representing a decrease of RMB238.19 million or 6.43% as compared with the corresponding period of last year.

During the Reporting Period, basic earnings per share of the Company amounted to RMB1.11, representing a decrease of 6.72% as compared with the corresponding period of last year.

Management Discussion and Analysis

Unit: in millions of RMB unless otherwise stated

	Six months ended 30 June 2025	Six months ended 30 June 2024	Change
Operating result			
Revenue	286,043.00	294,726.81	(8,683.81)
Earnings before interest and tax	8,205.27	8,670.35	(465.08)
Profit attributable to owners of the parent	3,465.69	3,703.88	(238.19)
Profitability			
Gross margin	7.11%	7.45%	decrease by 0.34 percentage point
Operating margin	2.60%	2.79%	decrease by 0.19 percentage point
Net profit margin	1.87%	2.00%	decrease by 0.13 percentage point
Earnings per share – Basic (RMB)	1.11	1.19	(0.08)

Unit: in millions of RMB unless otherwise stated

	Six months ended 30 June 2025	Six months ended 30 June 2024	Change
Key operational indicators			
Trade receivables turnover ratio (days)	143	132	11
Inventory turnover ratio (days)	44	43	1
Trade payables turnover ratio (days)	103	101	2
Current ratio (times)	1.34	1.35	(0.01)

Unit: in millions of RMB unless otherwise stated

	30 June 2025	31 December 2024	Change
Asset position			
Total assets	420,328.42	392,831.24	27,497.18
Equity attributable to owners of the parent	80,232.83	78,883.80	1,349.03
Gearing ratio	69.25%	67.75%	increase by 1.50 percentage points
Cash and cash equivalents	35,238.14	54,313.36	(19,075.22)

Revenue

During the Reporting Period, the Group recorded revenue of RMB286,043.00 million, representing a decrease of 2.95% as compared with RMB294,726.81 million for the six months ended 30 June 2024. 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 RMB218,527.36 million, representing a decrease of 3.52% as compared with RMB226,494.01 million for the six months ended 30 June 2024 and accounting for 73.62% of the total revenue of the Group. The decrease was mainly because the implementation of policies such as volume-based procurement and price reduction of national medical insurance negotiated varieties has led to a decreased volume in the pharmaceutical distribution business.
- **Medical device distribution segment:** During the Reporting Period, the revenue from medical device distribution of the Group was RMB57,052.73 million, representing a decrease of 2.46% as compared with RMB58,494.30 million for the six months ended 30 June 2024 and accounting for 19.22% of the total revenue of the Group. Such decrease was mainly due to the implementation of policies of volume-based procurement, the decline of sales revenue of medical devices categories with higher gross profit margin and the stable growth of revenue of medical consumables affected by changes in the structure of terminal demand.
- **Retail pharmacy segment:** During the Reporting Period, the revenue from retail pharmacy of the Group was RMB17,162.12 million, representing an increase of 3.65% as compared with RMB16,557.84 million for the six months ended 30 June 2024 and accounting for 5.78% of the total revenue of the Group. The increase was primarily due to the increase in sales revenue of the specialty pharmacy of the Group.
- **Other business segment:** During the Reporting Period, the revenue from other business of the Group was RMB4,076.03 million, representing a decrease of 0.71% as compared with RMB4,105.37 million for the six months ended 30 June 2024, primarily due to the decrease in revenue from industrial products.

Cost of Sales

During the Reporting Period, the cost of sales of the Group was RMB265,696.09 million, representing a decrease of 2.60% as compared with RMB272,783.52 million for the six months ended 30 June 2024, which was comparable to the decline in the sales revenue.

Gross Profit

During the Reporting Period, the gross profit of the Group was RMB20,346.91 million, representing a decrease of 7.28% as compared with RMB21,943.30 million for the six months ended 30 June 2024, 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 2025 was 7.11%, and the gross profit margin for the corresponding period in 2024 was 7.45%.

Management Discussion and Analysis

Other Income

During the Reporting Period, the other income of the Group was RMB241.10 million, representing an increase of 60.09% as compared with RMB150.60 million for the six months ended 30 June 2024, primarily due to the increase 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 RMB7,844.86 million, representing a decrease of 7.48% as compared with RMB8,479.22 million for the six months ended 30 June 2024.

Administrative Expenses

During the Reporting Period, the administrative expenses of the Group were RMB3,668.49 million, representing a decrease of 6.30% from RMB3,915.16 million for the six months ended 30 June 2024.

The proportion of the administrative expenses of the Group to the total revenue of the Group decreased from 1.33% for the six months ended 30 June 2024 to 1.28% 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 RMB7,445.69 million, representing a decrease of 9.44% from RMB8,221.63 million for the six months ended 30 June 2024.

Other Gains/(Losses) – Net

During the Reporting Period, the other net gains of the Group were RMB71.59 million, representing an increase of RMB250.66 million as compared with other net losses of RMB179.07 million for the six months ended 30 June 2024. The increase was mainly due to the increase in the reversal of unpayable amounts in the current period.

Other Expenses

During the Reporting Period, the reversal of other expenses of the Group were RMB0.14 million, representing a decrease of RMB2.94 million as compared with the reversal of other expenses of the Group for the six months ended 30 June 2024 of RMB3.08 million.

Finance Costs – Net

During the Reporting Period, the finance costs – net of the Group were RMB995.38 million, representing a decrease of RMB78.49 million as compared with RMB1,073.87 million for the six months ended 30 June 2024, 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 RMB686.63 million, representing an increase of 10.21% as compared with RMB623.03 million for the six months ended 30 June 2024.

Share of Profits and Losses of Joint Ventures

During the Reporting Period, the Group's share of profits and losses of joint ventures was RMB1.23 million, representing a decrease of 27.41% as compared with RMB1.69 million for the six months ended 30 June 2024, mainly due to the decline in business results of joint ventures.

Income Tax Expense

During the Reporting Period, the income tax expense of the Group was RMB1,872.65 million, representing an increase of 10.33% as compared with RMB1,697.27 million for the six months ended 30 June 2024, primarily due to the Group's make-up payments for income taxes from prior years.

Profit for the Period

As a result of the above-mentioned factors, the profit for the Reporting Period of the Group was RMB5,337.25 million, representing a decrease of 9.53% from RMB5,899.22 million for the six months ended 30 June 2024. The Group's net profit margin for the Reporting Period and for the corresponding period of 2024 was 1.87% and 2.00%, respectively.

Profit Attributable to Owners of the Parent

During the Reporting Period, profit attributable to owners of the parent was RMB3,465.69 million, representing a decrease of 6.43% or RMB238.19 million from RMB3,703.88 million for the six months ended 30 June 2024.

Profit Attributable to Non-controlling Interests

During the Reporting Period, profit attributable to non-controlling interests was RMB1,871.56 million, representing a decrease of 14.75% from RMB2,195.34 million for the six months ended 30 June 2024.

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 RMB35,238.14 million (31 December 2024: RMB54,313.36 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 RMB34,111.09 million. The net cash used in operating activities of the Group was RMB40,993.67 million for the six months ended 30 June 2024. 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 investment activities

During the Reporting Period, the net cash used in investment activities of the Group was RMB531.24 million. The net cash used in investment activities for the six months ended 30 June 2024 was RMB1,038.51 million. Such decrease was primarily due to decrease in payment of prices for land use rights.

Net cash generated from financing activities

During the Reporting Period, the net cash generated from financing activities of the Group was RMB15,579.00 million, representing a decrease of RMB5,972.74 million as compared with RMB21,551.76 million for the six months ended 30 June 2024. Such decrease was primarily due to the decrease in bond issuances 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 RMB1,807.09 million, representing a decrease of RMB918.41 million as compared with RMB2,725.50 million for the six months ended 30 June 2024, 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 RMB0.8 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 2025, 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.

Management Discussion and Analysis

Indebtedness

As at 30 June 2025, the Group had aggregated banking facilities of RMB326,491.61 million (31 December 2024: RMB310,604.69 million), of which RMB191,139.46 million (31 December 2024: RMB173,910.33 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 2025, RMB85,913.90 million (31 December 2024: RMB62,729.05 million) will be due within one year and RMB4,435.58 million (31 December 2024: RMB8,637.23 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 2025, 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 2025 was 2.73% (for the year ended 31 December 2024: 2.62%).

Gearing ratio

As at 30 June 2025, the Group's gearing ratio was 69.25% (31 December 2024: 67.75%), which was calculated based on the total liabilities divided by the total assets as at 30 June 2025.

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 2025, the trade and notes receivables of the Group in aggregate amounted to RMB242,931.04 million (31 December 2024: RMB200,254.55 million) and its ageing analysis is set out in note 18 to the interim condensed consolidated financial information.

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 terms; (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 2025, part of the Group's borrowings and notes payable were secured by trade and notes receivables with book value of RMB3,469.27 million (31 December 2024: RMB2,214.32 million), bank deposits of RMB11,918.84 million (31 December 2024: RMB12,752.74 million), properties, plant and equipment with book value of RMB0.00 (31 December 2024: RMB14.90 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 2025, 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 report, 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 2025, the Group had a total of 100,251 (as at 30 June 2024: 113,635) employees. In order to meet the development needs and support and promote the realisation of its strategic objectives, the Group has integrated existing human resources, made innovations in management model and optimised management mechanism in accordance with the requirements of specialised operation and integrated management, so as to actively advance the organisational reform and accelerate the cultivation and recruitment of the talents. The Group has established a strict selection process for recruitment of employees and adopted a number of incentive mechanisms to enhance their efficiency, conducted periodic performance reviews on its employees and adjusted their salaries and bonuses accordingly. In addition, the Group has provided training programs to employees with different functions.

For remuneration and performance, the Group has established a normative salary management system based on the principle of “performance-oriented compensation, prioritising efficiency and considering fairness”. The Group has implemented top-down performance assessment to establish a compensation system with position and ability as basis and performance as the cornerstone. The employee remunerations include basic salary, performance-based remuneration, bonus and piece rate wage. Remuneration is adjusted based on factors such as the results of the corporation, work performance and capabilities as well as job responsibilities of employees.

The Group has followed the performance-oriented principle while giving consideration to balance. The Group has adopted a diversified structure and makes dynamic adjustments. For the value created, the Group has distributed the incremental value. The Group has shared benefits and risks with our employees. Based on the principle of aligning with market benchmarks and international standards, the Group has adopted a combination of short-term and medium- and long-term incentives to determine directors' remuneration incentive policies, and designed a compensation structure comprising “basic remuneration, performance-based remuneration, and medium and long-term incentives”. The basic remuneration is the basic fixed annual income. The performance-based remuneration is the immediate floating income based on the completion of the annual performance goals, which is paid after evaluation. The “medium and long-term incentive” is the share incentive scheme, which is contingent on the excellent performance in the medium- and long-term, designed to bind interests and share benefits and risks with shareholders. Details of the employee benefit expenses of the Group during the Reporting Period are set out in note 11 to the interim condensed consolidated financial information.

Directors

Mr. Zhao Bingxiang, aged 53, is the Chairman, non-executive Director and the secretary of Party Committee of the Company, holds a bachelor's degree from the School of Pharmacy of Shenyang Pharmaceutical University, a master's degree from the Peking University School of Pharmaceutical Sciences, and a doctoral degree from the College of Chemical and Biological Engineering, Zhejiang University and is a professor-level senior engineer in China. Mr. Zhao served as a regional sales manager and a marketing officer of San-jiu Pharmaceutical Trade Co., Ltd. (三九醫藥貿易有限公司), a deputy general manager of San-jiu Tongda Pharmaceutical Co., Ltd. (三九同達藥業有限公司), a senior researcher of the R&D center of China Resources Sanjiu Medical & Pharmaceutical Co., Ltd. (華潤三九醫藥股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000999) ("**CR Sanjiu**"), the general manager of China Resources Sanjiu (Ya'an) Pharmaceutical Co., Ltd. (華潤三九(雅安)藥業有限公司), the chairman and the general manager of China Resources Zizhu Pharmaceutical Co., Ltd. (華潤紫竹藥業有限公司), a vice president of China Resources Pharmaceutical Group Limited (a company listed on the Hong Kong Stock Exchange, stock code: 03320), and a director and the president of CR Sanjiu. Mr. Zhao has received twice the State Scientific and Technological Progress Award – second-class, as well as other awards including the Sichuan Scientific and Technological Progress Award – first-class. Mr. Zhao currently serves as a professor and doctoral tutor at Shenyang Pharmaceutical University and a professor at School of Medicine of Zhejiang University; previously served as the vice chairman of the Science and Technology Association of China Resources Group, a deputy director of the Academic Committee of the NMPA Key Laboratory for Quality Research and Evaluation of Traditional Chinese Medicine, and a deputy director of the Pharmaceutical Clinical Evaluation Research Professional Committee of the China Association of Traditional Chinese Medicine. Mr. Zhao joined in CNPGC in March 2024, and is currently a director and the general manager of CNPGC. Mr. Zhao has been the secretary of Party Committee of the Company since August 2024 and the Chairman and a non-executive Director of the Company since September 2024.

Mr. Chen Qiyu, aged 53, is a non-executive Director and vice chairman of the Company. Mr. Chen has nearly 32 years of working experience. 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 (namely Fosun Pharma and its holding subsidiaries) since 1994, and currently serves as the non-executive director of Fosun Pharma (a company listed on the Shanghai Stock Exchange, stock code: 600196 and the Hong Kong Stock Exchange, stock code: 02196) and the 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 the non-executive director of Gland Pharma Limited (a company listed on Bombay Stock Exchange and National Stock Exchange of India, stock code: GLAND) ("**GLAND**") from October 2017 to August 2024. Mr. Chen has joined the Company since January 2003, and served as the chief Supervisor and non-executive Director of the Company, and is currently the non-executive Director and vice chairman of the Company and the deputy chairman of Sinopharm Investment. Mr. Chen is currently the chairman of China Medical Pharmaceutical Material Association, vice chairman of China Pharmaceutical Innovation and Research Development Association, honorary chairman and chief supervisor of Shanghai Biopharmaceutics Industry Association, the standing member of the 14th Shanghai Committee of the Chinese People's Political Consultative Conference, the chairman of Shanghai Federation of Industry and Commerce Biomedical Chamber and part-time vice chairman of Shanghai Federation of Industry and Commerce (General Chamber of Commerce).

Biographies of Directors, Supervisors and Senior Management

Mr. Lian Wanyong, aged 54, is an executive Director, President and deputy secretary of Party Committee of the Company, 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 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 and a member of Party Committee of the Company, a director of Sinopharm Accord (a company listed on the Shenzhen Stock Exchange, stock code: 000028) and a director of Sinopharm (CNCM LTD) (a company listed on the Shanghai Stock Exchange, stock code: 600511) from January 2018 to September 2022. Mr. Lian served as a director, the president and the deputy secretary of 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 Party Committee of the Company since August 2024 and an executive Director of the Company since September 2024.

Mr. Sun Jinglin, aged 47, is an executive Director and deputy secretary of Party Committee of the Company. Mr. Sun is a PhD and researcher. Mr. Sun previously served as an analyst and a supervisor in the physical and chemical laboratory, and a quality control manager in Beijing Novartis Pharma Co., Ltd., a quality manager in Baxter Healthcare (Tianjin) Co., Ltd., a director of the Inspection Division 2 of the Center for Drug Certification and Management of the State Food and Drug Administration (國家食品藥品監督管理局), a deputy director of the Center for Food and Drug Inspection and a deputy director of the Department of Drug and Cosmetics Supervision of the China Food and Drug Administration (國家食品藥品監督管理總局) and a convenor of the Office for Assessment of the National Regulatory System of Vaccines in the Department of Policies and Regulations of the National Medical Products Administration. Mr. Sun served as the technical officer of the medicine prequalification at the headquarters of the World Health Organization. Mr. Sun served as the vice president of China National Biotec Group Company Ltd., and has served as a director of Beijing Tiantan Biological Products Corporation Limited (listed on Shanghai Stock Exchange, stock code: 600161) ("BTBP") since May 2023. Mr. Sun has served as a deputy secretary of Party Committee of the Company since October 2024 and an executive Director of the Company since February 2025.

Mr. Zu Jing, aged 55, is 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 Aboard, 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 Traditional Chinese Medicine Holdings Co. Limited (a company listed on the Hong Kong Stock Exchange, stock code: 570) since January 2025. Mr. Zu has been a non-executive director of the Company since February 2025.

Mr. Xing Yonggang, aged 48, is a non-executive Director of the Company. Mr. Xing is a holder of doctor's degree in law, a senior economist and a solicitor. 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 Sinopharm, 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.

Mr. Chen Yuqing, aged 49, is a non-executive Director of the Company. Mr. Chen obtained a bachelor's degree in engineering from Shanghai University. Mr. Chen joined Fosun Pharma 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 currently also serves as a senior vice president of Fosun International Limited (a company listed on the Hong Kong Stock Exchange, stock code: 00656) and the director of Shanghai Fosun Health Technology (Group) Co., Ltd. (上海復星健康科技(集團)有限公司). 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 the non-executive Director of the Company since June 2025.

Mr. Wen Deyong, aged 53, is 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), C.Q. Pharmaceutical Holding Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000950) and Sinopharm (CNCM LTD) and a non-executive director of Henlius.

Biographies of Directors, Supervisors and Senior Management

Ms. Feng Rongli, aged 49, is a non-executive Director of the Company. Ms. Feng graduated from Shanghai University with a major in microcomputer application in July 1996 and obtained a master's degree in business administration from Columbia Southern University in February 2002. Ms. Feng has extensive experience in the field of human resources management. Ms. Feng held human resources management positions in Sealed Air Packaging (Shanghai) Co., Ltd. (希悦爾包裝(上海)有限公司), Grundfos Pumps (Shanghai) Co., Ltd. (格蘭富水泵(上海)有限公司), Emerson Electric (China) Holdings Co., Ltd. (艾默生電氣(中國)投資有限公司), Dow Chemical (China) Co., Ltd. (陶氏化學(中國)有限公司), Shanghai Roche Pharmaceutical Co., Ltd. (上海羅氏製藥有限公司), and F. Hoffmann-La Roche AG from July 1996 to February 2015. Ms. Feng served as the deputy chief human resources officer of Fosun High Technology and the managing director of the human resources of Shanghai Fosun Venture Capital Investment Management Co., Ltd. (上海復星創業投資管理有限公司) from July 2018 to April 2020. Ms. Feng joined Fosun Pharma Group since April 2020 and has served as the senior vice president of Fosun Pharma. She has served as the executive president and chief human resources officer of Fosun Pharma since January 2024. Ms. Feng currently serves as the chairman of the supervisory committee of Henlius and the non-executive director of Sisram Medical Ltd. (a company listed on the Hong Kong Stock Exchange, stock code: 01696). Ms. Feng has served as the non-executive Director of the Company since June 2020.

Mr. Li Peiyu, aged 62, is 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 60, is 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) and Zhongguancun Science-Tech Leasing Co., Ltd. (a company listed on the Hong Kong Stock Exchange, stock code: 1601). In the last three years, Mr. Wu was an independent non-executive director of Henan Jinma Energy Company Limited, Minth Group Limited and Sinomax Group Limited. Mr. Wu previously served as an independent non-executive director of Beijing Media Corporation Limited ("**Beijing Media**"). Details in relation to the criticism 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 53, is an independent non-executive Director of the Company. Mr. Yu is a lawyer with more than 29 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 Shenergy Company Limited (a company listed on the Shanghai Stock Exchange, stock code: 600642) and Shanghai M&G Stationery Inc. (a company listed on the Shanghai Stock Exchange, stock code: 603899) and an external director of Shaanxi Jingxiaohu Commerce and Trade Co., Ltd. Mr. Yu served as an independent director of Deppon Logistics Co., Ltd. and an external director of 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.

Biographies of Directors, Supervisors and Senior Management

Mr. Shi Shenghao, aged 57, is 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. Mr. Shi was the managing director of Sinopharm Capital Shanghai Co., Ltd. (國藥資本上海有限公司). He successively served as the marketing and sales director of GE Healthcare, the general manager in Greater China of American Medtronic China Co., Ltd. (美敦力中國有限責任公司), the general manager for diabetes healthcare business in Greater China of Bayer Group and the general manager in Greater China of Dentsply Sirona. Mr. Shi has served as the independent non-executive Director of the Company since June 2023.

Mr. Chen Weiru, aged 54, is 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 an associate 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 Main Board of the Hong Kong Stock Exchange, stock code: 06098), an independent director of Opplé Lighting Co., LTD. (歐普照明股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603515), 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) 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 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 Main Board of the Hong Kong Stock Exchange, stock code: 07827), an independent director of Fangdd Network Group Ltd. (房多多網絡集團有限公司) (a company listed on the Nasdaq Stock Exchange, stock code: DUO), an independent director of Blue City Holdings Limited (藍城兄弟控股有限公司) (a company listed on the Nasdaq Stock Exchange, stock code: BLCT, which has been delisted as a result of completion of privatization and acquisition in August 2022), 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.

Supervisors

Ms. Guan Xiaohui, aged 54, 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). 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, a non-executive director of Henlius and a supervisor of Sinopharm Industrial Investment Co., Ltd. Ms. Guan served as a non-executive director of GLAND from October 2020 to August 2022.

Mr. Liu Zhengdong, aged 55, is a Supervisor of the Company. Mr. Liu is a lawyer who has more than 31 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 Shanghai International Economic and Trade Arbitration Commission (SHIAC) and Shanghai Arbitration Commission (SAC).

Mr. Guo Jinhong, aged 51, is a Supervisor of the Company. Mr. Guo is a senior auditor. Mr. Guo received a master's degree in monetary and banking professional economics from Shanxi Institute of Finance and Economics in July 1999. Mr. Guo worked in the Audit Office from July 1999 to March 2019, and served as the general manager of the audit department of Huajin Holdings Group Co., Ltd. (華錦控股集團有限公司) and the general manager of the audit supervisory department of China Railway Construction Capital Holding Co., Ltd. from March 2019 to February 2022. Mr. Guo joined CNPGC in February 2022 and served as the deputy director of the audit department of CNPGC and has served as the director of the audit department of CNPGC since June 2023. Mr. Guo has served as a Supervisor of the Company since September 2023.

Biographies of Directors, Supervisors and Senior Management

Ms. Lu Haiqing, aged 51, 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 47, 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.

Mr. Cai Maisong, aged 54, is a vice president of the Company. Mr. Cai received a bachelor's degree of pharmacy from Peking University Health Science Center in July 1992, and later received a master's degree in business administration from Nankai University. Mr. Cai served at Guangzhou Baiyunshan Pharmaceutical General Factory, Les Laboratoires Servier Industrie, Tianjin purchase station of China National Pharmaceutical Group Corp. and China National Pharmaceutical Group Corp. Tianjin Co., Ltd. from July 1992 to December 2002. Mr. Cai served as a director of commerce department and director of operation management center in Sinopharm Holding Tianjin Co., Ltd. from January 2003 to July 2006, and served as the director of risk and operation management department of the Company from July 2006 to December 2010. Mr. Cai served as the vice director and the director of risk and operation management department and the vice director of policy research office of CNPGC from January 2011 to August 2017. Mr. Cai served as a supervisor of CNPGC from December 2012 to January 2018, and served as a vice principal in Sichuan Province Food and Drug Administration from June 2016 to January 2018. Mr. Cai has been serving as a vice president of the Company since he joined in the Group in January 2018. Mr. Cai currently serves as the vice chairman of SSPC.

Ms. Li Xiaojuan, aged 49, 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 50, 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 has served as a director of BTBP 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 and the director of Sinopharm Group Finance Co., Ltd.

Mr. Wu Yijian, aged 55, 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, served as a vice general manager of the investment department and president assistant of Fosun Pharma, and concurrently took senior management positions of several subsidiaries of Fosun Pharma. 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 and Sinopharm Holding Guoda Drugstore Co., Ltd.

Other Information

Changes of Directors and Supervisors

- (1) On 8 January 2025, Mr. Wang Kan and Mr. Wang Peng resigned as non-executive Directors of the Company, and such resignation took immediate effect.
- (2) On 12 February 2025, upon the approval by the general meeting of the Company, Mr. Sun Jinglin was appointed as an executive Director, and Mr. Hu Ligang, Mr. Zu Jing and Mr. Xing Yonggang were appointed as non-executive Directors.
- (3) On 25 April 2025, Mr. Chen Fangruo resigned as an independent non-executive Director, a member of the strategy and investment committee and a member of the nomination committee of the Company, and such resignation took effect on 12 June 2025.
- (4) On 16 May 2025, Mr. Li Dongjiu resigned as a non-executive Director, a member of the strategy and investment committee and a member of the audit committee of the Company, and such resignation took immediate effect.
- (5) On 9 June 2025, Mr. Hu Ligang resigned as a non-executive Director of the Company, and such resignation took immediate effect.
- (6) On 10 June 2025, Mr. Liu Hongbing resigned as an employee representative Supervisor of the Company, and such resignation took immediate effect.
- (7) On 12 June 2025, upon the approval by the general meeting of the Company, Mr. Chen Weiru and Mr. Chen Yuqing were appointed as an independent non-executive Director and non-executive Director, respectively. On the same day, upon the approval by the Board, Mr. Chen Weiru was appointed as a member of the strategy and investment committee and a member of the nomination committee, Mr. Chen Yuqing was appointed as a member of the strategy and investment committee, and Mr. Sun Jinglin was appointed as a member of the strategy and investment committee, which have taken effect.

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 2025, 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 2025, 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	155,373,672 (Note 9)	4.98	11.58	Long position
Lazard Asset Management LLC	H shares	Investment manager	121,547,064 (Note 10)	3.89	9.06	Long position

Other Information

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
JPMorgan Chase & Co.	H shares	Beneficial owner	22,336,674	0.72	1.66	Long position
			18,932,006	0.61	1.41	Short position
		Investment manager	46,230,693	1.48	3.45	Long position
			2,305	0.00	0.00	Short position
		Person having a security interest in shares	11,250	0.00	0.00	Long position
		Trustee	2,015	0.00	0.00	Long position
		Approved lending agent	22,267,449 (Note 11)	0.71	1.66	Long position
CITIC Securities Company Limited	H shares	Interest of controlled corporation	148,501,220	4.76	11.07	Long position
			714,000 (Note 12)	0.02	0.05	Short position
CITIC Securities – Yunfan Single Asset Management Plan (雲帆單一資產管理計劃)	H shares	Others	147,798,400 (Note 13)	4.74	11.01	Long position
CITIC Securities Asset Management Co., Ltd.	H shares	Investment manager	147,798,400 (Note 13)	4.74	11.01	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.



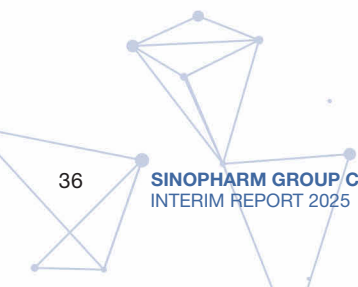
Other Information

- (6) Fosun Holdings is the beneficial owner of 72.91% 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 155,373,672 H shares of the Company in long position.
- (10) Lazard Asset Management LLC is interested in 121,547,064 H shares of the Company in long position.
- (11) JPMorgan Chase & Co. is interested in an aggregate of 90,848,081 H shares of the Company in long position (including 22,267,449 H shares available for lending) and 18,934,311 H shares in short position.
- (12) CITIC Securities Company Limited is interested in an aggregate of 148,501,220 H shares of the Company in long position and 714,000 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 147,798,400 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 147,798,400 H shares of the Company in long position.
- (14) 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 2025. 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 2025. 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 2025.

Save as disclosed above, to the best knowledge of the Directors, as at 30 June 2025, 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.

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 2025, the Company did not hold any Treasury Shares.



Other Information

Dividends

Pursuant to the relevant resolution passed at the 2024 annual general meeting of the Company convened on 12 June 2025, the Company paid the final dividend for the year ended 31 December 2024 to the shareholders of the Company on 12 August 2025, totaling approximately RMB2,122,046,000.

The Board did not recommend the distribution of an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

Audit Committee

As at the date of this report, the Audit Committee of the Company comprises three Directors, including three independent non-executive Directors, namely Mr. Wu Tak Lung, Mr. Li Peiyu and Mr. Shi Shenghao. 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 2025 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. During the Reporting Period, the Company had complied with the code provisions as set out in 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.

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



天健國際會計師事務所有限公司

Confucius International CPA Limited Certified Public Accountants

香港灣仔莊士敦道181號大有大廈15樓1501-08室
Rm1501-08,15/F, Tai Yau Building, 181 Johnston Road,
Wanchai, HK.
電話 Tel: (852) 3103 6980
傳真 Fax: (852) 3104 0170
電郵 Email: info@pccpa.hk

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 40 to 80, 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 2025 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, 22 August 2025



Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
Revenue	6	286,042,998	294,726,810
Cost of sales	10	(265,696,092)	(272,783,515)
Gross profit		20,346,906	21,943,295
Other income	7	241,099	150,603
Selling and distribution expenses	10	(7,844,858)	(8,479,217)
Administrative expenses	10	(3,668,488)	(3,915,156)
Expected credit losses on financial and contract assets	8	(1,386,864)	(1,315,125)
Losses on derecognition of financial assets measured at amortised cost		(242,106)	(162,770)
Operating profit		7,445,689	8,221,630
Other gains/(losses) – net	9	71,592	(179,074)
Other expenses	9	136	3,079
Finance income		254,851	389,448
Finance costs		(1,250,228)	(1,463,313)
Finance costs – net	12	(995,377)	(1,073,865)
Share of profits and losses of:			
Associates		686,627	623,030
Joint ventures		1,226	1,689
		687,853	624,719
Profit before tax		7,209,893	7,596,489
Income tax expense	13	(1,872,648)	(1,697,273)
PROFIT FOR THE PERIOD		5,337,245	5,899,216
Attributable to:			
Owners of the parent		3,465,686	3,703,875
Non-controlling interests		1,871,559	2,195,341
		5,337,245	5,899,216
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (expressed in RMB per share)			
– Basic and diluted	14	1.11	1.19



Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
PROFIT FOR THE PERIOD	5,337,245	5,899,216
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:</i>		
Remeasurements of post-employment benefit obligations, net of tax	2,503	(22,014)
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	451	(11,369)
Income tax effect	(113)	2,842
Fair value gains/(losses) on financial asset, net of tax	338	(8,527)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods, net of tax	2,841	(30,541)
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(2,529)	3,652
Share of other comprehensive (loss)/income of associates	(799)	686
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods, net of tax	(3,328)	4,338
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	(487)	(26,203)
TOTAL COMPREHENSIVE INCOME, NET OF TAX	5,336,758	5,873,013
Attributable to:		
Owners of the parent	3,464,978	3,679,348
Non-controlling interests	1,871,780	2,193,665
	5,336,758	5,873,013



Interim Condensed Consolidated Statement of Financial Position

30 June 2025

		30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
	Notes		
ASSETS			
NON-CURRENT ASSETS			
Right-of-use assets	16	6,769,670	7,246,238
Investment properties	16	386,961	393,033
Property, plant and equipment	16	12,075,909	12,386,202
Intangible assets	16	8,830,242	8,948,873
Investments in joint ventures		23,214	22,530
Investments in associates	17	10,475,766	10,145,325
Equity investments designated at fair value through other comprehensive income		50,642	50,638
Financial assets at fair value through profit or loss		668,445	675,648
Finance lease receivables		109,841	111,701
Deferred tax assets	22	2,883,373	2,408,387
Other non-current assets		2,860,840	2,995,098
Total non-current assets		45,134,903	45,383,673
CURRENT ASSETS			
Inventories		66,814,415	62,352,812
Trade and notes receivables	18	242,931,041	200,254,553
Contract assets		1,198,457	1,218,317
Prepayments, other receivables and other assets		17,089,247	16,549,885
Financial assets at fair value through profit or loss		127	158
Finance lease receivables		3,250	5,751
Pledged deposits, restricted cash and bank deposits with an initial term of over three months		11,918,838	12,752,736
Cash and cash equivalents		35,238,139	54,313,359
Total current assets		375,193,514	347,447,571
Total assets		420,328,417	392,831,244
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		22,027,487	22,022,096
Retained earnings		55,088,521	53,744,881
		80,232,826	78,883,795
Non-controlling interests		49,028,650	47,803,507
Total equity		129,261,476	126,687,302

Interim Condensed Consolidated Statement of Financial Position

30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
LIABILITIES			
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	20	4,435,575	8,637,231
Lease liabilities	21	2,945,054	3,259,280
Deferred tax liabilities	22	660,375	638,754
Post-employment benefit obligations	23	396,763	412,884
Contract liabilities		55,093	54,776
Other non-current liabilities	24	2,723,765	2,765,429
Total non-current liabilities		11,216,625	15,768,354
CURRENT LIABILITIES			
Trade and notes payables	25	152,672,957	151,109,247
Contract liabilities		6,740,967	6,828,857
Accruals and other payables		29,217,417	26,262,003
Dividends payable		2,341,899	238,557
Tax payable		1,355,976	1,447,301
Interest-bearing bank and other borrowings	20	85,913,900	62,729,048
Lease liabilities	21	1,607,200	1,760,575
Total current liabilities		279,850,316	250,375,588
Total liabilities		291,066,941	266,143,942
Total equity and liabilities		420,328,417	392,831,244

Zhao Bing Xiang
Director

Wu Tak Lung
Director



Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

		Attributable to owners of the parent						
		Treasury shares held for share incentive scheme				Non-controlling interests		
	Share capital	Other reserves	Retained earnings	Total	Total equity			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Notes	(Note 19)							
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		-	-	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
At 1 January 2024 (audited)		3,120,656	(3,838)	22,055,339	49,410,060	74,582,217	45,736,528	120,318,745
Total comprehensive income for the period		-	-	(24,527)	3,703,875	3,679,348	2,193,665	5,873,013
Effect of transactions with non-controlling interests		-	-	(3,993)	-	(3,993)	3,993	-
Capital injection from non-controlling shareholders of subsidiaries		-	-	-	-	-	136,775	136,775
Dividends paid to non-controlling interests		-	-	-	-	-	(1,175,604)	(1,175,604)
Dividend declared		15	-	-	(2,714,971)	(2,714,971)	-	(2,714,971)
Share of changes in equity other than comprehensive income and distributions received from associates		-	-	(2)	-	(2)	(1)	(3)
Others		-	-	(644)	-	(644)	(4,375)	(5,019)
At 30 June 2024 (unaudited)		3,120,656	(3,838)	22,026,173	50,398,964	75,541,955	46,890,981	122,432,936



Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
CASH FLOWS USED IN OPERATING ACTIVITIES:			
Profit before income tax		7,209,893	7,596,489
Adjustments for:			
– Share of profits and losses of associates	17	(686,627)	(623,030)
– Share of profits and losses of joint ventures		(1,226)	(1,689)
– Asset impairment		1,410,851	1,327,923
– Depreciation of property, plant and equipment and investment properties	16	903,843	941,111
– Amortisation of intangible assets	16	214,847	208,413
– Depreciation of right-of-use assets	16	1,114,699	1,175,673
– Loss/(gain) on disposal of investment properties, property, plant and equipment and intangible assets	9	1,190	(3,391)
– Gain on disposal of right-of-use assets	9	(12,977)	(1,507)
– Write-back of certain liabilities	9	(50,090)	(11,126)
– Loss on disposal of financial assets measured at amortised cost and finance costs		1,116,124	1,315,794
– Gain on disposal of a subsidiary	9	–	(1,075)
– Gain on disposal of portion of equity investment in associates	9	–	(8,358)
– Fair value (gain)/loss on financial assets at fair value through profit or loss	9	(2,478)	(3,155)
– Dividend from financial assets at fair value through other comprehensive income	9	(396)	(563)
		11,217,653	11,911,509
(Increase)/decrease in working capital:			
– Inventories		(4,464,746)	(8,876,626)
– Trade and notes receivables		(44,039,879)	(57,882,033)
– Contract assets		30,107	(67,127)
– Prepayments, other receivables and other assets		(372,910)	(28,798)
– Trade and notes payables		1,563,710	10,635,500
– Contract liabilities		(87,890)	535,613
– Accruals, other payables and other liabilities		4,454,058	5,485,408
Cash used in operations		(31,699,897)	(38,286,554)
Income tax paid		(2,411,192)	(2,707,114)
Net cash flows used in operating activities		(34,111,089)	(40,993,668)



Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Notes	(Unaudited)	(Unaudited)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Proceeds from disposal of intangible assets	681	–
Proceeds from disposal of right-of-use assets	–	16,315
Proceeds from disposal of property, plant and equipment	7,907	92,906
Proceeds from disposal of financial assets at fair value through profit or loss	274	333
Proceeds from disposal of an associate	13,174	32,449
Interest received from long-term deposits	39,748	39,719
Disposal of subsidiaries, net of cash disposed	–	11,417
Dividends received from associates	77,275	244,439
Dividends received from joint ventures	–	27
Dividends received from financial assets at fair value through other comprehensive income	396	563
Purchase of property, plant and equipment	(626,664)	(1,023,132)
Purchase of intangible assets	(35,594)	(273,352)
Purchase of investment properties	(8,441)	–
Increase of long-term deposits	–	(71,848)
Consideration paid for prior year acquisition of subsidiaries	–	(6,970)
Acquisition of subsidiaries, net of cash acquired	–	(95,037)
Acquisition of associates	–	(1,500)
Investment in a joint venture	–	(41)
Decrease in restricted cash	–	(4,801)
Net cash flows used in investing activities	(531,244)	(1,038,513)



Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Notes	(Unaudited)	(Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings from banks	55,947,887	44,446,712
Proceeds from borrowings from related parties	4,877,968	10,046,802
Repayments of borrowings from banks	(38,388,554)	(29,868,222)
Repayments of borrowings from related parties	(3,949,318)	(5,485,590)
Repayments of bonds	(574,400)	(3,000,000)
Proceeds from issue of bonds	800,000	8,991,762
Capital injections from non-controlling shareholders of Subsidiaries	16,350	136,775
Dividends paid to non-controlling shareholders of subsidiaries	(683,626)	(1,010,906)
Transactions with non-controlling interests of subsidiaries		
Interest paid	(1,459,833)	(1,443,080)
Principal portion of lease payments	(1,007,471)	(1,262,496)
Net cash flows from financing activities	15,579,003	21,551,757
Net decrease in cash and cash equivalents	(19,063,330)	(20,480,424)
Cash and cash equivalents at beginning of year	54,313,359	63,808,538
Effect of foreign exchange rate changes, net	(11,890)	3,652
Cash and cash equivalents at end of period	35,238,139	43,331,766

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 2025 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 2024, which has been prepared in accordance with HKFRS Accounting Standards (“**HKFRSs**”).

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

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 2024, 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 HKAS 21

Lack of Exchangeability

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 2024.

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 2024.

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 2025 (unaudited)					
Interest-bearing bank and other borrowings	86,965,132	1,251,809	134,231	–	88,351,172
Trade and notes payable	152,672,957	–	–	–	152,672,957
Dividends payable	2,341,899	–	–	–	2,341,899
Accruals and other payables	25,913,562	–	–	–	25,913,562
Lease liabilities	1,693,959	1,192,915	1,284,706	626,412	4,797,992
Other non-current liabilities	–	45,980	39,210	–	85,190
	269,587,509	2,490,704	1,458,147	626,412	274,162,772
As at 31 December 2024 (audited)					
Interest-bearing bank and other borrowings	63,700,796	5,370,309	3,470,739	–	72,541,844
Trade and notes payable	151,109,247	–	–	–	151,109,247
Dividends payable	238,557	–	–	–	238,557
Accruals and other payables	22,222,517	–	–	–	22,222,517
Lease liabilities	1,822,450	1,420,377	1,529,671	745,855	5,518,353
Other non-current liabilities	–	27,130	39,210	–	66,340
	239,093,567	6,817,816	5,039,620	745,855	251,696,858

Note: The calculation of expected interest to be paid is based on borrowings as at 30 June 2025 and 31 December 2024 and the interest rates as at 30 June 2025 and 31 December 2024.

Notes to the Interim Condensed Consolidated Financial Information

30 June 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 2024 and 31 December 2023

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 30 June 2025 (unaudited)				
Equity investments designated at fair value through other comprehensive income	37,633	–	13,009	50,642
Financial assets at fair value through profit or loss	127	–	668,445	668,572
Notes receivables held both to collect cash flows and to sell	–	10,084,240	1,399,067	11,483,307
	37,760	10,084,240	2,080,521	12,202,521
As at 31 December 2024 (audited)				
Equity investments designated at fair value through other comprehensive income	37,183	–	13,455	50,638
Financial assets at fair value through profit or loss	158	–	675,648	675,806
Notes receivables held both to collect cash flows and to sell	–	11,322,792	1,458,514	12,781,306
	37,341	11,322,792	2,147,617	13,507,750
Financial liabilities at fair value through profit or loss	–	–	94,120	94,120

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 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Borrowings from banks and other financial institutions (Note 20)	1,438,118	5,639,890	1,389,604	5,610,679
Bonds (Note 20)	2,997,457	2,997,341	2,997,457	2,997,341

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 2025 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.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

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.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

5. Segment Information (continued)

Segment revenue and results

(1) For the six months ended 30 June 2024 and 2023

	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 impairment of prepayment	(262)	(85)	-	-	-	(347)
Provision for impairment of inventories	18,714	4,647	3,152	(2,393)	-	24,120
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

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

5. Segment Information (continued)

Segment revenue and results (continued)

(1) For the six months ended 30 June 2025 and 2024 (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 2024 (unaudited)						
Segment results						
External segment revenue	217,119,317	58,259,633	16,242,915	3,104,945	–	294,726,810
Inter-segment revenue	9,374,697	234,664	314,929	1,000,421	(10,924,711)	–
Revenue	226,494,014	58,494,297	16,557,844	4,105,366	(10,924,711)	294,726,810
Operating profit	6,230,168	1,316,185	256,098	401,454	17,725	8,221,630
Other losses, net	(222,881)	4,682	4,739	34,386	–	(179,074)
Other expenses	3,079	–	–	–	–	3,079
Share of profits and losses of associates and joint ventures	2,596	11,831	(458)	610,750	–	624,719
	6,012,962	1,332,698	260,379	1,046,590	17,725	8,670,354
Finance costs, net						(1,073,865)
Profit before tax						7,596,489
Income tax expense						(1,697,273)
Profit for the period						5,899,216
Other segment items included in the consolidated statement of profit or loss						
Expected credit losses on financial and contract assets	840,391	466,706	3,680	4,348	–	1,315,125
Provision for impairment of prepayment	3,623	1,087	–	–	–	4,710
Provision for impairment of inventories	11,579	709	3,292	297	–	15,877
Reversal of provision for impairment of other non-current assets	(7,789)	–	–	–	–	(7,789)
Depreciation of property, plant and equipment	526,854	268,048	110,917	18,486	–	924,305
Depreciation of investment properties	6,387	8,907	336	1,176	–	16,806
Depreciation of right-of-use assets	282,162	199,864	611,350	82,297	–	1,175,673
Amortisation of intangible assets	160,478	18,757	25,010	4,168	–	208,413
Capital expenditures	976,042	345,964	863,669	539,820	–	2,725,495

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

5. Segment Information (continued)

Segment assets and liabilities

(2) At 30 June 2025 and 31 December 2024

	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 2025 (unaudited)						
Segment assets and liabilities						
Segment assets	294,948,411	102,227,917	16,700,885	24,327,397	(20,759,566)	417,445,044
Segment assets include:						
Investments in associates and joint ventures	237,126	135,672	39,212	10,086,970	-	10,498,980
Unallocated assets – Deferred tax assets						<u>2,883,373</u>
Total assets						<u>420,328,417</u>
Segment liabilities	132,252,512	69,352,705	13,493,591	5,035,593	(20,077,310)	200,057,091
Unallocated liabilities – Deferred tax liabilities and borrowings						<u>91,009,850</u>
Total liabilities						<u>291,066,941</u>
As at 31 December 2024 (audited)						
Segment assets and liabilities						
Segment assets	282,050,861	96,579,756	16,806,935	23,962,825	(28,977,520)	390,422,857
Segment assets include:						
Investments in associates and joint ventures	240,369	120,147	40,773	9,766,566	-	10,167,855
Unallocated assets – Deferred tax assets						<u>2,408,387</u>
Total assets						<u>392,831,244</u>
Segment liabilities	138,766,503	67,408,956	10,565,011	5,128,433	(27,729,994)	194,138,909
Unallocated liabilities – Deferred tax liabilities and borrowings						<u>72,005,033</u>
Total liabilities						<u>266,143,942</u>

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

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

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	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Sales of goods (at a point in time)	284,076,565	292,737,529
Logistics service income (over time)	639,014	634,853
Marketing and service income (over time)	904,786	887,524
Import agency income (at a point in time)	22,497	19,118
Others (at a point in time)	299,596	347,555
<i>Revenue from other sources</i>		
Operating lease income	100,540	100,231
	286,042,998	294,726,810

7. Other income

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Government grants	241,099	150,603

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	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Expected credit losses of financial and contract assets, net:		
Trade and notes receivables	1,358,810	1,309,439
Contract assets	6,514	7,306
Other receivables	17,594	4,552
Other non-current assets	3,946	(6,172)
	1,386,864	1,315,125

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

9. Other gains/(losses), net/other expenses

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Other gains/(losses), net		
Write-back of certain liabilities	50,090	11,126
Gain on disposal of equity investment in an associate	–	8,358
Gain on disposal of investment properties, property, plant and equipment, intangible assets and right-of-use assets	11,787	4,898
Gain on disposal of subsidiaries	–	1,075
Foreign exchange loss, net	(9,579)	(9,019)
Donation	(1,807)	(15,793)
Dividend from equity investments at fair value through other comprehensive income	396	563
Fair value gain on equity investments at fair value through profit or loss, net	2,478	3,155
Others, net	18,227	(183,437)
	71,592	(179,074)
Other expenses		
(Provision)/reversal of provision for impairment of other non-current assets	(211)	7,789
Reversal of provision/(provision) for impairment of prepayment	347	(4,710)
	136	3,079

10. Expenses by nature

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Raw materials and trading merchandise consumed	264,702,385	271,922,670
Employee benefit expenses (Note 11)	6,691,460	7,211,294
Provision for impairment of inventories	24,120	15,877
Lease payments not included in the measurement of lease liabilities	237,110	260,747
Depreciation of property, plant and equipment (Note 16)	890,501	924,305
Depreciation of investment properties (Note 16)	13,342	16,806
Depreciation of right-of-use assets (Note 16)	1,114,699	1,175,673
Amortisation of intangible assets (Note 16)	214,847	208,413
Auditor's remuneration	10,000	10,000
Advisory and consulting fees	102,290	150,528
Transportation expenses	1,002,185	1,104,474
Travel expenses	87,015	115,282
Market development and business promotion expenses	1,191,267	1,358,405
Utilities	127,442	151,525
Others	800,775	551,889
Total cost of sales, selling and distribution expenses, and administrative expenses	277,209,438	285,177,888

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

11. Employee benefit expenses

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, wages, allowances and bonus (i)	4,969,987	5,509,214
Contributions to pension plans (ii)	734,902	746,422
Post-employment benefits (Note 23)	2,175	1,987
Housing benefits (iii)	306,902	300,465
Other benefits (iv)	677,494	653,206
	6,691,460	7,211,294

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%(2024: 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% (2024: 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 totalling RMB15,398,000 (31 December 2024: RMB15,021,000) were payable to the fund pension plan of China National Pharmaceutical Group at 30 June 2025.

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.
- (iii) Housing benefits represent contributions to the government-supervised housing funds in Mainland China at rates ranging from 5% to 12% (2024: 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.

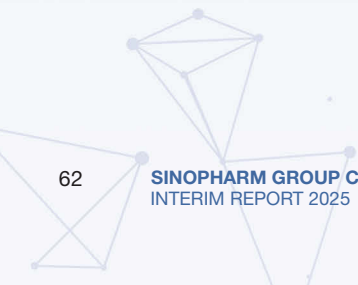


Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

12. Finance income and costs

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest expense:		
– Interest-bearing bank and other borrowings	1,056,055	1,247,820
– Net interests on net defined benefit liability (Note 23)	3,530	4,910
– Lease liabilities (Note 21)	92,404	114,125
Gross interest expense	1,151,989	1,366,855
Bank charges	103,363	102,890
Less: capitalised interest expense	(5,124)	(6,432)
Finance costs	1,250,228	1,463,313
Finance income:		
– Interest income on deposits in bank or other financial institutions	(203,823)	(349,729)
– Interest income on long-term deposits	(51,028)	(39,719)
Net finance costs	995,377	1,073,865



Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

13. Taxation

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current income tax	2,326,980	2,064,692
Deferred income tax (Note 22)	(454,332)	(367,419)
	1,872,648	1,697,273

During the six months ended 30 June 2025, 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.

Two of the Group’s subsidiaries were subject to Hong Kong profits tax at the rate of 16.5% (2024: 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 (2024: HKD2,000,000) of assessable profits of this subsidiary was taxed at 8.25% and the remaining assessable profits were taxed at 16.5%.

OECD Pillar Two model rules

The Organisation for Economic Co-operation and Development (“**OECD**”) published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws (“**Pillar Two legislation**”) to implement the Pillar Two model rules on a globally agreed common approach. Pillar Two legislation applies to a member of a multinational group within the scope of the Pillar Two model rules, which the Group fell into. It imposes a top-up tax on profits arising in a jurisdiction whenever the effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%.

Certain jurisdictions in which the Group operates have implemented the Pillar Two Rules. The Company took measures to assess its exposure to Pillar Two minimum taxation and no material top-up taxes arose for the Group’s Interim Financial Information for the six months ended 30 June 2025.

As at 30 June 2025, the Group mainly operates in the Mainland of China and Hong Kong. Pillar Two legislation is not yet enacted or substantively enacted in the Mainland of China as at 30 June 2025. The Group will continue assessing the Pillar Two tax exposure and the impacts on its consolidated financial statements accordingly.

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 2024: 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 2025 and 30 June 2024.

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

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Earnings		
Profit attributable to equity holders of the parent used in the basic and diluted earnings per share calculation ('000)	3,465,686	3,703,875
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)	1.11	1.19

15. Dividends

The final dividend for year 2024 of RMB0.68 per share (tax inclusive), amounting to approximately RMB2,122,046,000 in total, was approved by the shareholders at the annual general meeting of the Company held on 12 June 2025 ("2024 AGM"). Pursuant to the relevant resolution passed at 2024 AGM, the final dividend for year 2024 was paid on 12 August 2025 to the shareholders whose names appeared on the register of members of the Company on 23 June 2025.

No interim dividend was proposed for the six-month period ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

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 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
For the six months ended 30 June 2024 (unaudited)				
Net carrying amount as at 1 January 2024	501,466	12,481,234	10,196,149	7,416,423
Additions	–	901,869	120,509	1,607,891
Acquisition of subsidiaries	–	69,396	2,277	23,553
Transfers	(490)	(17,572)	18,062	–
Disposals	(15)	(88,388)	(1,574)	(187,394)
Disposals of subsidiaries	–	(8,521)	(2,977)	–
Depreciation or amortisation (Note 10)	(16,806)	(924,305)	(208,413)	(1,175,673)
Net carrying amount as at 30 June 2024	484,155	12,413,713	10,124,033	7,684,800

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	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
At 1 January	10,145,325	9,687,954
Additions	–	1,500
Share of results	686,627	623,030
Unrealised gain on transactions with an associate	13,405	43,556
Share of other comprehensive (loss)/income	(799)	686
Share of changes in equity other than comprehensive income and distributions received from associates	4,984	(3)
Dividends declared by associates attributable to the Group	(361,061)	(582,327)
Disposal of investment in an associate	(12,715)	(24,091)
At 30 June	10,475,766	9,750,305

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 2025 (i)	31 December 2024	
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 2025 and the year ended 31 December 2024.

Notes to the Interim Condensed Consolidated Financial Information

30 June 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 2025 RMB'000 (Unaudited)
Current assets	10,902,986
Non-current assets	8,762,182
Current liabilities	(3,715,559)
Non-current liabilities	(279,960)
Non-controlling interests	(2,026,319)
Net assets	13,643,330
Reconciliation to the Group's interest in the associate:	
Proportion of the Group's ownership	13.88%
Carrying amount of the investment	1,893,694
Revenue	4,877,674
Profit for the period	770,180
Total comprehensive income for the year	769,889

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

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 2025 RMB'000 (Unaudited)
Current assets	6,366,838
Non-current assets	6,141,892
Current liabilities	(2,252,868)
Non-current liabilities	(524,753)
Non-controlling interests	(57,642)
Net assets	9,673,467
Reconciliation to the Group's interest in the associate:	
Proportion of the Group's ownership	20.00%
Carrying amount of the investment	1,934,693
Revenue	4,423,212
Profit for the period	1,432,183
Total comprehensive income for the year	1,432,183
Dividend declared	271,499

18. Trade and notes receivables

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	235,339,607	187,635,430
Notes receivable held both to collect cash flows and to sell	11,483,307	12,781,306
Notes receivable	2,464,540	4,830,839
	249,287,454	205,247,575
Less: Expected credit losses	(6,356,413)	(4,993,022)
	242,931,041	200,254,553

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

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

18. Trade and notes receivables (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 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	210,055,285	169,957,622
1 to 2 years	15,094,945	10,185,212
Over 2 years	3,888,583	2,616,934
	229,038,813	182,759,768

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRSs 9, which permits the use of the lifetime expected loss provision for trade and notes receivables. 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 2025 (audited) and 30 June 2025 (unaudited)	3,120,656	1,778,845	1,341,811	3,120,656
At 1 January 2024 (audited) and 30 June 2024 (unaudited)	3,120,656	1,778,845	1,341,811	3,120,656

20. Interest-bearing bank and other borrowings

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current		
Unsecured bank borrowings	1,382,118	5,523,824
Unsecured borrowings from other financial institutions and related parties	56,000	116,066
Bonds (notes)	2,997,457	2,997,341
	4,435,575	8,637,231
Current		
Mortgaged bank borrowings	–	10,000
Pledged bank borrowings	2,407,801	1,503,323
Guaranteed bank borrowings	10,307	10,012
Unsecured bank borrowings	66,872,818	49,056,487
Unsecured borrowings from other financial institutions and related parties	14,826,685	11,230,499
Secured borrowings from other financial institutions and related parties	979,812	368,832
Bonds (notes)	816,477	549,895
	85,913,900	62,729,048
Total borrowings	90,349,475	71,366,279
The carrying amounts of the Group's borrowings are denominated in the following currencies:		
– RMB	90,349,475	71,366,279
	90,349,475	71,366,279

Notes:

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.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

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

Notes: (continued)

On 14 January 2025, the Company issued 8,000,000 units of bonds at a total par value of RMB800,000,000. After deduction of the expenses of approximately RMB262,400 in relation to the issuance, the total net proceeds were approximately RMB799,737,600. The bonds will mature on 12 October 2025, and the annual interest rate was 1.85%. As at 30 June 2025, 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 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	85,097,423	62,179,153	816,477	549,895
Between 1 to 2 years	1,241,605	5,631,991	–	–
Between 2 to 5 years	196,513	7,900	2,997,457	2,997,341
	86,535,541	67,819,044	3,813,934	3,547,236

21. Lease liabilities

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

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January (audited)	5,019,855	5,217,366
New leases	1,014,314	1,654,749
Accretion of interest recognised during the period	92,404	114,125
Payments	(1,117,322)	(1,376,621)
Disposals	(456,997)	(168,535)
Carrying amount at 30 June (unaudited)	4,552,254	5,441,084
Analysed into:		
Current portion	1,607,200	1,760,783
Non-current portion	2,945,054	3,680,301

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

22. Deferred income tax

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Deferred tax assets	2,883,373	2,408,387
Deferred tax liabilities	(660,375)	(638,754)
	2,222,998	1,769,633

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

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
At 1 January	1,769,633	1,175,300
Acquisition of subsidiaries	–	(4,033)
Disposal of a subsidiary	–	(5,122)
Credited to the consolidated statement of profit or loss (Note 13)	454,332	367,419
(Charged)/credited to other comprehensive income	(967)	6,904
At 30 June	2,222,998	1,540,468

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	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current service cost	2,175	1,987
Interest expense	3,530	4,910
	5,705	6,897

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

23. Post-employment benefit obligations (continued)

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Present value of funded obligations	17,578	33,222
Fair value of plan assets	(127,343)	(121,591)
Surplus of funded plans	(109,765)	(88,369)
Present value of unfunded post-employment benefit obligations	506,528	501,253
Liability in the consolidated statement of financial position	396,763	412,884

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

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
At 1 January	412,884	366,512
Charged to consolidated statement of profit or loss	5,705	6,897
Remeasurements of post-employment benefit obligations recognised in the consolidated statement of other comprehensive income	(3,357)	26,076
Contributions by employers and benefit payments	(18,469)	(18,679)
At 30 June	396,763	380,806

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 and a member of the American Academy of Actuaries. The undersigned actuary, Haichuan Wu, is member of the Society of Actuaries and China Association of Actuaries.

As at 30 June 2025, fair value of the plan asset was RMB127,343,000 (31 December 2024: RMB121,591,000). As at 30 June 2025, obligations under these defined benefit plans are 25.14% (31 December 2024: 23.48%) 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 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Medical reserve funds		
– general (i)	1,729,725	1,782,124
– for H1N1 vaccines	488,024	488,024
Government grants for construction of logistics centres (ii)	72,375	73,954
Other government grants	280,833	285,125
Payables for acquisition of subsidiaries	39,210	39,210
Others	113,598	96,992
	2,723,765	2,765,429

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 RMB39,299,920 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. As at 30 June 2025, RMB93,514,560 of the fund was used to offset trade receivables (2024: RMB196,872,000). 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 2025, the directors expected that the construction will not be completed within one year and therefore, the balance was recorded as other non-current liability.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

25. Trade and notes payables

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	120,242,903	112,450,243
Notes payable	32,430,054	38,659,004
	152,672,957	151,109,247

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.

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Below 3 months	104,638,240	103,692,249
Between 3 and 6 months	26,652,615	26,334,770
Between 6 months and 1 year	11,708,413	12,135,380
Between 1 and 2 years	5,828,069	6,060,875
Over 2 years	3,845,620	2,885,973
	152,672,957	151,109,247

26. Commitments

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Property, plant and equipment: contracted but not provided for	206,638	183,198
Fund investment: contracted but not provided for	75,000	75,000
	281,638	258,198

27. 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 receivables, prepayments and other receivables, trade payables and other payables, borrowings, pledged bank deposits, cash and cash equivalents.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

27. 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	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Sales of goods		
Associates	544,980	506,115
Companies controlled by CNPGC	845,007	912,950
Associates of CNPGC	1,101	3,921
Subsidiaries of Fosun Pharmaceutical	215,116	207,432
Subsidiary of Natong Group	920	1,037
Purchases of goods		
Associates	2,707,254	2,785,659
Companies controlled by CNPGC	2,349,937	3,528,362
Associates of CNPGC	932,509	917,209
Subsidiaries of Fosun Pharmaceutical	2,958,421	3,100,151
Subsidiary of Natong Group	5,444	148,053
Borrowings		
Addition		
Associates	273,862	36,323
Companies controlled by CNPGC	10,657,209	9,662,518
Repayment		
Associates	241,544	31,510
Companies controlled by CNPGC	6,817,415	5,328,015
Interest fee paid for other financial services		
Associates	6,103	19,108
Companies controlled by CNPGC	187,308	185,695
Notes receivable discount		
Companies controlled by CNPGC	291,431	127,201
Trade receivable factoring		
Associates	439,716	442,092
Companies controlled by CNPGC	1,049,147	1,895,891

27. Significant related party transactions (continued)

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cash in other financial institution		
Companies controlled by CNPGC	2,095,692	2,543,091
Trade and notes receivables due from		
Subsidiary of Natong Group	3	491
Associates	263,789	249,242
Companies controlled by CNPGC	1,267,357	1,483,441
Associates of CNPGC	7	—
Subsidiaries of Fosun Pharmaceutical	165,505	121,241
Other receivables due from		
Subsidiary of Natong Group	9,256	3,179
Associates	26,009	26,822
Companies controlled by CNPGC	17,462	17,652
Associates of CNPGC	550	1,048
Subsidiaries of Fosun Pharmaceutical	2,405	5,077
Prepayments to		
Subsidiary of Natong	408	2,690
Group Associates	1,323	2,246
Companies controlled by CNPGC	58,368	49,074
Associates of CNPGC	6,826	5,080
Subsidiaries of Fosun Pharmaceutical	23,689	31,118
Trade and notes payables due to		
Subsidiary of Natong Group	20,190	88,439
Associates	1,747,564	2,135,326
Companies controlled by CNPGC	1,453,561	1,222,835
Associates of CNPGC	181,014	127,499
Subsidiaries of Fosun Pharmaceutical	1,090,577	1,054,505

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

27. Significant related party transactions (continued)

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Other payables due to		
Ultimate holding company	1,000	3,875
Subsidiary of Natong Group	467	487
Associates	130,680	332,614
Companies controlled by CNPGC	1,074,556	986,537
Associates of CNPGC	1,091	979
Subsidiaries of Fosun Pharmaceutical	4,881	675
Contract liabilities		
Subsidiary of Natong Group	359	359
Associates	5,772	5,548
Companies controlled by CNPGC	74,160	77,289
Associates of CNPGC	28	2
Subsidiaries of Fosun Pharmaceutical	2,418	221
Borrowing due to		
Associates	173,910	141,593
Companies controlled by CNPGC	15,679,971	11,537,841
Other non-current liabilities		
Ultimate holding company	1,080,855	1,045,773
Companies controlled by CNPGC	24,645	24,645

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.



Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

28. Material subsequent events

There are no significant subsequent events after the end of Reporting Period.

29. Approval of the interim condensed consolidated financial information

The interim condensed consolidated financial statements was approved and authorised for issue by the board of directors on 22 August 2025.