三生制药
3SBIO INC.

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 01530

2025
INTERIM REPORT

Contents

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Company Overview

3SBio Inc. (the "**Company**" or "**3SBio**", with its subsidiaries collectively, the "**Group**") is a leading biotechnology company in the People's Republic of China (the "**PRC**"). As a pioneer in the Chinese biotechnology industry, the Group has extensive expertise in researching, developing, manufacturing and marketing bio-pharmaceuticals. The core commercialized products of the Group include several bio-pharmaceutical drugs, TPIAO (特比澳), recombinant human erythropoietin ("**rhEPO**") products EPIAO (益比奥) and SEPO (賽博爾), Yisaipu (益賽普) and Cipterbin (賽普汀), and a small molecule drug, Mandi (蔓迪). TPIAO is the only commercialized recombinant human thrombopoietin ("**rhTPO**") product in the world. According to IQVIA[1], the market share in the treatment of thrombocytopenia of TPIAO in Mainland China[2] was 63.0% in the first half of 2025 in terms of sales value. With its two rhEPO products, the Group has been the premier market leader in the Mainland China rhEPO market for over two decades, holding a total market share of 41.5% in the first half of 2025. Yisaipu is the first-to-market Tumour Necrosis Factor ("**TNF**") α inhibitor product in Mainland China. Mandi has a dominant position in the Mainland China minoxidil market. The Group has been expanding its therapeutic coverage by adding products through internal research and development ("**R&D**") and various external strategic partnerships.

As at 30 June 2025, amongst the 30 key product candidates within the Group's active pipeline, 27 were being developed as innovative drugs in Mainland China. 18 are antibodies, 6 are other biologic products, and 6 are small molecule drugs. The Group has 14 product candidates in hematology/oncology; 10 product candidates that target auto-immune diseases including plaque psoriasis, atopic dermatitis, gouty arthritis, etc., ophthalmic disease (branch retinal vein occlusion ("**BRVO**")), and other diseases; 3 product candidates in nephrology; 2 product candidates in dermatology and 1 product candidate in metabolic diseases.

The Group operates in a highly attractive industry. Biotechnology has revolutionized the pharmaceutical industry by addressing unmet medical needs and offering innovative treatments for a wide array of human diseases. In Mainland China, the biotechnology industry enjoys strong government support and has been named by the State Council of the PRC as a key strategic emerging industry. Strong government support along with increasing physician adoption of biopharmaceuticals has driven strong industry growth in Mainland China.

The Group is positioned for global expansion. In the six months ended 30 June 2025 (the "**Reporting Period**"), the Group's products were sold in 20 countries. The investigational new drug ("**IND**") applications of five candidates in the Group's pipeline have been approved by the U.S. Food and Drug Administration ("**FDA**"). As announced in May 2025, the Group has entered a global collaboration with Pfizer Inc. ("**Pfizer**") on the anti-vascular endothelial growth factor ("**VEGF**")/programmed cell death protein 1 ("**PD-1**") bi-specific antibody ("**BsAb**") (Group R&D code: 707 Injection). The Group aims to focus its R&D to provide more innovative therapeutics for patients in Mainland China and globally.

As at 30 June 2025, the Group had operation facilities in Shenyang, Shanghai, Hangzhou, Dongguan and Shenzhen, all in Mainland China, as well as in Como, Italy, with 6,268 employees. The Group's pharmaceutical products are marketed and sold in all provinces, autonomous regions and special municipalities in Mainland China, as well as a number of foreign countries and regions. During the Reporting Period, the Group's nationwide sales and distribution network enabled it to sell its products to nearly 10,000 hospitals and medical institutions in Mainland China.

1 All market share information throughout this report cites the IQVIA data, unless otherwise noted.

2 Hereinafter referred to as the mainland area of the PRC.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. LOU Jing *(Chairman & Chief Executive Officer)*
Ms. SU Dongmei

Non-executive Director

Ms. ZHANG Jiaoe

Independent Non-executive Directors

Mr. PU Tianruo
Ms. YANG Hoi Ti Heidi
Mr. NG Joo Yeow Gerry

COMPANY SECRETARY

Ms. LAI Siu Kuen

AUTHORIZED REPRESENTATIVES

Ms. SU Dongmei
Ms. LAI Siu Kuen

AUDIT COMMITTEE

Mr. PU Tianruo *(Chairman)*
Ms. YANG Hoi Ti Heidi
Mr. NG Joo Yeow Gerry

REMUNERATION COMMITTEE

Ms. YANG Hoi Ti Heidi *(Chairlady)*
Mr. PU Tianruo
Mr. NG Joo Yeow Gerry

NOMINATION COMMITTEE

Dr. LOU Jing *(Chairman)*
Mr. NG Joo Yeow Gerry
Ms. YANG Hoi Ti Heidi
(committee membership effective from 25 June 2025)
Mr. PU Tianruo
(committee membership ended on 25 June 2025)

REGISTERED OFFICE (IN THE CAYMAN ISLANDS)

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HEADQUARTERS

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Grand Cayman, KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

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Corporate Information

LEGAL ADVISERS

As to Hong Kong law and United States law:

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PRC

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As to Cayman Islands law:

Conyers Dill & Pearman
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AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
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Quarry Bay
Hong Kong SAR
PRC

SECURITIES CODE

Shares Listing

Ordinary Shares
The Stock Exchange of Hong Kong Limited
(Stock Code: 01530)

COMPANY'S WEBSITE

www.3sbio.com

PRINCIPAL BANK

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Financial Highlights*

- **Revenue decreased by RMB33.9 million or 0.8% to RMB4,355.5 million, as compared to the six months ended 30 June 2024.**

- **Gross profit decreased by RMB81.6 million or 2.1% to RMB3,715.8 million, as compared to the six months ended 30 June 2024. The gross profit margin decreased to 85.3% from 86.5% for the six months ended 30 June 2024.**

- **Net profit attributable to owners of the parent increased by RMB268.3 million or 24.6% to RMB1,358.2 million, as compared to the six months ended 30 June 2024. Net profit attributable to owners of the parent adjusted for non-operating items[3] increased by RMB23.4 million or 2.1% to RMB1,135.8 million, as compared to the six months ended 30 June 2024.**

- **EBITDA increased by RMB191.0 million or 11.6% to RMB1,832.5 million, as compared to the six months ended 30 June 2024. EBITDA adjusted for non-operating items[4] decreased by RMB53.8 million or 3.2% to RMB1,610.1 million, as compared to the six months ended 30 June 2024.**

* All numbers in the "Financial Highlights" section are subject to rounding adjustments and therefore are approximate numbers only.

3 The net profit attributable to owners of the parent adjusted for non-operating items is defined as the profit attributable to owners of the parent for the period excluding, as applicable (such excluded items, as applicable, "**Excluded Items**"): (a) the expenses associated with the awarded shares granted by 3SBio in September 2024; (b) the expenses associated with the awarded shares granted under a restricted share incentive plan by Sunshine Guojian Pharmaceutical (Shanghai) Co., Ltd. ("**Sunshine Guojian**"), an indirect non-wholly owned subsidiary of 3SBio, in July 2024; (c) fair value gains or losses on financial assets at fair value through profit or loss ("**FVTPL**"); and (d) non-operating foreign exchange gains or losses.

4 The EBITDA adjusted for non-operating items is defined as the EBITDA for the period excluding the Excluded Items.

Management Discussion and Analysis

BUSINESS REVIEW

Key Events

Cooperation with Duality Biologics in respect of HER2 ADC Drug

As announced on 13 January 2025, Shenyang Sunshine Pharmaceutical Co., Ltd. ("**Shenyang Sunshine**"), a wholly-owned subsidiary of the Company, and its subsidiaries entered into a cooperation agreement with Duality Biologics (Shanghai) Co., Ltd. ("**Duality Biologics**"), a clinical-stage innovative biopharmaceutical company focusing on the R&D of next-generation ADC therapeutic agents for patients suffering from cancers and autoimmune diseases, in respect of a HER2 ADC drug DB-1303. Pursuant to the agreement, Shenyang Sunshine will obtain the commercialization right of the HER2 ADC drug DB-1303 developed by Duality Biologics for various indications in Mainland China, Hong Kong and Macau. Shenyang Sunshine will pay Duality Biologics an initial payment as well as R&D and sales milestone payments in accordance with the agreement. Meanwhile, Duality Biologics will continue to be responsible for the clinical development, registration and other works of the relevant indications in the cooperation regions.

707 Injection Granted Breakthrough Therapy Designation by NMPA

On 17 April 2025, the anti-VEGF/PD-1 BsAb (Group R&D code: 707 Injection), independently developed by 3SBio, was granted a Breakthrough Therapy Designation ("**BTD**") by the National Medical Products Administration ("**NMPA**") of the PRC. The designated indication is the first-line treatment of PD-L1 positive locally advanced or metastatic non-small cell lung cancer ("**NSCLC**").

707 Injection is a bispecific antibody targeting VEGF/PD-1, independently developed by 3SBio based on its proprietary CLF2 platform. It is currently undergoing multiple clinical studies in Mainland China, including a phase III clinical study for the first-line treatment of PD-L1 positive locally advanced or metastatic NSCLC already approved by the Center for Drug Evaluation ("**CDE**") of the NMPA. Additionally, 707 Injection is undergoing several phase II studies in Mainland China, including combination therapy with chemotherapy for the first-line treatment of advanced NSCLC, metastatic colorectal cancer, and advanced gynecological tumours. It has also received approval from the U.S. FDA in relation to its IND application.

The CDE will provide policy support for drugs that have been granted BTDs, prioritize resource allocation for communication, enhance guidance, and accelerate drug development. When submitting an New Drug Application ("**NDA**"), if it is evaluated to meet the relevant conditions, the qualification for priority review and approval may be granted, expediting the market launch process.

707 Out-license to Pfizer

— License Agreement

On 19 May 2025, the Company, Shenyang Sunshine and Pfizer entered into an exclusive licensing agreement (the "**License Agreement**"). Sunshine Guojian will also join as a signing party through a joinder agreement.

Pursuant to the License Agreement, the Company and Shenyang Sunshine will grant an exclusive license to Pfizer to develop, manufacture, commercialize, and otherwise exploit the Group's breakthrough PD-1/VEGF BsAb ("**707**") worldwide excluding Mainland China (the "**Licensed Territory**"). The Company and Shenyang Sunshine will retain the development, manufacturing, commercialization, and other exploitation rights of 707 within Mainland China. Pfizer will have the option of commercialization rights in Mainland China.

Pfizer shall be responsible for bearing all costs of the development and regulatory affairs for all future trials of 707 in the Licensed Territory.

Pursuant to the License Agreement, the Group shall receive an upfront payment of USD1,250 million and may receive potential payments totaling up to USD4,800 million, including development, regulatory approval and sales milestone payments. All such payments are non-refundable and non-creditable. The Group will also receive a tiered double-digit percentage of royalties on net product sales in the Licensed Territory.

The License Agreement came into effect on 24 July 2025.

For further details, please refer to the Company's announcements dated 20 May 2025 and 24 July 2025.

— Option Agreement

The option agreement in respect of Pfizer's option to commercialize 707 in mainland China (the "**Option Agreement**") has also come into effect as of 24 July 2025. The Option Agreement grants Pfizer an exclusive option to develop and commercialize 707 in the PRC. The Group will receive non-refundable and non-creditable option fee and exercise fee totaling no more than USD150 million. Upon exercise of such option as contemplated under the Option Agreement, the licensed territory under the License Agreement will be worldwide. The Group retains the right to supply 707 pursuant to the Clinical Supply Agreement executed on 2 July 2025 and the Commercial Supply Agreement to be negotiated if Pfizer exercises the option under the Option Agreement.

For further details, please refer to the Company's announcements dated 20 May 2025 and 24 July 2025.

— Subscription of New Shares by Pfizer

On 24 July 2025, the Company entered into a subscription agreement with Pfizer. Completion of the subscription took place on 1 August 2025. A total of 31,142,500 ordinary shares of the Company (one ordinary share of Company, par value of USD0.00001, "**Share**") (all such 31,142,500 Shares, "**Pfizer Shares**") have been successfully issued to Pfizer at the subscription price of HKD25.2055 per share. The subscription price represents a discount of approximately 17.09% to the closing price of HK$30.40 per ordinary share as quoted on the Stock Exchange of Hong Kong Limited (the "**HKEx**") on the date of the subscription agreement and a discount of approximately 15.47% to the average closing price of HK$29.82 per ordinary share as quoted on the HKEx for the last five trading days immediately preceding the date of the subscription agreement. The Pfizer Shares represent (i) approximately 1.30% of the issued share capital of the Company immediately before completion; and (ii) approximately 1.28% of the issued share capital of the Company as enlarged by the issue and allotment of the Pfizer Shares. The aggregate nominal value of the Pfizer Shares was US$311.425.

The aggregate gross proceeds from the subscription amounted to approximately HKD785.0 million and the net proceeds arising from the subscription amounted to approximately HK$785.0 million considering the estimated expenses for the subscription. Accordingly, the net subscription price was approximately HK$25.2055 per subscription share. As disclosed in the Company's announcement dated 24 July 2025, the Company intends to use (i) approximately HKD628.0 million (representing 80% of the net proceeds) for the global R&D arrangement of clinical and preclinical programs in the rich pipeline, as well as for enhancing manufacturing facilities; and (ii) approximately HKD157.0 million (representing 20% of the net proceeds) for other general corporate purposes.

The Subscription represents a good opportunity to (i) secure additional funding for the Company and enhance the Company's shareholder base with Pfizer as a strategic investor; and (ii) further empower its business growth and grant the Company more support and flexibility on the pipeline development initiatives, unlocking greater potential of its assets in global market and in turn generating sustainable long-term returns for the Company and its shareholders.

For further details, please refer to the Company's announcements dated 24 July 2025 and 1 August 2025.

Key Events after the Reporting Period

Please refer to the immediately preceding subsection "Subscription of New Shares by Pfizer" in the section headed "Key Events" in this report above.

Key Commercialized Products

TPIAO

TPIAO is the Group's self-developed proprietary product, and has been the only commercialized rhTPO product in the world since its launch in 2005. TPIAO has been approved by the NMPA for three indications: the treatment of chemotherapy-induced thrombocytopenia ("**CIT**"), immune thrombocytopenia ("**ITP**") and pediatric ITP. TPIAO has the advantages of higher efficacy, faster platelet recovery and fewer side effects as compared to alternative treatments for CIT and ITP.

TPIAO has been listed on the National Reimbursement Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (《國家基本醫療保險、工傷保險和生育保險藥品目錄》) ("**NRDL**") as a Class B Drug for the treatment of CIT in patients with solid tumors or ITP since 2017. In the "*Guidelines of CSCO – Cancer Therapy Induced Thrombocytopenia (2024 version)*"[5], rhTPO is listed as a treatment choice with the highest level recommendation, the Grade I recommendation. According to the "*Adapted Guideline for the Diagnosis and Treatment of Primary Immune Thrombocytopenia for Chinese Children (2021)*"[6], rhTPO is the preferred choice among the conventional second line treatments. According to the "*Chinese Guideline on the Diagnosis and Management of Adult Primary Immune Thrombocytopenia (2020 version)*"[7], rhTPO is one of the primary treatments for ITP emergency cases and is the preferred choice in the second line treatments list for both ITP and ITP in pregnancy. In "*Consensus on the Clinical Diagnosis, Treatment, and Prevention of Chemotherapy-Induced Thrombocytopenia in China (2019 version)*"[8], rhTPO is one of the primary treatments for CIT. rhTPO has also received similar professional endorsements in several national guidelines and experts consensus on treating certain other diseases in Mainland China.

Future growth of TPIAO may be driven by: (i) the enhanced market position as for inpatients attributable to its safety and efficacy, and its continually supplanting traditional interleukin ("**IL**") platelet-raising drugs in clinical use; (ii) the continued increase in the number of hospitals covered; and (iii) the expansion of indications. In the first half of 2025, its market share for the treatment of thrombocytopenia in Mainland China was 30.1% in terms of sales volume and 63.0% in terms of sales value. In July 2024, the primary endpoint has been achieved in the trial of phase III clinical study of TPIAO in the treatment of patients with chronic liver disease ("**CLD**") related thrombocytopenia who are candidates for invasive surgery. 3SBio submitted a marketing application for this indication to the NMPA in August 2024 and the application was accepted.

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5 Issued by the Chinese Society of Clinical Oncology ("**CSCO**")

6 Issued by the Subspecialty Group of Hematologic Diseases, the Society of Pediatrics, Chinese Medical Association (the "**CMA**"); the Editorial Board, Chinese Journal of Pediatrics

7 Issued by the Thrombosis and Hemostasis Group of the Chinese Society of Hematology of the CMA

8 Issued by the Society of Chemotherapy, China Anti-Cancer Association; and Committee of Neoplastic Supportive-Care (CONS), China Anti-Cancer Association

EPIAO

EPIAO is approved by the NMPA for the following three indications: the treatment of anemia associated with chronic kidney disease ("**CKD**"), the treatment of chemotherapy-induced anemia ("**CIA**"), and the reduction of allogeneic blood transfusion in surgery patients. rhEPO products has been listed on the NRDL as a Class B Drug for renal anemia since 2000, for CIA in patients with non-hematological malignancies since 2019, and, additionally, rhEPO products for the reduction of allogeneic blood transfusion in surgery patients also is under NRDL coverage since 2024. EPIAO has also been listed on the 2018 National Essential Drug List. EPIAO has consistently been the premier market leader in the Mainland China rhEPO market since 2002 in terms of both sales volume and sales value. The multi-center biosimilar clinical trials for EPIAO in Russia and Thailand were completed in 2021. These trials demonstrate that EPIAO has promising effectiveness and manageable safety in patients with end-stage renal disease on hemodialysis. EPIAO is in the process of registration in several countries in Asia, Africa, Europe, South and North America.

Yisaipu

Yisaipu (Recombinant Human TNF-α Receptor II: IgG Fc Fusion Protein for Injection), is a TNF-α inhibitor product. It was first launched in 2005 in Mainland China for rheumatoid arthritis ("**RA**"). Its indications were expanded to ankylosing spondylitis ("**AS**") and psoriasis in 2007. Yisaipu has been listed on the NRDL as a Class B Drug since 2017 for RA and for AS, each subject to certain medical prerequisites, and additionally, since 2019 for the treatment of adult patients with severe plaque psoriasis. Yisaipu is the first-to-market TNF-α inhibitor product in Mainland China that filled a gap among domestic peers in regard to the fully-human therapeutic antibody-drugs. Compared with competitors, the efficacy and safety of Yisaipu have been proven in the domestic market over two decades. In "*2018 China Rheumatoid Arthritis Treatment Guidance*", an authoritative document issued by the CMA, Yisaipu was adopted under 'TNF-α inhibitors' as one of the RA treatment options, and TNF-α inhibitors was deemed as a group of biological agents with relatively sufficient evidence and relatively wide adoption in treating RA. TNF-α inhibitors have been recommended in a number of professional guidelines, such as "*EULAR Recommendations for the Management of Rheumatoid Arthritis with Synthetic and Biological Disease-Modifying Anti-rheumatic Drugs: 2022 Update*", "*Group for Research and Assessment of Psoriasis and Psoriatic Arthritis (GRAPPA): Updated Treatment Recommendations for Psoriatic Arthritis 2021*" and "*Recommendations for Diagnosis and Treatment of Ankylosing Spondylitis*"[9].

In 2025, the Group will continue to enhance the awareness and application of Yisaipu within the medical profession and market growth of rheumatic immune biological agents in key third and fourth tier cities, and meanwhile, actively expand the application of Yisaipu in different departments and fields including Chinese traditional medicine. The pre-filled syringe of Yisaipu, launched since 2023, improves patient convenience and enhances the overall market competitiveness of Yisaipu.

[9] Issued by Chinese Rheumatology Association of the CMA, Chin J Intern Med, August 2022, Vol. 61, No. 8

Cipterbin

Cipterbin (Inetetamab) is the first innovative anti-HER2 monoclonal antibody ("**mAb**") in Mainland China with the engineered Fc region and optimized production process. Sunshine Guojian independently developed this product based on its proprietary technology platform. It was approved by the NMPA in June 2020 for treatment of HER2-positive metastatic breast cancer in combination with chemotherapy. Cipterbin has been listed on the NRDL since 2020. Inetetamab has been included in several clinical guidelines and experts consensus, including "*Guidelines of CSCO – Breast Cancer (2024 edition)*" and *"Guidelines for Breast Cancer Diagnosis and Treatment by China Anti-Cancer Association (2024 edition)*". In addition, positive research progress has been made in the application of Cipterbin in early neo-adjuvant therapy, treatment of advanced HER2-positive breast cancer, and pan-HER2. These researches provide a strong scientific basis for Cipterbin in the treatment of breast cancer at different stages, and also provide new ideas for the treatment of other HER2-positive cancers.

Mandi

Mandi, generically known as minoxidil, was launched in 2001 as the first over-the-counter ("**OTC**") drug in Mainland China for androgenetic alopecia ("**AGA**") and alopecia areata. Minoxidil is the world's only topical OTC drug for male and female alopecia that is approved for marketing by the U.S. FDA as well as the NMPA. The topical minoxidil can promote hair growth through: (i) promoting angiogenesis to increase regional blood supply and dilate scalp vascular, so as to improve microcirculation; (ii) directly stimulating proliferation and differentiation of hair follicle epithelial cells to extend hair growth cycle; and (iii) regulating the balance between calcium ion and potassium ion. In the "*Guideline for Diagnosis and Treatment of Androgenetic Alopecia*" issued by Chinese Medical Doctor Association, minoxidil receives the highest endorsement level, as it is superior to other AGA treatments in terms of anti-alopecia and improvement effects and safety. In "*Chinese Experts Consensus on the Diagnosis and Treatment of Female Androgenetic Alopecia (2022 edition)*" (issued by the CMA), 5% minoxidil receives the highest endorsement level in female androgenetic alopecia (FAGA).

In the first half of 2025, Mandi still had a dominant position in the Mainland China minoxidil market. The Group believes that Mandi's continuous growth in the future will be driven by: (i) persistent market education, as the Group will continue to invest resources in promotion and market education regarding the science of hair growth, enhancing the social recognition of Mandi as the top brand of scientific hair growth; (ii) professional digital marketing system, as Mandi expands its online layout from traditional e-commerce platforms such as Ali, JD, to new e-commerce platforms like TikTok store and Little Red Book, creating diversified and fine-tuned operation, accurately reaching and converting potential customers, and continuously boosting sales on e-commerce platforms; and (iii) launch of new SKUs of the brand.

CDMO Business

The Group's contract development and manufacturing operation ("**CDMO**") business currently comprises Northern Medicine Valley Desen (Shenyang) Biologics Co., Ltd. ("**Desen Biologics**"), Shanghai Shengguo Pharmaceutical Development Co., Ltd., Guangdong Sunshine Pharmaceutical Co., Ltd. ("**Guangdong Sunshine**") and Sirton Pharmaceuticals S.p.A. ("**Sirton**") in Italy, all being the Group's subsidiaries. Among them, Desen Biologics has a total planned area of 500 Chinese mu, designed as a biopharmaceutical CDMO base, a manufacturing base of biopharmaceutical raw and auxiliary materials and consumables, and a biopharmaceutical core process equipment base that are domestically-leading, oriented to the international market and compliant with relevant Chinese, EU and U.S. Good Manufacturing Practice regulations. Guangdong Sunshine focuses on services in GCT (Gene and Cell Therapy).

Research and Development

The Group's integrated R&D platform covers a broad range of technical expertise in the discovery and development of various innovative large and small molecule products, including antibody discovery, molecular cloning, antibody/protein engineering, gene expression, cell line construction, manufacturing process development, pilot and large-scale manufacturing, quality control and assurance, design and management of pre-clinical and clinical trials, and regulatory filing and registration. The Group is well experienced in the R&D of mammalian cell-expressed, bacterial cell-expressed and chemically-synthesized pharmaceuticals.

The Group focuses its R&D efforts on researching and developing innovative biologicals. Currently, the Group has several leading biological products in various clinical development stages in the areas of nephrology, oncology, autoimmune and inflammatory diseases, ophthalmology, dermatological and metabolic diseases.

The Group's R&D team, consisting of nearly 800 experienced scientists, is working diligently to research and discover new medicines, to accelerate the progress of clinical development, and to bring breakthrough therapies to fulfill the unmet medical needs of patients.

Product Pipeline

As at 30 June 2025, amongst the 30 key product candidates within the Group's active pipeline, 27 were being developed as innovative drugs in Mainland China. 18 are antibodies, 6 are other biologic products, and 6 are small molecule drugs. The Group has 14 product candidates in hematology/oncology; 10 product candidates that target auto-immune diseases including plaque psoriasis, atopic dermatitis, gouty arthritis, etc., ophthalmic disease (branch retinal vein occlusion ("**BRVO**")), and other diseases; 3 product candidates in nephrology; 2 product candidates in dermatology and 1 product candidate in metabolic diseases.

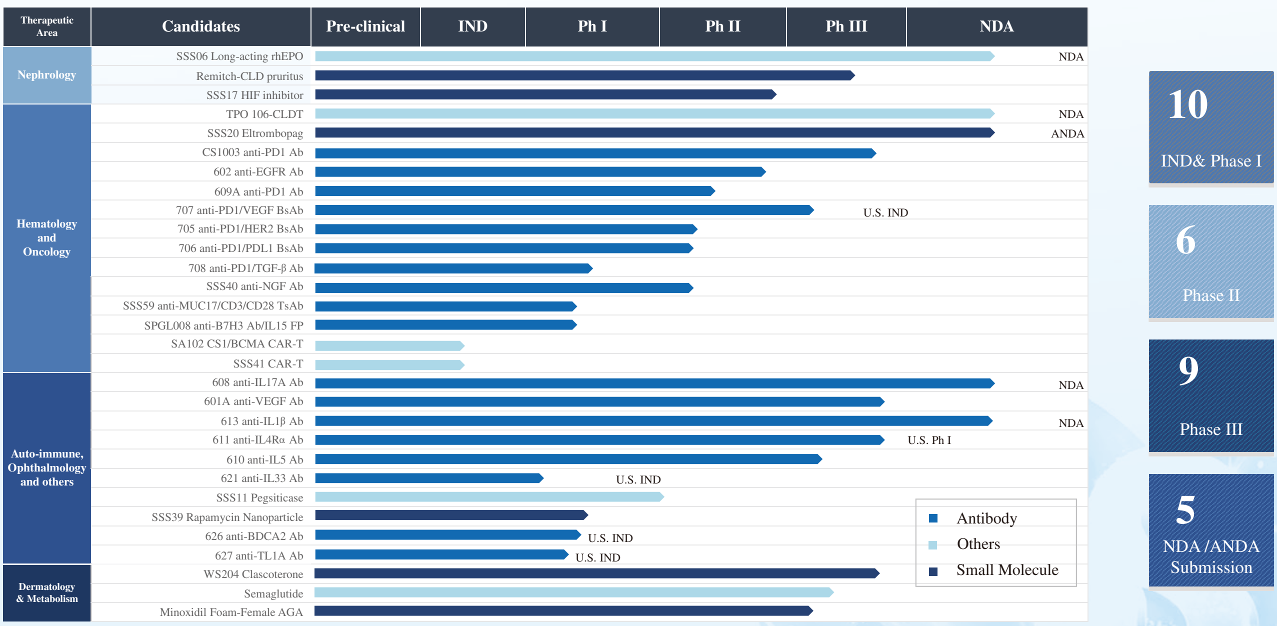
Notes to R&D Pipeline Chart (below):

(1) Each arrow bar indicates the progress in Mainland China, other than those bearing remarks on U.S. progress.

(2) ANDA: abbreviated NDA

(3) The chart only displays the highest clinical stage of all the indications of a product candidate

R&D Pipeline



The Group has fully utilized its thirty years of experience in the R&D of biopharmaceuticals, and has deployed a number of early discovery projects in hematology, oncology and autoimmune fields, covering more than 10 innovative targets, which provide a long-term strategic reserve for the Group's R&D.

Key Product Developments

(Unless otherwise noted, this section headed "Key Product Developments" addresses the developments in Mainland China.)

— New Drug Application

NuPIAO (Second-generation rhEPO, SSS06): The Group completed the phase III clinical trial of SSS06 for the treatment of anemia in chronic renal failure. The NDA for this product submitted by the Group is being reviewed by the NMPA for the treatment of adult dialysis patients undergoing erythropoietin therapy. Moreover, the patient enrollment of the phase II clinical study of SSS06 targeting CIA is currently ongoing.

Anti-IL-17A mAb (608): The phase III clinical trial of 608 in patients with moderate-to-severe plaque psoriasis has successfully reached all efficacy endpoints, and the NDA was submitted and accepted in November 2024. The phase II clinical study of 608 for the treatment of patients with ankylosing spondylitis has completed and phase III clinical trial is expected to commence in 2025, while patient enrollment in the phase II clinical trial for patients with non-radiographic axial spondylitis is completed.

Anti-IL-1 β mAb (613): Phase III clinical trial of 613 for the treatment of acute gouty arthritis (AG) has been completed and the NDA was submitted and accepted in June 2025. Additionally, the phase II clinical trial treating patients in the intermittent phase of gouty arthritis (PFG) has been completed.

— Phase III development

Anti-VEGF mAb (601A): The Group has completed the phase III clinical trial of 601A for BRVO, and expects to submit the marketing application in 2025.

Clascoterone (WS204): Patient recruitment for the phase III bridging clinical trial of WS204 for treatment of moderate-to-severe acne vulgaris has been completed, and the Group plans to complete the clinical trial in 2025 and submit the marketing application.

Anti-IL-4R α mAb (611): The phase III clinical trial of 611 in adult patients with atopic dermatitis has successfully reached primary endpoints. The patient enrollment for the phase III clinical trial for Chronic Rhinosinusitis with Nasal Polyps (CRSwNP) has been completed. The phase II clinical trial of 611 for moderate-to-severe Chronic Obstructive Pulmonary Disease has been completed, and the phase III clinical trial of the product is currently ongoing. Furthermore, the phase II clinical trial of 611 in adolescent AD indication has been completed with positive results, and the phase III clinical trial of the product is currently ongoing, while the phase Ib clinical trial for children with moderate-to-severe AD has been completed, and the patient enrollment for the phase II clinical trial is currently ongoing.

Anti-IL-5 mAb (610): The patient enrollment for phase III clinical trial of 610 for the treatment of severe eosinophilic asthma is currently ongoing, with phase II data indicating positive efficacy outcomes.

Semaglutide Injection: Patient enrollment for the phase III clinical trial of the Group's collaborative product, Semaglutide Injection in weight management indication, was completed in February 2025 by the Group's partner, Hybio Pharmaceutical Co., Ltd. Currently, in accordance with the "*Guidelines for Design of Clinical Trials for Biosimilar Semaglutide Injection in Weight Management Indication*" issued by the CDE, the 44-week drug administration treatment is underway, to be followed by data evaluation and the marketing application process.

— Phase II development

HIF-117 (SSS17): The phase II clinical trial of SSS17 in non-dialysis patients with chronic renal anemia is being actively conducted. The Group plans to complete the phase II trial and commence the phase III trial in 2025. The application for the phase II clinical trial of SSS17 for the indication of postoperative anemia (POA) was approved by the CDE in April 2025, and it is being conducted. SSS17 is a selective small molecule inhibitor to hypoxia inducible factor ("**HIF**") proline hydroxylase (HIFPH), a molecule which can improve the stability and half-life period of HIF, so as to promote the secretion of erythropoietin (EPO). It is expected that SSS17 will have a synergistic effect with the Group's rhEPO injection drug in the future, providing patients with an alternative treatment option.

Anti-NGFAb (SSS40): It is a humanized nerve-growth factor (NGF) mAb. The Group is currently conducting the patient enrollment for the phase II clinical trial of SSS40 for the treatment of patients with moderate-to-severe bone metastasis cancer pain.

Anti-PD-1/HER2 BsAb (705): It is an anti-PD-1/HER2 BsAb independently developed by the Group. It simultaneously inhibits the PD-1/PD-L1 signaling pathway and the HER2 signaling pathway, integrating the mechanisms of action of targeted therapy and immunotherapy, thus having the potential to achieve enhanced tumor immune surveillance. The patient enrollment for the phase II clinical trial of 705 for HER-2 positive advanced solid tumors is currently ongoing in Mainland China; the IND application of 705 has been approved by the U.S. FDA.

Anti-PD-1/PD-L1 BsAb (706): It is an anti-PD-1/PD-L1 BsAb independently developed by the Group. It simultaneously targets PD-1 and PD-L1 and can effectively avoid the mismatch of BsAb with good physicochemical properties. The phase II clinical trial of 706 for advanced solid tumors is currently ongoing.

— Phase I development and new IND applications

Rapamycin Nanoparticle (SSS39): The phase I clinical trial of SSS39 is currently ongoing and it is expected to be completed in 2025. Rapamycin nanoparticle is a new type of macrolide immunosuppressant that can be co-administered with biological agents to induce immune tolerance, thereby reducing the immunogenicity of the biological agents and maintaining their efficacy.

Pegsiticase (SSS11): The Group has completed the phase Ib clinical trial for SSS11 in patients with high uric acid level and medical history of gout symptoms in Mainland China. The phase III clinical trial of the combination therapy SEL-212 for chronic refractory gout in the United States that the Group collaborates with its business partner Swedish Orphan Biovitrum AB (STO: SOBI) ("**Sobi**") has been completed. Sobi has submitted the rolling Biologics License Application (BLA) to the U.S. FDA in July 2024. SEL-212 contains pegsiticase (also known as pegadricase, a recombinant enzyme that metabolizes uric acid).

Anti-BDCA2 Ab (626): It is an anti-blood dendritic cell antigen 2 (BDCA2) antibody ("**Ab**") independently developed by Sunshine Guojian. The Group has completed patient enrollment for the phase Ia clinical trial of 626 for systemic lupus erythematosus (SLE) and cutaneous lupus erythematosus (CLE) indications in Mainland China, with positive safety and PK/PD data. The U.S. IND application for these two indications has also been approved.

Anti-TL1A Ab (627): It is a tumor necrosis factor-like ligand 1A (TL1A) targeting mAb independently developed by Sunshine Guojian. The Group is enrolling patients for the phase I clinical trial of 627 for ulcerative colitis (UC) in Mainland China. The U.S. IND application for UC indication has also been approved by the U.S. FDA.

Anti-PD-1/TGF-β BsAb (708): It is an anti-PD-1/transforming growth factor β (TGF-β) BsAb independently developed by the Group. The phase I clinical trial of 708 for advanced solid tumors is currently ongoing.

Anti-MUC17/CD3/CD28 Tri-specific Ab (SSS59): It is a recombinant human anti-Mucin 17 (MUC17)/cluster of differentiation 3(CD3)/ cluster of differentiation 28 (CD28) tri-specific Ab independently developed by the Group. The phase I clinical trial of SSS59 for advanced solid tumor is currently ongoing.

Anti-B7H3 Ab/IL15Rα-IL15 Fusion Proteins (SPGL008): It is B7H3 Ab/IL15Rα-IL15 Fusion proteins independently developed by the Group. The phase I clinical trial of SPGL008 for advanced solid tumor is currently ongoing.

Sales, Marketing and Distribution

The Group's sales and marketing efforts are characterized by a strong emphasis on academic promotion. The Group aims to promote and strengthen the Group's academic recognition and the brand awareness of its products among medical experts. The Group markets and promotes its key products mainly through its in-house team. The Group sells these products to distributors who are responsible for delivering products to hospitals and other medical institutions. Mandi is also sold through retail pharmacies and online stores.

As at 30 June 2025, the Group's extensive sales and distribution network in Mainland China was supported by 3,054 sales and marketing employees, thousands of distributors and third-party promoters. During the Reporting Period, the Group's products were sold in nearly 3,000 Grade III hospitals and nearly 7,000 Grade II or lower hospitals and medical institutions across all provinces, autonomous regions and special municipalities in Mainland China. In addition, TPIAO, Yisaipu, EPIAO, SEPO and some of the Group's other products are exported to a number of countries through international promoters. During the Reporting Period, the Group's products were sold in 20 countries, including Thailand, Brazil, the Philippines and Pakistan.

Outlook

Looking back on the first half of 2025, China's medical payment system underwent historic restructuring, transitioning from "a system with national health insurance as sole-payer" toward "multi-payers coordination integrating public and private coverages", thereby opening new reimbursement pathways for innovative drugs and medical devices. The National Healthcare Security Administration enhanced reimbursement support for innovative drugs and medical devices through establishing a comprehensive health insurance value assessment mechanism, optimizing pricing policies for innovative pharmaceuticals drugs and medical devices, and enabling data interoperability between medical insurance data and innovative drugs and medical device R&D. In July, the National Healthcare Security Administration formally released the *2025 Adjustment Plan for China's National Reimbursement Drug List for Basic Medical Insurance, Maternity Insurance and Work-Related Injury Insurance and Commercial Health Insurance Reimbursement List for Innovative Drugs* (《2025年國家基本醫療保險、生育保險和工傷保險藥品目錄及商業健康保險創新藥品目錄調整工作方案》), establishing a tiered reimbursement pathway for innovative drugs. For the 11th batch of nationally organized centralized drug procurement announced in August, the National Healthcare Security Administration emphasized principles of "ensuring clinical stability, safeguarding quality, preventing bid rigging, and curbing malignant competition", moving away from simplistic reliance on the lowest bid. Amid these structural shifts in the reimbursement landscape, China's pharmaceutical industry is accelerating its transition toward innovation-driven and high-quality development.

Meanwhile, overseas multinational corporations are increasingly recognizing the quality of domestic innovative drugs. In the first half of 2025, the sum of China's innovative drug overseas licensing deals reached USD60.8 billion, surpassing the total for the entire 2024. The Group's bi-specific antibody product SSGJ-707 completed a transaction of over USD6 billion with Pfizer, with a record-breaking upfront payment of USD1.25 billion for Chinese innovative drug out-licensing deals; the potential total transaction consideration also set a new record among China's innovative drug global licensing deals. From one perspective, the Group's achievements reflect a historic shift in Chinese innovative drugs from "following and imitating the global industry" to "independent innovation and leading the global industry".

Looking ahead to the second half of 2025, the Group will continue accelerating early-discovery and clinical development of innovative drugs, concentrating more resources in areas with broad patient needs such as oncology, autoimmune diseases, and nephrology, to empower R&D teams in target discovery and drug development, focusing on improving efficacy and safety profiles of innovative drugs while expediting innovation pace and elevating innovation standards. In the commercialization field, the Group will advance market access and academic promotion for newly approved products including Teaisheng® (特艾升®) (Eltrombopag Suspension) and Liporaxel® (paclitaxel oral solution), actively upgrade team capabilities and build talent pipelines to prepare for upcoming commercialization opportunities from both self-developed and partnered innovative drugs. As for external collaborations, the Group will continue a dual-track strategy of internal R&D and external cooperation. It will explore innovative drug collaboration targets with potentials to complement the Company's existing product portfolio. Meanwhile, it will actively seek global partners to jointly promote the global development of pipeline products. The Group is committed to leveraging its mature capabilities in biopharmaceutical R&D, registration, commercial production, and sales to boost the R&D and launch process of more high-quality collaborative products. Driven by the mission of making innovative biopharmaceuticals accessible, the Group will accelerate the market launch of more high-quality products to benefit patients.

FINANCIAL REVIEW

Revenue

For the Reporting Period, the Group's revenue amounted to approximately RMB4,355.5 million, as compared to approximately RMB4,389.4 million for the six months ended 30 June 2024, representing a decrease of approximately RMB33.9 million, or approximately 0.8%.

For the Reporting Period, the Group's sales of TPIAO decreased to approximately RMB2,371.2 million, as compared to approximately RMB2,475.9 million for the six months ended 30 June 2024, representing a decrease of approximately RMB104.7 million, or approximately 4.2%. The decrease was primarily attributable to a decrease in sales volume. For the Reporting Period, sales of TPIAO accounted for approximately 54.4% of the Group's total revenue.

For the Reporting Period, the Group's sales of EPIAO and SEPO decreased to approximately RMB455.4 million, as compared to approximately RMB515.7 million for the six months ended 30 June 2024, representing a decrease of approximately RMB60.3 million, or approximately 11.7%. The decrease was mainly due to decreases in both the sales price and in sales volume. For the Reporting Period, the Group's sales of EPIAO decreased to approximately RMB345.6 million, as compared to approximately RMB393.1 million for the six months ended 30 June 2024, representing a decrease of approximately RMB47.5 million, or approximately 12.1%. For the Reporting Period, the Group's sales of SEPO decreased to approximately RMB109.8 million, as compared to approximately RMB122.6 million for the six months ended 30 June 2024, representing a decrease of approximately RMB12.8 million, or approximately 10.4%. For the Reporting Period, the combined sales of EPIAO and SEPO accounted for a total of approximately 10.5% of the Group's total revenue.

For the Reporting Period, the Group's sales from alopecia area increased to approximately RMB689.9 million, as compared to approximately RMB557.2 million for the six months ended 30 June 2024, representing an increase of approximately RMB132.7 million, or approximately 23.8%. The increase was mainly attributable to the increased market demand for hair loss and growth treatments, which was driven by the Group's diversified and effective promotional efforts. For the Reporting Period, the Group's sales of Mandi increased to approximately RMB681.5 million, as compared to approximately RMB549.8 million for the six months ended 30 June 2024, representing an increase of approximately RMB131.7 million, or approximately 24.0%. For the Reporting Period, the sales from alopecia area accounted for a total of approximately 15.8% of the Group's revenue.

For the Reporting Period, the Group's revenue from CDMO business increased to approximately RMB100.9 million, as compared to approximately RMB57.3 million for the six months ended 30 June 2024, representing an increase of approximately RMB43.6 million, or approximately 76.1%. The increase was mainly attributable to the increased CDMO orders from customers.

For the Reporting Period, the Group's other sales, primarily comprising sales from Yisaipu, Cipterbin, Sparin (an injectable low-molecular-weight heparin calcium product indicated for: (i) prophylaxis and treatment of deep vein thrombosis; and (ii) prevention of clotting during hemodialysis), export sales and other products, decreased to approximately RMB770.8 million, as compared to approximately RMB805.0 million for the six months ended 30 June 2024, representing a decrease of approximately RMB34.2 million, or approximately 4.2%.

Cost of Sales

The Group's cost of sales increased from approximately RMB592.1 million for the six months ended 30 June 2024 to approximately RMB639.7 million for the Reporting Period, which accounted for approximately 14.7% of the Group's total revenue for the same period. The primary reason for the increase in the Group's cost of sales was mainly attributable to the increased sales volume of high-cost products for the Reporting Period, as compared to the corresponding period in 2024.

Gross Profit

For the Reporting Period, the Group's gross profit decreased to approximately RMB3,715.8 million, as compared to approximately RMB3,797.4 million for the six months ended 30 June 2024, representing a decrease of approximately RMB81.6 million, or approximately 2.1%. The Group's gross profit margin decreased to approximately 85.3% for the Reporting Period from approximately 86.5% for the corresponding period in 2024.

Other Income and Gains

The Group's other income and gains mainly comprised government grants, interest income, foreign exchange gain, fair value gain or loss on financial assets at FVTPL and other miscellaneous income. For the Reporting Period, the Group's other income and gains increased to approximately RMB408.3 million, as compared to approximately RMB86.1 million for the six months ended 30 June 2024, representing an increase of approximately RMB322.2 million. The increase was mainly attributable to the fair value changes on financial assets at FVTPL during the Reporting Period.

Selling and Distribution Expenses

The Group's selling and distribution expenses primarily consisted of marketing and promotion expenses, staff costs, and other miscellaneous selling and distribution expenses. For the Reporting Period, the Group's selling and distribution expenses amounted to approximately RMB1,615.9 million, as compared to approximately RMB1,594.0 million for the six months ended 30 June 2024, representing an increase of approximately RMB21.9 million, or approximately 1.4%. In terms of the percentage of revenue, the Group's selling and distribution expenses increase from approximately 36.3% for the six months ended 30 June 2024 to approximately 37.1% for the Reporting Period.

Administrative Expenses

The Group's administrative expenses consisted of staff costs, professional fees, depreciation and amortization, property expenses, share-based compensation, and other miscellaneous administrative expenses. For the Reporting Period, the Group's administrative expenses amounted to approximately RMB283.4 million, as compared to approximately RMB201.2 million for the six months ended 30 June 2024, representing an increase of approximately RMB82.2 million, or approximately 40.9%. The increase was mainly attributable to the increased share-based compensation. The administrative expenses as a percentage of revenue represented approximately 6.5% for the Reporting Period and approximately 4.6% for the six months ended 30 June 2024.

R&D Costs

The Group's R&D costs primarily consisted of staff costs, materials consumption, clinical trials costs, depreciation and amortisation, and other miscellaneous R&D expenses. For the Reporting Period, the Group's R&D costs amounted to approximately RMB547.5 million, as compared to approximately RMB476.2 million for the six months ended 30 June 2024, representing an increase of approximately RMB71.3 million, or approximately 15%. The increase was mainly due to the speed-up of the Group's R&D projects. The R&D costs accounted for approximately 12.6% of revenue for the Reporting Period, as compared to approximately 10.8% for the corresponding period in 2024.

Other Expenses and Losses

The Group's other expenses and losses primarily consisted of donation expenses, provision for impairment of financial assets, losses on disposal of items of property, plant and equipment, and other miscellaneous expenses and losses. For the Reporting Period, the Group's other expenses and losses amounted to approximately RMB25.5 million, as compared to approximately RMB40.7 million for the six months ended 30 June 2024, representing a decrease of approximately RMB15.2 million. The decrease was mainly due to the decrease in donation expenses.

Finance Costs

For the Reporting Period, the Group's finance costs amounted to approximately RMB53.0 million, as compared to approximately RMB104.4 million for the six months ended 30 June 2024, representing a decrease of approximately RMB51.4 million, or approximately 49.2%. The decrease was mainly due to the decreased interest-bearing bank borrowings for the Reporting Period.

Income Tax Expense

For the Reporting Period, the Group's income tax expense amounted to approximately RMB233.1 million, as compared to approximately RMB314.3 million for the six months ended 30 June 2024, representing a decrease of approximately RMB81.2 million, or approximately 25.8%. The effective tax rates for the Reporting Period and the corresponding period in 2024 were 14.4% and 22.1%, respectively. The decrease in effective tax rate was mainly due to the decrease in non-deductible expenses for the Reporting Period, as compared to those incurred in the six months ended 30 June 2024.

EBITDA and Net Profit Attributable to Owners of the Parent

The EBITDA for the Reporting Period increased by approximately RMB191.0 million or approximately 11.6% to approximately RMB1,832.5 million, as compared to approximately RMB1,641.5 million for the six months ended 30 June 2024. The EBITDA adjusted for non-operating items is defined as the EBITDA for the period excluding the Excluded Items. The Group's EBITDA adjusted for non-operating items for the Reporting Period decreased by approximately RMB53.8 million or approximately 3.2% to approximately RMB1,610.1 million, as compared to approximately RMB1,663.9 million for the six months ended 30 June 2024.

The net profit attributable to owners of the parent for the Reporting Period was approximately RMB1,358.2 million, as compared to approximately RMB1,089.9 million for the six months ended 30 June 2024, representing an increase of approximately RMB268.3 million, or approximately 24.6%. The net profit attributable to owners of the parent adjusted for non-operating items is defined as the profit for the period excluding the Excluded Items. The Group's net profit attributable to owners of the parent adjusted for non-operating items for the Reporting Period was approximately RMB1,135.8 million, as compared to approximately RMB1,112.4 million for the six months ended 30 June 2024, representing an increase of approximately RMB23.4 million, or approximately 2.1%.

Earnings Per Share

The basic earnings per share for the Reporting Period was approximately RMB0.57, as compared to approximately RMB0.45 for the six months ended 30 June 2024, representing an increase of approximately 26.7%.

Financial Assets Measured at Fair Value

As at 30 June 2025, financial assets measured at fair value primarily comprised the investment in treasury or cash management products issued by certain banks, the investments in listed companies and the investments in private equity funds which focus on investment in health-care industry.

The treasury or cash management products subscribed by the Group for treasury management purposes from time to time during the Reporting Period included wealth management products offered by various independent commercial banks. For further information, please refer to the section headed "Management Discussion and Analysis – Liquidity, Financial and Capital Resources – Significant Investments Held" below, which relates the Group's subscriptions from independent commercial banks.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Group's liquidity remained strong. For the Reporting Period, the Group's operating activities generated a net cash inflow of approximately RMB969.6 million, as compared to approximately RMB1,092.7 million for the six months ended 30 June 2024, representing a decrease of RMB123.1 million or approximately 11.3%. The decrease was mainly attributable to the increase in other cash payments relating to operating activities. As at 30 June 2025, the Group's cash and cash equivalents, non-pledged time deposits and pledged deposits were approximately RMB4,368.8 million.

Net Current Assets

As at 30 June 2025, the Group had net current assets of approximately RMB5,627.2 million, as compared to net current assets of approximately RMB3,883.4 million as at 31 December 2024. The current ratio of the Group was approximately 2.3 as at 30 June 2025, as compared to approximately 1.7 at 31 December 2024. The increase in net current assets and current ratio was mainly attributable to the lower current liabilities which was brought by the decrease in interest-bearing bank borrowings and the repayment of the Company's unsecured non-listed bonds in an aggregate amount of RMB1,200,000,000 (the "**Panda Bonds**") in 2025.

Funding and Treasury Policies, Borrowing and Pledge of Assets

The Group's finance department is responsible for the funding and treasury policies with regard to the overall business operation of the Group. The Company expects to fund its working capital and other capital requirements from a combination of various sources, including but not limited to internal financing and external financing at reasonable market rates. The Group continues to seek ways to improve the return of equity and assets while maintaining a prudent funding and treasury policy.

As at 30 June 2025, the Group had an aggregate interest-bearing bank borrowing of approximately RMB1,836.6 million, as compared to approximately RMB2,281.4 million as at 31 December 2024. The decrease in bank borrowings primarily reflected the repayment of loans of RMB2,602.0 million, partly offset by the additional bank-borrowings of approximately RMB2,100.0 million, during the Reporting Period. Among the short-term deposits, none was pledged to secure bank loans as at 30 June 2025.

As at 30 June 2025, the Group had no outstanding Panda Bonds, as compared to approximately RMB1,226.1 million as at 31 December 2024. For more information on the Group's Panda Bonds, please refer to Note 18 "BONDS PAYABLE" to the interim condensed consolidated financial information for the Reporting Period in this report.

Gearing Ratio

The gearing ratio of the Group, which was calculated by dividing the total borrowings, lease liabilities and bonds by the total equity, decreased to approximately 9.9% as at 30 June 2025 from approximately 19.7% as at 31 December 2024. The decrease was primarily due to the repayment of the outstanding Panda Bonds during the Reporting Period.

Contingent Liabilities

As at 30 June 2025, the Group had no significant contingent liabilities.

Contractual Obligations

The Group's capital commitment amounted to approximately RMB876.1 million as at 30 June 2025, as compared to approximately RMB901.9 million as at 31 December 2024.

Foreign Exchange and Exchange Rate Risk

The Group mainly operates in Mainland China, with all material aspects of its regular business conducted in Renminbi other than: (i) the operations of Sirton; and (ii) the Group's exports, which amounted to approximately RMB58.6 million, or approximately 1.3% of the Group's revenue, for the Reporting Period. Except for the operations of Sirton, the Group's exports, potential international deal-making expenditures (such as expenditures related to international licensing and acquisitions), and foreign currency denominated bank borrowings and bank deposits, the Group believes that it does not have any other material direct exposure to foreign exchange fluctuations. As at 30 June 2025, the Group's foreign currency denominated bank deposits primarily comprised: (i) approximately USD205.7 million (equivalent to approximately RMB1,472.4 million); (ii) approximately HKD70.2 million (equivalent to approximately RMB64.0 million); and (iii) approximately EUR20.7 million (equivalent to approximately RMB174.2 million). The Group expects that the fluctuation of the Renminbi exchange rate will not have a material adverse effect on the operations of the Group in the foreseeable future.

Significant Acquisitions and Disposals

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

Significant Investments Held

As at 30 June 2025, the Group did not hold any significant investments. As at 30 June 2025, the Group held (i) equity investments designated at fair value through other comprehensive income of approximately RMB724.2 million; and (ii) wealth management products of various independent commercial banks as financial assets at FVTPL and derivative financial instruments of approximately RMB3,096.9 million, none of such investments, whether in any group of entities or products offered by any group of commercial banks, individually or in aggregate, represented 5.0% or more of the total assets of the Group.

Future Plans for Material Investments or Capital Assets

The Group estimates its total capital expenditure over the next three years will range from RMB800 million to RMB1,000 million. This expected capital expenditure will primarily be incurred for the maintenance of the Group's existing facilities and the expansion of its production capabilities. The Group expects to finance its capital expenditure through a combination of internally generated funds and bank borrowings.

EMPLOYEES AND EMOLUMENTS POLICY

As at 30 June 2025, the Group employed a total of 6,268 employees, as compared to a total of 5,577 employees as at 31 December 2024. Staff costs, including Directors' emoluments but excluding any contributions to the pension scheme, were approximately RMB809.8 million for the Reporting Period, as compared to approximately RMB721.9 million for the corresponding period in 2024. The Group generally structures its employees' remuneration package to include salary, bonus, equity compensation, and allowance elements. The compensation programs are designed to remunerate and reward the employees based on their performance, measured against specified objective criteria. The Group also provides welfare benefits in accordance with applicable regulations and its internal policies. Following the expiry of the share option scheme (adopted by the Company in May 2015) and the termination of the share award scheme (adopted by the Company in July 2019), the Company has adopted a share award scheme and a share option scheme in June 2025; and there are other incentive initiatives such as cash awards, all of which are for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. In addition, Sunshine Guojian adopted a restricted share incentive plan in February 2021 and there is also a gratuitous incentive scheme set up by founding and management members of the Group that serves to recognise employees' contributions.

Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of members of the Company and to enhance corporate value and accountability. The Company has applied the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities (the "**HKEx Listing Rules**") on the Stock Exchange of Hong Kong Limited as its own code of corporate governance.

Except as expressly described below, the Company complied with all the applicable code provisions set out in the CG Code throughout the Reporting Period.

Separation of the Roles of the Chairman of the Board and Chief Executive Officer

Pursuant to code provision C.2.1 of the CG Code, companies listed on the HKEx are expected to comply with, but may choose to deviate from, the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. The Company does not have separate chairman and chief executive officer. Dr. LOU Jing currently performs these two roles. The board of Directors (the "**Directors**") of the Company (the "**Board**") believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enabling more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees and independent non-executive Directors.

The Board will from time to time review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at an appropriate time, taking into account the circumstances of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuer" as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the required standard as set out in the Model Code during the Reporting Period.

THE BOARD AND ITS COMMITTEES

The compositions of the Board, the audit committee ("**Audit Committee**"), the nomination committee ("**Nomination Committee**") and the remuneration committee of the Company are as set out in the "Corporate Information" section.

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the Reporting Period.

CHANGES TO INFORMATION REGARDING DIRECTORS AND CHIEF EXECUTIVES

Certain changes in Directors' information since the preparation of the 2024 annual report and up to the latest practicable date prior to the printing of this interim report are set out below pursuant to Rule 13.51B(1) of the HKEx Listing Rules:

- **Dr. LOU Jing** has been appointed to the following positions with members of the Group:

  1) director of Mandi Inc.;
  2) director of Sunshine Mandi Limited; and
  3) director of Mibio Pte. Ltd.

- **Mr. PU Tianruo** ceased to be a member of the Nomination Committee, effective from 25 June 2025.

- **Ms. YANG Hoi Ti Heidi** has been appointed as a member of the Nomination Committee, effective from 25 June 2025.

Other than above, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the HKEx Listing Rules since the preparation of the 2024 annual report and up to the latest practicable date prior to the printing of this interim report

AUDIT COMMITTEE

The Board has established the Audit Committee, which comprises the three independent non-executive Directors, namely Mr. PU Tianruo (chairman), Mr. NG Joo Yeow Gerry and Ms. YANG Hoi Ti Heidi.

The Audit Committee, together with the Board, has reviewed the unaudited interim condensed consolidated financial information of the Group for the Reporting Period. The Audit Committee does not have any disagreement with any accounting treatment which had been adopted. The Audit Committee has also reviewed the effectiveness of the risk management and internal control system of the Company and considers it to be effective and adequate.

In addition, the independent auditor of the Company, Ernst & Young, has reviewed the unaudited interim condensed consolidated financial information of the Group for the Reporting Period in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

PURCHASE, SALE OR REDEMPTION BY THE COMPANY

There was no purchase, sale or redemption of any of the Company's listed securities (including sale of treasury shares (as defined under the HKEx Listing Rules)) by the Company or any of its subsidiaries during the Reporting Period.

2015 OPTION SCHEME

Pursuant to a written resolution passed by the then sole shareholder of the Company on 23 May 2015, the Company adopted a share option scheme pursuant to Chapter 17 of the HKEx Listing Rules (the "**2015 Option Scheme**"). The 2015 Option Scheme is valid for a period of 10 years commencing from the date of adoption; accordingly, it has expired on 23 May 2025.

Upon expiry of the 2015 Option Scheme, no further options may be granted but in all other respects, the provisions of the 2015 Option Scheme shall remain in full force and effect. Therefore, the expiry of the 2015 Option Scheme will not in any event affect the terms of such outstanding options (see the below two tables in this section) that have already been granted under the 2015 Option Scheme and the outstanding options granted under the 2015 Option Scheme shall continue to be subject to the provisions of the 2015 Option Scheme.

Details of the 2015 Option Scheme were disclosed in the Company's prospectus dated 1 June 2015 in the section headed "Statutory and General Information — 5. Post-IPO Share Option Scheme" in Appendix IV. The total number of options available for grant under the scheme mandate of the 2015 Option Scheme as at 1 January 2025 and 30 June 2025 were 225,953,857 and 0, respectively. The number of Shares that may be issued in respect of awards granted under the 2015 Option Scheme during the Reporting Period divided by the weighted average number of the Shares in issue for the Reporting Period was 0. The total number of Shares available for issue under the 2015 Option Scheme is 0. The purpose of the 2015 Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its shareholders as a whole.

Unless approved by the shareholders of the Company in accordance with the terms of the 2015 Option Scheme, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the 2015 Option Scheme and any other share option scheme(s) of the Company to each selected participant (including both exercised and outstanding options) in any 12 month period shall not exceed 1% of the total number of Shares in issue. An option may be exercised in accordance with the terms of the 2015 Option Scheme at any time during a period to be determined and notified by the Directors to each grantee. A nominal consideration of RMB1.00 is payable upon acceptance of the grant of an option. For details, please refer to Appendix IV to the Company's prospectus dated 1 June 2015.

The following outstanding share options were granted to the following Directors under the 2015 Option Scheme as of 30 June 2025:

	NUMBER OF SHARE OPTIONS										
NAME OF DIRECTOR	AS AT 1 JANUARY 2025	GRANTED DURING THE PERIOD	EXERCISED DURING THE PERIOD	FORFEITED/ CANCELLED DURING THE PERIOD	LAPSED DURING THE PERIOD	AS AT 30 June 2025	DATE OF GRANT OF SHARE OPTIONS	EXERCISE PERIOD OF SHARE OPTIONS	EXERCISE PRICE OF SHARE OPTIONS (HKD PER SHARE)	PRICE OF THE COMPANY'S LISTED SHARES IMMEDIATELY BEFORE THE GRANT DATE OF OPTIONS (HKD PER SHARE)	THE WEIGHTED AVERAGE CLOSING PRICE OF THE COMPANY'S LISTED SHARES IMMEDIATELY BEFORE THE EXERCISE DATES (HKD PER SHARE)
LOU Jing	440,000	–	–	0	0	440,000	2 February 2017	From 2 August 2018 to 2 February 2027**	7.62	7.37	–
SU Dongmei*	440,000	–	–	0	0	440,000	2 February 2017	From 2 August 2018 to 2 February 2027**	7.62	7.37	–
ZHANG Jiaoe*	80,000	–	–	0	0	80,000	2 February 2017	From 2 August 2018 to 2 February 2027**	7.62	7.37	–

* The outstanding share options were held by The Empire Trust, a trust established by the Company for beneficiaries who are employees of the Company and its subsidiaries and affiliates, and any other persons as nominated from time to time by the advisory committee of The Empire Trust that is established with the authority of the Board.

** Share options granted are subject to vesting conditions with vesting periods ended 2 August 2018, 2 February 2020 and 2 August 2021, respectively.

The following outstanding share options were granted to employee participants[#] of the Group (apart from Directors) as of 30 June 2025:

NUMBER OF SHARE OPTIONS										
AS AT 1 JANUARY 2025	GRANTED DURING THE PERIOD	EXERCISED DURING THE PERIOD	FORFEITED/ CANCELLED DURING THE PERIOD	LAPSED DURING THE PERIOD	AS AT 30 June 2025	DATE OF GRANT OF SHARE OPTIONS	EXERCISE PERIOD OF SHARE OPTIONS	EXERCISE PRICE OF SHARE OPTIONS (HKD PER SHARE)	PRICE OF THE COMPANY'S LISTED SHARES IMMEDIATELY BEFORE THE GRANT DATE OF OPTIONS (HKD PER SHARE)	THE WEIGHTED AVERAGE CLOSING PRICE OF THE COMPANY'S LISTED SHARES IMMEDIATELY BEFORE THE EXERCISE DATES (HKD PER SHARE)
15,526,000*	–	4,012,500	0	0	11,513,500	2 February 2017	From 2 August 2018 to 2 February 2027**	7.62	7.37	–

* The outstanding share options were held by The Empire Trust, a trust established by the Company for beneficiaries who are employees of the Company and its subsidiaries and affiliates, and any other persons as nominated from time to time by the advisory committee of The Empire Trust that is established with the authority of the Board.

** Share options granted are subject to vesting conditions with vesting periods ended 2 August 2018, 2 February 2020 and 2 August 2021, respectively.

Employee participants include employees of any member of the Group (apart from Directors).

All of the above grants were made prior to the amendment to Chapter 17 of the HKEx Listing Rules and none of the grants of options to any participant is in excess of the 1% individual limit.

Please refer to Note 20 "SHARE INCENTIVE SCHEMES" to the interim condensed consolidated financial information in this interim report for the accounting policy adopted for share options.

2019 SHARE SCHEME

The Company adopted the 2019 Share Award Scheme ("**2019 Share Scheme**") to recognise the contributions by selected participants and to motivate and give incentives thereto in order to retain them for the continual operation and development of the Group; to attract suitable personnel for further development of the Group; and to provide selected participants with a direct economic interest in attaining a long-term relationship between the Group and the selected participants.

The 2019 Share Scheme was adopted by the Company on 16 July 2019 and amended on 12 December 2021. As approved by the shareholders on 25 June 2025, the Company terminated the 2019 Share Scheme. Under the terms of the 2019 Share Scheme, such termination shall not affect any subsisting rights of any selected participant under the 2019 Share Scheme (for the awarded Shares granted under the 2019 Share Scheme, please see the below table in this section).

Under the 2019 Share Scheme, as at 1 January 2025, at 30 June 2025, and at the date of this interim report, respectively, no new Shares were available for grant of awards. The number of Shares that may be issued in respect of awards granted under the 2019 Share Scheme during the Reporting Period divided by the weighted average number of the Shares in issue for the Reporting Period was 0.

Further details of the 2019 Share Scheme are set out in Note 20 "SHARE INCENTIVE SCHEMES" to the interim condensed consolidated financial information in this interim report.

As at 30 June 2025, details of the awarded shares granted under the 2019 Share Scheme of the Company were as follows:

			NUMBER OF AWARDED SHARES						
SHARE AWARDS HOLDERS	DATE OF AWARD	NUMBER OF AWARDED SHARES	AS AT 1 JANUARY 2025	AWARDED DURING THE PERIOD	VESTED DURING THE PERIOD	LAPSED DURING THE PERIOD	AS AT 30 June 2025	VESTING PERIOD	CLOSING PRICE IMMEDIATELY BEFORE THE DATE OF AWARD (HKD PER SHARE)
Employee	16 July 2019[1]	9,885,448	–	–	–	–	–	March 2020 to March 2023[3]	13.88
	7 September 2020[2]	10,000,000	–	–	–	–	–	NA[4]	8.98
	23 September 2024[5]	34,107,688	34,107,688	–	1,309,512	–	32,798,176	23 September 2024 to 23 September 2027[3]	5.70
Director of the Company/ Director/general manager of subsidiaries of the Company									
Director of the Company – Dr. LOU Jing	23 September 2024[5]	5,000,000	5,000,000	–	–	–	5,000,000	23 September 2024 to 23 September 2027[3]	5.70
Director of a subsidiary of the Company – Mr. YU An	23 September 2024[5]	650,000	650,000	–	–	–	650,000	23 September 2024 to 23 September 2027[3]	5.70
General manager of a subsidiary of the Company – Mr. JIN Zheng	23 September 2024[5]	600,000	600,000	–	–	–	600,000	23 September 2024 to 23 September 2027[3]	5.70
Total		60,243,136	40,357,688	–	1,309,512	–	39,048,176		

Notes:

(1) On 16 July 2019, the Board resolved to grant a maximum of 10,000,000 awarded Shares to 37 independent employees of the Group, pursuant to the terms of the 2019 Share Scheme, in order to recognize the contributions of the independent employees to the Group. For details, please refer to the announcement of the Company dated 17 July 2019 and Note 20 "SHARE INCENTIVE SCHEMES" to the interim condensed consolidated financial information in this interim report.

(2) On 7 September 2020, the Board resolved to conditionally grant 10,000,000 new awarded Shares to Dr. ZHU Zhenping of which 5,000,000 awarded Shares and 2,250,000 awarded Shares have so far been issued and allotted to Dr. ZHU Zhenping on 14 April 2021 and 8 March 2022, respectively. For details, please refer to the announcement of the Company dated 8 September 2020 and the circular of the Company dated 16 October 2020.

(3) These awarded Shares are subject to vesting conditions involving financial targets and vesting periods.

(4) These awarded Shares are not subject to any vesting condition or vesting period.

(5) On 23 September 2024, the Board resolved to grant 34,107,688, 5,000,000, 650,000 and 600,000 awarded Shares to 267 independent employees of the Group, Chairman of the Board and the Chief Executive Officer of the Company, Dr. LOU Jing, a director of a subsidiary of the Company, Mr. YU An, and the general manager of a subsidiary of the Company, Mr. JIN Zheng, respectively, pursuant to the terms of the 2019 Share Scheme, with the purpose of the 2019 Share Scheme as a recognition and reward of the grantees' contributions to the Company's continuing operation and development. For details of such grant and vesting terms, please refer to the announcement of the Company dated 23 September 2024 and Note 20 "SHARE INCENTIVE SCHEMES" to the interim condensed consolidated financial information in this interim report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which had been notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the HKEx pursuant to the Model Code as set out in Appendix C3 to the HKEx Listing Rules were as follows:

(i) Interests in the Company

Name	Position	Nature of Interest	Number of Shares held	Approximate percentage of all Shares in Issue(1)
LOU Jing(2) (婁競)	Executive Director	Beneficial owner	751,553(L)	0.03%
		Beneficiary of a trust	56,156,895(L)	2.34%
		Other	476,774,553(L)	19.87%
			Total: 533,683,001(L)	22.24%
SU Dongmei(3) (蘇冬梅)	Executive Director	Interest in controlled corporation	24,384,630(L)	1.02%
		Beneficial owner	440,000(L)	0.02%
			Total: 24,824,630(L)	*1.03%
ZHANG Jiaoe(4) (張皎娥)	Non-executive Director	Beneficial owner	12,379,139(L)	0.52%

Notes:

(L): Denotes long position

* Figures shown as total may not be an arithmetic aggregation of the figures being added up due to rounding adjustment.

(1) The calculation is based on the total number of 2,399,586,412 Shares in issue as at 30 June 2025.

(2) Dr. LOU Jing was granted 440,000 share options by the Company, representing 440,000 Shares upon full exercise. Dr. LOU Jing was a beneficiary under three unnamed trusts which were interested in 41,746,000 Shares, 9,410,895 Shares and 5,000,000 Shares respectively. Further, Dr. LOU Jing was an enforcer and a beneficiary of an unnamed discretionary trust which was interested in 476,774,553 Shares. Therefore, Dr. LOU Jing was deemed to be interested in all such Shares as discussed in the foregoing.

(3) Ms. SU Dongmei directly holds the entire issued share capital of Joint Palace Group Limited ("**JPG**") and therefore, was deemed to be interested in the same number of the Shares in which JPG was interested (i.e. 24,384,630 Shares); and, Ms. SU Dongmei was granted 440,000 share options by the Company, representing 440,000 Shares upon full exercise.

(4) 80,000 share options, representing 80,000 Shares upon full exercise, were granted by the Company to a trust and held for the benefit of Ms. ZHANG Jiaoe.

(ii) Interests in Associated Corporations

Name	Position	Associated Corporation	Nature of Interest	Number of Securities	Approximate Percentage of Outstanding Share Capital of the Associated Corporation(1)
LOU Jing (婁競)	Executive Director	Sunshine Guojian	Interest in controlled corporation	25,160,657(L)(1)	4.54%(1)
SU Dongmei (蘇冬梅)	Executive Director	Sunshine Guojian	Others(2)	200,000(L)(2)	0.04%(2)

Notes:

(L): denotes long position

(1) The shares were allotted by Sunshine Guojian to Achieve Well International Limited, a company wholly-owned by Dr. LOU Jing, under an employee share ownership plan ("**ESOP**") of Sunshine Guojian, for purposes of holding the awarded shares granted to Dr. LOU Jing. Upon completion of the offering of Sunshine Guojian on the Shanghai Stock Exchange on 22 July 2020 ("**Guojian Offering**"), the approximate percentage of Dr. LOU Jing's interest in the share capital of Sunshine Guojian was diluted to 4.08%. The change did not trigger a disclosure obligation under the SFO and therefore the information shown in the table as of 30 June 2025 reflects Dr. LOU Jing's interests position as required to be disclosed under the SFO.

(2) An ultimate beneficial owner of an interest in a fund (the "**Fund**") that is used for holding shares awarded under the ESOP of Sunshine Guojian, which directly holds the awarded shares for the ultimate benefit of Ms. SU Dongmei, being one of the grantees of the awarded shares that have been allotted to the Fund by Sunshine Guojian. Upon completion of the Guojian Offering, the approximate percentage of Ms. SU Dongmei's interest in the share capital of Sunshine Guojian was diluted from 0.036% to 0.032%. The change did not trigger a disclosure obligation under the SFO and therefore the information shown in the table as of 30 June 2025 reflects Ms. SU Dongmei's interests position as required to be disclosed under the SFO.

Save as disclosed above, as at 30 June 2025, none of the Directors or the chief executives of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the HKEx pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, to the best of the Directors' knowledge, the following persons (other than the Directors or chief executives of the Company), had interests or short positions in the shares and underlying shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of Shares held	Approximate percentage of all Shares in Issue[(1)]
Decade Sunshine Limited ("**DSL**")[(2)]	Beneficial owner	476,774,553[(L)]	19.87%
Century Sunshine Limited ("**CSL**")[(2)]	Interest in a controlled corporation	476,774,553[(L)]	19.87%
XING Lily[(3)]	Interest in a controlled corporation[(2)]	476,774,553[(L)]	19.87%
	Interest of spouse[(3)]	51,648,448[(L)]	2.15%
		Total: 528,423,001[(L)]	22.02%
Lambda International Limited[(2)]	Interest in a controlled corporation	476,774,553[(L)]	19.87%
TMF (Cayman) Ltd.[(4)]	Trustee	574,907,928[(L)]	23.96%

Notes:

(L): Denotes long position

(1) The calculation is based on the total number of 2,399,586,412 Shares in issue as at 30 June 2025.

(2) DSL was wholly-owned by CSL and therefore CSL was deemed to be interested in 476,774,553 Shares held by DSL; further, 42.52% and 35.65% of CSL were respectively controlled by Ms. XING Lily and Lambda International Limited, who were therefore deemed to be interested in such 476,774,553 Shares.

(3) Ms. XING Lily's spouse is Dr. LOU Jing.

(4) TMF (Cayman) Ltd. was the trustee with respect to four unnamed trusts, which respectively were interested in 476,774,553, 51,156,895, 15,551,500, and 31,424,980 Shares, as disclosed under the SFO, and therefore TMF (Cayman) Ltd. was deemed to be interested in all such Shares.

Save as disclosed above, as at 30 June 2025, the Directors and the chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than disclosed under the heading "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures", at no time during the Reporting Period was the Company or any of its subsidiaries or holding company or any subsidiary of the Company's holding company a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and during the Reporting Period none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

Independent Review Report

To the board of directors of 3SBio Inc.

(Incorporated in the Cayman Islands as an exempted company with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 39 to 80, which comprises the condensed consolidated statement of financial position of 3SBio Inc. (the "**Company**") and its subsidiaries (the "**Group**") as at 30 June 2025 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. 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 International Accounting Standard 34 *Interim Financial Reporting* ("**IAS 34**") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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 International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity as* issued by the International Auditing and Assurance Standards Board. A review of interim financial information 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 International 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.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Certified Public Accountants

Hong Kong
29 August 2025

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
REVENUE	4	4,355,485	4,389,445
Cost of sales		(639,680)	(592,052)
Gross profit		3,715,805	3,797,393
Other income and gains	5	408,289	86,144
Selling and distribution expenses		(1,615,934)	(1,593,979)
Administrative expenses		(283,402)	(201,196)
Research and development costs		(547,523)	(476,230)
Other expenses	6	(25,466)	(40,687)
Finance costs	7	(53,002)	(104,351)
Share of profits and losses of:			
A joint venture		1,315	(814)
Associates		21,615	(44,412)
PROFIT BEFORE TAX		1,621,697	1,421,868
Income tax expense	8	(233,123)	(314,283)
PROFIT FOR THE PERIOD		1,388,574	1,107,585
Attributable to:			
Owners of the parent		1,358,204	1,089,942
Non-controlling interests		30,370	17,643
		1,388,574	1,107,585
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic	10	RMB0.57	RMB0.45
– Diluted	10	RMB0.56	RMB0.45

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	1,388,574	1,107,585
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	(45,640)	6,389
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	(45,640)	6,389
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	31,496	48,473
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	31,496	48,473
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(14,144)	54,862
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,374,430	1,162,447
Attributable to:		
Owners of the parent	1,344,060	1,144,804
Non-controlling interests	30,370	17,643
	1,374,430	1,162,447

Interim Condensed Consolidated Statement of Financial Position

30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	5,003,774	4,993,461
Right-of-use assets		360,072	374,056
Goodwill		4,237,631	4,252,618
Other intangible assets		1,798,102	1,684,510
Investments in joint ventures		1,951	637
Investments in associates		519,638	498,519
Equity investments designated at fair value through other comprehensive income		724,154	817,951
Prepayments, other receivables and other assets		231,808	326,756
Non-pledged time deposits	14	868,231	1,621,381
Deferred tax assets		254,639	295,917
Total non-current assets		14,000,000	14,865,806
CURRENT ASSETS			
Inventories	12	902,817	795,191
Trade and notes receivables	13	1,490,704	1,305,160
Prepayments, other receivables and other assets		839,343	741,138
Financial assets at fair value through profit or loss		3,094,874	3,769,187
Derivative financial instruments		2,000	8,547
Pledged deposits	14	134,230	178,568
Non-pledged time deposits	14	1,642,318	406,492
Cash and cash equivalents	14	1,723,977	2,142,651
Total current assets		9,830,263	9,346,934
CURRENT LIABILITIES			
Trade and bills payables	15	217,250	179,561
Other payables and accruals	16	2,128,736	1,721,896
Deferred income		27,448	27,131
Interest-bearing bank and other borrowings	17	1,798,774	2,243,750
Lease liabilities		13,542	15,269
Bonds payable	18	–	1,226,098
Tax payable		17,353	49,819
Total current liabilities		4,203,103	5,463,524
NET CURRENT ASSETS		5,627,160	3,883,410
TOTAL ASSETS LESS CURRENT LIABILITIES		19,627,160	18,749,216

Interim Condensed Consolidated Statement of Financial Position

30 June 2025

	Notes	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	17	**37,811**	37,628
Lease liabilities		**21,207**	31,660
Bonds payable	18	**–**	–
Deferred income		**378,885**	390,290
Deferred tax liabilities		**240,752**	248,835
Other non-current liabilities		**5,184**	4,473
Total non-current liabilities		**683,839**	712,886
Net assets		**18,943,321**	18,036,330
EQUITY			
Equity attributable to owners of the parent			
Share capital	19	**146**	146
Treasury shares		**(235,641)**	(235,641)
Share premium		**2,222,601**	2,729,341
Reserves		**14,332,287**	12,942,412
Equity attributable to owners of the parent		**16,319,393**	15,436,258
Non-controlling interests		**2,623,928**	2,600,072
Total equity		**18,943,321**	18,036,330

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the parent										
	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Statutory surplus reserves RMB'000	Retained profits RMB'000	Fair value reserve RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2024 (audited)	146	(235,641)	2,729,341	321,625	1,858,332	10,779,611	(135,276)	118,120	15,436,258	2,600,072	18,036,330
Profit for the period	–	–	–	–	–	1,358,204	–	–	1,358,204	30,370	1,388,574
Other comprehensive income for the period:											
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	–	31,496	–	31,496	–	31,496
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	(45,640)	(45,640)	–	(45,640)
Total comprehensive income for the period	–	–	–	–	–	1,358,204	31,496	(45,640)	1,344,060	30,370	1,374,430
Transfer to statutory surplus reserves	–	–	–	–	207,285	(207,285)	–	–	–	–	–
Final 2024 dividend declared (Note 9)	–	–	(547,149)	–	–	–	–	–	(547,149)	–	(547,149)
Final 2024 dividend declared by Sunshine Guojian Pharmaceutical (Shanghai) Co., Ltd. ("**Sunshine Guojian**")	–	–	–	–	–	–	–	–	–	(10,611)	(10,611)
Equity-settled share incentive scheme (Note 20)	–	–	–	58,259	–	–	–	–	58,259	1,597	59,856
Shares issued upon exercise of share option	–	–	40,409	(12,444)	–	–	–	–	27,965	–	27,965
Capital injection from non-controlling shareholders	–	–	–	–	–	–	–	–	–	2,500	2,500
Transfer to retained profits	–	–	–	–	–	17,010	(17,010)	–	–	–	–
At 30 June 2025 (unaudited)	146	(235,641)	2,222,601	367,440	2,065,617	11,947,540	(120,790)	72,480	16,319,393	2,623,928	18,943,321

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the parent										
	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Statutory surplus reserves RMB'000	Retained profits RMB'000	Fair value reserve RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2023 (audited)	149	(235,641)	3,517,283	289,169	1,360,242	9,174,676	(151,570)	79,463	14,033,771	2,479,829	16,513,600
Profit for the period	–	–	–	–	–	1,089,942	–	–	1,089,942	17,643	1,107,585
Other comprehensive income for the period:											
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	–	48,473	–	48,473	–	48,473
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	6,389	6,389	–	6,389
Total comprehensive income for the period	–	–	–	–	–	1,089,942	48,473	6,389	1,144,804	17,643	1,162,447
Transfer to statutory surplus reserves	–	–	–	–	302,720	(302,720)	–	–	–	–	–
Final 2023 dividend declared (Note 9)	–	–	(551,834)	–	–	–	–	–	(551,834)	–	(551,834)
Final 2023 dividend declared by Sunshine Guojian	–	–	–	–	–	–	–	–	–	(5,895)	(5,895)
Shares repurchased	–	(242,447)	–	–	–	–	–	–	(242,447)	–	(242,447)
Shares cancelled (Note 19)	(2)	120,988	(120,986)	–	–	–	–	–	–	–	–
At 30 June 2024 (unaudited)	147	(357,100)	2,844,463	289,169	1,662,962	9,961,898	(103,097)	85,852	14,384,294	2,491,577	16,875,871

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,621,697	1,421,868
Adjustments for:			
Finance costs	7	53,002	104,351
Fair value gains/(losses) on financial assets at fair value through profit or loss	5	(257,012)	55,567
Share of profits and losses of a joint venture and associates		(22,930)	45,226
Interest income	5	(83,937)	(81,224)
Foreign exchange differences	5	(9,515)	(12,092)
Charge of share-based compensation costs	6	59,856	–
Depreciation of property, plant and equipment	6	163,933	122,759
Amortisation of other intangible assets	6	57,836	53,361
Depreciation of right-of-use assets	6	12,837	11,269
Amortisation of long-term deferred expenses	6	7,089	9,069
Recognition of deferred income		(15,660)	(21,328)
(Reversal of provision)/provision for impairment of trade receivables	6	(1,933)	799
Provision for impairment of other receivables	6	5,717	4,494
(Reversal of provision)/provision for impairment of inventories		(277)	58
Gain on disposal of a subsidiary	5	(2,614)	–
Gain on disposal of intangible assets	5	(79)	–
Loss on termination of a lease	6	236	–
Loss on disposal of items of property, plant and equipment	6	8,333	12,533
		1,596,579	1,726,710
Increase in inventories		(107,349)	(44,151)
Decrease in pledged deposits		13,453	18,704
Increase in trade and notes receivables		(183,610)	(151,187)
Increase in prepayments, other receivables and other assets		(197,890)	(42,896)
Increase/(decrease) in trade and bills payables		37,689	(6,568)
Increase/(decrease) in other payables and accruals		42,587	(67,477)
Cash generated from operations		1,201,459	1,433,135
Income tax paid		(231,897)	(340,424)
Net cash flows from operating activities		969,562	1,092,711

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		12,324	24,765
Purchase of items of property, plant and equipment		(88,627)	(241,061)
Proceeds from disposal of property, plant and equipment		3,393	3,010
Purchase of financial assets at fair value through profit or loss		(4,354,350)	(1,270,622)
Proceeds from disposal of financial assets at fair value through profit or loss		5,244,525	980,225
Placement of time deposits with original maturity of more than three months		(1,584,850)	–
Withdrawal of time deposits with original maturity of more than three months		417,259	–
Placement of non-pledged time deposits		(145,000)	(450,248)
Withdrawal of non-pledged time deposits		860,000	463,961
Purchase of equity investments designated at fair value through other comprehensive income		(14,623)	(19,748)
Proceeds from disposal of equity investments designated at fair value through other comprehensive income		152,631	2,909
Additions to other intangible assets		(67,542)	(115,050)
Prepayments for exclusive distribution rights		(169,526)	–
Repayment of loans from third parties		4,525	2,971
Loans to third parties		(1,417)	–
Net cash flows from/(used in) investing activities		268,722	(618,888)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		27,965	–
Decrease/(increase) in pledged deposits		30,885	(936)
Repayments of bank borrowings		(2,601,985)	(2,071,609)
New bank borrowings		2,100,000	1,482,850
Received capital injection from non-controlling shareholders		2,500	–
Repurchase of treasury shares		–	(242,447)
Repayments of bonds		(1,200,000)	–
Principal portion of lease payments		(12,140)	(9,592)
Dividends paid to non-controlling shareholders		(10,611)	(5,895)
Interest paid		(38,598)	(125,188)
Net cash flows used in financing activities		(1,701,984)	(972,817)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(463,700)	(498,994)
Cash and cash equivalents at beginning of period	14	2,142,651	2,611,161
Effect of foreign exchange rate changes, net		45,026	(26,959)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14	1,723,977	2,085,208

1. CORPORATE INFORMATION

3SBio Inc. was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Islands Companies Laws on 9 August 2006. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**HKEx**") on 11 June 2015.

The Company is an investment holding company. During the six months ended 30 June 2025, the Company and its subsidiaries were principally engaged in the development, production, marketing and sale of biopharmaceutical products in the mainland area ("**Mainland China**") of the People's Republic of China (the "**PRC**").

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. 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 annual consolidated financial statements for the year ended 31 December 2024.

The interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2.2 Changes in accounting policies and disclosures

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 amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21	*Lack of Exchangeability*

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

The Group has only one operating segment, which is the development, production, marketing and sale of biopharmaceutical products.

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Mainland China	**4,215,107**	4,306,754
Others	**140,378**	82,691
Total revenue	**4,355,485**	4,389,445

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

(b) Non-current assets

	30 June 2025	31 December 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Mainland China	**10,059,737**	10,169,932
Others	**2,093,239**	1,960,625
Total non-current assets	**12,152,976**	12,130,557

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

Information about major customers

The Group's customer base is diversified and no revenue from transactions with a significant customer accounted for 10% or more of the Group's total revenue during the reporting period.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of biopharmaceuticals	**4,254,577**	4,332,185
Contract development and manufacturing operation business	**100,908**	57,260
Total	**4,355,485**	4,389,445

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods or services		
Sale of biopharmaceuticals	**4,254,577**	4,332,185
Contract development and manufacturing operation business	**100,908**	57,260
Total	**4,355,485**	4,389,445
Geographical markets		
Mainland China	**4,215,107**	4,306,754
Others	**140,378**	82,691
Total	**4,355,485**	4,389,445
Timing of revenue recognition		
Goods transferred at a point in time	**4,254,577**	4,332,185
Services transferred at a point in time	**100,908**	57,260
Total	**4,355,485**	4,389,445

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Other income		
Interest income	83,937	81,224
Government grants related to		
– Assets	14,948	15,860
– Income	28,381	19,568
Others	11,803	12,967
Total other income	139,069	129,619
Gains		
Gain on disposal of a subsidiary	2,614	–
Gain on disposal of intangible asset	79	–
Foreign exchange differences, net	9,515	12,092
Fair value gains/(losses) on financial assets at fair value through profit or loss	257,012	(55,567)
Total gains	269,220	(43,475)
Total other income and gains	408,289	86,144

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of inventories sold	564,704	535,261
Cost of services provided	74,976	56,791
Depreciation of items of property, plant and equipment	163,933	122,759
Amortisation of other intangible assets	57,836	53,361
Depreciation of right-of-use assets	12,837	11,269
Amortisation of long-term deferred expenses	7,089	9,069
Employee benefit expenses	810,218	773,934
Equity-settled compensation expenses	59,856	–
Other expenses and losses:		
Donation	4,061	17,531
Loss on termination of a lease	236	–
Loss on disposal of items of property, plant and equipment	8,333	12,533
(Reversal of provision)/provision for impairment of trade receivables	(1,933)	799
Provision for impairment of prepayments, other receivables and other assets	5,717	4,494
Others	9,052	5,330
Total	25,466	40,687

7. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings	**27,824**	77,661
Interest on bonds payable	**24,307**	25,132
Interest on lease liabilities	**871**	1,558
Total	**53,002**	104,351

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and/or operate.

Pursuant to the relevant rules and regulations of the Cayman Islands and the British Virgin Islands ("**BVI**"), the Company and the subsidiaries of the Group incorporated therein are not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong profits tax has been made for the six months ended 30 June 2025 as the Group had no assessable profits arising in Hong Kong.

Under the relevant PRC income tax law, except for Shenyang Sunshine Pharmaceutical Co., Ltd. ("**Shenyang Sunshine**"), Shenzhen Sciprogen Bio-pharmaceutical Co., Ltd. ("**Sciprogen**"), Zhejiang Sunshine Mandi Pharmaceutical Co., Ltd. ("**Sunshine Mandi**"), National Engineering Research Center of Antibody Medicine ("**NERC**") and Sunshine Guojian which enjoy certain preferential treatments available to the Group, the PRC subsidiaries of the Group are subject to income tax at a rate of 25% on their respective taxable income.

In accordance with the relevant Italian tax regulations, Sirton Pharmaceuticals S.p.A. ("**Sirton**") is subject to income tax at a rate of 27.9%.

8. INCOME TAX (continued)

Shenyang Sunshine, Sciprogen, Sunshine Mandi, NERC and Sunshine Guojian, which are qualified as High and New Technology Enterprises, were entitled to a preferential income tax rate of 15% for the six months ended 30 June 2025.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. However, a lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors.

An analysis of the provision for tax in the interim condensed consolidated financial information is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current	**199,935**	308,218
Deferred	**33,188**	6,065
Total tax charge for the period	**233,123**	314,283

9. DIVIDENDS

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Final 2024 – Hong Kong Dollar ("**HKD**") 25 cents per share (Final 2023 – HKD25 cents per share)	**547,149**	551,834

A final dividend in respect of the year ended 31 December 2024 of HKD25 cents per share was proposed pursuant to a resolution passed by the board of directors of the Company on 25 March 2025 and was approved at the annual general meeting of the Company on 25 June 2025. The dividend had not been paid to the shareholders of the Company during the reporting period.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent of RMB1,358,204,000 for the six months ended 30 June 2025 (for the six months ended 30 June 2024: RMB1,089,942,000) and the weighted average number of ordinary shares of 2,397,136,743 (for the six months ended 30 June 2024: 2,429,790,687) of the Company outstanding during the period, as adjusted to reflect the issue of ordinary shares during the period.

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**1,358,204**	1,089,942

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

	Number of shares For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares outstanding during the reporting period used in the basic earnings per share calculation	**2,397,136,743***	2,429,790,687
Effect of dilution – weighted average number of ordinary shares:		
Share options	**4,902,710**	–
Awarded shares	**43,107,688**	2,750,000
Total	**2,445,147,141**	2,432,540,687

* The weighted average number of shares was after taking into account the effect of treasury shares held.

11. PROPERTY, PLANT AND EQUIPMENT

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Carrying amount at 1 January	**4,993,461**	4,692,152
Additions	**167,631**	591,493
Depreciation provided during the period/year	**(163,933)**	(259,729)
Disposals	**(11,726)**	(23,651)
Exchange realignment	**18,341**	(6,804)
Carrying amount at 30 June/31 December	**5,003,774**	4,993,461

11. PROPERTY, PLANT AND EQUIPMENT (continued)

A freehold land with a carrying amount of approximately RMB2,938,000 as at 30 June 2025 (31 December 2024: RMB2,631,000) is located in Italy.

The Group is in the process of applying for the title certificates for certain of its buildings with an aggregate book value of approximately RMB9,511,000 as at 30 June 2025 (31 December 2024: RMB38,316,000). The directors are of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned buildings. The directors are also in the opinion that the aforesaid matter did not have any significant impact on the Group's financial position as at 30 June 2025.

At 30 June 2025, certain of the Group's freehold land and buildings with aggregate carrying amounts of RMB2,938,000 (31 December 2024: RMB2,631,000) and RMB33,143,000 (31 December 2024: RMB30,584,000), respectively, were pledged to secure general banking facilities granted to the Group (note 17).

12. INVENTORIES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Raw materials	323,640	275,895
Work in progress	343,240	302,105
Finished goods	169,733	155,248
Consumables and packaging materials	69,539	65,555
Total	906,152	798,803
Impairment	(3,335)	(3,612)
Net carrying amount	902,817	795,191

13. TRADE AND NOTES RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	**1,462,346**	1,312,969
Notes receivables	**79,808**	45,574
Total	**1,542,154**	1,358,543
Provision for impairment of trade receivables	**(51,450)**	(53,383)
Net carrying amount	**1,490,704**	1,305,160

The Group's trading terms with its customers are mainly on credit. The credit period is generally two months, extending up to three months for major customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances, which are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables 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)
Within 1 year	**1,403,616**	1,260,527
1 to 2 years	**12,188**	7,530
Over 2 years	**46,542**	44,912
Total	**1,462,346**	1,312,969

14. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cash at bank and on hand	**1,413,284**	1,618,397
Restricted cash	**310,693**	524,254
Non-pledged time deposits	**868,231**	1,621,381
Time deposits with original maturity of more than three months	**1,642,318**	406,492
Pledged deposits	**134,230**	178,568
Subtotal	**4,368,756**	4,349,092
Less:		
Pledged deposits	**(134,230)**	(178,568)
Non-pledged time deposits	**(868,231)**	(1,621,381)
Cash and bank balances	**3,366,295**	2,549,143
Less:		
Time deposits with original maturity of more than three months	**(1,642,318)**	(406,492)
Cash and cash equivalents	**1,723,977**	2,142,651

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of Mainland China is subject to exchange restrictions imposed by the PRC government.

14. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (continued)

The Group's cash and cash equivalents and deposits as at 30 June 2025 are denominated in the following currencies:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Denominated in:		
— RMB	2,657,932	2,953,324
— HKD	63,985	39,986
— United States Dollar ("**USD**")	1,472,441	1,211,301
— Euro ("**EUR**")	174,157	144,315
— Japanese Yen ("**JPY**")	15	2
— Australian Dollar ("**AUD**")	226	163
— Great Britain Pound ("**GBP**")	–	1
Total	4,368,756	4,349,092

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and deposits are deposited with creditworthy banks with no recent history of default.

The carrying amounts of the cash and cash equivalents approximated to their fair values as at the end of the reporting period. Deposits of approximately RMB134,230,000 (31 December 2024: RMB178,568,000) have been pledged to secure letters of credit, bank acceptance bills and pending lawsuits and arbitration as at 30 June 2025.

15. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills 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)
Within 3 months	162,070	152,171
3 to 6 months	49,132	24,752
Over 6 months	6,048	2,638
Total	217,250	179,561

The trade and bills payables are non-interest-bearing and repayable within the normal operating cycle or on demand.

16. OTHER PAYABLES AND ACCRUALS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Accrued selling and marketing expenses	997,097	916,876
Accrued salaries, bonuses and welfare expenses	166,039	192,806
Contract liabilities	11,153	23,537
Taxes payable (other than income tax)	74,253	63,792
Payable to vendors of property, plant and equipment and other intangible assets	201,828	215,581
Payable for the upfront payment of license-in agreement	–	179,698
Dividends payable	547,149	–
Others	131,217	129,606
Total	2,128,736	1,721,896

Other payables are non-interest-bearing.

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current		
Bank loans – unsecured	400,239	1,993,750
Bank loans – secured	1,398,535	250,000
Subtotal – current	1,798,774	2,243,750
Bonds payable (note 18)	–	1,226,098
Total – current	1,798,774	3,469,848
Non-current		
Bank loans – secured	37,811	37,628
Total – non-current	37,811	37,628
Total	1,836,585	3,507,476

17. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Analysed into:		
Bank loans and overdrafts repayable:		
Within one year or on demand	**1,798,774**	2,243,750
In the second year	**–**	–
In the third to ninth years, inclusive	**37,811**	37,628
Total	**1,836,585**	2,281,378

The Group's interest-bearing bank borrowings as at 30 June 2025 are denominated in the following currencies:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Denominated in:		
– RMB	**1,798,774**	800,374
– HKD	**–**	721,367
– EUR	**37,811**	759,637
Total	**1,836,585**	2,281,378

Notes:

(a) For the six months ended 30 June 2025, the bank borrowings bore interest at fixed interest rates ranging from 1.70% to 2.75% (31 December 2024: 2.10% to 3.03%) per annum.

(b) Certain of the Group's bank borrowings are secured by mortgages over the Group's freehold land and buildings (note 11).

(c) The Group has entered into certain recourse factoring agreements with certain bank for financing purposes. As at 30 June 2025, trade receivables of RMB618,794,000 (31 December 2024: RMB251,803,000) had been transferred under recourse factoring agreements. Those trade receivables were derived from internal transactions within the Group and were eliminated in full on consolidation. In the opinion of the directors, such transactions did not qualify for derecognition of the relevant trade receivables and the loans received from the bank were accounted for as secured borrowings.

(d) The carrying amounts of the current bank borrowings approximate to their fair values.

18. BONDS PAYABLE

On 26 June 2023, the Company issued unsecured non-listed bonds in an aggregate amount of RMB1,200,000,000 (the "**Panda Bonds**"). The bonds were priced at par at RMB100 each, carrying interest at a fixed rate of 4.20% per annum. The Company repaid the bonds on 25 June 2025.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Bonds payable	**–**	1,226,098
Amount repayable:		
Within one year	**–**	1,226,098

19. SHARE CAPITAL

Shares	**30 June 2025 RMB'000 (Unaudited)**	31 December 2024 RMB'000 (Audited)
Issued and fully paid:		
2,399,586,412 (31 December 2024: 2,395,573,912) ordinary shares	**146**	146

19. SHARE CAPITAL (continued)

A summary of movements in the Company's issued share capital for the six months ended 30 June 2025 is as follows:

	Number of shares in issue	Share capital RMB'000 (Unaudited)	Share premium RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Ordinary shares of USD0.00001 each at 31 December 2024 and 1 January 2025	2,395,573,912	146	2,729,341	2,729,487
Shares issued upon exercise of share option	4,012,500	–*	40,409	40,409
Final 2024 dividend declared (Note 9)**	–	–	(547,149)	(547,149)
Ordinary shares of USD0.00001 each at 30 June 2025	2,399,586,412	146	2,222,601	2,222,747

	Number of shares in issue	Share capital RMB'000 (Audited)	Share premium RMB'000 (Audited)	Total RMB'000 (Audited)
Ordinary shares of USD0.00001 each at 31 December 2023 and 1 January 2024	2,438,920,412	149	3,517,283	3,517,432
Shares cancelled	(43,346,500)	(3)	(242,640)	(242,643)
Final 2023 dividend declared	–	–	(545,302)	(545,302)
Ordinary shares of USD0.00001 each at 31 December 2024	2,395,573,912	146	2,729,341	2,729,487

* The increase in share capital resulting from the share option exercises in the six months ended 30 June 2025 was less than RMB1,000.

** The Company declared the final 2024 dividend out of the Company's share premium account.

20. SHARE INCENTIVE SCHEMES

Share option scheme adopted by the Company

On 26 September 2016, a total of 20,000,000 share options, each of which entitles the holders to subscribe for one ordinary share of the Company at an exercise price of HKD9.10, under the post-initial public offering share option scheme of the Company adopted on 23 May 2015 and amended on 28 June 2016 (the "**Share Option Scheme**"), were granted to TMF (Cayman) Ltd. ("**TMF**"), as the trustee of The Empire Trust (the "**Grantee**"), a trust established by the Company for the beneficiaries who are executive directors and employees of the Group and its holding companies, and any other persons as nominated from time to time by the advisory committee of the Grantee that is established with the authority of the board of the directors of the Company. The share options will vest and become exercisable upon meeting certain vesting conditions. If the vesting conditions are not met, the share options will lapse.

On 2 February 2017, the Company and the Grantee agreed to cancel the grant of 20,000,000 share options which was approved by the board of the Company on 22 September 2016, at no consideration. By the date of cancellation, no beneficiary had been nominated by the advisory committee of the Grantee and no options had been designated to any beneficiary, and thus the Group did not recognise any share-based payment expenses in relation to the cancelled 20,000,000 share options. On the same date, a total of 20,000,000 share options, each of which entitles the holders to subscribe for one ordinary share of the Company at an exercise price of HKD7.62 (which is the higher of the closing price of HKD7.30 per share and the average closing price of HKD7.62 per share), were granted to TMF, as the trustee of the Grantee under the Share Option Scheme for the benefits of the designated beneficiaries. The share options will vest and become exercisable upon meeting certain vesting conditions. If the vesting conditions are not met, the share options will lapse.

The fair value of the share options at the grant date was estimated using a binomial option pricing model, taking into account the terms and conditions under which the share options were granted. The contractual life of each option granted is ten years. There is no cash settlement for the share options.

At the end of the reporting period, the Company had 12,473,500 share options outstanding under the Share Option Scheme, which represented approximately 0.52% of the Company's shares in issue as at that date.

As the vesting period has passed, the share options have been fully amortised for the six months ended 30 June 2025. No share options expenses were recorded in the interim condensed consolidated statement of profit or loss for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

20. SHARE INCENTIVE SCHEMES (continued)

Share award scheme adopted by the Company

Grant of share awards – 2024

As part of the Group's initiatives to recognise the contributions of the selected participants, attract suitable personnel, and provide the selected participants with a direct economic interest in establishing a long-term relationship with the Group, on 23 September 2024, the board of directors of the Company granted 40,357,688 shares as awards to 270 employees of the Group. The share awards are subject to vesting conditions, and the awarded shares will lapse if the vesting conditions are not met.

The fair value of the awarded shares on the grant date was estimated using a binomial option pricing model, which took into account the terms and conditions under which the shares were granted. There is no cash settlement for the share awards. The fair value of the share awards granted on 23 September 2024 was estimated on the grant date using the following assumptions:

Dividend yield (%)	3.00%
Expected volatility (%)	52.18 to 54.78
Risk-free interest rate (%)	2.53 to 2.69
Expected contractual life of share award (years)	4.00
Underlying share price (HKD)	5.64

The Group recorded share-based payment expenses of RMB51,497,000 in the interim condensed consolidated statement of profit or loss for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

20. SHARE INCENTIVE SCHEMES (continued)

Share award scheme adopted by the Company (continued)

Share award scheme – 2019

As part of the Group's initiatives to recognise the contributions of the selected participants, attract suitable personnel and provide the selected participants with a direct economic interest in attaining a long-term relationship between the Group and the selected participants, on 16 July 2019, the board of directors of the Company approved the adoption of the share award scheme and the award of a maximum of 10,000,000 shares to 37 independent employees of the Group. Such awards are subject to vesting conditions and the awarded shares will lapse if the vesting conditions are not met. Since 23 March 2020, a total of 9,885,448 shares have been awarded to and vested with 32 employees of the Group at nil consideration.

The fair value of the awarded shares at the grant date was estimated using a binomial option pricing model, taking into account the terms and conditions under which the awarded shares were granted. There is no cash settlement of the awarded shares. The fair value of the awarded shares granted on 23 March 2020 was estimated on the date of grant using the following assumptions:

Dividend yield (%)	–
Expected volatility (%)	44.83
Risk-free interest rate (%)	0.86
Expected contractual life of share award (years)	10.00
Underlying share price (RMB)	5.12

The 9,885,448 awarded shares were exercised entirely. No share-based payment expenses were recorded in the interim condensed consolidated statement of profit or loss for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

20. SHARE INCENTIVE SCHEMES (continued)

Share award scheme adopted by the Company (continued)

Share award granted to Dr. Zhu Zhenping

On 7 September 2020, the board of directors of the Company approved the grant of 10,000,000 shares through the share award scheme at nil consideration to Dr. Zhu. The fair value of the 10,000,000 awarded shares granted to Dr. Zhu was approximately HKD84,400,000 on the grant date. No awarded shares were exercised during the period. At the end of the reporting period, the Company had 2,750,000 awarded shares outstanding under this grant, which represented approximately 0.11% of the Company's shares in issue as at that date.

Restricted share incentive plan adopted by Sunshine Guojian

Restricted share incentive plan – 2024 & 2025

As part of the Group's initiatives to recognise the contributions of the selected participants, attract suitable personnel and provide the selected participants with a direct economic interest in attaining a long-term relationship between the Group and the selected participants, the board of directors of Sunshine Guojian approved the adoption of a restricted share incentive plan. Sunshine Guojian granted 5,174,500 restricted shares with an exercise price of RMB11.95 per share to 92 employees on 31 July 2024. The restricted shares are subject to vesting conditions, and will lapse if the vesting conditions are not met. On 25 June 2025, Sunshine Guojian further granted 1,157,000 restricted shares with an exercise price of RMB11.83 per share to 43 employees under the restricted share incentive plan.

The fair value of the restricted shares on the grant date was estimated using a binomial option pricing model, which took into account the terms and conditions under which the restricted shares were granted. There is no cash settlement for the restricted shares. The fair value of the restricted shares granted on 31 July 2024 and 25 June 2025 was estimated on the grant date using the following assumptions:

20. SHARE INCENTIVE SCHEMES (continued)

Restricted share incentive plan adopted by Sunshine Guojian (continued)

Restricted share incentive plan – 2024 & 2025 (continued)

Grant date: 31 July 2024

Dividend yield (%)	1.50
Expected volatility (%)	21.89 to 24.85
Risk-free interest rate (%)	1.53 to 1.82
Expected contractual life of share award (years)	4.00
Underlying share price (RMB)	17.86

Grant date: 25 June 2025

Dividend yield (%)	1.50
Expected volatility (%)	48.37 to 54.46
Risk-free interest rate (%)	1.37 to 1.41
Expected contractual life of share award (years)	3.00
Underlying share price (RMB)	54.50

The Group recorded share-based payment expenses of RMB8,359,000 in the interim condensed consolidated statement of profit or loss for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

20. SHARE INCENTIVE SCHEME (continued)

Restricted share incentive plan adopted by Sunshine Guojian (continued)

Restricted share incentive plan – 2021 & 2022

As part of the Group's initiatives to recognise the contributions of the selected participants, attract suitable personnel and provide the selected participants with a direct economic interest in attaining a long-term relationship between the Group and the selected participants, the board of directors of Sunshine Guojian approved the adoption of the restricted share incentive plan, involving 2,670,600 shares with an exercise price of RMB4.00 per share, of which 2,243,500 restricted shares were granted to 139 employees and 427,100 restricted shares were granted to 33 employees of Sunshine Guojian on 8 April 2021 and 16 February 2022, respectively. Vesting conditions under which the restricted shares will vest and become exercisable in batches include revenue growth rate and the progress of research and development programs from 2021 to 2023. If the vesting conditions are not met, the restricted shares will lapse.

The fair value of the restricted shares at the grant date was estimated using a binomial option pricing model, taking into account the terms and conditions under which the restricted shares were granted. There is no cash settlement of the restricted shares.

At the end of the reporting period, Sunshine Guojian had no restricted shares outstanding under the restricted share incentive plan. No share-based payment expenses were recorded in the interim condensed consolidated statement of profit or loss for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

21. CONTINGENT LIABILITIES

Arbitration of Sunshine Guojian

In July 2021, Aohai Biotechnology (Shanghai) Co., Ltd. ("**Aohai**") filed an arbitration application with Shanghai International Economic and Trade Arbitration Commission for a dispute with regard to its collaboration with Sunshine Guojian and the application has been accepted. Aohai requested to terminate its cooperation agreement with Sunshine Guojian signed in December 2015 with a compensation of RMB131.4 million. In August 2021, Sunshine Guojian received the dispute notice with a compensation of RMB131.1 million. In December 2022, Aohai altered the dispute application with a compensation of RMB401.02 million. At the date of approval of the interim condensed consolidated financial information, the arbitration is still in progress.

The directors of the Company have made an overall analysis and considered that the possibility of compensation is remote. There is no significant impact on the interim condensed consolidated financial information as at 30 June 2025.

22. COMMITMENTS

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contracted, but not provided for:		
Plant and machinery	409,421	435,272
Capital contribution payable to funds	466,667	466,667
Total	876,088	901,939

23. RELATED PARTY TRANSACTIONS

Details of the Group's principal related parties are as follows:

Company	Relationship with the Group
Shenyang Sunshine Logistics Co., Ltd. ("**Shenyang Sunshine Logistics**")	Joint venture
Tieling Staff Hospital ("**Tieling Staff Hospital**")	Associate
Dalian Huansheng Medical Management Co., Ltd. ("**Dalian Huansheng**")	Under control of certain middle management personnel of the Company
Zhejiang Sunshine Pharmaceutical Co., Ltd. ("**Zhejiang Sunshine**")	Under control of certain middle management personnel of the Company
Medical Recovery Limited ("**Medical Recovery**")	Under control of directors of the Company
Shanghai Huansheng Enterprise Consulting Co., Ltd. ("**Shanghai Huansheng**")	A non-controlling shareholder of Liaoning Sansheng Private Investment Fund Partnership (Limited Partnership)
Shanghai Sunshine Guojian Biotechnology Research Institute ("**Guojian Biotechnology**")	A private non-enterprise unit set up by Sunshine Guojian

23. RELATED PARTY TRANSACTIONS

(a) The Group had the following other transactions with related parties during the period:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Lease from Shenyang Sunshine Logistics	1,922	2,079
Services received from Dalian Huansheng	2,464	–
Lease to Guojian Biotechnology	28	28
Services received from Guojian Biotechnology	–	600
Sales of products to Tieling Staff Hospital	455	–

(b) The Group had the following loans and prepayments with related parties during the period:

		For the six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
A loan to Dalian Huansheng	(i)	12,688	12,389
Loans to Zhejiang Sunshine	(ii)	86,241	86,100
A loan to Medical Recovery	(iii)	277,641	262,658
Loans to Tieling Staff Hospital	(iv)	36,346	–
Loans to Shanghai Huansheng	(v)	12,701	–

23. RELATED PARTY TRANSACTIONS (continued)

(b) The Group had the following loans and prepayments with related parties during the period: (continued)

Notes:

(i) It represents a loan to Dalian Huansheng with the principal amount of RMB10,000,000 at an annual interest rate of 4.35%. Pursuant to a supplemental agreement dated 27 May 2025, the interest rate was changed to 1.50% and the maturity date was extended to 26 May 2028. The accrued interest for the six months ended 30 June 2025 was RMB140,000 (for the six months ended 30 June 2024: RMB155,000).

(ii) On 8 August 2019, Shenyang Sunshine provided a loan with the principal amount of RMB30,000,000 to Zhejiang Sunshine at an annual interest rate of 3.48%. In 2023, Shenyang Sansheng exempted Zhejiang Sansheng from interest amounting to RMB4,391,000 and the nature of the loan was changed to an interest-free loan, with a principal amount of RMB30,000,000. Pursuant to a supplemental agreement dated 7 August 2024, the maturity date was extended to 7 August 2025.

On 30 November 2020, Shenyang Sunshine provided a loan with the principal amount of RMB55,000,000 to Zhejiang Sunshine at an annual interest rate of 3.15%. In 2023, Shenyang Sansheng exempted Zhejiang Sansheng from interest amounting to RMB5,203,000 and the nature of the loan was changed to an interest-free loan and the amount of loan with no interest is RMB55,000,000. Pursuant to a supplemental agreement dated 16 December 2024, the maturity date was extended to 16 December 2025.

On 8 August 2018, Xing Sheng provided a loan of RMB1,100,000 to Zhejiang Sunshine with no maturity date and interest. Pursuant to a supplemental agreement signed in June 2025, the interest rate was changed to 2.00% and the maturity date was extended to 7 August 2028. The accrued interest from 8 August 2018 to 30 June 2025 was RMB141,000.

(iii) It represents a loan to Medical Recovery with the principal amount of USD30,000,000 at an annual interest rate of 4.00% and a maturity date of 17 July 2023, which was secured by mortgages over all assets of Medical Recovery. Pursuant to a supplemental agreement dated 17 July 2023, the maturity date was extended to 17 July 2026. The accrued interest for the six months ended 30 June 2025 was RMB4,329,000 (for the six months ended 30 June 2024: RMB3,085,000). Medical Recovery is a company set up for purposes of The Sun Shine Trust. The Sun Shine Trust is a gratuitous incentive scheme set up by certain directors of the Group and it was established prior to the listing of the Company and Medical Recovery is considered a related party of the Group.

(iv) Pursuant to a tripartite creditor's rights agreement dated 5 August 2024, Sunshine Mandi obtained the rights to two loans to Tieling Staff Hospital from a third party with the total principal amount of RMB32,700,000 and reduced the third party's loan with the same amount, it represents a loan with the principal amount of RMB27,200,000 at an annual interest rate of 4.50% and a maturity date of 31 December 2027 and a loan with the principal amount of RMB5,500,000 at an annual interest rate of 3.29% and a maturity date of 31 December 2029. The accrued interest for the six months ended 30 June 2025 was RMB577,000 and RMB85,000, respectively.

On 1 September 2024, Sunshine Mandi provided a loan with the principal amount of RMB2,380,000 to Tieling Staff Hospital at an annual interest rate of 3.29% and a maturity date of 31 December 2029. The accrued interest for the six months ended 30 June 2025 was RMB37,000.

(v) On 15 September 2024, Shenyang Sunshine provided a loan with the principal amount of RMB10,000,000 to Shanghai Huansheng at an annual interest rate of 2.50% and a maturity date of 14 September 2026. The accrued interest for the six months ended 30 June 2025 was RMB125,000.

On 22 May 2025, Shenyang Sunshine provided a loan with the principal amount of RMB2,500,000 to Shanghai Huansheng at an annual interest rate of 2.50% and a maturity date of 21 May 2027. The accrued interest for the six months ended 30 June 2025 was RMB6,000.

23. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balances with related parties:

The Group had the following significant balances with its related parties at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Due from related parties		
Medical Recovery	210,577	200,779
Tieling Staff Hospital	36,531	35,757
Shanghai Huansheng	12,574	10,070
Shenyang Sunshine Logistics	3,184	3,836
Dalian Huansheng	26	26
Total	262,892	250,468

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	5,231	5,987
Pension scheme contributions	347	388
Equity-settled compensation expenses	9,714	–
Total	15,292	6,375

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts		Fair values	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial assets				
Equity investments designated at fair value through other comprehensive income	724,154	817,951	724,154	817,951
Financial assets at fair value through profit or loss	3,094,874	3,769,187	3,094,874	3,769,187
Non-pledged time deposits: Non-current	868,231	1,621,381	870,128	1,630,866
Derivative financial instruments	2,000	8,547	2,000	8,547
Total	4,689,259	6,217,066	4,691,156	6,226,551
Financial liabilities				
Interest-bearing bank and other borrowings: Non-current	37,811	37,628	38,486	37,174
Bonds payable	–	1,226,098	–	1,226,098
Total	37,811	1,263,726	38,486	1,263,272

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The following methods and assumptions were used to estimate the fair values of those financial assets and liabilities measured at fair value:

The fair values of the non-current portion of interest-bearing bank and other borrowings, and bonds payable 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 Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2025 was assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("**EV/EBITDA**") multiple and price to earnings ("**P/E**") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the interim condensed consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent wealth management products issued by banks and other financial institutions in Mainland China. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Set out below is a summary of the significant unobservable input to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025 and 31 December 2024:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Market approach	Discount for lack of marketability	30 June 2025: (10%) to 10% (31 December 2024: (10%) to 10%	10% (31 December 2024: 10%) increase/decrease in discount would result in decrease/increase in fair value of RMB2,644,000/ RMB2,644,000, respectively (31 December 2024: RMB2,644,000/ RMB2,644,000, respectively).

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Equity investments designated at fair value through other comprehensive income:				
Listed equity investments	188,758	–	–	188,758
Unlisted equity investments	–	535,396	–	535,396
Financial assets at fair value through profit or loss:				
Treasury or cash management products	646,577	2,448,297	–	3,094,874
Derivative financial instruments	–	2,000	–	2,000
Total	835,335	2,985,693	–	3,821,028

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments: (continued)

Assets measured at fair value: (continued)

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Equity investments designated at fair value through other comprehensive income:				
Listed equity investments	281,111	–	–	281,111
Unlisted equity investments	–	536,840	–	536,840
Financial assets at fair value through profit or loss:				
Treasury or cash management products	2,354,337	1,414,850	–	3,769,187
Derivative financial instruments	–	8,547	–	8,547
Total	2,635,448	1,960,237	–	4,595,685

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

The movements in fair value measurements within Level 2 during the period are as follows:

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Equity investments at fair value through other comprehensive income:		
At 1 January	536,840	417,591
Purchases	14,623	18,259
Redemption of investments	(3,456)	(2,909)
Total losses/(gains) recognised in other comprehensive income	(12,611)	53,960
At 30 June	535,396	486,901

The Group did not have any financial liabilities measured at fair value as at 30 June 2025 and 31 December 2024.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2024: Nil).

25. EVENT AFTER THE REPORTING PERIOD

On 24 July 2025, the Company entered into a share subscription agreement with Pfizer Inc. Completion of the share subscription took place on 1 August 2025. A total of 31,142,500 ordinary shares have been issued to Pfizer Inc. at the subscription price of HKD25.2055 per share.

On 29 August 2025, the board of directors and the board of supervisors of Sunshine Guojian reviewed and approved the 2025 interim profit distribution plan, which included a cash dividend of RMB20,353,931 (equivalent to a cash dividend of RMB0.033 per share). This profit distribution plan was still subject to the approval of the general meeting of Sunshine Guojian.

26. APPROVAL OF ISSUANCE OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 29 August 2025.