**山東新華製藥股份有限公司**

**Shandong Xinhua Pharmaceutical Company Limited**

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

(Stock Code: 00719)

**2026 INTERIM RESULTS ANNOUNCEMENT**

The board of directors (the "**Board**") and directors ("**Directors**") of Shandong Xinhua Pharmaceutical Company Limited (the "**Company**") hereby announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"). The following financial information has been prepared in accordance with China Accounting Standards for Business Enterprises ("**CASBE**") as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

This announcement is published in Chinese and English. If there are any discrepancies between the Chinese version and the English version, the Chinese version shall prevail.

## I. COMPANY INFORMATION

| | |
|---|---|
| Chinese name: | 山東新華製藥股份有限公司 |
| English name: | SHANDONG XINHUA PHARMACEUTICAL COMPANY LIMITED |
| Legal representative: | Mr. He Tongqing |
| Secretary to the Board: | Mr. Cao Changqiu |
| Telephone number: | 86-533-2196024 |
| Facsimile number: | 86-533-2287508 |
| E-mail address of the Secretary to the Board: | cqcao@xhzy.com |
| Registered address: | No.1 Lutai Ave., Hi-tech Industry Development Zone, Zibo City, Shandong Province, the People's Republic of China (the "**PRC**") |
| Office address: | No. 1 Lutai Ave., Hi-tech Industry Development Zone, Zibo City, Shandong Province, the PRC |
| Postal code: | 255086 |
| Website: | http://www.xhzy.com |

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| E-mail address: | xhzy@xhzy.com |
| PRC newspaper for information disclosure: | Securities Times |
| PRC website for the publication of the interim report: | http://www.cninfo.com.cn |

Listing information:

| | | |
|---|---|---|
| H Shares: | The Stock Exchange of Hong Kong Limited (the "**SEHK**") | |
| | Stock short name: | Shandong Xinhua |
| | Stock code: | 00719 |
| A Shares: | Shenzhen Stock Exchange | |
| | Stock short name: | Xinhua Pharm |
| | Stock code: | 000756 |

## II. SUMMARY OF PRINCIPAL FINANCIAL DATA (PREPARED IN ACCORDANCE WITH CASBE)

Unit: Renminbi Yuan ("**RMB**")

| Item | Six months ended 30 June 2026 (unaudited) | Six months ended 30 June 2025 (unaudited) | Change as compared to the same period last year |
|---|---|---|---|
| Operating revenue | 4,357,548,611.17 | 4,638,804,042.98 | (6.06%) |
| Total profits | 164,942,512.39 | 263,527,198.08 | (37.41%) |
| Income tax expense | 16,987,719.37 | 32,358,726.29 | (47.50%) |
| Net profits | 147,954,793.02 | 231,168,471.79 | (36.00%) |
| Minority interest in profit and loss | (1,172,733.79) | 7,411,941.36 | (115.82%) |
| Net profits attributable to shareholders of listed company | 149,127,526.81 | 223,756,530.43 | (33.35%) |
| Net profits attributable to shareholders of listed company after deduction of non-recurring profit and loss | 147,309,628.75 | 210,859,939.48 | (30.14%) |
| Net cash flow from operating activities | 160,615,805.00 | 234,132,352.73 | (31.40%) |
| Basic earnings per share | 0.21 | 0.32 | (34.38%) |
| Diluted earnings per share | 0.21 | 0.32 | (34.38%) |
| Return on equity | 2.81% | 4.33% | Decreased by 1.52 percentage points |
| **Item** | **As at 30 June 2026 (unaudited)** | **As at 31 December 2025 (the "End of Last Year") (audited)** | **Change as compared to the End of Last Year** |
| Total assets | 9,091,421,318.23 | 9,185,695,768.16 | (1.03%) |
| Total liabilities | 3,574,912,200.83 | 3,729,969,264.92 | (4.16%) |
| Minority shareholders' equity | 245,254,737.85 | 246,973,258.72 | (0.70%) |
| Total net assets attributable to the shareholders of listed company | 5,271,254,379.55 | 5,208,753,244.52 | 1.20% |

## III. CHANGES IN SHARE CAPITAL STRUCTURE AND INFORMATION ON SHAREHOLDERS

### 1. Share capital structure

Unit: shares

| Item | 30 June 2026 | | 1 January 2026 | |
|---|---|---|---|---|
| **Class of shares** | **Number of shares** | **Percentage of the total share capital (%)** | **Number of shares** | **Percentage of the total share capital (%)** |
| **1. Total number of conditional tradable shares** | **2,810,524** | **0.40** | **2,251,999** | **0.33** |
| State-owned shares | - | - | - | - |
| Shares owned by domestic legal persons | - | - | - | - |
| Conditional tradable shares owned by senior management (A Shares) | 2,810,524 | 0.40 | 2,251,999 | 0.33 |
| Others | - | - | - | - |
| **2. Total number of unconditional tradable shares** | **693,872,911** | **99.60** | **687,524,536** | **99.67** |
| Renminbi-denominated ordinary shares (A Shares) | 498,872,911 | 71.61 | 492,524,536 | 71.40 |
| Overseas listed foreign shares (H Shares) | 195,000,000 | 27.99 | 195,000,000 | 28.27 |
| **3. Total number of shares** | **696,683,435** | **100.00** | **689,776,535** | **100.00** |

*Note:*

Share options exercisable under the third exercise period of the initial grant of the Company's 2021 A-share stock option incentive plan resulted in the issuance of 6,906,900 shares on 14 January 2026.

### 2. Shareholders' information

(1) As at 30 June 2026, the Company had on record a total of 79,885 shareholders (the "Shareholders"), including 37 holders of H Shares and 79,848 holders of A Shares.

(2) As at 30 June 2026, details of the ten largest Shareholders that held the Company's shares were as follows:

Unit: share

| **Name of Shareholders** | **Nature of Shareholders** | **% of total issued share capital** | **Number of shares held as at the end of the Reporting Period** | **Class of shares** |
|---|---|---|---|---|
| 華魯控股集團有限公司(「**華魯控股**」)[1] (Hualu Holdings Group Co. Ltd.) [i] ("**HHC**") | State-owned | 29.41 | 204,864,092 | RMB-denominated ordinary shares |
| 香港中央結算(代理人)有限公司 HKSCC Nominees Limited | H Shares | 27.81 | 193,715,637 | Overseas listed foreign shares |
| 華魯投資發展有限公司(「**華魯投資**」) Hualu Investment Development Co., Ltd ("**Hualu Investment**") | State-owned | 5.32 | 37,091,988 | RMB-denominated ordinary shares |
| 香港中央結算有限公司 HKSCC Limited | Overseas Legal Person | 0.39 | 2,684,351 | RMB-denominated ordinary shares |
| 馬強 Ma Qiang | Natural person in the territory | 0.20 | 1,368,300 | RMB-denominated ordinary shares |
| 曹仁均 Cao Renjun | Natural person in the territory | 0.12 | 825,130 | RMB-denominated ordinary shares |
| 張思蕊 Zhang Sirui | Natural person in the territory | 0.10 | 721,400 | RMB-denominated ordinary shares |
| 倪波 Ni Bo | Natural person in the territory | 0.10 | 710,000 | RMB-denominated ordinary shares |
| 劉明剛 Liu Minggang | Natural person in the territory | 0.10 | 669,900 | RMB-denominated ordinary shares |
| 王輝 Wang Hui | Natural person in the territory | 0.09 | 597,700 | RMB-denominated ordinary shares |

(3) As at 30 June 2026, the ten largest Shareholders of the unconditional tradable shares of the Company were as follows:

Unit: share

| **Name of Shareholders** | **Nature of Shareholder** | **% of total issued share capital** | **Number of unconditional listed shares as at the end of the Reporting Period** | **Class of shares** |
|---|---|---|---|---|
| 華魯控股 HHC [i] | State-owned | 29.41 | 204,864,092 | RMB-denominated ordinary shares |
| 香港中央結算(代理人)有限公司 HKSCC Nominees Limited | H Shares | 27.81 | 193,715,637 | Overseas listed foreign shares |
| 華魯投資 Hualu Investment | State-owned | 5.32 | 37,091,988 | RMB-denominated ordinary shares |
| 香港中央結算有限公司 HKSCC Limited | Overseas Legal Person | 0.39 | 2,684,351 | RMB-denominated ordinary shares |
| 馬強 Ma Qiang | Natural person in the territory | 0.20 | 1,368,300 | RMB-denominated ordinary shares |
| 曹仁均 Cao Renjun | Natural person in the territory | 0.12 | 825,130 | RMB-denominated ordinary shares |
| 張思蕊 Zhang Sirui | Natural person in the territory | 0.10 | 721,400 | RMB-denominated ordinary shares |
| 倪波 Ni Bo | Natural person in the territory | 0.10 | 710,000 | RMB-denominated ordinary shares |
| 劉明剛 Liu Minggang | Natural person in the territory | 0.10 | 669,900 | RMB-denominated ordinary shares |
| 王輝 Wang Hui | Natural person in the territory | 0.09 | 597,700 | RMB-denominated ordinary shares |

*Notes:*

(i) Such figure excludes the following shareholding interests held by corporations controlled by HHC as at 30 June 2026: (i) 37,091,988 A shares (representing approximately 5.32% of the total issued share capital of the Company) held by Hualu Investment, a direct wholly owned subsidiary of HHC; and (ii) 20,827,800 H shares (being overseas listed foreign shares) (representing approximately 2.99% of the total issued share capital of the Company) held by Well Bring Limited ("Well Bring"), an indirect wholly-owned subsidiary of HHC. Well Bring is directly wholly-owned by China Shandong Group Limited (華魯集團有限公司) which is in turn held as to 99.75% by HHC. Well Bring owns H Shares of the Company, representing approximately 2.99% of the issued share capital of the Company, the legal title of which are deposited into the clearing system of the SEHK and held by HKSCC Nominees Limited.

(ii) The following is a description of association relationship and party acting in concert in relation to the above Shareholders under applicable PRC laws and regulations: Except for Hualu Investment which is a subsidiary of HHC, to the best of their knowledge, the Directors are not aware as to whether there is any association relationship (as defined in the Rules Governing Listing of Stocks On Shenzhen Stock Exchange) amongst the remaining of the above mentioned Shareholders, nor are any of them persons acting in concert as defined in the Measures for the Administration of the Takeover of Listed Companies ("**Administration Measures for Takeover**") issued by the China Securities Regulatory Commission (the "**CSRC**"). In addition, the Directors are not aware of any association amongst the Shareholders of H Shares of the Company or if any of them are persons acting in concert as defined in the Administration Measures for Takeover. Except for Hualu Investment which is a subsidiary of HHC, to the best of their knowledge, the Directors are not aware of any association amongst the other above mentioned Shareholders of unconditional tradable shares of the Company, or any association between the Shareholders of unconditional tradable shares and the other Shareholders, or that any of them are persons acting in concert as defined in the Administration Measures for Takeover.

(iii) Save as disclosed above and so far as the Company is aware, no other domestic shareholder directly held more than 5% of the total issued shares of the Company.

(iv) Save as disclosed above and so far as the Directors are aware, as at 30 June 2026, no other person (other than the Directors of the Company, chief executive (if applicable) or members of senior management of the Company (the "**Senior Management**" ) had an interest or short position in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the SEHK under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("**SFO**") and as recorded in the register required to be kept under section 336 of the SFO, or was otherwise a substantial Shareholder (as defined in the Listing Rules) of the Company.

## 3. Change of controlling Shareholder (as defined under the Listing Rules) of the Company during the Reporting Period

There was no change in the controlling Shareholder and actual controller of the Company during the Reporting Period.

## IV. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

The Directors and Senior Management and the number of shares of the Company ("**Shares**") held by them on the date so indicated were as follows:

Unit: share

| Name | Position | Number of Shares as at 30 June 2026 | Number of Shares as at 1 January 2026 |
|---|---|---|---|
| **Directors:** | | | |
| Mr. He Tongqing | Chairman | 503,150 | 397,550 |
| Mr. Xu Wenhui | Executive Director, General Manager | 453,200 | 347,600 |
| Mr.Zhang Chengyong | Non-executive Director | Nil | Nil |
| Mr. Hou Ning | Executive Director, Financial Controller | 540,000 | 434,400 |
| Mr. Pan Guangcheng | Independent non-executive Director | Nil | Nil |
| Mr.Zhu Jianwei | Independent non-executive Director | Nil | Nil |
| Mr. Ling Peixue | Independent non-executive Director | Nil | Nil |
| Ms. Cheung Ching Ching, Daisy | Independent non-executive Director | Nil | Nil |
| Mr. Xu Lie | Former Non-executive Director(Resigned on 31 March 2026) | 503,150 | 397,550 |
| **Other Senior Management:** | | | |
| Mr. Wei Changsheng | Deputy General Manager | 453,200 | 347,600 |
| Mr. Liu Xuesong | Deputy General Manager | 223,100 | 157,100 |
| Mr. Kou Zuxing | Deputy General Manager | 173,100 | 123,600 |
| Mr. Cao Changqiu | Secretary to the Board | 333,200 | 267,200 |
| **Total** | | **3,182,100** | **2,472,600** |

*Notes:*

(i) All interests in the Shares of the Company owned by the Directors and Senior Management of the Company are long position in A Shares.

(ii) The increase in shareholding of the Shares held by Directors and Senior Management resulted from the exercise of share options under the third exercise period of the initial grant of the 2021 A-share stock option incentive plan.

(iii) So far as the Directors and the Senior Management are aware, save as disclosed above, as at 30 June 2026, no Director, Senior Management had any interest or short position in the shares, underlying shares and /or debentures (as the case may be) of the Company or any of its associated corporations (as defined in Part XV of the SFO (Chapter 571 of the Laws of Hong Kong)) which was required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short position which any such Director, Senior Management is taken or deemed to have under such provisions of the SFO) or which was required to be entered in the register required to be kept by the Company pursuant to section 352 of the SFO or which was otherwise required to be notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules.

## V. CHAIRMAN'S STATEMENT

**To all Shareholders:**

We hereby report to the Shareholders on the operational results of the Company for the first half of the year 2026.

In the first half of the year 2026, the operating revenue of the Company and its subsidiaries (collectively referred to as the "Group") prepared under the CASBE was RMB 4,357,549,000, representing a decrease of 6.06% as compared to the same period last year. The Group recorded net profits attributable to the Shareholders of RMB 149,128,000, representing a decrease of 33.35% as compared to the same period last year.

The Board recommends not to distribute dividends for the first half of 2026, not to give bonus shares, and not to implement capitalization of public capital reserves.

## BUSINESS REVIEW

In the first half of 2026, the Group proactively responded to persistent weak market demand and intensifying competition, among other adverse factors, by accelerating its comprehensive transformation and upgrading across all operations and making every effort to cultivate its core competitiveness. During this period, all key priorities of the Group were advanced steadily.

1. The Group deepened the reform of its marketing mechanism and achieved stabilization and a rebound in preparations industry sales. During the first half of the year, the Group continued to advance reforms to the marketing model of its preparation products, resulting in a stabilization and improvement in sales within the preparations industrial division. The Company successfully won bids for 38 products comprising 58 specifications under the latest follow- up procurement for drugs included in batches 1 to 8 under the national centralized procurement programs, and achieved relatively rapid growth in sales revenue from its strategic preparation products and new products.

2. The Group anchored in the efficiency-oriented approach, and the costs of its key products continued to decline. In the first half of the year, the Company held a thematic meeting on cost reduction, efficiency improvement, and innovation breakthroughs, identifying 42 key measures for innovation and breakthroughs. Meanwhile, the Group implemented multiple measures to reduce costs and enhance efficiency, continuously lowering raw material and energy consumption while steadily optimizing and improving the technical and economic performance indicators of key products.

3. The Group accelerated the transformation to new growth drivers, and achieved notable results in new product cultivation. In the first half of the year, the Group launched 12 new products, including Valsartan Capsules and Entacapone Tablets. Its new preparation products generated sales revenue of RMB182 million, representing a growth of 92.58% year-on-year. Its new API products achieved a multiple-fold increase in sales volume in the domestic market. Its high-purity fish oil EPA made critical breakthroughs in high-end international markets, including the United States and Canada. The main structure of the plant for the High-end API Industrial Innovation Center project was completed, with equipment installation currently underway, and multiple oral liquid products successfully achieved commercial production.

4. The Group remained committed to innovation-driven development and has delivered remarkable research achievements. In the first half of the year, the Company obtained a total of 15 approvals for new products and 2 approvals for Consistency Evaluation. The Class 1 innovative drug LXH-2103 was granted clinical trial approval, the Phase I clinical trial for LXH-1211 was officially initiated, and the research and development work for OAB-14 and LXH-2301 was advanced steadily. During the Reporting Period, the Company was granted eight patents and participated in the drafting of one national standard. One project was approved under the National Science and Technology Major Project for Innovative Drug Development (2026), while another was included in the Shandong Provincial Key R&D Plan (Major Scientific and Technological Innovation Project). The Company's National Enterprise Technology Center successfully passed the accreditation review organized by the National Development and Reform Commission (NDRC), and the Company was selected as a National Intellectual Property Demonstration Enterprise (Cultivation Unit). In addition, two experts were awarded the State Council Special Government Allowance, four employees successfully passed the final evaluation for the Taishan Industry Leading Talent Program, and the Company was approved to establish one of the first batch of Engineer Workstations in Zibo.

5. The Group continuously strengthened fundamental management and risk control. During the first half of the year, the Company's Lifeline Project remained stable, with no general or more serious safety, environmental protection, or quality incidents. The Company successfully passed global quality audits conducted by several multinational corporations, including Bayer and Merck. It completed carbon emissions inventories for four production sites and prepared carbon footprint reports for 29 products. Significant progress was also made in digital and intelligent transformation. The Company maintained stringent control over the occupation of the "Two Funds", strengthened compliance and risk management, and safeguarded the security and sustainability of its development.

## PROSPECTS

The current international pharmaceutical market environment is complex and volatile, with Western countries vigorously promoting the reshoring of manufacturing, leading to significantly increased external operational uncertainties. Domestically, market competition is intensifying, and the growth rate of demand has slowed, resulting in substantial operational pressure for the Group in the second half of the year due to multiple converging factors. Meanwhile, favorable policies in the domestic pharmaceutical industry continue to be implemented and to yield benefits. The Group has a solid industrial foundation and is continuously building new momentum, with an overall development outlook that remains stable and positive.

In the second half of the year, the Group will seize opportunities, address challenges head-on, closely adhere to the objectives and tasks set at the beginning of the year, and prioritize the following key initiatives:

1. The Group will proactively plan and strive for new breakthroughs in preparation sales.

The Group will seize opportunities to ensure continued procurement, and launch the dedicated campaign titled "Key Product Director Accountability Initiative". Focusing on 20 strategic products, the Group will strengthen product knowledge training across the organization, cascade performance targets at all levels, conduct monthly product-specific performance reviews, enhance marketing incentive mechanisms, and coordinate targeted marketing efforts to accelerate sales growth of 38 bid-winning categories under the centralized procurement program.

The "one product, one strategy" mechanism will be further implemented to accelerate distribution channel penetration, strengthen terminal network development, and intensify academic promotion. The Group will speed up the development of strategic preparation products, accelerate the launch and commercialization of newly approved products, so as to rapidly build up sales volume, and cultivate new growth drivers.

Meanwhile, the Group will further deepen the reform of the marketing system and mechanism for preparations, optimize the sales force and distributor structure, and reinforce terminal control and brand-driven academic promotion.

2. The Group will drive cost reduction and efficiency enhancement to broaden its competitive moat.

The Group will launch a group-wide cost-reduction and efficiency-enhancement campaign. The Group will expedite key innovative breakthrough measures, continuously optimize manufacturing processes for flagship A PIs, and deepen lean management. Through these efforts, the Group will steadily reduce product costs and sharpen its market competitiveness.

To that end, the Group will stay firmly focused on its annual cost reduction targets, closely track raw material price trends, expand the scope of centralized and strategic procurement, accelerate the domestic substitution of imported materials, and ensure sustained cost reductions for benchmarked product varieties.

Cost control measures will be refined in line with its business model to identify specific leverage points for cost reduction and efficiency enhancement. In this way, the Group will achieve optimal cost performance.

3. The Group will accelerate the cultivation of new growth drivers and create new growth poles.

The Group will push forward with the construction of key projects such as the High-end API Industrial Innovation Center, expedite the ramp-up and performance delivery of existing international cooperation projects, and accelerate the development of its narcotic and psychotropic drug base. Through these efforts, the Group will achieve a leap from small to large scale and from basic to best-in-class capability, creating a vital new growth pole.

The Group will accelerate international expansion by actively engaging with leading multinational pharmaceutical companies to secure new cooperation projects. It will deepen its international strategic partnerships, accelerate the global market development of its own brands, and deepen integration with the global industrial chain.

The Group will also accelerate business expansion in the broader health and wellness sector. The Company will rapidly expand into health supplements, pet food, aesthetic medical products, medical devices, functional beverages, and other areas, opening up new business growth trajectories.

4. The Group will enhance its strength in scientific and technological innovation and build up corporate development potential.

The Group will accelerate R&D progress for new-product pipelines, forge ahead with clinical studies of innovative drugs including OAB-14, LXH-1211 and LXH-2103, strive to secure five marketing approvals for preparations, and complete registration filings for seven APIs. The Group will speed up the strategic transition from generic drug to innovative drug, and rapidly build a dual-track R&D system underpinned by “innovation as the priority and generics as the complement”. Leveraging AI, high-caliber R&D teams and platform development as key breakthrough vectors, the Group will gradually cultivate competitive strengths in synthetic biology, psychotropic-anaesthetic pharmaceuticals, marine drugs, neurodegenerative diseases, as well as cardiovascular and cerebrovascular therapeutic areas.

The Group will integrate its technological advancement resources, focus on technical requirements from front-line production operations, drive the development and practical deployment of new technologies, new processes and new equipment, speed up breakthroughs in key technologies, and bolster core competitiveness.

The Group will press ahead with reforms to the science and technology management system. It will establish an appraisal mechanism that links R&D outcomes, new product growth and product cost reduction. The Group will achieve deep integration of R&D, production and marketing throughout the full lifecycle covering market research, project initiation, implementation, capacity ramp up and performance delivery, and market cultivation. Through early-stage engagement and close collaboration, the Group will foster a community with shared interests and shared risks.

5. The Group will uphold the “Three Effect” Principles to boost resolve and dynamism.

The Group will further advance the Lifeline Project, conduct comprehensive hazard screening exercises, pursue optimization of work safety standardization and the dual-prevention mechanism, formulate and implement a carbon emission reduction action plan to ensure stable emissions compliance. The Group will strengthen quality system development to continuously enhance physical product quality.

The Group will accelerate digital and intelligent transformation. It will press ahead with the deployment of the ERP system and the adoption of cutting-edge technologies including AI and RPA to achieve full-link digital governance over core business operations.

The Group will strengthen integrated risk management, refine the internal control system and enforce stringent risk controls. It will exercise rigorous oversight over the “Two Funds”, optimise inventory structure and mitigate operational risks.

**Chairman**
**He Tongqing**
25 August 2026

## VI. MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the development, manufacturing and sale of chemical bulk drugs, preparations, medical intermediates and other products. The Group's profits are mainly attributable to its principal operations.

**Analysis of financial conditions and operating results in accordance with CASBE**

### 1. Analysis of Assets and Liabilities

**Assets and liabilities constituting changes**

Unit: RMB Yuan

| Item | As at 30 June 2026 (unaudited) | | As at 31 December 2025 (the "End of Last Year") (audited) | | Percentage increase or decrease | Description of changes |
|---|---|---|---|---|---|---|
| | Amounts | Proportion of total assets | Amounts | Proportion of total assets | | |
| Monetary funds | 1,510,925,609.32 | 16.62% | 1,396,482,926.22 | 15.20% | 1.42% | - |
| Accounts receivable | 968,217,189.86 | 10.65% | 862,388,584.20 | 9.39% | 1.26% | - |
| Contract assets | 213,738.99 | 0.002% | 427,899.59 | 0.005% | (0.003%) | - |
| Inventories | 1,296,025,718.61 | 14.26% | 1,318,099,539.03 | 14.35% | (0.09%) | - |
| Investment real estate | 28,077,624.31 | 0.31% | 29,714,671.93 | 0.32% | (0.01%) | - |
| Long-term equity investment | 58,529,175.90 | 0.64% | 58,191,097.56 | 0.63% | 0.01% | - |
| Fixed assets | 3,590,192,749.38 | 39.49% | 3,783,252,309.59 | 41.19% | (1.70%) | - |
| Projects under construction | 378,692,025.19 | 4.17% | 366,170,853.13 | 3.99% | 0.18% | - |
| Right-of-use assets | 3,318,418.06 | 0.04% | 2,364,683.50 | 0.03% | 0.01% | - |
| Short-term borrowing | 451,078,643.36 | 4.96% | 433,638,538.34 | 4.72% | 0.24% | - |
| Contract liability | 70,443,537.16 | 0.77% | 149,301,833.29 | 1.63% | (0.86%) | - |
| Long-term borrowings | 626,000,000.00 | 6.89% | 695,319,527.08 | 7.57% | (0.68%) | - |
| Lease liabilities | 1,635,561.71 | 0.02% | 744,839.50 | 0.01% | 0.01% | - |

**Analysis of major changes of items**

Unit: RMB Yuan

| Items | As at 30 June 2026 (unaudited) | As at 31 December 2025 (the"End of Last Year") (audited) | Change as compared to the End of Last Year | Description of changes (Note ref.) |
|---|---|---|---|---|
| Notes receivable | 13,906,383.36 | 26,847,465.76 | (48.20%) | (1) |
| Other current liabilities | 15,004,466.98 | 38,586,676.11 | (61.11%) | |
| Other receivables | 17,937,300.70 | 9,501,094.17 | 128.85% | (2) |
| Contract assets | 286,277.52 | 439,963.12 | (50.05%) | (3) |
| Right-of-use assets | 3,318,418.06 | 2,364,683.50 | 40.33% | (4) |
| Lease liabilities | 1,635,561.71 | 744,839.50 | 119.59% | |
| Development cost | 18,325,534.01 | 9,764,150.95 | 87.68% | (5) |
| Contract liabilities | 59,783,672.70 | 96,837,598.29 | (52.82%) | (6) |
| Employee benefits payable | 35,889,415.31 | 73,108,770.91 | (62.87%) | (7) |
| Taxes payable | 33,404,035.88 | 23,704,353.06 | 63.85% | (8) |
| Other comprehensive income | 130,508,413.08 | 195,957,428.58 | (33.40%) | (9) |
| Special reserve | 17,286,072.97 | 12,163,037.82 | 42.12% | (10) |

**Reasons for the change of more than 30% as compared to the end of last year:**

(1) The decrease in the amount of notes receivable and other current liabilities as compared with the end of last year was mainly due to the reduction in bank acceptance bills not derecognized during the Reporting Period.

(2) The increase in other receivables as compared with the end of last year was mainly attributable to the dividend receivables of other equity instrument investment that had not been received by the end of the Reporting Period.

(3) The main reason for the decrease in contract assets compared with the end of last year is the completion of most contracts during the Reporting Period.

(4) The main reason for the increase in right-of-use assets and lease liabilities compared with the end of last year was the expansion of the leased office area for Shandong Xinhua Health Technology Co., Ltd. During the Reporting Period, which led to an increase in right-of-use assets and lease payments.

(5) The increase in development cost compared with the end of last year was mainly due to the higher investment in capitalized R&D projects during the current Reporting Period.

(6) The main reason for the decrease in contract liabilities compared with the end of last year is that the Company fulfilled contractual obligations under relevant contracts during the Reporting Period, leading to a reduction in advance payments from customers.

(7) The decrease in employee benefits payable compared with the end of last year was mainly due to a decrease in the amount of unpaid employee benefits by the end of the Reporting Period.

(8) The main reason for the increase in taxes payable compared with the end of last year is that the amount of payable value-added tax increased during the Reporting Period.

(9) The main reason for the increase in other comprehensive income compared with the end of last year is the decrease in income due to the fair value changes of other equity instruments during the Reporting Period.

(10) The main reason for the increase in special reserve compared with the end of last year is the rise in accrued but unused safety production fees during the Reporting Period.

## 2. Analysis of major changes in income statement items and research input

Unit: RMB Yuan

| Items | Six months ended 30 June 2026 (unaudited) | Six months ended 30 June 2025 (unaudited) | Change as compared to the same period last year | Description of changes (Note ref.) |
|---|---|---|---|---|
| Operating revenue | 4,357,548,611.17 | 4,638,804,042.98 | (6.06%) | - |
| Operating costs | 3,522,514,897.69 | 3,709,265,385.35 | (5.03%) | - |
| Income tax expense | 16,987,719.37 | 32,358,726.29 | (47.50%) | (1) |
| Selling expenses | 167,749,175.94 | 172,609,904.66 | (2.82%) | - |
| Administration expenses | 206,930,932.69 | 215,097,968.70 | (3.80%) | - |
| Financial expenses | 30,495,168.68 | 9,877,946.58 | 208.72% | (2) |
| Credit impairment loss | (6,248,825.30) | (9,135,931.30) | (31.60%) | (3) |
| Gain from disposal of assets | 93,383.69 | 1,711,209.17 | (94.54%) | (4) |
| Operating profit | 175,660,137.98 | 264,247,207.11 | (33.52%) | |
| Total profit | 164,942,512.39 | 263,527,198.08 | (37.41%) | (5) |
| Net profit | 147,954,793.02 | 231,168,471.79 | (36.00%) | |
| Non-operating income | 1,789,050.85 | 2,897,371.44 | (38.25%) | (6) |
| Non-operating expenses | 12,506,676.44 | 3,617,380.47 | 245.74% | (7) |
| Research and Development input | 192,323,395.30 | 202,782,438.85 | (5.16%) | - |

**Reasons for the change of more than 30% over the same period:**

(1) The main reason for the decrease in income tax expense compared with the same period last year is the reduction in total profit for the current Reporting Period.

(2) The increase in financial expenses compared with the same period last year was the impact of exchange rate fluctuations on higher foreign exchange losses during the Reporting Period.

(3) The decrease in credit impairment loss compared with the same period last year was the reduction in bad debt provisions for receivables during the Reporting Period.

(4) The decrease in gains from disposal of assets compared with the same period last year was mainly attributable to a decrease in gains from the disposal of fixed assets, etc., during the Reporting Period.

(5) The decrease in operating profit, total profit, and net profit compared with the same period last year was the fierce competition in the international and domestic markets during the Reporting Period. In order to consolidate and enhance the market share of the products, the prices of some products have decreased.

(6) The decrease in non-operating income compared with the same period last year was the reduction in the write-offs of certain long-term unpaid liabilities during the Reporting Period.

(7) The increase in non-operating expenses compared with the same period last year was the increase in asset scrapping losses and late fees during the Reporting Period.

## 3. Analysis of significant changes in cash flow statement items

Unit: RMB Yuan

| Items | Six months ended 30 June 2026 (unaudited) | Six months ended 30 June 2025 (unaudited) | Change as compared to the same period last year | Description of changes (Note ref.) |
|---|---|---|---|---|
| Net cash flow generated from operating activities | 160,615,805.00 | 234,132,352.73 | (31.40%) | (1) |
| Net cash flow generated from investing activities | (38,718,636.47) | (76,239,459.99) | 49.21% | (2) |
| Net cash flow generated from financing activities | (7,870,431.61) | (136,716,259.62) | 94.24% | (3) |
| Net increase in cash and cash equivalents | 107,152,952.34 | 26,955,253.96 | 297.52% | (4) |

**Reasons for the change of more than 30% over the same period:**

(1) The main reasons for the decrease in net cash flow from operating activities compared with the same period of last year are: firstly, during the Reporting Period, in order to reasonably control the scale of liabilities and optimize the liability structure, the amount of payable bank acceptance bills redeemed increased year-on-year; secondly, the net profit for the Reporting Period has decreased compared to the same period last year.

(2) The main reason for the decrease in net cash flow from investing activities compared with the same period of last year is the decrease in cash paid for the purchase of fixed assets and other expenses during the Reporting Period.

(3) The main reason for the increase in the net cash flow generated from financing activities compared with the same period last year is that, during the Reporting Period, the Company was rational in its capital raising activities which optimized its debt structure.

(4) The key reasons for the year-over-year net increase in cash and cash equivalents are as set forth under (1), (2) and (3) above.

**The Group's main operations classified by industry, product and geographical location in accordance with CASBE are as follows (RMB):**

| Items | Operating revenue | Operating costs | Gross profit rate | Change in operating revenue as compared to the same period last year | Change in operating costs as compared to the same period last year | Change in gross profit rate as compared to the same period last year |
|---|---|---|---|---|---|---|
| **By industry** | | | | | | |
| Chemical bulk drugs | 1,244,863,331.72 | 794,597,639.01 | 36.17% | (16.42%) | (15.24%) | Decreased by 0.89 percentage points |
| Preparations | 1,961,851,337.94 | 1,601,954,970.33 | 18.34% | (4.67%) | (4.47%) | Decreased by 0.17 percentage points |
| Medical intermediates and other products | 1,150,833,941.51 | 1,125,962,288.35 | 2.16% | 5.43% | 2.84% | Increased by 2.47 percentage points |
| **Total** | 4,357,548,611.17 | 3,522,514,897.69 | 19.16% | (6.06%) | (5.03%) | Decreased by 0.88 percentage points |
| | | | | | | By product |
| Antipyretic and analgesic active pharmaceutical ingredients | 1,244,863,331.72 | 794,597,639.01 | 36.17% | (16.42%) | (15.24%) | Decreased by 0.89 percentage points |
| Preparations such as tablets, injections, capsules etc. | 1,961,851,337.94 | 1,601,954,970.33 | 18.34% | (4.67%) | (4.47%) | Decreased by 0.17 percentage points |
| Medical intermediates and others | 1,150,833,941.51 | 1,125,962,288.35 | 2.16% | 5.43% | 2.84% | Increased by 2.47 percentage points |
| **Total** | 4,357,548,611.17 | 3,522,514,897.69 | 19.16% | (6.06%) | (5.03%) | Decreased by 0.88 percentage points |
| | | | | | | By geographical location |
| PRC (including Hong Kong) | 3,403,695,318.04 | 2,743,960,391.67 | 19.38% | (4.14%) | (2.90%) | Decreased by 1.04 percentage points |
| Americas | 282,631,521.28 | 223,536,811.42 | 20.91% | (35.14%) | (39.08%) | Increased by 5.12 percentage points |
| Europe | 431,224,456.88 | 348,756,238.85 | 19.12% | 7.42% | 22.40% | Decreased by 9.91 percentage points |
| Others | 239,997,314.97 | 206,261,455.75 | 14.06% | (4.30%) | (10.90%) | Increased by 6.37 percentage points |
| **Total** | 4,357,548,611.17 | 3,522,514,897.69 | 19.16% | (6.06%) | (5.03%) | Decreased by 0.88 percentage points |
| | | | | | | By sales model |
| Direct selling | 1,554,858,911.90 | 1,164,017,784.22 | 25.14% | 6.14% | (6.45%) | Increased by 10.08 percentage points |
| Distribution selling | 2,802,689,699.27 | 2,358,497,113.47 | 15.85% | (11.69%) | (4.32%) | Decreased by 6.48 percentage points |
| **Total** | 4,357,548,611.17 | 3,522,514,897.69 | 19.16% | (6.06%) | (5.03%) | Decreased by 0.88 percentage points |

**Analysis of profit composition as compared to 2025 is as follows:**

| Items | Amount (RMB Yuan) | | Percentage of the total profit (%) | |
|---|---|---|---|---|
| | Six months ended 30 June 2026 (unaudited) | 2025 (audited) | Six months ended 30 June 2026 (unaudited) | 2025 (audited) |
| **Operating profits** | 175,660,137.98 | 363,984,851.26 | 106.50 | 101.41 |
| **Net non-operating revenue** | (10,717,625.59) | (5,068,348.08) | (6.50) | (1.41) |
| **Total profits** | 164,942,512.39 | 358,916,503.18 | 100.00 | 100.00 |

There was no significant change in the profit composition in the Reporting Period compared to the same period in the previous year.

**Liquidity and analysis of financial resources and capital structure**

As at 30 June 2026, the Group's (i) current ratio was 153.72%; (ii) the quick ratio was 106.57%; and (iii) the turnover rate of accounts receivable (calculated as annualized operating revenue / average net accounts receivable × 100%) and the rate of inventory turnover (calculated as annualized operating costs / average net inventories × 100%) were 952.15% and 539.00% respectively.

The Group's current ratio and quick ratio increased compared with the end of last year, mainly due to the improvement of our operational management level, strengthening the efficiency of sales receipts and fund recovery, and the increase in current assets during the Reporting Period. At the same time, we have optimized our liability structure, effectively reducing liquidity risk, and the Group's capital demand did not have obvious seasonal patterns.

The Group's main sources of funds were loans and operating profits. As at 30 June 2026, the Group's total borrowing amounted to RMB 1,409,880,000. As at 30 June 2026, the Group's monetary funds amounted to RMB 1,510,926,000. The Group is in good credit condition and has sufficient bank credit line available to meet the demand for working capital.

As of 30 June 2026, the Company and its subsidiaries have allocated RMB 95,909,000 and RMB 16,617,000 respectively as bank acceptance bill margin deposits. The subsidiaries have also utilized RMB 8,038,000 in restricted funds such as time deposits. The Group's receivable notes amount to RMB 9,115,000 and accounts receivable total RMB 800,000, both remaining unconfirmed. Apart from these, the Group holds no other collateral assets.

The Group did not have any material investment, acquisitions or any disposals of assets during the Reporting Period.

The breakdown of the Group's results is set out in the section headed "Analysis of financial conditions and operating results in accordance with CASBE".

As at 30 June 2026, the number of the Group's employees was 7,015. The total employee salaries in the first half of 2026 amounted to RMB 357,286,000.

As at 30 June 2026, the Group's asset-liability ratio (i.e., total liabilities / total assets × 100%) was 39.32%.

The Group's current bank deposits will mainly be used as working capital for project construction, production and operation.

As at 30 June 2026, the Group had a gross gearing ratio (i.e., gross liabilities divided by adjusted capital) of 26.75%, and a net gearing ratio (i.e., net liabilities divided by adjusted capital) of (1.92%). For this purpose, "gross liabilities" is defined as total borrowings and "net liabilities" is defined as total borrowings less cash and cash equivalents, and "adjusted capital" is defined as all components of equity attributable to Shareholders, other than designated reserves.

The Group's assets and liabilities were recorded in RMB. In the first half of 2026, the Group recorded export revenue in the amount of USD 129,844,000, which exposed the Group to the risks associated with exchange rate fluctuations. Therefore, the Group has taken the following major measures to lower the risks of exchange rate fluctuations: (1) the Group will adequately consider the impact of exchange rate fluctuations when signing sales contracts for export business, and set settlement price reasonably; (2) the Group will promote cross-border RMB settlement and increase the proportion of RMB settlement in its export business; and (3) the Group will pay close attention to changes in exchange rates, settle foreign exchange in a timely manner, and properly control the scale of foreign currency assets and liabilities.

## VII. IMPORTANT MATTERS

**Save as disclosed herein:**

1. The Company has generally complied with PRC regulatory documents concerning corporate governance applicable to listed companies.

2. The Plan for Profit Distribution for Year 2025 has been approved at the annual general meeting of the Company for the year 2025.

3. The Board recommends not to distribute dividends for the first half of 2026, not to give bonus shares, and not to implement capitalization of public capital reserves.

   During the six months ended 30 June 2025, the Board did not recommend any interim dividends or interim conversion of capital reserves into share capital.

4. The Group was not involved in any material litigation or arbitration, whether pending or threatened during the Reporting Period.

5. Save as disclosed under the section headed "Liquidity and analysis of financial resources and capital structure", the Group did not have any material acquisitions or disposals of assets or mergers during the Reporting Period.

6. During the Reporting Period, the Group did not have nor entered into any trust, escrow or contracting arrangements concerning the assets of the Group or that of other companies. During the Reporting Period, the Group leased assets with a value of RMB 3,318,000 from other companies; and other companies leased assets in the amount of RMB 28,078,000 from the Group.

7. The independent opinion and directions of the independent non-executive Directors in respect of the use of funds from related parties and status of external guarantees are as follows:

   During the Reporting Period, there was no appropriation of the Company's funds for non-operating uses by the controlling Shareholder and other related parties.

   The Company did not provide any guarantee in favor of the controlling Shareholder, non-legal entities or individuals, and did not prejudice the interests of the Company and its Shareholders (in particular the minority Shareholders). As of 30 June 2026, the Company did not provide any external guarantee in connection with overdue debt and the Company did not have any liability arising from any guarantee as a result of the default of a guaranteed party.

8. Disclosures that the Company or Shareholders holding more than 5% of the total number of issued shares has/have committed to make:

| Undertaking | Party involved in undertaking | Type of undertaking | Details of undertaking | Undertaking date | Term for undertaking | Particulars on the performance |
|---|---|---|---|---|---|---|
| Undertaking made on initial public offering or refinancing | HHC | Other | 1. Within six months before the price determination date for the non-public issuance of A Shares of the Company (the announcement date of the resolution of the second extraordinary meeting of the 10th session of the Board of Directors of the Company in 2021), HHC and its concert parties shall not reduce their shareholding in the Company.<br>2. HHC does not have any plan for the reduction its shareholding in the Company within six months after the completion of the non-public issuance of A Shares from the price determination date for the non-public issuance of A Shares.<br>3. HHC undertakes to strictly comply with the laws and regulations including the Securities Law of the People's Republic of China, Management Measures on Takeover of Listed Companies and the relevant regulations of the stock exchanges of the places where the shares of HHC are listed in connection with any reduction in its shares and to perform relevant information disclosure obligations concerning any changes in rights and interests.<br>4. If HHC violates the above-mentioned commitment and reduced its shareholding, HHC undertakes that all the proceeds from the reduction shall be owned by the Company and HHC shall bear all legal liabilities and consequences arising therefrom. | 9 August 2021 | Long-term | In progress |
| | HHC | Business competition | 1. There shall be no business competition between HHC and other enterprises controlled by HHC and the Company.<br>2. At all times when HHC is the controlling shareholder of the Company, HHC shall take necessary and possible measures in accordance with the law to avoid business or activities that are in competition or in conflict with the interest of the principal business of the Company, and shall procure other enterprises controlled by HHC to avoid business or activities that are in competition and conflict of interest with the principal business of the Company.<br>3. When HHC and other enterprises controlled by HHC intend to carry out new business, investment and research that may compete with the principal business of the Company, HHC shall promptly notify the Company, and the Company will have priority to develop and participate in the project. HHC shall use best endeavors to ensure that the terms of relevant transactions are fair and reasonable and on normal commercial terms with independent third parties. HHC has the ability to fulfill the above commitments. The letter of commitment took effect from the time it was signed by HHC and shall remain valid during the period when HHC has control over the Company. | 9 August 2021 | Long-term | In progress |

| Undertaking | Party involved in undertaking | Type of undertaking | Details of undertaking | Undertaking date | Term for undertaking | Particulars on the performance |
|---|---|---|---|---|---|---|
| | HHC | Other | 1. HHC undertakes not to act beyond its powers to interfere with the Company's operating and management activities or misappropriate the Company's interests.<br><br>2. From the date of issuance of the undertaking to the completion of the Company's non-public issuance of A Shares, if the State and securities regulatory authorities make other new regulatory requirements on measures for listed companies to compensate the diluted current returns, and the undertaking cannot meet the requirements of the State and securities regulations, HHC promises to issue an undertaking in accordance with the latest regulations of the State and securities regulatory authorities.<br><br>3. HHC undertakes to take relevant measures to compensate for the diluted current returns formulated by the Company and fulfill this undertaking. If any loss is caused to the Company or investors due to the breach of this undertaking or the refusal to fulfill this undertaking, HHC is willing to assume the corresponding liability and compensate the losses in accordance with the law. | 14 April 2021 | Long-term | In progress |
| | HHC | Commitment on industry competition, related transactions and capital occupation | 1. HHC shall not use the voting rights attached to its shares in the Company to manipulate the general meeting of shareholders of the Company; nor instruct the Company or its directors, supervisors or senior management personnel to cause the Company to provide or accept funds, commodities, services or other assets on unfair terms; nor engage in any conduct prejudicial to the interests of the Company and shareholders holding less than 5% of the Company's shares.<br><br>2. HHC and other companies, enterprises and entities controlled by HHC shall follow the principles of equality, altruism, fair value and fair compensation when conducting transactions with the Company and its controlled subsidiaries, ensure the fairness of transactions, and safeguard the legitimate rights and interests of the Company. The Company shall perform deliberation procedures and make timely disclosure in accordance with laws, administrative regulations, relevant provisions of China Securities Regulatory Commission and domestic stock exchanges, and the Company's articles of association in effect at that time. | 25 June 2021 | Long-term | In progress |

| Undertaking | Party involved in undertaking | Type of undertaking | Details of undertaking | Undertaking date | Term for undertaking | Particulars on the performance |
|---|---|---|---|---|---|---|
| | The Company | Other | 1. From 1 January 2018 to the date of issuance of the undertaking: except for the "Jinding Huajun" developed by Xinhua (Zibo) Real Estate Co., Ltd.* (hereinafter referred to as "**Xinhua Real Estate**"), neither the Company nor any of its subsidiaries within the scope of its consolidated statements had engaged in real estate development and operation.<br>2. Subject to the government's land supply and other issues, in 2019, the Party Committee of the Company resolved to reserve no more than 80 houses of the "Jinding Huajun" developed by Xinhua Real Estate as apartments for its experts and talents. Xinhua Real Estate canceled its qualification certificate as a real estate development enterprise on 29 June 2021, and its business scope changed on 5 July 2021 which no longer included real estate development and operation business. On 1 August 2021, the executive directors of Xinhua Real Estate resolved to approve the remaining units of the completed properties to be used as apartments for its experts and talents in accordance with the preliminary planning, and no longer be sold to external parties. On 16 December 2021, the general manager office of the Company resolved to approve the specific use plan. The Company and its subsidiaries will not use the commodity housing pre-sale permit to engage in the pre-sale and sale of properties and other related businesses.<br>3. Upon completion of the above clearance work, the Company and the enterprises controlled by the Company will no longer apply for the relevant business qualifications for real estate development and operation, and will no longer engage in real estate development and operation business in the future.<br>4. Upon implementation of subsequent procedural matters, Xinhua Real Estate will focus on the management of self-owned real estate properties, or initiate liquidation and cancellation procedures to ensure that it will no longer engage in real estate development and operation business.<br>5. The Company shall use the proceeds from the issuance in strict compliance with laws and regulations and the requirements of regulatory authorities, and will not use the proceeds from the issuance for real estate development and operation.<br>6. If relevant laws and regulations or regulatory authorities have other requirements for the Company to clean up the real estate development and operation business, the Company will strictly comply with relevant regulations and requirements.<br>7. The Company will strictly comply with the above undertakings and agree to bear the legal responsibility for breach of the undertakings. | 20 December 2021 | Long-term | In progress |

| Undertaking | Party involved in undertaking | Type of undertaking | Details of undertaking | Undertaking date | Term for undertaking | Particulars on the performance |
|---|---|---|---|---|---|---|
| | The Company | Other | 1. The Company will urge Xinhua Real Estate to proceed with the building ownership registration of the "Jinding Huajun" to ensure that Xinhua Real Estate will assist and cooperate with the purchaser to complete the building ownership registration in strict accordance with the provisions of the commodity housing sale and purchase contract.<br><br>2. In the event that the sold-out houses of the "Jinding Huajun" items are returned, Xinhua Real Estate will change such houses into self-owning in accordance with the preliminary planning and internal resolution, which will be included in the Company's expert and talent apartment plan and will not be sold to external parties. The Company will make supplemental arrangements for the properties in accordance with the specific implementation plan of the talent apartment plan.<br><br>3. In the event of future controversies or disputes in relation to the "Jinding Huajun" items, the Company will urge Xinhua Real Estate to properly handle the disputes in accordance with the provisions of relevant laws and regulations and the agreement of the commodity housing sale and purchase contract, and assist Xinhua Real Estate in implementing the relevant risk response mechanism. | 24 December 2021 | Long-term | In progress |
| | Xinhua Real Estate | Other | 1. Xinhua Real Estate shall actively promote the building ownership registration of the "Jinding Huajun" items without illegal impediment and to obtain the building ownership certificate. Xinhua Real Estate will strictly comply with the provisions of the commodity housing sale and purchase contract, assist and cooperate with the purchaser in the registration of the transfer of building ownership.<br><br>2. In the event that the sold houses of the "Jinding Huajun" items are returned, Xinhua Real Estate will transfer such houses to being self-owned according to the preliminary planning and internal resolution, which will be included in the Xinhua Real Estate's expert and talent apartment plan and will not be sold to external parties.<br><br>3. In the event of future disputes or disputes in relation to the "Jinding Huajun" items, Xinhua Real Estate will properly handle the disputes in accordance with the provisions of relevant laws and regulations and the agreement of the commodity housing sale and purchase contract. Xinhua Real Estate has formulated relevant risk response mechanism, including but not limited to setting up internal risk control specialists, and promptly reporting controversies or disputes to take specific countermeasures when they occur or may occur, and if necessary, Xinhua Real Estate will engage professional external agencies to assist in the handling. | 24 December 2021 | Long-term | In progress |

| Undertaking | Party involved in undertaking | Type of undertaking | Details of undertaking | Undertaking date | Term for undertaking | Particulars on the performance |
|---|---|---|---|---|---|---|
| | Zhang Daiming<br>Du Deping<br>Xu Lie<br>He Tongqing<br>Cong Kechun<br>Pan Guangcheng<br>Zhu Jianwei<br>Lo Wah Wai<br>Wang Xiaolong<br>Du Deqing<br>Hou Ning<br>Zheng Zhouhui<br>Wei Changsheng<br>Xu Wenhui<br>Cao Changqiu | Other | 1. Undertake not to transfer benefits received to other entities or individuals at nil consideration or on unfair terms, nor otherwise damage the interests of the Company.<br>2. Undertake to restrain his/her consumption and expenditures in discharge of duties.<br>3. Undertake not to use the assets of the Company for investment and consumption activities unrelated to the performance of his/her duties.<br>4. Undertake that the remuneration system formulated by the Board or the Remuneration Committee will be linked to the implementation of the Company's remedial measures for diluted current returns.<br>5. If the Company implements equity incentives in the future, undertake that the exercise conditions of the equity incentives will be linked to the implementation of the Company's remedial measures for returns.<br>6. (From the date of this undertaking to the completion of the non-public issuance of A Shares of the Company, if the State and securities regulatory authorities impose other new regulatory requirements on the remedial measures for the dilution of immediate returns by listed companies, and this undertaking fails to meet such requirements of the State and securities regulatory authorities) undertake to make specific commitments in accordance with the latest requirements of the State and securities regulatory authorities at that time.<br>7. As one of the responsible parties for the remedial measures, if violate or refuse to perform the undertakings, agree that the State or securities regulatory authorities shall impose relevant penalties or take relevant regulatory measures on me in accordance with the relevant regulations and rules formulated or issued by them. | 14 July 2021 | Long-term | In progress |

*Xinhua (Zibo) Real Estate Co., Ltd. had been renamed Ronghua (Zibo) Property Services Co., Ltd. and absorbed and merged by Xinhua Pharmaceutical.

9. Purchase, sale and redemption of shares:

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the Reporting Period.

10. Entrusted management of funds

During the Reporting Period, the Company has not proceeded with any entrusted management of funds. There was no entrusted management of funds that was made before the Reporting Period and was carried over to the Reporting Period.

11. Information on the equity interest in financial institutions (in RMB Yuan):

| Stock Code | Stock short name | Initial investment amount | Proportion of equity interest in investee | Book value at the end of the Reporting Period | Profit/loss over the Reporting Period | Change in shareholder's equity over the Reporting Period |
|---|---|---|---|---|---|---|
| 601328 | BANKCOMM | 14,225,318.00 | 0.01% | 52,849,456.00 | 1,384,113.28 | (5,728,782.40) |
| 601601 | China Pacific Insurance | 7,000,000.00 | 0.05% | 142,600,000.00 | 5,750,000.00 | (56,907,500.00) |
| **Total** | | **21,225,318.00** | | **195,449,456.00** | **7,134,113.28** | **(62,636,282.40)** |

12. There was no penalty or remedial action imposed on the Group during the Reporting Period.

13. Please refer to the Company's announcements dated 9 May and 15 May 2026 on the website (www.cninfo.com.cn) for the details of Investor Relations management Information of Xinhua Pharmaceutical.

14. The Group had no material contingent liabilities as at 30 June 2026.

15. On 14 January 2026, 6.9069 million stock options that have been exercised during the third exercise period of the initial grant of the Company's A share stock option incentive plan in 2021 have been registered and listed for circulation respectively. For details, please refer to the overseas regulatory announcement of the Company dated 9 January 2026, and announcement on the website (www.cninfo.com.cn) on and before 12 January 2026.

16. During the Reporting Period, there was no forfeited contribution (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) under the defined contribution plans of the Group which may be used by the Group to reduce the existing level of contributions.

17. There are no prior period adjustments due to correction of material errors in relation to the financial results of the Group during the Reporting Period.

18. For details of the accounting policy changes reviewed by the Group during this reporting period, please refer to the Announcement on Accounting Policy Changes numbered 2026-15 on March 30, 2026 on the website of Juchao Information.

19. Save as disclosed in this announcement, there were no other significant events or material changes affecting the Company and its subsidiaries after the Reporting Period up to the date of this announcement.

## VIII. CORPORATE GOVERNANCE

### COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Directors confirmed that the Company was in compliance with the Corporate Governance Code (the "**Code**") and has not deviated from the Code during the Reporting Period. The Code includes the provisions contained in Part 2 of Appendix C1 to the Listing Rules.

### AUDIT COMMITTEE

The Company has established an audit committee under the Board in accordance with Rule 3.21 of the Listing Rules.

The audit committee along with the management of the Company has reviewed the accounting standards, accounting treatments, principles and methods adopted by the Group, and considered matters regarding auditing, internal control and financial reporting; the audit committee has reviewed the unaudited interim accounts and results for the six months ended 30 June 2026.

The audit committee agreed to the accounting standards, accounting treatments, principles and methods adopted by the Group for the unaudited interim accounts and results for the six months ended 30 June 2026 and that sufficient disclosures have been made.

### REMUNERATION AND EXAMINATION COMMITTEE

During the Reporting Period, there are no material matters relating to share schemes mentioned in Chapter 17 of the Listing Rules that were reviewed and/or approved by the Remuneration Committee and the Company did not have matters relating to any grants of options or awards to the Directors or Senior Management of the Company as set out in Rule 17.03(F) and Rules 17.06B(7) and (8) of the Listing Rules.

### INDEPENDENT NON-EXECUTIVE DIRECTOR

The Company has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of a sufficient number of independent non-executive Directors and at least one independent non-executive Director with appropriate professional qualifications, or accounting or related financial management expertise. The Company has appointed four independent non-executive Directors including one female member with financial management expertise, of whom the biographical details were set out in the 2025 Annual Report of the Company.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS ("MODEL CODE")

During the Reporting Period, the Company has maintained a code of conduct regarding transactions by Directors on terms no less exacting than the required standards set out in the Model Code. After having made specific enquiries to the Directors, the Company confirms that during the Reporting Period, all Directors have complied with the required standard set out in the Model Code in relation to securities transactions and there were no instances of non-compliance with the Model Code.

## IX. FINANCIAL REPORTS PREPARED IN ACCORDANCE WITH CASBE

### Consolidated Balance Sheet

Unit: RMB Yuan

| Assets | *Notes* | 30 June 2026 (unaudited) | 31 December 2025 (audited) |
|---|---|---|---|
| **Current assets:** | | | |
| Monetary funds | | 1,510,925,609.32 | 1,396,482,926.22 |
| Notes receivable | | 13,906,383.36 | 26,847,465.76 |
| Accounts receivable | *3* | 968,217,189.86 | 862,388,584.20 |
| Receivables financing | | 311,869,233.92 | 319,240,231.72 |
| Prepayments | | 50,482,280.72 | 45,125,129.87 |
| Other accounts receivable | *4* | 18,259,573.19 | 7,978,709.35 |
| Including: Dividends receivable | | 7,134,113.28 | - |
| Inventories | | 1,296,025,718.61 | 1,318,099,539.03 |
| Contact assets | | 213,738.99 | 427,899.59 |
| Other current assets | | 55,558,167.25 | 56,882,119.72 |
| **Total current assets** | | **4,225,457,895.22** | **4,033,472,605.46** |
| **Non-current assets:** | | | |
| Long-term equity investment | | 58,529,175.90 | 58,191,097.56 |
| Other equity instrument investment | | 205,532,978.60 | 280,078,103.48 |
| Investment real estate | | 28,077,624.31 | 29,714,671.93 |
| Fixed assets | | 3,590,192,749.38 | 3,783,252,309.59 |
| Projects under construction | | 378,692,025.19 | 366,170,853.13 |
| Right-of-use assets | | 3,318,418.06 | 2,364,683.50 |
| Intangible assets | | 541,718,285.59 | 577,399,466.60 |
| Development expenditure | | 18,325,534.01 | 9,764,150.95 |
| Long-term unamortized expenses | | 4,957,548.10 | 5,995,928.71 |
| Deferred income tax assets | | 19,558,997.17 | 21,190,510.55 |
| Other non-current assets | | 17,060,086.70 | 18,101,386.70 |
| **Total non-current assets** | | **4,865,963,423.01** | **5,152,223,162.70** |
| **Total assets** | | **9,091,421,318.23** | **9,185,695,768.16** |

## Consolidated Balance Sheet (Continued)

Unit: RMB Yuan

| Liabilities and Shareholders' Equity | *Notes* | 30 June 2026 (unaudited) | 31 December 2025 (audited) |
|---|---|---|---|
| **Current liabilities:** | | | |
| Short-term borrowing | | 451,078,643.36 | 433,638,538.34 |
| Notes payable | | 536,999,778.84 | 525,783,642.79 |
| Accounts payable | *5* | 784,633,699.48 | 785,335,090.07 |
| Contract liability | | 70,443,537.16 | 149,301,833.29 |
| Payroll payable | *6* | 24,091,759.97 | 64,892,697.34 |
| Taxes and dues payable | | 39,520,825.03 | 24,120,526.47 |
| Other payables | | 495,048,860.87 | 437,385,479.24 |
| Including：Dividends payable | | 109,813,114.78 | 5,310,599.53 |
| Non-current liabilities due within one year | | 332,044,588.08 | 352,157,956.11 |
| Other current liabilities | | 15,004,466.98 | 38,586,676.11 |
| **Total current liabilities** | | **2,748,866,159.77** | **2,811,202,439.76** |
| **Non-current liabilities:** | | | |
| Long-term borrowings | | 626,000,000.00 | 695,319,527.08 |
| Lease liabilities | | 1,635,561.71 | 744,839.50 |
| Long-term payables | | 24,500,000.00 | 24,500,000.00 |
| Deferred income | | 60,667,090.68 | 68,970,978.58 |
| Deferred income tax liabilities | | 109,681,888.67 | 125,669,980.00 |
| Other non-current liabilities | | 3,561,500.00 | 3,561,500.00 |
| **Total non-current liabilities** | | **826,046,041.06** | **918,766,825.16** |
| **Total liabilities** | | **3,574,912,200.83** | **3,729,969,264.92** |
| **Shareholders' equity:** | | | |
| Capital Stock | | 696,683,435.00 | 689,776,535.00 |
| Capital reserve | *7* | 1,275,945,530.93 | 1,204,650,327.11 |
| Other comprehensive income | *8* | 130,508,413.08 | 195,957,428.58 |
| Special reserve | | 17,286,072.97 | 12,163,037.82 |
| Surplus reserve | | 459,449,822.02 | 459,449,822.02 |
| Undistributed profits | *9* | 2,691,381,105.55 | 2,646,756,093.99 |
| Total equity attributable to the shareholders of parent company | | 5,271,254,379.55 | 5,208,753,244.52 |
| Minority shareholders' equity | | 245,254,737.85 | 246,973,258.72 |
| **Total shareholders' equity** | | **5,516,509,117.40** | **5,455,726,503.24** |
| **Total of liabilities and shareholders' equity** | | **9,091,421,318.23** | **9,185,695,768.16** |

## Consolidated Income Statement

Unit: RMB Yuan

| | Item | Notes | Six months ended 30 June 2026(unaudited) | 2025(unaudited) |
|---|---|---|---|---|
| **I** | **Gross revenue** | | **4,357,548,611.17** | **4,638,804,042.98** |
| | Including: Operating revenue | *10* | 4,357,548,611.17 | 4,638,804,042.98 |
| **II** | **Total operating costs** | | **4,159,524,749.70** | **4,343,477,881.12** |
| | Including: Operating costs | *10* | 3,522,514,897.69 | 3,709,265,385.35 |
| | Taxes and surcharges | *11* | 39,139,782.42 | 34,201,506.79 |
| | Selling expenses | | 167,749,175.94 | 172,609,904.66 |
| | Administration expenses | | 206,930,932.69 | 215,097,968.70 |
| | R&D cost | | 192,694,792.28 | 202,425,169.04 |
| | Financial expenses | | 30,495,168.68 | 9,877,946.58 |
| | Including: Interest expenses | | 17,264,463.43 | 21,449,091.61 |
| | Interest income | | 2,621,550.54 | 4,546,837.79 |
| | Add: Other income | | 16,853,626.80 | 20,754,218.59 |
| | Investment income (losses to be listed with brackets) | | 7,363,123.47 | 5,879,082.58 |
| | Including: Investment return from associated corporations and joint ventures (losses to be listed with brackets) | | 338,078.34 | (1,140,099.82) |
| | Credit impairment loss (losses to be listed with brackets) | | (6,248,825.30) | ( 9,135,931.30 ) |
| | Assets impairment loss (losses to be listed with brackets) | *12* | (40,425,032.15) | (50,287,533.79) |
| | Gains from asset disposal (losses to be listed with brackets) | | 93,383.69 | 1,711,209.17 |
| **III** | **Operating profits (losses to be listed with brackets)** | | **175,660,137.98** | **264,247,207.11** |
| | Add: non-operating revenue | | 1,789,050.85 | 2,897,371.44 |
| | Less: non-operating expenditure | | 12,506,676.44 | 3,617,380.47 |
| **IV** | **Total profits (total loss to be listed with brackets)** | | **164,942,512.39** | **263,527,198.08** |
| | Less: income tax expenses | *13* | 16,987,719.37 | 32,358,726.29 |
| **V** | **Net profits (net loss to be listed with brackets)** | | **147,954,793.02** | **231,168,471.79** |
| | **(I) According to operation continuity** | | | |
| | 1. Net profits from continued operations (net losses to be listed in brackets) | | 147,954,793.02 | 231,168,471.79 |
| | 2. Net profits from discontinued operations (net losses to be listed in brackets) | | - | - |
| | **(II) According to ownership** | | | |
| | 1. Net profits attributable to shareholders of parent company | | 149,127,526.81 | 223,756,530.43 |
| | 2. Minority interest in profit or loss | | (1,172,733.79) | 7,411,941.36 |
| **VI** | **Net amount of other comprehensive income after tax** | | **(65,971,211.38 )** | **14,538,742.98** |
| | Net amount of other comprehensive income after tax attributable to the shareholders of parent company | | (65,449,015.50) | 14,653,075.21 |
| | (I) Other comprehensive income not subject to reclassification into profit or loss | | (63,363,356.15) | 14,969,770.36 |
| | Changes in fair value of other equity instruments investment | | (63,363,356.15) | 14,969,770.36 |
| | (II) Other comprehensive income to be reclassified into profit or loss | | (2,085,659.35) | (316,695.15) |
| | Conversion difference of foreign currency statement | | (2,085,659.35) | (316,695.15) |
| | Net amount of other comprehensive income after tax attributable to the minority shareholders | | (522,195.88) | (114,332.23) |
| **VII** | **Total comprehensive income** | | **81,983,581.64** | **245,707,214.77** |
| | Total comprehensive income attributable to the shareholders of parent company | | 83,678,511.31 | 238,409,605.64 |
| | Total comprehensive income attributable to the minority shareholders | | (1,694,929.67) | 7,297,609.13 |
| **VIII** | **Earnings per share:** | *14* | | |
| | (I) Basic earnings per share | | 0.21 | 0.32 |
| | (II) Diluted earnings per share | | 0.21 | 0.32 |

**SUMMARY NOTES TO THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH CASBE**

**NOTES:**

## 1. Preparation basis of the financial statements

**Preparation basis**

The financial statements of the Company have been prepared on a going-concern basis, based on transactions and items that have actually occurred and in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC, and other relevant regulations (hereinafter referred to as "**ASBE**"), and the disclosure requirements stipulated under the *Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15 — General Rules on Financial Reporting* (2023 revised) issued by the China Securities Regulatory Commission and related provisions, relevant disclosures required by the Hong Kong Companies Ordinance and the Listing Rules, and the Company's accounting policies and accounting estimates.

**Going concern**

The Group has evaluated its ability to continue operating for 12 months from the end of the Reporting Period and has not found any matter or situation raising significant doubts of its ability to operate as a going concern. Accordingly, the financial statements are prepared on a going concern basis.

## 2. Segment information

### (a) Description of segments

The Group determines business segments based on the structure of internal organization, management requirements and internal reporting system and determines reporting segments for disclosure purposes based on business segments. Business segment refers to each different business unit within the Group which satisfies the following conditions: (1) the business unit should be able to generate income and incur expenses in its regular operation; (2) the management of the Group would be able to evaluate the operating results of such business unit at regular intervals so as to decide resources allocation and conduct performance evaluation; (3) the Company would be able to obtain the relevant accounting information of such business unit, such as financial position, operating results and cash flow. If two or more business units share similar economic characteristics and meet certain conditions, these business segments would be merged into one business segment.

The Group's reporting segments are as follows:

| | |
|---|---|
| Chemical bulk drugs | Development, production and sales of chemical bulk drugs |
| Preparations | Development, production and sales of preparations (e.g. tablets and injections) |
| Medical intermediate and other products | Production and sales of medical intermediate and other products |

Information regarding the above mentioned segments is set out below.

**(b) Segment information for six months ended 30 June 2026 and six months ended 30 June 2025 are as follows (unaudited):**

***Six months ended 30 June 2026 and As at 30 June 2026(unaudited)***

Unit: RMB Yuan

| **Item** | **Chemical bulk drugs** | **Preparations** | **Medical intermediate and other products** | **Unallocated** | **Offset** | **Total** |
|---|---|---|---|---|---|---|
| Operating revenue | 1,248,499,115.08 | 2,499,553,350.42 | 1,622,428,169.13 | - | (1,012,932,023.46) | 4,357,548,611.17 |
| Include : Revenue from external customers | 1,244,863,331.72 | 1,961,851,337.94 | 1,150,833,941.51 | - | - | 4,357,548,611.17 |
| Inter-segment transaction income | 3,635,783.36 | 537,702,012.48 | 471,594,227.62 | - | (1,012,932,023.46) | - |
| Operating costs | 882,866,908.84 | 2,136,920,935.84 | 1,518,302,646.00 | - | (1,015,575,592.99) | 3,522,514,897.69 |
| Include : External transaction cost | 794,597,639.01 | 1,601,954,970.33 | 1,125,962,288.35 | - | - | 3,522,514,897.69 |
| Inter segment transaction cost | 88,269,269.83 | 534,965,965.51 | 392,340,357.65 | - | (1,015,575,592.99) | - |
| Expenses for the period | 172,557,738.16 | 237,864,994.58 | 51,934,168.46 | 135,828,403.26 | (315,234.87) | 597,870,069.59 |
| Total operating profit(total loss) | 236,618,268.38 | 94,977,859.47 | (46,073,447.95) | (111,168,808.27) | 1,306,266.35 | 175,660,137.98 |
| Total assets | 3,434,940,216.58 | 3,832,198,760.12 | 1,825,146,878.46 | 2,394,928,397.27 | (2,395,792,934.20) | 9,091,421,318.23 |
| Total liabilities | 1,069,143,819.77 | 1,925,410,016.77 | 672,710,388.61 | 1,520,575,189.54 | (1,612,927,213.86) | 3,574,912,200.83 |

***Six months ended 30 June 2025(unaudited) and As at 31 December 2025(audited)***

Unit: RMB Yuan

| Item | Chemical bulk drugs | Preparations | Medical intermediate and other products | Unallocated | Offset | Total |
|---|---|---|---|---|---|---|
| Operating revenue | 1,494,428,514.78 | 2,554,579,769.29 | 1,651,990,017.75 | - | (1,062,194,258.84) | 4,638,804,042.98 |
| Include : Revenue from external customers | 1,489,371,455.93 | 2,057,915,530.85 | 1,091,517,056.20 | - | - | 4,638,804,042.98 |
| Inter-segment transaction income | 5,057,058.85 | 496,664,238.44 | 560,472,961.55 | - | (1,062,194,258.84) | - |
| Operating costs | 1,034,911,989.50 | 2,192,907,493.09 | 1,558,509,595.63 | - | (1,077,063,692.87) | 3,709,265,385.35 |
| Include : External transaction cost | 937,447,707.60 | 1,676,918,880.50 | 1,094,898,797.25 | - | - | 3,709,265,385.35 |
| Inter segment transaction cost | 97,464,281.90 | 515,988,612.59 | 463,610,798.38 | - | (1,077,063,692.87) | - |
| Expenses for the period | 187,229,752.22 | 251,438,857.97 | 45,290,680.15 | 116,482,632.31 | (430,933.67) | 600,010,988.98 |
| Total operating profit(total loss) | 320,510,416.62 | 102,684,616.64 | (70,159,791.08) | (89,849,331.14) | 1,061,296.07 | 264,247,207.11 |
| Total assets | 3,388,985,059.36 | 3,752,602,271.26 | 1,817,935,208.71 | 2,412,659,288.47 | (2,186,486,059.64) | 9,185,695,768.16 |
| Total liabilities | 1,200,940,459.65 | 1,794,777,454.64 | 618,413,583.44 | 1,516,903,683.11 | (1,401,065,915.92) | 3,729,969,264.92 |

## 3. Accounts receivable

| Item | 30 June 2026 | 31 December 2025 |
|---|---|---|
| | RMB Yuan(unaudited) | RMB Yuan(audited) |
| Accounts receivable | 1,020,633,141.33 | 908,700,955.37 |
| *Less*: provision for bad debts for accounts receivable | 52,415,951.47 | 46,312,371.17 |
| **Total** | **968,217,189.86** | **862,388,584.20** |

Ageing analysis of accounts receivable based on transaction date is as follows:

| Account age | 30 June 2026 | 31 December 2025 |
|---|---|---|
| | RMB Yuan(unaudited) | RMB Yuan(audited) |
| 0-1 year (including 1 year) | 948,817,590.07 | 852,155,566.33 |
| Over 1 year to 2 years (including 2 years) | 18,720,786.15 | 9,924,315.57 |
| Over 2 year to 3 years (including 3 years) | 678,813.64 | 308,702.30 |
| **Total** | **968,217,189.86** | **862,388,584.20** |

## 4. Other accounts receivable

| Item | 30 June 2026 | 31 December 2025 |
|---|---|---|
| | **RMB Yuan (unaudited)** | **RMB Yuan (audited)** |
| Other accounts receivable | 27,397,144.36 | 16,898,641.59 |
| *Less:* provision for bad debts of other accounts receivable | 9,137,571.17 | 8,919,932.24 |
| **Total** | **18,259,573.19** | **7,978,709.35** |

Ageing analysis of other receivables based on transaction date is as follows:

| Account age | 30 June 2026 | 31 December 2025 |
|---|---|---|
| | **RMB Yuan (unaudited)** | **RMB Yuan (audited)** |
| 0-1 year (including 1 year) | 16,809,030.88 | 6,253,498.88 |
| Over 1 year to 2 years (including 2 years) | 1,287,492.17 | 1,481,290.47 |
| Over 2 years to 3 years (including 3 years) | 163,050.14 | 243,920.00 |
| **Total** | **18,259,573.19** | **7,978,709.35** |

## 5. Accounts payable

| Item | 30 June 2026 | 31 December 2025 |
|---|---|---|
| | **RMB Yuan (unaudited)** | **RMB Yuan (audited)** |
| Payment for goods | 784,633,699.48 | 785,335,090.07 |
| **Total** | **784,633,699.48** | **785,335,090.07** |

Ageing analysis of accounts payable based on transaction date is as follows:

| Account age | 30 June 2026 | 31 December 2025 |
|---|---|---|
| | **RMB Yuan (unaudited)** | **RMB Yuan (audited)** |
| 0-1 year (including 1 year) | 748,445,255.64 | 756,808,203.62 |
| Over 1 year to 2 years (including 2 years) | 26,580,595.03 | 20,178,109.36 |
| Over 2 years to 3 years (including 3 years) | 3,344,961.61 | 1,710,342.38 |
| Over 3 years | 6,262,887.20 | 6,638,434.71 |
| **Total** | **784,633,699.48** | **785,335,090.07** |

## 6. Payroll payable

### (1) Classification of payroll payable

| Item | 31 December 2025 | Increase during the first half of 2026 | Decrease during the first half of 2026 | 30 June 2026 |
|---|---|---|---|---|
| | RMB Yuan (audited) | RMB Yuan (unaudited) | RMB Yuan (unaudited) | RMB Yuan (unaudited) |
| Short-term remuneration | 64,892,697.34 | 404,235,967.52 | 445,036,904.89 | 24,091,759.97 |
| Post-employment welfare - Defined contribution plan | - | 54,892,002.04 | 54,892,002.04 | - |
| Termination benefits | - | 170,792.92 | 170,792.92 | - |
| **Total** | **64,892,697.34** | **459,298,762.48** | **500,099,699.85** | **24,091,759.97** |

### (2) Short-term remuneration

| Item | 31 December 2025 | Increase during the first half of 2026 | Decrease during the first half of 2026 | 30 June 2026 |
|---|---|---|---|---|
| | RMB Yuan (audited) | RMB Yuan (unaudited) | RMB Yuan (unaudited) | RMB Yuan (unaudited) |
| Salaries, bonuses, allowances and subsidies | 60,847,026.51 | 315,965,364.74 | 357,285,809.50 | 19,526,581.75 |
| Employee welfare expenses | - | 15,062,911.72 | 15,062,911.72 | - |
| Social insurance premiums | - | 28,959,025.40 | 28,959,025.40 | - |
| Including: Medical insurance premiums | - | 26,541,711.40 | 26,541,711.40 | - |
| Work-related injury insurance premiums | - | 2,417,314.00 | 2,417,314.00 | - |
| Housing provident fund | - | 30,960,579.00 | 30,960,579.00 | - |
| Labour union expenditure & personnel education fund | 4,045,670.83 | 6,998,474.16 | 6,478,966.77 | 4,565,178.22 |
| Other Short-term remuneration | - | 6,289,612.50 | 6,289,612.50 | - |
| **Total** | **64,892,697.34** | **404,235,967.52** | **445,036,904.89** | **24,091,759.97** |

(3) Defined contribution plan

| Item | 31 December 2025 | Increase during the first half of 2026 | Decrease during the first half of 2026 | 30 June 2026 |
|---|---|---|---|---|
| | RMB Yuan (audited) | RMB Yuan (unaudited) | RMB Yuan (unaudited) | RMB Yuan (unaudited) |
| Basic endowment insurance | - | 52,594,416.10 | 52,594,416.10 | - |
| Unemployment insurance premium | - | 2,297,585.94 | 2,297,585.94 | - |
| **Total** | **-** | **54,892,002.04** | **54,892,002.04** | **-** |

## 7. Capital reserve

| Item | 31 December 2025 | Increase during the first half of 2026 | Decrease during the first half of 2026 | 30 June 2026 |
|---|---|---|---|---|
| | RMB Yuan (audited) | RMB Yuan (unaudited) | RMB Yuan (unaudited) | RMB Yuan (unaudited) |
| Capital stock premium* | 933,932,727.58 | 80,914,333.50 | - | 1,014,847,061.08 |
| Other capital reserves** | 270,717,599.53 | 34,162,038.30 | 43,781,167.98 | 261,098,469.85 |
| **Total** | **1,204,650,327.11** | **115,076,371.80** | **43,781,167.98** | **1,275,945,530.93** |

*The capital stock premium increased by RMB 80,914,333.50 in this period, of which the increase of RMB 42,028,486.50 was due to the exercise of 6.9069 million stock options under the third exercise period of the initial grant of the 2021 A-share stock option incentive plan, the increase of RMB 38,885,847.00 is due to the premium of other capital reserves converted into capital stock premium after the exercise of stock options.

**The other capital reserves increased by RMB 34,162,038.30 in the current period, of which the increase of RMB 1,162,038.30 was attributable to the expense of accrual of the equity instrument in accordance with the Company's 2021 A-share stock option incentive plan, the increase of RMB 33,000,000.00 was due to the transfer of funds from the central government budget. The other capital reserves decreased by RMB 43,781,167.98 in the current period, of which the decrease of RMB 38,885,847.00 was attributable to the result of other capital reserves converted into capital stock premium following the exercise of stock options, of which the decrease of RMB 4,895,320.98 was due to the deduction of the remaining deferred tax assets corresponding to capital reserves after all share options under the 2021 equity incentive plan were exercised, allowed for pre-tax deduction.

## 8. Other comprehensive income

Other comprehensive income attributable to the parent company in the balance sheet:

| Item | 31 December 2025 RMB Yuan(audited) （1） | Amount incurred this period<br>Attributable to the parent company after tax(RMB Yuan) （2） | Amount incurred this period<br>Less: Amount recorded into other comprehensive income in previous period transferred to retained earnings(RMB Yuan) （3） | 30 June 2026 RMB Yuan(unaudited)（4） ＝（1）＋（2）－（3） |
|---|---|---|---|---|
| **I. Other comprehensive income unable to be reclassified into profit or loss in future** | **194,524,867.66** | **(63,363,356.15)** | **-** | **131,161,511.51** |
| Fair value variation of other equity instrument investments | 194,524,867.66 | (63,363,356.15) | - | 131,161,511.51 |
| **II. Other comprehensive income to be reclassified into profit or loss in future** | **1,432,560.92** | **(2,085,659.35)** | **-** | **(653,098.43)** |
| Conversion difference of financial statement in foreign currency | 1,432,560.92 | (2,085,659.35) | - | (653,098.43) |
| **Total Other comprehensive income** | **195,957,428.58** | **(65,449,015.50)** | **-** | **130,508,413.08** |

Other comprehensive income attributable to the parent company in the income statement:

| Item | Amount incurred this period<br>Income tax incurred this period(RMB Yuan) （1） | Less: Amount recorded into other comprehensive income in previous period transferred to profit or loss this year(RMB Yuan) （2） | Less: income tax expense(RMB Yuan) （3） | Less: Attributable to minority shareholders after tax (RMB Yuan) （4） | Attributable to the parent company after tax (RMB Yuan) （5）＝（1）－（2）－（3）－（4） |
|---|---|---|---|---|---|
| **I. Other comprehensive income unable to be reclassified into profit or loss in future** | **(74,545,124.88)** | **-** | **(11,181,768.73)** | **-** | **(63,363,356.15)** |
| Fair value variation of other equity instrument investments | (74,545,124.88) | - | (11,181,768.73) | - | (63,363,356.15) |
| **II. Other comprehensive income to be reclassified into profit or loss in future** | **(2,607,855.23)** | **-** | **-** | **(522,195.88)** | **(2,085,659.35)** |
| Conversion difference of financial statement in foreign currency | (2,607,855.23) | - | - | (522,195.88) | (2,085,659.35) |
| **Total Other comprehensive income** | **(77,152,980.11)** | **-** | **(11,181,768.73)** | **(522,195.88)** | **(65,449,015.50)** |

## 9. Undistributed profits

| Item | Six months ended 30 June 2026 RMB Yuan (unaudited) | Six months ended 30 June 2025 RMB Yuan (unaudited) |
|---|---|---|
| **Ending balance of previous year** | **2,646,756,093.99** | **2,550,434,350.37** |
| **Beginning balance of the current period** | **2,646,756,093.99** | **2,550,434,350.37** |
| Add: Net profits attributable to the parent company's shareholders in the current period | 149,127,526.81 | 223,756,530.43 |
| Less: Common stock dividends payable | 104,502,515.25 | 172,444,133.75 |
| **Ending balance of current period** | **2,691,381,105.55** | **2,601,746,747.05** |

## 10. Operating revenue and costs

(1) Operating revenue and costs

| Item | Six months ended 30 June 2026 RMB Yuan (unaudited) | | Six months ended 30 June 2025 RMB Yuan (unaudited) | |
|---|---|---|---|---|
| | **Revenue** | **Cost** | **Revenue** | **Cost** |
| Main operation | 4,291,180,493.99 | 3,456,698,232.44 | 4,578,726,106.58 | 3,628,713,872.16 |
| Other operation | 66,368,117.18 | 65,816,665.25 | 60,077,936.40 | 80,551,513.19 |
| **Total** | **4,357,548,611.17** | **3,522,514,897.69** | **4,638,804,042.98** | **3,709,265,385.35** |

(2) Revenue from contracts

Unit: RMB Yuan

| Classification of contract | Six months ended 30 June 2026<br>Operating revenue<br>(unaudited) | Six months ended 30 June 2026<br>Operating costs<br>(unaudited) |
|---|---|---|
| **Commodity type** | | |
| Among：Chemical bulk drugs | 1,244,863,331.72 | 794,597,639.01 |
| Preparations | 1,961,851,337.94 | 1,601,954,970.33 |
| Medical intermediate and other products | 1,150,833,941.51 | 1,125,962,288.35 |
| **Classification by operating regions** | | |
| Among：China (including Hong Kong) | 3,403,695,318.04 | 2,743,960,391.67 |
| Americas | 282,631,521.28 | 223,536,811.42 |
| Europe | 431,224,456.88 | 348,756,238.85 |
| Others | 239,997,314.97 | 206,261,455.75 |
| **Classification by contract performance obligation** | | |
| Among：Recognition of revenue at a certain point in time | 4,301,010,336.10 | 3,479,296,651.40 |
| Recognition of revenue within a certain period | 52,667,646.69 | 43,098,395.49 |
| Rental income | 3,870,628.38 | 119,850.80 |
| **Classification by sales model** | | |
| Among：Direct selling model | 1,554,858,911.90 | 1,164,017,784.22 |
| Distribution model | 2,802,689,699.27 | 2,358,497,113.47 |
| **Total** | **4,357,548,611.17** | **3,522,514,897.69** |

(3) Information related to performance of contractual obligations

The Group, as the primary responsible party, fulfills its supply obligations in accordance with customer requirements for product categories and standards in a timely manner. For sales contracts within China, the control of the goods is transferred to the customer when the goods are delivered to the agreed location and the customer confirms receipt of the goods. For sales contracts outside China, the customer obtains control of the relevant goods when the products are custom-exported, and the Group obtains the customs declaration and bill of lading (or airway bill).

The payment terms of different customers and products are different. Some sales of the Group are carried out in the form of advance receipts, while the rest of the sales are granted with a credit period of a certain duration.

(4) Information related to the transaction price allocated to remaining performance obligations

At the end of the Reporting Period, the amount of revenue where contracts were signed but unfulfilled or with uncompleted performance obligation was RMB 70,443,537.16, and of this amount RMB 59,150,191.96 is expected to be recognized within the next 1 year.

(5) The recognized income of the current period includes the amount of RMB 134,679,927.72 which has been included in the contractual liabilities at the end of the previous year.

## 11. Taxes and surcharges

| Item | Six months ended 30 June 2026<br>RMB Yuan<br>(unaudited) | Six months ended 30 June 2025<br>RMB Yuan<br>(unaudited) |
|---|---|---|
| Property tax | 11,259,809.01 | 11,146,442.92 |
| City maintenance and construction tax | 11,493,697.62 | 9,908,264.94 |
| Educational surcharges | 8,209,490.59 | 7,074,124.31 |
| Land use tax | 4,960,773.52 | 2,383,350.59 |
| Stamp duty and others | 3,216,011.68 | 3,689,324.03 |
| **Total** | **39,139,782.42** | **34,201,506.79** |

## 12. Assets impairment loss

| Item | Six months ended 30 June 2026<br>RMB Yuan<br>(unaudited) | Six months ended 30 June 2025<br>RMB Yuan<br>(unaudited) |
|---|---|---|
| Impairment loss of contract assets | 1,076.18 | 193,664.40 |
| Inventory impairment loss | (40,426,108.33) | (50,481,198.19) |
| **Total** | **(40,425,032.15)** | **(50,287,533.79)** |

## 13. Income tax expenses

(1) Income tax expenses

| Item | Six months ended 30 June 2026<br>RMB Yuan<br>(unaudited) | Six months ended 30 June 2025<br>RMB Yuan<br>(unaudited) |
|---|---|---|
| The current income tax calculated in accordance with the tax law and related regulations | **11,401,620.45** | **17,068,653.22** |
| -PRC enterprise income tax | 11,393,568.91 | 17,058,890.57 |
| -Hong Kong profits tax | 8,051.54 | 9,762.65 |
| Deferred income tax expenses | (3,174,809.21) | 5,365,550.90 |
| Prior annual income tax adjustments | 8,760,908.13 | 9,924,522.17 |
| **Total** | **16,987,719.37** | **32,358,726.29** |

(2) Adjustment process between accounting profits and income tax expenses

| Item | Six months ended 30 June 2026 |
|---|---|
| | **RMB Yuan (unaudited)** |
| **Profit before tax** | **164,942,512.39** |
| Income tax expense calculated at the applicable tax rate (total profit*15%) | 24,741,376.86 |
| The impact of different tax rates applicable to certain subsidiaries | 1,491,076.71 |
| Adjustment for income tax in prior year | 8,760,908.13 |
| Non-taxable income | (1,120,828.74) |
| Tax impact of using unrecognized deductible losses and deductible temporary differences in previous years | (6,141,556.61) |
| Tax impact of unrecognized deductible losses and deductible temporary differences | 2,233,208.18 |
| Impact of super-deduction of research and development expenses | (12,976,465.16) |
| **Income tax expenses** | **16,987,719.37** |

## 14. Earnings per share

### (1) Basic earnings per share

The basic earnings per share was calculated by dividing the net profit attributable to the shareholders of the parent company, RMB 149,127,526.81 (the same period in 2025: RMB 223,756,530.43) by the weighted average of outstanding ordinary shares issued by the Company of 696,190,085.00 shares (the same period in 2025: 689,247,277.00 shares).

| Item | Six months ended 30 June 2026 | Six months ended 30 June 2025 |
|---|---|---|
| | **RMB Yuan (unaudited)** | **RMB Yuan (unaudited)** |
| Net profits attributable to shareholders of the parent company | 149,127,526.81 | 223,756,530.43 |
| Weighted average of outstanding ordinary shares issued by the Company | 696,190,085.00 | 689,247,277.00 |
| Basic earnings per share | 0.21 | 0.32 |

### (2) Diluted earnings per share

Diluted earnings per share is defined as net profit attributable to the shareholders of the parent company of RMB 149,127,526.81 (the same period in 2025: RMB 223,756,530.43) divided by the adjusted weighted average of the outstanding common shares of the Company of 696,190,085.00 (the same period in 2025: 691,262,120.00 shares).

The specific calculation of diluted earnings per share is as follows:

| Item | Six months ended 30 June 2026<br>RMB Yuan<br>(unaudited) | Six months ended 30 June 2025<br>RMB Yuan<br>(unaudited) |
|---|---|---|
| Net profit attributable to shareholders of the parent company | 149,127,526.81 | 223,756,530.43 |
| A weighted average of the Company's outstanding common shares | 696,190,085.00 | 689,247,277.00 |
| Dilutive potential ordinary share | - | 2,014,843.00 |
| Adjusted weighted average of the Company's outstanding common shares | 696,190,085.00 | 691,262,120.00 |
| Diluted earnings per share | 0.21 | 0.32 |

## 15. Dividends

The Board has not recommended any interim dividend for the six months ended 30 June 2026 (the same period in 2025: 0.00).

| **Item** | **2026** | **2025** |
|---|---|---|
| Dividends recognised as distribution in the current financial statements during the year: | | |
| 2024 final dividend: RMB 0.25 per share | - | 172,444,133.75 |
| 2025 final dividend: RMB 0.25 per share* | 104,502,515.25 | - |
| **Total** | **104,502,515.25** | **172,444,133.75** |

*The 2025 final dividend was paid in late July 2026.

## X. DOCUMENTS AVAILABLE FOR INSPECTION AND PLACE FOR INSPECTION

### (1) DOCUMENTS AVAILABLE FOR INSPECTION

(i) The Company's 2026 interim results announcement signed by the chairman of the Board.

(ii) Financial reports signed and stamped by the legal representative, the financial controller and the manager of the finance department of the Company.

### (2) PLACE FOR INSPECTION

Office of the secretary to the Board of the Company.

By Order of the Board
**Shandong Xinhua Pharmaceutical Company Limited**
**He Tongqing**
*Chairman*

25 August 2026, Zibo, PRC

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

Executive Directors:
Mr. He Tongqing (Chairman)
Mr. Xu Wenhui
Mr. Hou Ning

Non-executive Directors:
Mr. Zhang Chengyong

Independent Non-executive Directors:
Mr. Pan Guangcheng
Mr. Zhu Jianwei
Mr. Ling Peixue
Ms. Cheung Ching Ching, Daisy

*In this announcement, the English names of the PRC entities or individuals are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*