Sinco Pharmaceuticals Holdings Limited
兴科蓉医药控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 6833)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Revenue of the Group decreased by 13.7% or RMB163.3 million to RMB1,032.5 million for the Reporting Period (six months ended 30 June 2025: RMB1,195.8 million), among which revenue from sales of pharmaceutical products decreased by approximately RMB160.6 million and revenue from medical beauty services decreased by RMB2.7 million.

- In line with the decrease in the Group's revenue, the gross profit of the Group decreased by RMB6.6 million to RMB124.1 million for the Reporting Period (six months ended 30 June 2025: RMB130.7 million), while the gross profit margin increased from 10.9% to 12.0%, which was caused by the decline in the sales cost due to the decrease of the purchase cost and the appreciation of the RMB against the US$.

- During the Reporting Period, the net profit decreased by approximately RMB4.5 million to RMB19.9 million (six months ended 30 June 2025: RMB24.4 million), which was mainly due to the decrease in the total revenue.

- During the Reporting Period, net profit attributable to owners of the Company amounted to RMB19.9 million (six months ended 30 June 2025: RMB24.4 million), representing a decrease in net profit attributable to owners of the Company by RMB4.5 million.

- Basic and diluted earnings per share amounted to RMB0.0098 for the Reporting Period (six months ended 30 June 2025: RMB0.0120).

- The Board resolved not to declare any interim dividend for the Reporting Period (six months ended 30 June 2025: Nil).

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Sinco Pharmaceuticals Holdings Limited (the "**Company**") hereby announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures for the six months ended 30 June 2025 and the comparative figures as at 31 December 2025.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		For the six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
REVENUE	*4*	**1,032,475**	1,195,817
Cost of sales and services		**(908,386)**	(1,065,118)
Gross profit		**124,089**	130,699
Other income and gains	*5*	**7,608**	9,855
Selling and distribution expenses		**(37,366)**	(28,393)
Administrative expenses		**(41,557)**	(39,476)
Provision for impairment losses on trade receivables		**(4,422)**	(11,003)
Other expenses and losses		**(4,439)**	(6,671)
Finance costs	*6*	**(13,772)**	(18,455)
PROFIT BEFORE TAX	*7*	**30,141**	36,556
Income tax expense	*8*	**(10,232)**	(12,167)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		**19,909**	24,389
Earnings per share attributable to owners of the Company:			
Basic and Diluted			
– For profit for the period (RMB)	*10*	**RMB0.0098**	RMB0.0120

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**286,118**	292,126
Investment property		**5,701**	5,783
Right-of-use assets		**67,069**	66,969
Other intangible assets		**64,503**	56,653
Goodwill		**66,536**	66,536
Deferred tax assets		**5,303**	4,198
Total non-current assets		**495,230**	492,265
CURRENT ASSETS			
Inventories		**335,905**	259,562
Trade and bills receivables	*11*	**749,459**	591,569
Prepayments, other receivables and other assets		**160,366**	129,162
Pledged deposits		**114,890**	125,175
Cash and cash equivalents		**254,584**	249,199
Total current assets		**1,615,204**	1,354,667
CURRENT LIABILITIES			
Trade and bills payables	*12*	**1,201,444**	912,218
Contract liabilities		**10,635**	18,850
Other payables and accruals		**48,930**	20,383
Bank borrowings		**111,801**	179,715
Tax payables		**20,957**	17,130
Lease liabilities		**1,937**	3,189
Total current liabilities		**1,395,704**	1,151,485
NET CURRENT ASSETS		**219,500**	203,182
TOTAL ASSETS LESS CURRENT LIABILITIES		**714,730**	695,447

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**677**	901
Lease liabilities	**3,041**	485
Total non-current liabilities	**3,718**	1,386
NET ASSETS	**711,012**	694,061
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**164**	164
Reserves	**710,848**	693,897
TOTAL EQUITY	**711,012**	694,061

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The condensed consolidated financial information have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (the "**IASB**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial information have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to IFRS Accounting Standards in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial information for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards as issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial information:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referring Nature dependent Electricity[2]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[2]

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

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the nature of the services and products sold or provided, the Group has three (six months ended 30 June 2025: three) reportable operating segments as follows:

(a) the sale of imported pharmaceutical products segment;

(b) the research and manufacturing of aesthetic medicine segment; and

(c) the medical beauty services segment.

Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that other income and gains, other expenses and losses, finance costs not related to lease and charges attributable to issue of letters of credit and corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, pledged deposits, cash and cash equivalents and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude bank borrowings, deferred tax liabilities, tax payables and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

The following tables present revenue and profit (loss) information for the Group's operating segments for the six months ended 30 June 2026 and 30 June 2025.

Six months ended 30 June 2026

Segments	**Sale of imported pharmaceutical products** *RMB'000* **(Unaudited)**	**Research and manufacturing of aesthetic medicine** *RMB'000* **(Unaudited)**	**Medical beauty services** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Segment revenue *(note 4)*				
Sales to external customers	**1,025,639**	**–**	**6,836**	**1,032,475**
Segment results	**42,769**	**(2,902)**	**877**	**40,744**
Reconciliation:				
Corporate and other unallocated expenses				**(2,531)**
Other income and gains				**7,608**
Other expenses and losses				**(4,439)**
Finance costs (other than interest on lease liabilities and finance charges attributable to issue of letters of credit)				**(11,241)**
Profit before tax				**30,141**

Six months ended 30 June 2025

Segments	Sale of imported pharmaceutical products *RMB'000* (Unaudited)	Research and manufacturing of aesthetic medicine *RMB'000* (Unaudited)	Medical beauty services *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue *(note 4)*				
Sales to external customers	1,186,337	–	9,480	1,195,817
Segment results	50,156	(3,186)	4,858	51,828
Reconciliation:				
Corporate and other unallocated expenses				(2,538)
Other income and gains				9,855
Other expenses and losses				(6,671)
Finance costs (other than interest on lease liabilities and finance charges attributable to issue of letters of credit)				(15,918)
Profit before tax				36,556

The following table presents information of assets and liabilities of the Group's operating segments as at 30 June 2026 and 31 December 2025.

As at 30 June 2026

Segments	Sale of imported pharmaceutical products *RMB'000* (Unaudited)	Research and manufacturing of aesthetic medicine *RMB'000* (Unaudited)	Medical beauty services *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment assets	**1,549,830**	**110,013**	**75,799**	**1,735,642**
Reconciliation:				
Corporate and other unallocated assets				**15**
Deferred tax assets				**5,303**
Cash and cash equivalents				**254,584**
Pledged deposits				**114,890**
Total assets				**2,110,434**
Segment liabilities	**1,249,988**	**13,083**	**2,394**	**1,265,465**
Reconciliation:				
Corporate and other unallocated liabilities				**522**
Bank borrowings				**111,801**
Tax payables				**20,957**
Deferred tax liabilities				**677**
Total liabilities				**1,399,422**

As at 31 December 2025

Segments	Sale of imported pharmaceutical products *RMB'000* (Audited)	Research and manufacturing of aesthetic medicine *RMB'000* (Audited)	Medical beauty services *RMB'000* (Audited)	Total *RMB'000* (Audited)
Segment assets	1,291,497	89,089	86,984	1,467,570
Reconciliation:				
Corporate and other unallocated assets				790
Deferred tax assets				4,198
Bank balances and cash				249,199
Pledged deposits				125,175
Total assets				1,846,932
Segment liabilities	948,376	4,170	2,509	955,055
Reconciliation:				
Corporate and other unallocated liabilities				70
Bank borrowings				179,715
Tax payable				17,130
Deferred tax liabilities				901
Total liabilities				1,152,871

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
Sales of pharmaceutical products	**1,025,639**	1,186,337
Medical beauty services	**6,836**	9,480
	1,032,475	1,195,817

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2026

Segments	**Sale of imported pharmaceutical products** ***RMB'000*** **(Unaudited)**	**Medical beauty services** ***RMB'000*** **(Unaudited)**	**Total** ***RMB'000*** **(Unaudited)**
Types of goods or services			
Sales of pharmaceutical products	**1,025,639**	**–**	**1,025,639**
Medical beauty services	**–**	**6,836**	**6,836**
Total revenue from contracts with customers	**1,025,639**	**6,836**	**1,032,475**

For the six months ended 30 June 2025

Segments	Sale of imported pharmaceutical products *RMB'000* (Unaudited)	Medical beauty services *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Types of goods or services			
Sales of pharmaceutical products	1,186,337	–	1,186,337
Medical beauty services	–	9,480	9,480
Total revenue from contracts with customers	1,186,337	9,480	1,195,817

Geographical market

All revenue from contracts with customers of the Group during the Reporting Period was attributable to customers located in the Mainland China, the place of domicile of the Group's operating entities. The Group's non-current assets are all located in the Mainland China.

Timing of revenue recognition

All revenue from contracts with customers of the Group during the six months ended 30 June 2026 and 30 June 2025 were recognised when the control of the goods and services were transferred on a point in time basis.

Information about major customers

During the six months ended 30 June 2026, revenue from contracts with customers of approximately RMB537,024,000 (for the six months ended 30 June 2025: approximately RMB508,365,000) was derived from 3 (for the six months ended 30 June 2025: 3) major customers. Each of the major customers were contributed to 10% or more (for the six months period ended 30 June 2025: 10% or more) of the total revenue of the Group during the six months ended 30 June 2026.

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Distribution service income	**5,838**	5,645
Bank interest income	**1,163**	1,363
Government grants*	**94**	723
Rental income from investment property	**195**	11
Gain on disposal of subsidiaries	**–**	1,808
Others	**318**	305
	7,608	9,855

* There were no unfulfilled conditions or contingencies relating to the government grants.

6. FINANCE COSTS

	Note	For the six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Interest on lease liabilities		**161**	167
Finance charges attributable to issue of letters of credit		**2,370**	2,370
Interest on bank borrowings		**6,118**	8,418
Guarantee fee to Mr. Huang	*(a)*	**5,123**	7,500
		13,772	18,455

Note:

(a) On 30 September 2024, the Company entered into a Guarantee Agreement with Mr. Huang, the controlling shareholder of the Company, pursuant to which Mr. Huang agreed to provide guarantees to the Company or any of its designated subsidiaries for their obligations in respect of loan facilities obtained from financial institutions. The Guarantee Agreement was in effect from 30 September 2024 to 30 September 2027, with the maximum annual guarantee fee payable to Mr. Huang not exceeding RMB15,000,000. The Guarantee Fees were determined at a rate of 1.3% per annum on the total maximum principal amounts of the guarantee liabilities under the guarantee contracts signed between Mr. Huang and the respective financial institutions for the loan extended to the Company or any of its designated subsidiaries.

On 22 June 2026, Mr. Huang and the Company entered into the Side Letter, pursuant to which the Company and Mr. Huang agreed to revise the payment terms of the Guarantee Fees from annual to quarterly payments.

7. PROFIT BEFORE TAX

The Group's profit before tax was arrived at after charging:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**904,781**	1,061,234
Cost of services provided	**3,605**	3,884
Depreciation of property, plant and equipment	**11,106**	9,777
Depreciation of investment property	**82**	90
Depreciation of right-of-use assets	**3,231**	3,260
Amortisation of other intangible assets (included in administrative expenses)	**1,802**	1,576
Short-term lease payments	**261**	457

8. INCOME TAX EXPENSE

The major components of income tax expense are as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
– Mainland China	**6,168**	10,464
– Singapore	**5,393**	4,679
Total current tax	**11,561**	15,143
Deferred tax	**(1,329)**	(2,976)
	10,232	12,167

9. DIVIDENDS

During the six months ended 30 June 2026, a final dividend of HK0.167 cents per share in respect of the year ended 31 December 2025 (for the six months ended 30 June 2025: HK0.20 cents per share in respect of the year ended 31 December 2024) was declared and paid to owners of the Company. The aggregate amount of the final dividend declared and paid in the six months ended 30 June 2026 amounted to HK$3,400,000 (equivalents to approximately RMB2,958,000) (for the six months ended 30 June 2025: HK$4,000,000 (equivalents to approximately RMB3,670,000)).

Subsequent to the end of the current interim period, the Directors of the Company have resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted earnings per share attributable to owners of the Company are based on the following data:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	**19,909**	24,389

	Number of shares	
	30 June 2026	30 June 2025
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	**2,032,890,585**	2,032,890,585

No adjustment has been made to the basic earnings per share presented for the six months ended 30 June 2026 and 30 June 2025 in respect of a dilution as there is no potential ordinary shares in issue as at 30 June 2026 and 30 June 2025.

11. TRADE AND BILLS RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**747,568**	492,968
Less: Allowance for credit losses	**(17,616)**	(13,194)
Trade receivables, net of impairment	**729,952**	479,774
Bills receivables*	**19,507**	111,795
	749,459	591,569

* Bills receivables as at 30 June 2026 and 31 December 2025 were classified as financial assets at fair value through profit or loss as they were held for endorsement or discounting.

As at 30 June 2026, trade receivables of approximately RMB562,092,000 (31 December 2025: approximately RMB340,686,000) were covered by letters of credit.

An ageing analysis of the trade receivables as at the end of the Reporting Periods, based on the date of revenue recognised and net of loss allowance, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	**727,767**	479,774
Over 3 months	**2,185**	–
	729,952	479,774

12. TRADE AND BILLS PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables	**1,088,203**	658,055
Bills payables	**113,241**	254,163
	1,201,444	912,218

An ageing analysis of the trade and bills payables as at the end of the Reporting Periods, based on the issuance date of the pharmaceuticals' inspection reports, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	**1,201,444**	912,218

The Group's bills payables as at 30 June 2026 was secured by the pledge of certain of the Group's pledged deposits amounting to RMB114,890,000 (31 December 2025: RMB125,175,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the first half of 2026, the pharmaceutical industry in China remained in a phase of structural adjustment. The continuous advancement of cost control over medical insurance, the increasingly sophisticated management of medical insurance expenditure, the normalisation of centralised procurement policies, and the changes in the regulatory environment are continuously reshaping the drug utilisation patterns of medical institutions and the competitive landscape of the industry. Greater prudence in drug procurement and utilisation among medical institutions, coupled with a slowdown in the release of end demand, has weakened the overall growth momentum of the medical market.

Against this background, the blood products market continued to contract during the Reporting Period. As production capacity and market supply remained at a relatively high level while the release of clinical demand was slowing down, the supply-demand imbalance became more pronounced, and the inventory turnover cycle of the industry lengthened. Competition among domestic and overseas manufacturers further intensified, with price gradually becoming an important means in market competition. In particular, selling prices for Human Albumin Solution products remained under sustained pressure, and market competition progressively shifted from a scramble for incremental demand to a contest of comprehensive capabilities covering pricing, channels, terminal coverage and operational efficiency.

During the Reporting Period, the batch release volume of Human Albumin Solution across the country was 2,468 batches in total, representing a decrease of 61 batches as compared to 2,529 batches in the corresponding period of 2025 with a year-on-year decrease of approximately 2.4%. Among which, the batch release volume of domestically produced Human Albumin Solution was 814 batches, representing a decrease of 74 batches as compared to 888 batches in the corresponding period of 2025 with a year-on-year decrease of approximately 8.3%; the batch release volume of imported Human Albumin Solution was 1,654 batches, representing an increase of 13 batches as compared to 1,641 batches in the corresponding period of 2025 with a year-on-year increase of approximately 0.8%. Despite a decline in the total batch release volume year-on-year, the overall supply scale remained at a historically high level, with the supply of imported products remaining ample. Against the backdrop of a slowdown in the release of end demand and the lengthening of the inventory turnover cycle, the relatively high level of market supply further intensified inventory pressure across the industrial chain, prompting manufacturers to step up competition in pricing and channels, which continued to exert pressure on the overall business environment of the blood products market.

Affected by the contraction of the pharmaceutical and blood products markets, changes in the policy environment and intensified price competition among manufacturers, the Group recorded a decline in both revenue and gross profit during the Reporting Period. The decline was primarily attributable to downward pressure on selling prices of core blood products and a decrease in sales volume. The decrease in gross profit was generally in line with the trend of revenue reduction, reflecting the pressure on the profitability of the Group's biologics business exerted by the current market environment.

In the face of a complex market environment, the Group continued to adhere to its prudent operating principles and strengthened its cost and risk control. The Group further optimised the allocation of marketing resources, actively participated in volume-based procurement and alliance-based centralised procurement programmes, and implemented refined management focusing on key regions, key products and key hospitals. At the same time, the Group reinforced its sales channels and inventory management. Whilst controlling costs of sales and safeguarding cash flow, the Group strove to stabilise its sales base, enhance end-market penetration and improve channel efficiency.

During the Reporting Period, in the medical aesthetic segment, Girl Needle Type S, the polycaprolactone fillers for injection developed by the Group, had its marketing application accepted by the National Medical Products Administration in January 2026. In March 2026, the Sichuan Medical Products Administration conducted an on-site registration inspection, and in April 2026, the Group received a notice requesting supplementary information for the registration application. In addition, the Group continued to expand its Girl Needle product line by conducting exploratory trials on new indications, with such trials progressing smoothly and in an orderly manner. The Group believes that its sustained commitment to the medical aesthetic sector will inject fresh vitality into the Company's further development.

FUTURE AND OUTLOOK

Looking ahead to the second half of 2026, the pharmaceutical industry is expected to remain in a development stage characterised by concurrent structural adjustment, policy changes and intensifying competition. The long-term fundamental clinical demand for blood products remains unchanged. However, in the short term, factors such as slower release of end-market demand, continued expansion of supply capacity, prolonged inventory turnover cycle and price competition are expected to continue to affect the market. Industry competition will place greater emphasis on pharmaceutical enterprises' comprehensive capabilities in product resources, pricing, channel coverage, terminal access, supply chain management and operational efficiency.

In terms of the biologics business, the Group will maintain its focus on core blood products, paying close attention to changes in industry policies, market demand and product prices. The Group will steadily optimise its market presence, actively participate in volume-based procurement and alliance-based centralised procurement programmes, and, under compliance requirements, strengthen its coverage of key regions, key hospitals and the primary healthcare market. At the same time, the Group will enhance the synergy among procurement, sales and inventory, prudently control inventory levels and selling costs, strengthen the management of trade receivables and cash flow, and endeavour to mitigate the impact of market contraction and price fluctuations on profitability.

The Group will also continue to consolidate its marketing, promotion and channel management ("**MPCM**") capabilities, reinforce collaboration with suppliers, distributors and medical institutions, and enhance supply chain efficiency and resilience. Through refined management and operational digitalisation, the Group will seek to improve its responsiveness to market changes, maintain a stable business foundation amid fierce competition, and provide support for the long-term development of its core business.

In the field of medical aesthetic products, the supplementary research for the Girl Needle project developed by the Group is currently underway and it is expected to receive marketing approval in 2027. Meanwhile, the Group will concurrently evaluate the development pathways for more differentiated indications with a view to achieving commercialisation in the future. Based on its existing project pipeline, the Group will also increase R&D investment in new medical materials and medical aesthetic consumables to promote product diversification. The Group will closely monitor the social demand and remain committed to pursuing innovation in medical aesthetic sector, providing philocalists with compliant, safe and effective new options.

In addition, the Group will continue to enhance its capabilities in compliance management and risk prevention, refine its internal control system, and allocate resources prudently in light of the market environment and business progress. The Group will adhere to an operating strategy that places equal emphasis on prudent operations, cash flow management and risk control. Amidst a complex and ever-changing market environment, the Group will strive to strengthen its risk resilience and core competitiveness, thereby creating sustainable long-term value for Shareholders, customers and society.

FINANCIAL REVIEW

Revenue

The Group recorded revenue of RMB1,032.5 million for the Reporting Period, representing a decrease of RMB163.3 million or 13.7% as compared to RMB1,195.8 million in the corresponding period of 2025, which could be further analysed as follows:

		For the six months ended 30 June			
		2026		2025	
	Notes	***RMB million***	***% of revenue***	*RMB million*	*% of revenue*
Sales of pharmaceutical products	*1)*	**1,025.7**	**99.3**	1,186.3	99.2
Medical beauty services	*2)*	**6.8**	**0.7**	9.5	0.8
Total		**1,032.5**	**100.0**	1,195.8	100.0

Notes:

1) During the Reporting Period, revenue from the sales of pharmaceutical products was RMB1,025.7 million, representing a decrease of approximately 13.5% or RMB160.6 million as compared to the first half of 2025. Such decrease in revenue was mainly caused by the sales volume decrease in the Human Albumin Solution.

2) During the Reporting Period, revenue from medical beauty services amounted to RMB6.8 million, representing a decrease of approximately 28.4% or RMB2.7 million as compared to the first half of 2025. The decline was primarily driven by the broader economic downturn,which has led to a drop in customer numbers, lower visit frequency and reduced spending per customer.

Cost of sales

The Group recorded cost of sales of RMB908.4 million for the Reporting Period, representing a decrease of RMB156.7 million, or 14.7% as compared with RMB1,065.1 million in the corresponding period of 2025, which was in line with the decrease in sales revenue.

Gross profit and gross profit margin

During the Reporting Period, the Group recorded gross profit of RMB124.1 million, representing a decrease of RMB6.6 million as compared with RMB130.7 million in the corresponding period of 2025, in which the gross profit of the sales of pharmaceutical products decreased by RMB4.3 million and the gross profit of medical beauty services decreased by RMB2.3 million during the Reporting Period.

As compared with the corresponding period of 2025, the gross profit margin increased from 10.9% to 12.0% for the Reporting Period. The increase in gross profit margin was mainly due to the decrease of the purchase cost and the appreciation of the RMB against the US$.

Other income and gains

During the Reporting Period, other income and gains of the Group amounted to RMB7.6 million, representing a decrease of RMB2.3 million as compared with the corresponding period of 2025. The decrease was mainly due to the decrease in the gain on disposal of subsidiaries of RMB1.8 million and the government grants of RMB0.6 million.

Selling and distribution expenses

During the Reporting Period, the Group's selling and distribution expenses amounted to approximately RMB37.4 million, representing an increase of RMB9.0 million as compared with the corresponding period of 2025. The increase was mainly due to the increase in marketing and promotion expenses.

Administrative expenses

During the Reporting Period, the Group recorded administrative expenses of RMB41.6 million, representing a slight increase of RMB2.1 million as compared with the corresponding period of 2025. The increase was mainly due to the increase in the miscellaneous expenses.

Other expenses and losses

During the Reporting Period, the Group recorded other expenses and losses of RMB4.4 million, representing a decrease of RMB2.3 million as compared with the corresponding period of 2025. Other expenses and losses mainly represented the foreign exchange loss of RMB2.7 million and the bank charges of RMB1.6 million.

Finance costs

During the Reporting Period, the Group recorded finance costs of RMB13.8 million, representing a decrease of RMB4.7 million compared with the corresponding period of 2025. The decrease was mainly due to the decrease in the guarantee fee of RMB2.4 million and the interest on bank borrowings of RMB2.3 million.

Income tax expense

During the Reporting Period, the Group recorded income tax expense of RMB10.2 million, representing a decrease of RMB1.9 million as compared with the corresponding period of 2025, which was mainly due to the decrease of the profit before tax.

Profit for the Reporting Period

As a result of the foregoing, the Group recorded a net profit of RMB19.9 million, representing a decrease of RMB4.5 million as compared with the corresponding period of 2025.

Inventories

The inventory balance amounted to RMB335.9 million as at 30 June 2026 (31 December 2025: RMB259.6 million), representing an increase of RMB76.3 million as compared with the year-end balance of 2025. Such increase was due to the increase in the inventory balance of Human Albumin Solution.

The Group's average inventory turnover days increased by 7 days from 53 days for the corresponding period of 2025 to 60 days for the Reporting Period, which was mainly due to increased of inventory balance at the end of the period.

Trade and bills receivables

The balance of trade receivables amounted to RMB730.0 million as at 30 June 2026 (31 December 2025: RMB479.8 million), representing an increase of RMB250.2 million as compared with the year-end balance of 2025, which was mainly due to the increase of accounts receivable from the sales of Human Albumin Solution.

The balance of bills receivables as at 30 June 2026 was RMB19.5 million, representing a decrease of RMB92.3 million as compared with the year-end balance of 2025 of RMB111.8 million. The decrease was mainly due to a decline in customers using bank acceptance bills for payment settlement.

Prepayments, other receivables and other assets

As at 30 June 2026, the prepayments, other receivables and other assets amounted to RMB160.4 million (31 December 2025: RMB129.2 million), representing an increase of RMB31.2 million as compared with the year-end balance of 2025, mainly due to the increase of RMB9.9 million of the value-added tax recoverable and the increase in the deposit in respect of the issuance of letters of credit of RMB20.7 million.

Trade and bills payables

As at 30 June 2026, trade and bills payables amounted to RMB1,201.4 million (31 December 2025: RMB912.2 million), representing an increase of RMB289.2 million as compared with the year-end balance of 2025. The increase of trade payables was mainly due to the increase in the payables for the purchase of Human Albumin Solution.

Other payables and accruals

As at 30 June 2026, other payables and accruals amounted to RMB48.9 million (31 December 2025: RMB20.4 million), representing an increase of RMB28.5 million as compared with the year-end balance of 2025. The increase was mainly due to the increase of RMB28.3 million on the payables related to the promotion and consultation expenses.

Borrowings

As at 30 June 2026, the Group had borrowings of RMB111.8 million in total, with details set out below:

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Current:		
Interest-bearing bank borrowings	**111,801**	179,715
	111,801	179,715

Gearing ratio

At the end of the Reporting Period, the Group's gearing ratio was calculated as follows:

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Interest-bearing bank borrowings	**111,801**	179,715
Trade and bills payables	**1,201,444**	912,218
Other payables and accruals	**48,930**	20,383
Lease liabilities	**4,978**	3,674
Tax payables	**20,957**	17,130
Less: Bank balances and cash	**(254,584)**	(249,199)
Less: Pledged deposits	**(114,890)**	(125,175)
Net debt[a]	**1,018,636**	758,746
Equity	**711,012**	694,061
Equity and net debt[b]	**1,729,648**	1,452,807
Gearing ratio[a/b]	**58.9%**	52.2%

Liquidity and capital resources

The following table sets out a condensed summary of the Group's condensed consolidated statement of cash flows during the Reporting Period:

		For the six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
	Notes	**(Unaudited)**	(Unaudited)
Net cash from/(used in) operating activities	*1)*	**119,157**	(13,262)
Net cash used in investing activities	*2)*	**(14,750)**	(13,089)
Net cash used in financing activities	*3)*	**(97,085)**	(58,016)
Net increase/(decrease) in cash and cash equivalents		**7,322**	(84,367)
Effect of foreign exchange rate changes, net		**(1,937)**	8,672
Cash and cash equivalents at beginning of the period	*4)*	**249,199**	308,320
Cash and cash equivalents at end of the period	*4)*	**254,584**	232,625

Notes:

1) Net cash from/(used in) operating activities

During the Reporting Period, the Group's net cash from operating activities amounted to approximately RMB119.2 million (six months ended 30 June 2025: net cash used in operating activities of RMB13.3 million), which was mainly due to the the operating cash flow before movements in working capital of RMB66.1 million and the increase in trade and bills payables of RMB288.5 million, which was partially offset by the increase in inventories of RMB76.3 million and the increase in trade and bills receivables of RMB162.3 million.

2) Net cash used in investing activities

During the Reporting Period, the Group's net cash used in investing activities amounted to approximately RMB14.8 million, which increased by RMB1.7 million as compared with the corresponding period of 2025 (six months ended 30 June 2025: net cash outflow of RMB13.1 million). The cash used in investing activities represented the purchase of items of property, plant and equipment of RMB5.1 million and the purchase of other intangible assets of RMB9.7 million.

3) Net cash used in financing activities

During the Reporting Period, the Group's net cash used in financing activities amounted to approximately RMB97.1 million (six months ended 30 June 2025: net cash used in financing activities of RMB58.0 million), mainly due to the net repayment of bank borrowings of RMB67.9 million, the net increase in deposits in respect of issue of letters of credit of RMB20.7 million and the payment of interest and dividend of RMB16.6 million, which was partially offset by the net withdraw of pledged deposits of RMB10.3 million.

4) The following table sets out the Group's pledged deposits and cash and cash equivalents at the end of the Reporting Period:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Denominated in RMB	**302,219**	303,314
Denominated in US$*	**63,276**	65,597
Denominated in HK$*	**1,726**	691
Denominated in AED$*	**320**	–
Denominated in S$*	**1,933**	4,772
	369,474	374,374

* US$ stands for the United States dollar. HK$ stands for the Hong Kong dollar. AED$ stands for Arab Emirates Dirham dollar. S$ stands for the Singapore dollar.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies. Substantial amounts of the Group's cash and cash equivalents are held in major financial institutions located in Mainland China. The Group seeks to maintain strict control over its outstanding receivables, and the senior management of the Company reviews and assesses the creditworthiness of the Group's existing customers on an ongoing basis. To manage liquidity risk, the Group monitors its exposure to a shortage of funds by considering the maturity of both its financial liabilities and financial assets and projected cash flows from operations. Cash and cash equivalents of the Group are mainly denominated in RMB.

Foreign currency risk

Most of the Group's assets and liabilities are denominated in RMB, except for certain items below:

- Certain bank balances are denominated in US$, HK$, AED$ and S$; and

- Purchase of products from overseas suppliers and relevant trade payables are denominated in US$.

The Group does not manage the potential fluctuation in foreign currencies by foreign currency forward and option contracts, and does not enter into any hedging transactions.

Capital expenditure

The following table sets out the Group's capital expenditure for the periods indicated:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Purchase of items of property, plant and equipment	**5,098**	6,749
	5,098	6,749

Contingent liabilities

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

Pledge of assets

As at 30 June 2026, the carrying amounts of the Group's pledged assets were set out as follows:

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
For obtaining bank borrowings		
– Buildings	**56,829**	67,485
For issuance of letters of credit and bills payable		
– Pledged deposits	**114,890**	125,175

Save as disclosed in this interim report, there were no other charges or pledges on the Group's assets as at 30 June 2026.

Dividend

The Directors resolved not to declare any interim dividend for the Reporting Period (six months ended 30 June 2025: Nil).

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2026, the Group had a total of 257 employees. For the Reporting Period, the total staff cost of the Group was RMB29.8 million (six months ended 30 June 2025: RMB27.6 million).

The Group's employee remuneration policy is determined by factors such as remuneration in respect of the local market, the overall remuneration standard in the industry, the inflation level, corporate operating efficiency and employee performance. The Group conducts monthly performance appraisals for its frontline staff and quarterly performance appraisals for its management staff, the results of which are applied in annual salary reviews and promotional assessments. The Group considers the employee's annual bonuses according to certain performance criteria and appraisals results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve customer service quality. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or suffer from any material labor dispute during the Reporting Period.

In addition, the Company adopted a share option scheme to recognise the contribution by certain employees of the Group, and to provide them with incentives in order to retain them for their continuing support in the operation and development of the Group.

RISK MANAGEMENT

The principal risks and uncertainties identified by the Company which may have material and adverse impact on the Group's performance or operation are summarized below. There may be other principal risks and uncertainties in addition to those set out below which are not known to the Company or which may not be material now but could turn out to be material in the future.

- Failure to maintain relationships with existing suppliers – The Group currently sources its entire product portfolio from a limited number of limited suppliers, either directly or indirectly through their sales agents.

- Exchange rate fluctuation – The Group's purchase of products from overseas suppliers is denominated in US$, and certain items of bank balances are denominated in US$, HK$, AED$ and S$.

- Decrease in gross profits due to decrease in the Group's revenue and intensified competition.

- Prolonged delays or significant disruptions to the supply of the products.

The Company believes that risk management is essential to the Group's efficient and effective operation. The Company's management assists the Board in evaluating material risk exposure of the Group's business and participates in formulating appropriate risk management and internal control measures to ensure such measures are properly implemented in daily operational management.

RELATIONSHIP WITH KEY STAKEHOLDERS

Human resource is one of the most important assets of the Group. The Group strives to motivate its employees by providing them with a clear career path as well as comprehensive and professional training courses. In addition, the Group also offers competitive remuneration packages to its employees, including basic salary, certain benefits and other performance based incentives.

The Group purchases imported pharmaceutical products from overseas suppliers, either directly or indirectly through their sales agents, and generates revenue by reselling products to hospitals and pharmacies through distributors and deliverers. On one hand, the Group provides guidance, training and support to distributors and deliverers to help them carry out more marketing and promotional activities in target fields, thereby maintaining long-term and stable relationships with them. Suppliers or their sales agents have granted the Group the rights to market, promote and manage sales channels for their products in China. On the other hand, the Group assists suppliers in entering the growing Chinese market to achieve steady sales growth, thereby maintaining long-term and stable relationships with them.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is primarily engaged in MPCM for imported pharmaceutical products, a line of business that does not have material impact on the environment. The key environment impact from the Group's operation is related to electricity, water and paper consumption. The Group is fully aware of the importance of sustainable environmental development, and has implemented the following measures to encourage environmental protection and energy conservation:

- Promoting paperless office
- Encouraging low-carbon commuting
- Ensuring reasonable energy consumption

During the Reporting Period, the Group did not incur any material cost on compliance with applicable environmental laws and regulations.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's business and operations are subject to relevant laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong Special Administrative Region ("**Hong Kong**") and the PRC. During the Reporting Period, the Group complied with all applicable laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC, which would have significant impact on the Group.

CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") as its own code of corporate governance.

During the Reporting Period, the Company had complied with all applicable code provisions under the CG Code.

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

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions of the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they complied with the required standard as set out in the Model Code throughout the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. As of 30 June 2026, the Company did not hold any of treasury shares.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the Reporting Period (six months ended 30 June 2025: Nil).

EVENTS AFTER THE END OF THE REPORTING PERIOD

Passing Away of Mr. Huang and Termination of the Guarantee Agreement

On 24 July 2026, Mr. Huang passed away peacefully. Upon Mr. Huang's passing, the parties mutually agreed to the immediate termination of the Guarantee Agreement (as supplemented by the Side Letter). Upon such termination, all rights and obligations of the parties under the Guarantee Agreement ceased to have effect, and no party shall be deemed to be in breach of the Guarantee Agreement or otherwise liable to any other party in respect of the Guarantee Agreement as a result of such termination. For details, please refer to the announcements of the Company dated 22 June 2026, 15 July 2026 and 27 July 2026.

Apart from those disclosed in this announcement, the Board is not aware of any material event requiring disclosure, that has taken place subsequent to 30 June 2026 and up to the date of this announcement.

AUDIT COMMITTEE

The principal duties of the audit committee of the Company ("**Audit Committee**") include the review and supervision of the Group's financial reporting system, the preparation of financial statements and internal control procedures. It also acts as an important link between the Board and the external auditor for determining the scope of the Group audit.

The Audit Committee, together with the management of the Company, have reviewed the unaudited condensed interim results of the Group and this announcement.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND 2026 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE") AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinco-pharm.com), and the 2026 interim report will be published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Sinco Pharmaceuticals Holdings Limited
Huang Zhijian
Chairman and Executive Director

Sichuan, the PRC, 28 August 2026

As at the date of this announcement, the executive Directors are Mr. Huang Zhijian and Mr. Lei Shifeng; the non-executive Director is Ms. Jing Huan; and the independent non-executive Directors are Mr. Lau Ying Kit, Mr. Wang Qing, Mr. Liu Wenfang, Mr. Bai Zhizhong, Mr. Dong Yingjie and Mr. Ye Guowei.

DEFINITIONS

"AED$"	United Arab Emirates Dirham, the lawful currency of the United Arab Emirates
"Board"	the board of Directors
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended and supplemented from time to time
"Chairman"	the chairman of the Board
"China" or "the PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
"Company" or "our Company" or "the Company"	Sinco Pharmaceuticals Holdings Limited (興科蓉醫藥控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 16 March 2015
"Director(s)"	the director(s) of the Company
"Group", "our Group", "the Group", "we", "us", or "our"	our Company and our subsidiaries and, in respect of the period before we became the holding company of our present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
"Guarantee Agreement"	the guarantee agreement dated 30 September 2024, entered into between the Company and Mr. Huang, for the provision of guarantees provided by Mr. Huang to the Company or any of its designated subsidiaries
"Guarantee Fees"	the guarantee fees payable by the Company to Mr. Huang in accordance with the terms of the Guarantee Agreement
"HK$"	Hong Kong Dollars, the lawful currency of Hong Kong
"HKSE"	The Stock Exchange of Hong Kong Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Human Albumin Solution"	Octapharma's human albumin solution 20% (containing 200 grammes of total protein per litre) and human albumin solution 25% (containing 250 grammes of total protein per litre). The term human albumin solution refers to both products or either one of them as the context requires

"Listing Rules"	the Rules Governing the Listing of Securities on the HKSE, as amended or supplemented from time to time
"Main Board"	Main Board of the HKSE
"MPCM"	marketing, promotion and channel management for the sale and promotion of pharmaceutical products for pharmaceutical manufacturers
"Mr. Huang"	Mr. Huang Xiangbin (黃祥彬), one of our controlling shareholders
"Octapharma"	Octapharma AG, a corporation limited by shares incorporated in the Swiss Confederation
"PRC"	the People's Republic of China
"Reporting Period"	the six months ended 30 June 2026
"RMB"	Renminbi Yuan, the lawful currency of China
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of HK$0.0001 each
"Shareholder(s)"	holder(s) of Shares
"Side Letter"	the side letter entered into between Mr. Huang and the Company, dated 22 June 2026, to revise the payment terms of the Guarantee Fees from annual to quarterly payments
"U.S. dollars" or "US$"	U.S. dollars, the lawful currency of the United States of America

In this announcement, the terms "associate", "close associate", "connected person", "connected transaction", "controlling shareholder", "core connected person", "subsidiary" and "substantial shareholder" shall have the meanings given thereto in the Listing Rules, unless the context otherwise requires.

The English translation of the PRC entities, enterprises, nationals, facilities, regulations in Chinese are translations of the Chinese names. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail.