New Ray Medicine International Holding Limited

新 銳 醫 藥 國 際 控 股 有 限 公 司

(Incorporated in Bermuda with limited liability)

Stock Code：6108

2026

INTERIM REPORT

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Ms. Wang Qiuqin *(Chairman and Chief Executive Officer)*
Mr. Chu Xueping
Ms. Zhou Wan

Independent Non-executive Directors

Mr. Leung Chi Kin
Ms. Li Sin Ming, Ivy
Mr. Sy Lai Yin, Sunny

Board Committees

Audit Committee

Ms. Li Sin Ming, Ivy *(Chairman)*
Mr. Leung Chi Kin
Mr. Sy Lai Yin, Sunny

Remuneration Committee

Mr. Leung Chi Kin *(Chairman)*
Ms. Li Sin Ming, Ivy
Mr. Sy Lai Yin, Sunny

Nomination Committee

Mr. Leung Chi Kin *(Chairman)*
Ms. Li Sin Ming, Ivy
Mr. Sy Lai Yin, Sunny

Corporate Governance Committee

Ms. Wang Qiuqin *(Chairman)*
Mr. Sy Lai Yin, Sunny
Ms. Zhou Wan

Company Secretary

Mr. Ng Yat Sing, *FCPA*

Auditor

Moore CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

Stock Code

6108

Registered Office

Richmond House, 12 Par-la-Ville Road
Hamilton HM 08 Bermuda
(effective from 3 August 2026)

Headquarters

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Hangzhou, the People's Republic of China

Principal Place of Business in Hong Kong

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Kowloon, Hong Kong

Principal Banker

Agricultural Bank of China

Principal Share Registrar and Transfer Office

Conyers Corporate Services (Bermuda) Limited
Richmond House, 12 Par-la-Ville Road
Hamilton HM 08 Bermuda
(effective from 3 August 2026)

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17/F
Far East Finance Centre
16 Harcourt Road
Hong Kong

Website

www.newraymedicine.com

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2026:

- The Group recorded a revenue of approximately HK$113,420,000 for the six months ended 30 June 2026, which has increased by approximately 153.7% when compared to the revenue of approximately HK$44,701,000 for the corresponding period in 2025.

- Net loss attributable to owners of the Company for the six months ended 30 June 2026 was approximately HK$3,565,000, which has decreased by approximately 52.2% when compared to the net loss attributable to owners of the Company of approximately HK$7,454,000 for the corresponding period in 2025.

- The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026 (2025: nil).

As at 30 June 2026:

- The Group had a gearing ratio (defined as total bank and other borrowings divided by total equity) of zero as at 30 June 2026 (31 December 2025: zero).

The board ("**Board**") of directors ("**Directors**") of New Ray Medicine International Holding Limited ("**Company**") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 ("**Period**") together with the comparative unaudited figures for the corresponding period in 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	**2026 (Unaudited) *HK$'000***	2025 (Unaudited) *HK$'000*
Revenue	4	**113,420**	44,701
Cost of sales		**(103,576)**	(41,065)
		9,844	3,636
Other income, gains and losses	5	**(1,551)**	(709)
Selling and distribution expenses		**(6,320)**	(4,977)
Administrative expenses		**(6,853)**	(6,003)
Finance costs		**(73)**	(83)
Impairment loss on trade and other receivables		**(715)**	–
Fair value gain on financial assets at fair value through profit or loss ("**FVTPL**")	7	**2,103**	682
Loss before taxation		**(3,565)**	(7,454)
Income tax expense	6	**–**	–
Loss for the period attributable to owners of the Company	7	**(3,565)**	(7,454)
Other comprehensive income (expense) for the period:			
Items that will not be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of functional currency to presentation currency		**16,026**	7,177
Fair value loss on equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**(826)**	(46,300)
Other comprehensive income (expense) for the period		**15,200**	(39,123)
Total comprehensive income (expense) for the period		**11,635**	(46,577)
Loss for the period attributable to owners of the Company		**(3,565)**	(7,454)
Total comprehensive income (expense) for the period attributable to owners of the Company		**11,635**	(46,577)
			(Restated)
Loss per Share – Basic and diluted (HK cents)	9	**(1.78)**	(4.46)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**As at 30 June 2026 (Unaudited) *HK$'000***	As at 31 December 2025 (Audited) *HK$'000*
Non-current assets			
Property, plant and equipment	10	**9,337**	9,336
Right-of-use assets	10	**19,657**	18,874
Equity instruments at FVTOCI	11	**38,367**	42,659
Financial assets at FVTPL	11	**59,578**	41,017
		126,939	111,886
Current assets			
Inventories	12	**21,805**	23,365
Right to returned goods asset		**–**	4,719
Trade and other receivables	13	**248,754**	259,115
Financial assets at FVTPL		**–**	8,004
Bank balances and cash		**73,577**	29,417
		344,136	324,620
Current liabilities			
Trade and other payables	14	**28,303**	5,021
Lease liabilities	10	**1,242**	782
		29,545	5,803
Net current assets		**314,591**	318,817
Total assets less current liabilities		**441,530**	430,703
Non-current liabilities			
Lease liabilities	10	**875**	1,683
Deferred tax liabilities		**4,805**	4,805
		5,680	6,488
		435,850	424,215
Capital and reserves			
Share capital	15	**2,006**	2,006
Share premium and reserves		**433,844**	422,209
Equity attributable to owners of the Company		**435,850**	424,215

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000 (note a)	PRC statutory reserve HK$'000 (note b)	Fair value through other comprehensive income ("FVTOCI") (non-recycling reserve) HK$'000 (note c)	Share options reserve HK$'000	Translation reserve HK$'000 (note d)	Retained profits HK$'000	Total HK$'000
At 1 January 2026	**2,006**	**696,609**	**50,167**	**23,729**	**(199,522)**	**9,304**	**(20,155)**	**(137,923)**	**424,215**
Loss for the Period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,565)**	**(3,565)**
Other comprehensive expense for the Period	**–**	**–**	**–**	**–**	**(826)**	**–**	**16,026**	**–**	**15,200**
Total comprehensive expense for the Period	**–**	**–**	**–**	**–**	**(826)**	**–**	**16,026**	**(3,565)**	**11,635**
Disposal of equity instruments at FVTOCI	**–**	**–**	**–**	**–**	**5,546**	**–**	**–**	**(5,546)**	**–**
At 30 June 2026 (unaudited)	**2,006**	**696,609**	**50,167**	**23,729**	**(194,802)**	**9,304**	**(4,129)**	**(147,034)**	**435,850**
At 1 January 2025	83,592	607,614	50,167	23,729	(155,186)	9,304	(30,370)	(117,894)	470,956
Loss for the period	–	–	–	–	–	–	–	(7,454)	(7,454)
Other comprehensive expense for the period	–	–	–	–	(46,300)	–	7,177	–	(39,123)
Total comprehensive expense for the period	–	–	–	–	(46,300)	–	7,177	(7,454)	(46,577)
Disposal of equity instruments at FVTOCI	–	–	–	–	(984)	–	–	984	–
At 30 June 2025 (unaudited)	83,592	607,614	50,167	23,729	(202,470)	9,304	(23,193)	(124,364)	424,379

Notes:

(a) The contributed surplus represents the difference arising from share swap pursuant to the Group's reorganisation during the year ended 31 December 2013 (which amounted to HK$70,167,000) and netted off against the dividend declared of an amount of HK$20,000,000 during the year ended 31 December 2014.

(b) For the Company's subsidiaries, 浙江新銳醫藥有限公司 (in English, for identification purpose only, Zhejiang Xin Rui Pharmaceutical Co. Ltd.) ("**Zhejiang Xin Rui**") and 浙江泓銳貿易有限公司 (in English, for identification purpose only, Zhejiang Hong Rui Trading Co. Ltd.) ("**Hong Rui Trading**"), as stipulated by the relevant laws and regulations in the People's Republic of China ("**PRC**"), they are required to maintain a statutory surplus reserve fund. Appropriation to such reserve is made out on 10% of the net profit after taxation as reflected in the statutory financial statements of the PRC subsidiaries in accordance with relevant laws and regulations applicable to PRC enterprises. The statutory surplus reserve fund can be used to make up prior years' losses, if any, and can be applied in conversion into capital by means of capitalisation issue. The statutory surplus reserve can be released to the retained profits upon the dissolution or winding up of the entity.

For 泓銳(杭州)生物醫藥科技有限公司 (in English, for identification purpose only, Hong Rui (Hangzhou) Bio-medical Technology Co. Ltd.) ("**Hong Rui Bio-medical**"), another subsidiary of the Company, as it is a wholly foreign-owned enterprise, appropriation to statutory surplus reserve fund is based on the management's discretion.

(c) Any cumulative gains or losses arising from the revaluation of the Group's equity instruments at fair value through other comprehensive income ("**FVTOCI**") have been recognised in the FVTOCI (non-recycling reserve) in other comprehensive income. Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to retained profits.

(d) Translation reserve represents exchange differences relating to the translation of the net assets of the Group from their functional currencies to presentation currency of the Group (i.e. Hong Kong dollar) which are recognised directly in other comprehensive income and accumulated in the translation reserve. Such exchange differences accumulated in the translation reserve will not be reclassified subsequently to profit or loss of the Group.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Net cash inflow (outflow) from operating activities	**48,543**	(16,838)
Net cash (outflow) inflow from investing activities	**(13,125)**	3,570
Net cash outflow from financing activities	**(1,385)**	(1,367)
Net increase (decrease) in cash and cash equivalents	**34,033**	(14,635)
Cash and cash equivalents at the beginning of the period	**29,417**	64,255
Effect of foreign exchange rate changes	**10,127**	4,533
Cash and cash equivalents at the end of the period		
Represented by bank balances and cash	**73,577**	54,153

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION

New Ray Medicine International Holding Limited was incorporated on 9 August 2012 and registered as an exempted company with limited liability in Bermuda.

The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). The addresses of the registered office and the principal place of business in Hong Kong of the Company are Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda and Room 911B, 9th Floor, Tower 1, Silvercord, No. 30 Canton Road, Kowloon, Hong Kong, respectively.

The Company is an investment holding company. Its major operating subsidiaries are principally engaged in the distribution and trading of pharmaceutical and related products and the provision of marketing and promotion services in the People's Republic of China ("**PRC**").

The Company's functional currency is Renminbi ("**RMB**"). However, the condensed consolidated financial statements are presented in Hong Kong dollars ("**HK$**") for the convenience of shareholders as it is listed in the Hong Kong Special Administrative Region ("**Hong Kong**") of the PRC.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as the applicable disclosure requirements of Appendix D2 to the Listing Rules.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards ("**HKFRSs**"), the principal accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

Application of amendments to HKFRSs

In the Period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 January 2026 for the preparation of these condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

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

4. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the distribution and trading of pharmaceutical products and the provision of marketing and promotion services in the PRC. Information was reported to the chief operating decision maker ("**CODM**"), being the Executive Directors, for the purposes of resources allocation and assessment of segment performance of the types of business activities.

During the Period, the Group's reportable and operating segments are as follows:

(i) Distribution and trading of pharmaceutical and related products – distribution and trading of drugs and chemical reagents for pharmaceutical; and

(ii) Provision of marketing and promotion services – provision of marketing and promotion services of drugs.

Segment profit represents the gross profit attributable to each segment after deducting impairment loss on trade and other receivables attributable to each segment. This is the information reported to the CODM for the purposes of resources allocation and assessment of segment performance.

Segment information about these reportable and operating segments is presented below.

Six months ended 30 June 2026 (unaudited)

	Distribution and trading of pharmaceutical and related products *HK$'000*	Provision of marketing and promotion services *HK$'000*	Total *HK$'000*
REVENUE			
External sales and segment revenue	112,610	810	113,420
RESULT			
Segment profit	8,381	748	9,129
Other income, gains and losses			(1,551)
Selling and distribution expenses			(6,320)
Administrative expenses			(6,853)
Finance costs			(73)
Fair value gain on financial assets at FVTPL			2,103
Loss before taxation			(3,565)
Included in arriving at segment profit			
Impairment loss on trade and other receivables	(715)	–	(715)

4. **REVENUE AND SEGMENT INFORMATION** *(Continued)*

Six months ended 30 June 2025 (unaudited)

	Distribution and trading of pharmaceutical and related products *HK$'000*	Provision of marketing and promotion services *HK$'000*	Total *HK$'000*
REVENUE			
External sales and segment revenue	43,058	1,643	44,701
RESULT			
Segment profit	2,118	1,518	3,636
Other income, gains and losses			(709)
Selling and distribution expenses			(4,977)
Administrative expenses			(6,003)
Finance costs			(83)
Fair value gain on financial assets at FVTPL			682
Loss before taxation			(7,454)
Included in arriving at segment profit			
Impairment loss on trade and other receivables	–	–	–

Information of assets and liabilities for reportable and operating segments is not provided to CODM for their review. Therefore, no analysis of the Group's assets and liabilities by reportable and operating segments is presented.

Geographical information

The Group's operations are located in the PRC (country of domicile). The geographical location of the Group's non-current asset is substantially situated in the PRC.

All of the Group's revenue from external customers is attributed to the Group entities' country of domicile (i.e. the PRC).

5. **OTHER INCOME, GAINS AND LOSSES**

	Six months ended 30 June	
	2026 (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*
Bank interest income	**193**	396
Dividend income from equity instruments at FVTOCI	**–**	1
Net exchange loss	**(1,732)**	(1,107)
Loss on disposal of property, plant and equipment	**(9)**	–
Others	**(3)**	1
	(1,551)	(709)

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax:		
PRC Enterprise Income Tax	**–**	–
Deferred Tax	**–**	–
Total tax expense for the period	**–**	–

Under the Laws of the PRC on Enterprise Income Tax ("**EIT Law**") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries of the Company is 25% for both periods. No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group had no assessable profits in Hong Kong for both periods.

7. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	**1,223**	1,302
Depreciation of right-of-use assets	**834**	815
Amortisation of prepayment for a distribution right	**–**	1,741
Fair value gain on financial assets at FVTPL	**2,103**	682
Cost of inventories recognised as an expense	**103,514**	40,940

8. DIVIDENDS

The Board does not recommend the payment of any interim dividend for the Period (six months ended 30 June 2025: nil).

9. LOSS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	**(3,565)**	(7,454)
	Number of ordinary shares	
	'000 of shares	'000 of shares
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**200,617**	167,185

Note: The comparative weighted average number of ordinary shares used in the calculation of basic and diluted loss per share has been adjusted retrospectively to reflect the share consolidation as disclosed in note 15 to the condensed consolidated financial statements.

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options since their assumed exercise would result in a decrease in loss per share for the six months ended 30 June 2026 and 2025.

10. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

During the Period, the Group acquired property, plant and equipment of approximately HK$665,000 (six months ended 30 June 2025: approximately HK$78,000).

During the Period, the Group entered into one new lease agreement with a lease term of 2 years (six months ended 30 June 2025: did not have any new lease agreement). On lease commencement, the Group recognised right-of-use asset of approximately HK$834,000 (six months ended 30 June 2025: nil) and lease liability of approximately HK$834,000 (six months ended 30 June 2025: nil).

11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Equity instruments at FVTOCI comprise:

	As at 30 June 2026 (Unaudited) *HK$'000*	As at 31 December 2025 (Audited) *HK$'000*
Listed investments:		
– Equity securities listed in Hong Kong	**25,727**	30,504
Unlisted investments:		
– Equity securities	**12,640**	12,155
Total	**38,367**	42,659
Analysed for reporting purposes as:		
Non-current assets	**38,367**	42,659

Financial assets at FVTPL comprises:

	As at 30 June 2026 (Unaudited) *HK$'000*	As at 31 December 2025 (Audited) *HK$'000*
Unlisted investments	**59,578**	41,017
Wealth management products	**–**	8,004
Total	**59,578**	49,021
Analysed for reporting purposes as:		
Non-current assets	**59,578**	41,017
Current assets	**–**	8,004
	59,578	49,021

Details of the fair value of equity instruments at FVTOCI and FVTPL are disclosed in note 16 to the condensed consolidated financial statements.

12. INVENTORIES

	As at 30 June 2026 (Unaudited) *HK$'000*	As at 31 December 2025 (Audited) *HK$'000*
Finished goods	**21,805**	23,365

13. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 (Unaudited) *HK$'000*	As at 31 December 2025 (Audited) *HK$'000*
Trade receivables	**146,294**	135,353
Less: allowance for credit loss	**(54,531)**	(52,438)
Trade receivables (net of allowance for credit loss)	**91,763**	82,915
Other prepayments	**913**	309
Other deposits	**255**	250
Prepayments to suppliers	**23,026**	25,137
Deposits paid to suppliers (net of allowance for credit loss)	**131,272**	145,047
Value-added tax recoverable	**387**	4,292
Others	**1,138**	1,165
	248,754	259,115
Current portion	**248,754**	259,115

13. TRADE AND OTHER RECEIVABLES *(Continued)*

The Group allows a credit period ranging from 0 to 365 days to its customers. The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the dates of goods delivery notes, which approximated the respective revenue recognition dates, at the end of the reporting periods:

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
	HK$'000	*HK$'000*
Trade receivables:		
0–30 days	**74,407**	46,835
31–60 days	**629**	9,297
61–90 days	**1,589**	1,164
91–180 days	**1,179**	4,473
181–365 days	**599**	2,473
Over 365 days	**13,360**	18,673
	91,763	82,915

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by such customer. Credit limits attributed to customers are reviewed periodically. Majority of the trade receivables that are neither past due nor impaired have no default payment history.

Prepayments and deposits paid to suppliers represent the prepayments and deposits paid for purchase of pharmaceutical products. The Group is required to make prepayments and trade deposits to certain suppliers to secure regular supply of products. The amount of prepayments to suppliers varies with the terms of supplier contracts entered into with different suppliers, which is determined based on the amount of goods purchased from the suppliers. The amounts of trade deposits required vary on a case by case basis. The deposits paid will be refunded upon expiry of contracts.

The Group's deposits paid to suppliers balance with aggregate carrying amount of approximately HK$131,272,000 (31 December 2025: approximately HK$145,047,000) and the Group has provided for impairment loss on the Group's deposits paid to suppliers balance of approximately HK$10,039,000 (31 December 2025: approximately HK$9,653,000) as at 30 June 2026.

14. TRADE AND OTHER PAYABLES

	As at 30 June 2026 (Unaudited) *HK$'000*	As at 31 December 2025 (Audited) *HK$'000*
Trade payables	**20,367**	–
Deposits received from customers	**1,105**	1,063
Contract liabilities	**1,155**	1,050
Accruals	**5,676**	2,908
	28,303	5,021

The following is an ageing analysis of trade payables presented based on the invoice dates at the end of the reporting periods:

	As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
0–30 days	**20,367**	–
31–60 days	**–**	–
61–90 days	**–**	–
Over 90 days	**–**	–

The credit period on purchase of goods ranges from 30 to 60 days. For certain suppliers, the Group is required to make prepayments and/or pay deposits to the suppliers based on the supplier agreements for purchase of goods. Details of the amounts of prepayments to suppliers and deposits paid to suppliers are set out in note 13 to the condensed consolidated financial statements.

15. SHARE CAPITAL

The movements of share capital of the Company are as follows:

Ordinary shares

	Number of shares *'000*	Amount *HK$'000*
Authorised:		
At 1 January 2025 and 30 June 2025	3,000,000	150,000
Share consolidation *(note a)*	(2,700,000)	–
Share sub-division *(note a)*	14,700,000	–
At 31 December 2025 and 30 June 2026	**15,000,000**	**150,000**
Issued and fully paid:		
At 1 January 2025 and 30 June 2025	1,671,847	83,592
Share consolidation *(note a)*	(1,504,662)	–
Capital reduction *(note a)*	–	(81,920)
Issue of shares upon share placing *(note b)*	33,432	334
At 31 December 2025 and 30 June 2026	**200,617**	**2,006**

Notes:

(a) Details of the above capital reorganisation are set out in the 2025 Annual Report, the Company's announcements dated 6 June 2025 and 18 July 2025 and the Company's circular dated 26 June 2025.

(b) Details of the placing were disclosed in the 2025 Annual Report, the announcements of the Company dated 5 December 2025 and 23 December 2025.

16. **FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS**

a. **Fair value of financial assets that are measured at fair value on a recurring basis**

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

i. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;

ii. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

iii. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Range (weighted average)	Relationship of unobservable inputs for fair value
	30 June 2026 HK$'000	31 December 2025 HK$'000					
Equity instruments at FVTOCI listed in Hong Kong	**25,727**	30,504	Level 1	Quoted bid prices in an active market	N/A	N/A	N/A
Equity instrument at FVTOCI for unlisted investment	**–**	–	Level 3	Discounted cash flow method	Discount rate	12.77% (2025: 12.77%)	note (a)(i)
					Terminal growth rate	2.48% (2025: 2.48%)	note (a)(i)
					Discount for lack of marketability	15.70% (2025: 15.70%)	note (a)(i)
Equity instrument at FVTOCI for unlisted investment	**12,640**	12,155	Level 3	Market-based valuation technique	*P/S ratio	2.87% (2025: 2.87%)	note (a)(ii)
					Discount for lack of marketability	58% (2025: 58%)	note (a)(ii)
Financial asset at FVTPL for unlisted investment	**27,481**	26,426	Level 3	Discounted cash flow method	Discount rate	14.24% (2025: 14.24%)	note (a)(iii)
					Discount for lack of marketability	15% (2025: 15%)	note (a)(iii)
Financial assets at FVTPL for unlisted investment	**15,173**	14,591	Level 3	Discounted cash flow method	Discount rate	16.24% (2025: 16.24%)	note (a)(iii)
					Discounts for lack of marketability	15% (2025: 15%)	note (a)(iii)
Financial assets at FVTPL for unlisted investment	**16,924**	–	Level 3	Net asset value	The fair value of net assets of the investee	HK$846,000 per share	note (a)(iv)
Wealth management products	**–**	8,004	Level 3	Redemption value quoted by financial institutions	N/A (2025: Redemption value per unit)	HK$11.5–HK$113.9 per unit	note (a)(v)

16. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

a. Fair value of financial assets that are measured at fair value on a recurring basis (Continued)

Notes:

(i) The higher the discount rate, the lower the fair value.

The higher the terminal growth rate, the higher the fair value.

The higher the discounts for lack of marketability, the lower the fair value.

(ii) The higher the P/S ratio, the higher the fair value.

The higher the discounts for lack of marketability, the lower the fair value.

(iii) The higher the discount rate, the lower the fair value.

The higher the discounts for lack of marketability, the lower the fair value.

(iv) The higher the net asset value, the higher the fair value.

(v) The higher the redemption value per unit, the higher the fair value.

* P/S ratio stands for the Price to Sales ratio.

The quantitative information of significant unobservable inputs used in arriving at the level 3 fair value measurement are set out above.

During the Period, there were no transfers between level 1 and level 2. There were no transfers of Level 3 fair value measurements.

b. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the condensed consolidated financial statements are approximate at their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is an established pharmaceutical distributor originating from Zhejiang province and headquartered in Hangzhou, Zhejiang province in the People's Republic of China ("**PRC**"). The Group is principally engaged in the distribution and trading of pharmaceutical and related products and the provision of marketing and promotion services in the PRC. The Group procures pharmaceutical and related products throughout the PRC and sells the pharmaceutical and related products; and provides marketing and promotion services through a network of customers spreading over different regions in the PRC, including Zhejiang province, Jiangsu province, Shanghai municipality, Hunan province and Guangdong province.

Overview

For the Period, the total revenue of the Group was approximately HK$113,420,000, representing an increase of approximately 153.7% as compared to that for the corresponding period in 2025. The increase in revenue was mainly attributable to the increase in the sales of the Group's pharmaceutical and related products.

In the first half of 2026, the trading activities and business operations of the Group have increased primarily due to (i) increase in products of chemical reagents for pharmaceutical and (ii) growth in drug sales subsequent to the launch of the injection drug products in 2025.

Notwithstanding the increase in revenue during the Period, the Group recorded a net loss of approximately HK$3,565,000 for the Period (six months ended 30 June 2025: HK$7,454,000), the decrease in net loss was primarily due to (i) increase in products of chemical reagents for pharmaceutical; and (ii) growth in drug sales subsequent to the launch of the injection drug products in 2025.

Business review

During the Period, the revenue of the Group was contributed by (i) the distribution and trading of pharmaceutical and related products; and (ii) the provision of marketing and promotion services, in the PRC. The major category of the pharmaceutical products distributed by the Group is injection drugs.

Revenue and segment information

The table below sets out the revenue of the Group (by business segment) for the six months ended 30 June 2026 and 2025 respectively.

	Revenue contributed by each business segment for the six months ended 30 June			
	2026 (Unaudited)		2025 (Unaudited)	
	HK$'000	***%***	*HK$'000*	*%*
(1) Distribution and trading of pharmaceutical and related products	**112,610**	**99.3**	43,058	96.3
(2) Provision of marketing and promotion services	**810**	**0.7**	1,643	3.7
Total	**113,420**	**100.0**	44,701	100.0

(1) Distribution and trading of pharmaceutical and related products

This segment generated a revenue of approximately HK$112,610,000 for the Period (six months ended 30 June 2025: approximately HK$43,058,000), representing an increase of approximately 161.5% as compared to that for the corresponding period in 2025. The increase in revenue was primarily attributable to (i) increase in products of chemical reagents for pharmaceutical and (ii) growth in drug sales subsequent to the launch of the injection drug products in 2025.

(2) Provision of marketing and promotion services

This segment generated a revenue of approximately HK$810,000 for the Period (six months ended 30 June 2025: approximately HK$1,643,000), representing a decrease of approximately 50.7% as compared to that for the corresponding period in 2025. Under the implementation of the "Two-Invoice" System (兩票制) in the PRC since 2017, the Group started to develop its business of the provision of marketing and promotion services in respect of pharmaceutical products in the PRC. The Group's marketing and promotion model involves formulating marketing and promotion strategies and conducting academic promotion programs of the Group's products in return for service income from the suppliers. The revenue generated by this segment decreased for the Period as compared to that for the corresponding period in 2025.

Outlook

The PRC pharmaceutical industry is facing many challenges as a result of the release of a series of policies by the Chinese government to reform its healthcare system, such as the volume-based procurement (帶量採購), which was officially initiated in 11 cities in the PRC in 2018, and the expansion of the volume-based procurement nationwide since 2019. The first, second and third batches of the national volume-based procurement were successfully implemented during the years 2019 to 2020. The fourth, fifth, sixth, seventh, eighth and ninth batches were completed in February 2021, June 2021, November 2021, July 2022, March 2023 and November 2023, respectively. The fourth batch of the volume-based procurement involved 45 varieties of pharmaceutical products, and the average price of the shortlisted varieties was reduced by approximately 52% as compared to the average original bidding prices, with the biggest price reduction of one variety being approximately 96% as compared to its original bidding price. The fifth batch of the volume-based procurement involved 62 varieties of pharmaceutical products, and the average price of the shortlisted varieties was reduced by approximately 56% as compared to the average original bidding prices, with the biggest price reduction of one variety being approximately 98% as compared to its original bidding price. The sixth batch of the volume-based procurement involved 42 varieties of insulin products, and the average price of the shortlisted varieties was reduced by approximately 49% as compared to the average original bidding prices, with the biggest price reduction of one variety being approximately 74% as compared to its original bidding price. The seventh batch of the volume-based procurement involved 60 varieties of pharmaceutical products, and the average price of the shortlisted varieties was reduced by approximately 48% as compared to the average original bidding prices. The eighth batch of the volume-based procurement ("**8th Batch**") was completed in March 2023. The 8th Batch involved 39 varieties of pharmaceutical products, and the average price of the shortlisted varieties was reduced by approximately 56% as compared to the average original bidding prices. The ninth batch of the volume-based procurement ("**9th Batch**") was completed in November 2023. The 9th Batch involved 41 varieties of pharmaceutical products, and the average price of the shortlisted varieties was reduced by approximately 58% as compared to the average original bidding prices.

The renewal batch of the volume-based procurement for insulin products was completed in April 2024. This renewal batch involved 6 varieties of insulin products, with the average price being 3.8% lower than that of the sixth batch of the volume-based procurement for insulin products. Moreover, the tenth batch of the volume-based procurement ("**10th Batch**") was completed in December 2024. The 10th Batch involved 385 varieties of pharmaceutical products, and the average price of the shortlisted varieties was reduced over 60% as compared to the average original bidding prices. The eleventh batch of the volume-based procurement ("**11th Batch**") was completed in November 2025. The 11th Batch involved 55 varieties of pharmaceutical products, and the average price of the shortlisted varieties was reduced over 58% as compared to the average original bidding prices.

Moreover, details of the twelfth batch of the volume-based procurement for pharmaceutical products were released in July 2026.

It is expected that the national volume-based procurement will continue in the future, and the scope of drugs under such procurement scheme will become wider and the downward pressure of the price of drugs is anticipated. The above-mentioned policies may put the pharmaceutical distribution and trading enterprises in the PRC, including the Group, in a challenging position and may affect the profitability of these companies in the future.

Continue to diversify the existing product portfolio

The Group will seek to acquire distribution rights of new products to enhance its product portfolio. Looking ahead to the second half of 2026, the Group will continue to enhance its product portfolio, distribution channels and marketing and promotion strategy in order to achieve a better and sustainable long-term development of the Group.

Continue to enhance and expand the sales and marketing capabilities

In order to strengthen the competitive advantages over the Group's competitors in the PRC, the Group will continue to enhance its local distribution network and sales and marketing capabilities in the future. In addition, the Group has been exploring different opportunities to enhance its distribution capabilities.

To focus on our core businesses

As a long-term business strategy, the Group intends to focus on its businesses of the distribution and trading of pharmaceutical products and the provision of marketing and promotion services in respect of pharmaceutical products in the PRC through reallocating its resources to the future development of the core businesses. Besides, the Group will continue to seek potential merger and acquisition opportunities to bring higher return for its shareholders.

Financial review

Revenue

The total revenue for the Period was approximately HK$113,420,000, representing an increase of approximately 153.7% from approximately HK$44,701,000 for the six months ended 30 June 2025. The increase in revenue was primarily attributable to (i) increase in products of chemical reagents for pharmaceutical and (ii) growth in drug sales subsequent to the launch of the injection drug products in 2025.

Cost of sales

The cost of sales for the Period was approximately HK$103,576,000 representing an increase of approximately 152.2% from approximately HK$41,065,000 for the six months ended 30 June 2025. The increase in cost of sales was mainly due to the increase in sales of the products of chemical reagents for pharmaceutical and injection drug products.

Gross profit and gross profit margin

Gross profit increased by approximately HK$6,208,000, or approximately 170.7%, from approximately HK$3,636,000 for the six months ended 30 June 2025 to approximately HK$9,844,000 for the Period mainly because of (i) increase in products of chemical reagents for pharmaceutical and (ii) growth in drug sales subsequent to the launch of the injection drug products in 2025. The Group's gross profit margin for the Period was approximately 8.68%, which has increased by 0.6 percentage points when compared to the corresponding period in 2025.

Other income, gains and losses

The net other losses for the Period were approximately HK$1,551,000 (six months ended 30 June 2025: losses of approximately HK$709,000). The increase was primarily attributable to the higher net exchange loss of approximately HK$1,732,000 for the Period (six months ended 30 June 2025: approximately HK$1,107,000).

Selling and distribution expenses

Selling and distribution expenses for the Period were approximately HK$6,320,000, representing an increase of approximately 27.0% from approximately HK$4,977,000 for the six months ended 30 June 2025. The increase in selling and distribution expenses in line with the increase in sales of the products of chemical reagents for pharmaceutical and injection drug products.

Administrative expenses

Administrative expenses for the Period were approximately HK$6,853,000, representing an increase of approximately 14.2% from approximately HK$6,003,000 for the six months ended 30 June 2025.

Income tax expense

Income tax expense for the Period was zero (six months ended 30 June 2025: nil). The Group had no taxable profit for tax provision.

Loss for the Period

Loss for the Period was approximately HK$3,565,000, as compared to a loss of approximately HK$7,454,000 for the corresponding period in 2025.

The Group recorded a net loss of approximately HK$3,565,000 for the Period (six months ended 30 June 2025: HK$7,454,000), the decrease in net loss was primarily due to (i) increase in products of chemical reagents for pharmaceutical; and (ii) growth in drug sales subsequent to the launch of the injection drug products in 2025.

Liquidity and financial resources

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group maintained a healthy liquidity position during the Period and its operations were principally financed by internal resources.

As at 30 June 2026, the Group had net cash and cash equivalents amounting to approximately HK$73,577,000 (31 December 2025: approximately HK$29,417,000), among which approximately 14.4% (31 December 2025: approximately 33.8%) were denominated in Hong Kong dollars and approximately 85.6% (31 December 2025: approximately 66.2%) were denominated in Renminbi. The Group did not have any bank loan as at 30 June 2026 and 31 December 2025. The Group had a gearing ratio (defined as total bank and other borrowings divided by total equity) of zero as at 30 June 2026 (31 December 2025: zero).

The Group's financial resources are sufficient to support its business operations. The Group will also consider other financing activities when appropriate business opportunities arise under favourable market conditions.

Contingent liabilities

As at 30 June 2026, the Group had no material contingent liability.

Significant investments and material acquisitions and disposals

Signing of the Cooperation Agreement and the establishment of the Target Company

On 12 August 2025, China New Rich Medicine Holding Co. Limited ("**China New Rich**"), an indirect wholly owned subsidiary of the Company, Hong Kong Xin Rui Wan Ma Healthcare Industrial Company Limited (香港新銳萬馬健康產業有限公司) ("**Partner A**") and Yiheng Technology Development HK Limited (逸恒科技發展香港有限公司) ("**Partner B**") entered into a cooperation agreement ("**Cooperation Agreement**") in respect of, among others, the capital contribution and operation and management of the affairs of a company with limited liability to be established in Hong Kong or the PRC and to be held as to 60% by Partner A, 20% by China New Rich and 20% by Partner B ("**Target Company**").

Pursuant to the Cooperation Agreement, the initial capital of the Target Company is HK$82.5 million (or an equivalent amount in RMB), and 60%, 20% and 20% of the capital contribution shall be made by Partner A, China New Rich and Partner B respectively. As such, China New Rich will contribute HK$16.5 million (or an equivalent amount in RMB), which will be funded by the Group's internal resources, and Partner A and Partner B will contribute HK$49.5 million (or an equivalent amount in RMB) and HK$16.5 million (or an equivalent amount in RMB) respectively.

The purpose of the Target Company is to engage in a project which involves the investment and construction of an industrial park for the healthcare industry in Shengzhou, Zhejiang Province, the PRC. The project includes the acquisition of the land use right of a parcel of land located in Shengzhou, Zhejiang Province, the PRC ("**Project Land**") by public tender and the construction, development and operation of the related facilities and buildings thereon. After the signing of the Cooperation Agreement, Partner A is responsible for the operation and management of the Target Company which will undertake the development, operation, and day-to-day management of the project.

It is intended that the Target Company shall acquire the land use right of the Project Land for carrying out the business of the Target Company. The Project Land is a parcel of land located in Shengzhou, Zhejiang Province, the PRC with site area of approximately 105,511 m^2. The Project Land is for industrial use.

The Group's investment in the Target Company recognised as a financial asset at fair value through profit or loss of the Company.

The capital contribution shall be made to the Target Company within 180 working days after the execution of the Cooperation Agreement, unless the amount of the capital contribution is amended upon agreement of the Parties. On 27 April 2026, China New Rich made a capital contribution of approximately HK$16.5 million to the capital of the Target Company, which was classified as a financial asset at fair value through profit or loss. As at 30 June 2026, the Group's investment in the Target Company had a fair value of approximately HK$16.9 million. As at 30 June 2026, the fair value of the Group's investment in the Target Company accounted for approximately 3.6% of the Group's total assets. The Group recognised a fair value gain of approximately HK$0.4 million for the Period. This fair value gain was recognised in profit or loss for the Period.

Please refer to the announcement of the Company dated 12 August 2025 for further details of the Cooperation Agreement.

Capital structure

There has been no change in the capital structure of the Company during the Period. The capital of the Company comprises ordinary shares. As at 30 June 2026, the Group had shareholders' equity of approximately HK$435.9 million (31 December 2025: approximately HK$424.2 million).

Pledge of assets

As at 30 June 2026 and 31 December 2025, the Group had no charges on its assets.

Equity instruments at FVTOCI

The Group's equity instruments at fair value through other comprehensive income ("**FVTOCI**") mainly comprise equity instruments at FVTOCI listed in Hong Kong which have been determined based on the quoted market prices available on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). In addition, the equity instruments at FVTOCI for unlisted investments in companies incorporated in Hong Kong with limited liability accounted for approximately 2.7% of the Group's total assets.

Equity instruments at FVTOCI listed in Hong Kong

Town Health International Medical Group Limited

As at 30 June 2026, the Group's securities investment in the shares ("**TH Shares**") of Town Health International Medical Group Limited ("**Town Health**") (a company whose shares are listed on the Main Board of the Stock Exchange with stock code: 3886) had a fair value of approximately HK$25.4 million and an investment amount of approximately HK$142.0 million. As at 30 June 2026, the fair value of the Group's investment in Town Health accounted for approximately 5.4% of the Group's total assets. The Group recognised a fair value loss on its investment in the TH Shares of approximately HK$4.0 million for the Period. No dividend income was received from Town Health for the Period.

As at 30 June 2026 and the date of this report, the Group held 117,602,000 TH Shares, representing approximately 1.74% of the total issued share capital of Town Health. Town Health and its subsidiaries are principally engaged in the provision of medical and dental services in Hong Kong, managing healthcare networks and the provision of third party medical network administrator services in Hong Kong, the provision of medical and dental services as well as hospital management and related services in the PRC and others including leasing of properties. According to the interim results announcement of Town Health for the six months ended 30 June 2026, overall, Town Health maintains a prudent yet positive outlook on the long-term development of the healthcare markets in Hong Kong and the Chinese Mainland. In the future, on the premise of rigorous risk management, Town Health will upgrade its healthcare service portfolio and network, and seize opportunities arising from the coordinated development of the Guangdong-Hong Kong-Macao Greater Bay Area, to continuously consolidate core competitiveness, drive steady business expansion, achieve high-quality and sustainable long-term growth, and generate greater returns for Town Health's shareholders. Town Health stands ready to integrate existing healthcare resources across its various business segments in Hong Kong and the Chinese Mainland. To meet the health needs of more than 88 million residents in the Guangdong-Hong Kong-Macao Greater Bay Area, it will connect its medical centre chain, medical imaging and diagnostic centres, health management centres, hospitals and internet hospital to build a full-cycle, integrated and one-stop healthcare service ecosystem.

As at 30 June 2026, the Group's securities investment listed in Hong Kong (other than the TH Shares) had a fair value of approximately HK$0.3 million. During the Period, the Group disposed of certain equity securities listed in Hong Kong with the sale proceeds of approximately HK$3.5 million and an increase in fair value from the disposal of approximately HK$2.8 million was recorded in other comprehensive income of the Group during the Period. Due to a decrease in the fair value of certain listed securities investments, a fair value loss (inclusive of the fair value loss on the TH Shares) of approximately HK$4.8 million was recognised under the FVTOCI (non-recycling reserve) during the Period. The Group will continue to monitor its investments cautiously.

The Group adopts a stable investment approach towards this holding, targeting to obtain steady returns under a controllable risk level, with long-term holding as the primary investment strategy.

Financial assets at FVTPL

The Group's financial assets at fair value through profit or loss ("**FVTPL**") include investment in 嵊州新銳萬馬實業有限公司 (in English, for identification purpose only, Shengzhou Xin Rui Wan Ma Enterprises Co., Ltd.) ("**Shengzhou Xin Rui Wan Ma**") and investment in 嵊州新銳萬霖智造有限公司 (formerly known as 嵊州新銳萬霖企業管理有限公司) (in English, for identification purpose only, Shengzhou Xinrui Wanlin Enterprise Management Co., Ltd.) ("**Shengzhou Xinrui Wanlin**").

Shengzhou Xin Rui Wan Ma

As at 30 June 2026 and the date of this report, the Group held approximately 39% equity interest in Shengzhou Xin Rui Wan Ma through the Group's holding of 39 ordinary shares of, representing 39% of, the paid up capital of New Ray Wanma International Holding Company Limited ("**New Ray Wanma**"). New Ray Wanma is the ultimate holding company holding the entire paid up capital of Shengzhou Xin Rui Wan Ma with a fair value of approximately HK$27.5 million. As at 30 June 2026, the fair value of the Group's investment in Shengzhou Xin Rui Wan Ma accounted for approximately 5.8% of the Group's total assets. The Group recognised a fair value gain of approximately HK$1.1 million for the Period. This fair value gain was recognised in profit or loss for the Period. No dividend income was received from Shengzhou Xin Rui Wan Ma during the Period, and the Group did not dispose of any of its holdings in Shengzhou Xin Rui Wan Ma.

The purpose of Shengzhou Xin Rui Wan Ma is to engage in a project which involves the investment and construction of a healthcare industrial park in Shengzhou, Zhejiang Province, the PRC ("**Project**"). The Project includes the acquisition of the land use right of a project land by public tender and the construction, development and operation of the related facilities and buildings thereon. During the Period, Shengzhou Xin Rui Wan Ma was constructing and developing a healthcare industrial park in Shengzhou, Zhejiang Province, the PRC.

The Group considered that the investment of Shengzhou Xin Rui Wan Ma undertaking the Project presents a good opportunity for the Group to utilise its available funds for a return and to expand investment portfolio with quality assets and to broaden the Group's strategic cooperation opportunities with other stakeholders in the PRC healthcare industry.

In Phase 1, the construction area covers 58,297.28 square meters and includes 16 buildings with a total of 28 units.

Meanwhile, in Phase 2, the construction area covers 68,275.12 square meters, consisting of 13 buildings with a total of 32 units. All units in Phase 1 had been sold. For Phase 2, Shengzhou Xin Rui Wan Ma has contracted to sell 30 units, with a total contract sum of approximately RMB205.2 million. As at 30 June 2026, Shengzhou Xin Rui Wan Ma has received a total sum of approximately RMB393.6 million for its sale of units of Phase 1 and 2.

The aggregate investment cost of the Group in New Ray Wanma and Shengzhou Xin Rui Wan Ma amounted to HK$36.2 million.

Shengzhou Xinrui Wanlin

As at 30 June 2026 and the date of this report, the Group held approximately 39% equity interest in Shengzhou Xinrui Wanlin. As at 30 June 2026, the fair value of the Group's investment in Shengzhou Xinrui Wanlin was approximately HK$15.2 million, accounting for approximately 3.2% of the Group's total assets. The Group recognised a fair value gain of approximately HK$0.2 million on its investment in Shengzhou Xinrui Wanlin for the Period. No dividend income was received from Shengzhou Xinrui Wanlin during the Period, and the Group did not dispose of any of its holdings in Shengzhou Xinrui Wanlin.

The purpose of Shengzhou Xinrui Wanlin is to engage in the project which involves the development of a healthy food industrial park in Shengzhou, Zhejiang Province, the PRC. The project includes the acquisition of the land use right of a project land by public tender and the development and operation of the related facilities and buildings thereon.

Please refer to the announcements of the Company dated 24 May 2024 and 9 July 2024 for further details of the cooperation agreement in relation to Shengzhou Xinrui Wanlin.

The Group will continue to monitor its investments cautiously in view of recent uncertain market conditions.

Future plans for material investments

Save as disclosed in this report, the Group currently does not have other future plan for material investments.

Employee information

As at 30 June 2026, the Group had 31 employees (31 December 2025: 31). Staff costs, including Directors' emolument for the Period, amounted to approximately HK$4,938,000 (six months ended 30 June 2025: approximately HK$4,127,000). The Group's remuneration policy is based on positions, duties and performance of the employees. The employees' remuneration package which comprises salaries, overtime allowances, bonuses and/or various subsidies varies according to their positions. The Group offers comprehensive and competitive remuneration and benefits packages to all its employees.

The Group also provides other employee benefits including a provident fund scheme for its employees in Hong Kong as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485, the Laws of Hong Kong), and participates in employee pension schemes organised and governed by the relevant local governments for its employees in the PRC.

Foreign currency risk

The Group carries out its business in the PRC and most of the transactions are denominated in Renminbi. The Group has foreign currency bank balances in Hong Kong dollars and the United States dollars which expose the Group to foreign currency risk. To mitigate the foreign currency risk, the Group continually assesses and monitors its exposure to the exchange rate fluctuations. During the Period, the Directors did not consider it necessary to adopt a foreign currency hedging policy as the potential impact on the profit or loss of the Group due to the exchange rate fluctuations was immaterial.

OTHER INFORMATION

Directors' and Chief Executive's interests and short positions in shares, underlying shares and debentures

As at 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions of the SFO), or which are required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers ("**Model Code**"), were as follows:

Name of Director	Capacity	Number of underlying shares *(Note 2)*	Position	Approximate percentage of the total issued shares *(Note 1)*
Ms. Wang Qiuqin	Beneficial owner	1,660,000	Long	0.83% *(Note 2)*
Mr. Chu Xueping	(i) Beneficial owner (ii) Interest of a controlled corporation	44,327,200	Long	22.10% *(Note 3)*
Ms. Zhou Wan	Beneficial owner	1,500,000	Long	0.75% *(Note 2)*

Note 1: The total number of 200,616,665 shares of the Company in issue as at 30 June 2026 has been used for the calculation of the approximate percentage.

Note 2: These interests are underlying shares of the Company in respect of share options (being regarded as unlisted physically settled derivatives) granted by the Company on 14 June 2022 and vested on 14 June 2022 pursuant to the Scheme (as defined below) adopted by the Company on 25 October 2013. Such underlying shares of the Company had an exercise period from 14 June 2022 to 13 June 2027 with an exercise price of HK$2.87 per share.

Note 3: (i) Chu Xueping, in his capacity as beneficial owner, is interested in 1,660,000 underlying shares of the Company in respect of share options (being regarded as unlisted physically settled derivatives) granted by the Company on 14 June 2022 and vested on 14 June 2022 pursuant to the Scheme (as defined below) adopted by the Company on 25 October 2013. Such underlying shares of the Company had an exercise period from 14 June 2022 to 13 June 2027 with an exercise price of HK$2.87 per share.

(ii) Chu Xueping, through a controlled corporation, is interested in 42,667,200 shares of the Company. As at 30 June 2026, Eagle Amber Holdings Limited was beneficially owned by Chu Xueping as to 50.0%. As such, Chu Xueping was deemed to be interested in the 42,667,200 shares of the Company held by Eagle Amber Holdings Limited under Part XV of the SFO.

Save as disclosed above, as at 30 June 2026, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) to be recorded in the register required to be kept under Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

Substantial shareholders' interests and short positions in shares and underlying shares

As at 30 June 2026, the following persons (other than the Directors and Chief Executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

(i) Substantial shareholders' interest in shares and underlying shares of the Company

Name of shareholder	Capacity	Number of ordinary shares	Position	Approximate percentage of the total issued shares *(Note 1)*
Eagle Amber Holdings Limited *(Note 2)*	Beneficial owner	42,667,200	Long	21.27%
Dai Xiaosong *(Note 2)*	Interest of a controlled corporation	42,667,200	Long	21.27%

(ii) Other persons' interest in shares and underlying shares of the Company

Name of shareholder	Capacity	Number of ordinary shares	Position	Approximate percentage of the total issued shares *(Note 1)*
Zhou Ling *(Note 3)*	Beneficial owner and interest of spouse	16,140,000	Long	8.05%
Yang Fang *(Note 3)*	Beneficial owner and interest of spouse	16,140,000	Long	8.05%

Note 1: The total number of 200,616,665 shares of the Company in issue as at 30 June 2026 has been used for the calculation of the approximate percentage.

Note 2: As at 30 June 2026, Eagle Amber Holdings Limited was beneficially owned by Chu Xueping and Dai Xiaosong as to 50.0% and 50.0% respectively. As such, Dai Xiaosong was deemed to be interested in the 42,667,200 shares of the Company held by Eagle Amber Holdings Limited under Part XV of the SFO. Chu Xueping's interest in the Shares is set out in the paragraph headed "Directors' and Chief Executive's interests and short positions in shares, underlying shares and debentures" above.

Note 3: Mr. Zhou Ling beneficially owns 13,218,895 shares of the Company. Ms. Yang Fang beneficially owns 2,921,105 shares of the Company.

Mr. Zhou Ling is the spouse of Ms. Yang Fang. Accordingly, Mr. Zhou Ling was deemed to be interested in all the 2,921,105 shares of the Company held by Ms. Yang Fang by virtue of the SFO and Ms. Yang Fang was deemed to be interested in all the 13,218,895 shares of the Company held by Mr. Zhou Ling under Part XV of the SFO.

Save as disclosed above, as at 30 June 2026, the Company was not aware of any other persons (not being the Directors or the chief executive of the Company) or corporations having interests or short positions in the Shares or underlying Shares of the Company which were required to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept under section 336 of the SFO or who were directly and/or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

Share option scheme

Pursuant to the resolution passed at the special general meeting held on 26 September 2013, the Company adopted a share option scheme (the "**Scheme**"). The Scheme expired in October 2023. The Company operated the Scheme for the purpose of providing the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the eligible participants and for such other purposes as the board of directors may approve from time to time. The eligible participants of the Scheme included any director or employee of the Company or its subsidiaries (together the "**Group**" and an entity of which any member of the Group held any equity interest ("**Invested Entity**")), and any consultants, professional and other advisers, any suppliers, customers, service providers, business or joint venture partners, contractors of the Group or any Invested Entity, any chief executives of substantial shareholders of the Company, and any other persons whom the board of directors considered, at its absolute discretion, would contribute or had contributed to the Group.

The grant of share options should be accepted within the period from the date on which an offer of the grant of an option is made to a participant to such date as the board of directors might determine, at a consideration of HK$1, being payable by the grantee upon the acceptance of grant. The options may be exercised at any time within the period commencing from the date of grant of the options and expiring on the date determined by the directors, but in any event such exercise period shall not exceed a period of ten years commencing on the date the relevant option is deemed to be granted.

The exercise price of the share options was determinable by the directors, but shall not be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Pursuant to the Scheme, before its expiration, the maximum number of shares in the Company in respect of which options might be granted when aggregated with any other share option scheme of the Company was not permitted to exceed 10% of the total number of shares in issue as at the date of adoption of the Scheme. Subject to the issue of a circular and the approval of the shareholders of the Company in a general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the board might refresh the limit at any time to 10% of the total number of shares in issue as at the date of approval by the shareholders of the Company in a general meeting. As the Scheme expired in October 2023, the directors of the Company could no longer grant any further options under the Scheme upon its expiry. As at 30 June 2026 and the date of this report, the number of ordinary shares of the Company which could be issued upon exercise of all outstanding options granted under the Scheme is 12,820,000 ordinary shares, representing approximately 7.67% of the issued share capital of the Company. Notwithstanding the foregoing, the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the shares in issue from time to time.

No option might be granted to any person if the total number of shares of the Company already issued and issuable to him under all the options granted to him in any 12-month period up to and including the date of grant would exceed 1% of total number of shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit should be subject to the issue of a circular by the Company and the approval of the shareholders in a general meeting. Such participant and his associates (as defined in the Listing Rules) should abstain from voting and/or other requirements prescribed under the Listing Rules from time to time. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5,000,000 should be approved in advance by the Company's shareholders in a general meeting.

The Scheme was valid and effective for a period of 10 years commencing on its adoption date. The Scheme expired in October 2023.

During the year ended 31 December 2022, share options of 143,200,000 were granted by the Company to directors and employees under the Scheme on 14 June 2022 and all the share options were vested on the same day. The exercisable period is from 14 June 2022 to 13 June 2027. The estimated fair values of the options granted on that date was HK$10,393,000.

On 22 July 2025, as a result of the share consolidation detailed on Note 15 to the condensed consolidated financial statements, the number of consolidated shares to be issued upon exercise of the outstanding share options already granted were adjusted from 128,200,000 to 12,820,000 at an exercise price adjusted from HK$0.287 to HK$2.87 per share.

During the six months ended 30 June 2026, no share options were granted, exercised, lapsed or cancelled as the Scheme expired in October 2023.

As the Scheme expired in October 2023, the Directors could no longer grant any further options under the Scheme upon its expiry. The number of share options available for grant under the existing Scheme limit as at 1 January 2026 and 30 June 2026 was nil Shares. There was no service provider sublimit set under the Scheme.

Since no option was granted under the Scheme during the six months ended 30 June 2026, the number of shares that might be issued in respect of options granted under the Scheme during the Period divided by the weighted average number of the Company's shares in issue for the Period was zero.

The number and exercise prices of share options under the Scheme for the Period are as follows:

				Outstanding number of options		
Type of grantee	**Date of grant**	**Exercisable period**	**Exercise price**	**Balance at 1 January 2026**	**Adjustment due to share consolidation**	**Balance at 30 June 2026**
			HK$	'000	'000	'000
Key Management						
Mr. Chu Xueping	14 June 2022	14 June 2022 to 13 June 2027	2.87	16,600	(14,940)	1,660
Ms. Wang Qiuqin	14 June 2022	14 June 2022 to 13 June 2027	2.87	16,600	(14,940)	1,660
Ms. Zhou Wan	14 June 2022	14 June 2022 to 13 June 2027	2.87	15,000	(13,500)	1,500
				48,200	(43,380)	4,820
Employees						
In aggregate	14 June 2022	14 June 2022 to 13 June 2027	2.87	80,000	(72,000)	8,000
				80,000	(72,000)	8,000
				128,200	(115,380)	12,820

Directors' rights to acquire Company's shares or debentures

Save as disclosed in the sections headed "Other information – Directors' and Chief Executive's interests and short positions in shares, underlying shares and debentures" and "Other information – Share Option Scheme" of this report, at no time during the Period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or Chief Executive of the Company or their spouse or children under 18 years of age to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Compliance with corporate governance code

The Company adopted its own code of corporate governance based on the principles and the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules ("**CG Code**").

Ms. Wang Qiuqin is an Executive Director, the Chairman of the Board and the Chief Executive Officer of the Company. As Ms. Wang Qiuqin is performing both the roles of the Chairman and the Chief Executive Officer, this constitutes a deviation from Code Provision C.2.1 of the CG Code which requires that the roles of the chairman and chief executive should be separate and should not be performed by the same individual. The Board believes that while vesting both the roles of the Chairman and the Chief Executive Officer in the same person gains the benefit of ensuring consistent leadership within the Group, the balance of power and authority for that arrangement are not impaired as all major decisions are made in consultation with the Board members and the senior management of the Company. Nevertheless, the Group will review the structure from time to time in light of the prevailing circumstances and may look for suitable candidate to take up the role of the Chairman and will make announcement as and when appropriate.

Save as disclosed above, the Company had complied with the CG Code to the extent applicable and permissible to the Company during the Period.

Model code for securities transactions by directors

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

Purchase, sale or redemption of the Company's listed securities

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

Events after the reporting period

There were no significant events affecting the Group after 30 June 2026 and up to the date of this report.

Disclosure pursuant to Rule 13.51B(1) of the Listing Rules

As at the date of this report, there were no substantial changes to the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Litigation

On 17 November 2020, the Company was served a sealed copy of a petition dated 16 November 2020 filed with the High Court of the Hong Kong Special Administrative Region (the "**Court**") by the SFC pursuant to section 214 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**") ("**Petition**"). The Petition named three respondents. Apart from the Company, the other two parties named as respondents under the Petition are two former Directors, namely Mr. Zhou Ling ("**1st Respondent**") and Mr. Dai Haidong ("**2nd Respondent**"). The 1st Respondent and the 2nd Respondent retired and resigned from their positions as Executive Directors on 27 June 2018 and 5 November 2015 respectively.

As stated in the Petition, the SFC alleged that, during the period from 2015 to 2018, each of the 1st Respondent and the 2nd Respondent had been wholly or partly responsible for the business or affairs of the Company having been conducted in a manner (i) involving misfeasance or other misconduct towards it or its members or any part of its members; (ii) resulting in its members or any part of its members not having been given all the information with respect to its business or affairs that they might reasonably expect; and/or (iii) unfairly prejudicial to its members or any part of its members. In particular, the SFC alleged that, *inter alia*,

(1) the 1st Respondent and the 2nd Respondent had breached their duties as directors of the Company in relation to the Group's acquisition of 50% interest in Saike International (details of such acquisition were disclosed in the announcements of the Company dated 14 February 2015, 20 March 2015, 26 June 2015 and 16 July 2015);

(2) the 1st Respondent had made a secret profit in the sum of HK$26 million out of the Group's acquisition of 15% interest in Eternal Charm International Limited (currently known as WinHealth International Company Limited) (details of such acquisition were disclosed in the announcements of the Company dated 5 December 2016 and 14 March 2017); and

(3) the 1st Respondent was responsible for misfeasance and/or misconduct which was unfairly prejudicial to the members or any part of the members of the Company, comprising various artificial transactions involving dealings in a number of pharmaceutical products.

In the Petition, the SFC applies for, inter alia, an order that the 1st Respondent do pay to the Company the sum of HK$26 million with interest thereon at such rate and for such period as the Court thinks fit. No order or relief is sought against the Company in the Petition. The Petition was fixed to be heard on 11 May 2021.

On 4 May 2021, the SFC, the Company, the 1st Respondent and the 2nd Respondent made a joint application by way of consent summons ("**Consent Summons**") in respect of the vacation of the hearing date fixed for the Petition. On 5 May 2021, the Court made an order in terms of the Consent Summons as amended, among other things, that the hearing date of the Petition scheduled to be held on 11 May 2021 be vacated and leave be granted to the parties to fix a case management conference on a date in consultation with counsel's diaries. Further details of the matters were disclosed in the announcements of the Company dated 18 November 2020 and 10 May 2021. The said case management conference was subsequently fixed on 24 August 2022. At the said case management conference held on 24 August 2022, it was ordered that, among other things, a second case management conference was fixed to be held on 2 December 2022. The case was subsequently heard in July 2024.

The Company was excused by the Court from the hearing. On 23 July 2024, the Court made an order to, among other things, grant leave to other parties to the proceedings to file and serve certain documents.

On 13 September 2024, the Court handed down the judgment ("**Judgment**") of the Petition, pursuant to which, inter alia, a costs order nisi ("**Costs Order Nisi**") was made that, inter alia, (i) the SFC should pay the Company 75% of the costs of and occasioned by the Petition including all costs reserved, to be taxed if not agreed; and (ii) the 1st Respondent and the 2nd Respondent should pay the Company 25% of the costs of and occasioned by the Petition including all costs reserved, to be taxed if not agreed ("**Costs Awarded to the Company**"). No order was made against the Company in the Judgment.

On 27 September 2024, the 1st Respondent and the 2nd Respondent filed a summons for an application to vary the Costs Order Nisi ("**Application to Vary Costs Order Nisi**").

On 10 October 2024, the SFC filed a notice of appeal in respect of the Judgment for an order that, inter alia, (i) the Judgment in respect of certain transactions be set aside; and (ii) certain matters pleaded in the Petition and the reliefs relating to such matters be remitted to the Court of First Instance for retrial and/or reconsideration ("**Appeal**"). A notice of setting down an appeal in respect of the Appeal was filed by the SFC on the same day to notify the parties that the Appeal had been set down in the list of appeals.

On 20 November 2024, the Application to Vary Costs Order Nisi was heard and the Court made an order to vary the Costs Order Nisi, yet the Costs Awarded to the Company remained unchanged.

On 10 December 2024, the Petitioner filed a supplementary notice of appeal, setting forth further or alternative grounds of appeal in respect of the Appeal. The Appeal will be heard in the Court of Appeal on 22 September 2026.

As at the date of this report, the Appeal is still ongoing.

As at 30 June 2026 and the date of this report, save as disclosed above, so far as was known to the Directors, no member of the Group was involved in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was pending or threatened against any member of the Group.

Adoption of New Bye-Laws

The Board proposed to amend the then existing bye-laws of the Company ("**Bye-laws**") in order to (i) bring the Bye-laws to be in line with the latest regulatory requirements of the Listing Rules in contemplation of the implementation of the Uncertificated Securities Market ("**USM**"); and (ii) make other miscellaneous and housekeeping amendments. In view of such amendments, the Board proposed to adopt the third amended and restated bye-laws ("**New Bye-laws**") of the Company in substitution for, and to the exclusion of, the Bye-laws.

The New Bye-laws was adopted by the shareholders of the Company by passing a special resolution at the annual general meeting of the Company held on 18 June 2026. Details of the New Bye-laws are disclosed in the announcement of the Company dated 27 April 2026 and the circular of the Company dated 28 April 2026.

Audit committee

The primary duties of the audit committee of the Board ("**Audit Committee**") are to review the Company's financial statements, accounts and interim and annual results and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the Group's financial reporting, risk management and internal control procedures.

The Audit Committee comprises three Independent Non-executive Directors, namely, Ms. Li Sin Ming, Ivy, Mr. Leung Chi Kin and Mr. Sy Lai Yin, Sunny. Ms. Li Sin Ming, Ivy is the Chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Period and this report.

On behalf of the Board
New Ray Medicine International Holding Limited
Wang Qiuqin
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 27 August 2026