



Fujian Haixi Pharmaceuticals Co., Ltd. 福建海西新藥創制股份有限公司

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

Stock code: 2637



INTERIM
REPORT

2026



HXP

海西新藥

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Company Overview

Fujian Haixi Pharmaceuticals Co., Ltd. (“Haixi Pharmaceuticals” or the “Company”, together with its subsidiaries, the “Group”) was established in the People’s Republic of China (the “PRC”) as a limited liability company on 27 March 2012 and was converted into a joint stock company with limited liability on 15 November 2022 under laws of the PRC. It is a commercial-stage innovative pharmaceutical company that integrates research and development, clinical research, production and sales capacities. The Group aims to focus on the development of first-in-class innovative drugs with global competitiveness and to realize the Company’s future development vision through the global performance of innovative drugs.

The Group’s business has adopted a dual track model, which is a rare business model for innovative pharmaceutical companies, comprising both generic drugs and innovative drug candidates. For our generic drugs, the Group has established a leading market position by launching a series of products that obtained regulatory approvals in a timely manner and complied with all quality requirements, with technical barriers and substantial market potential. The indication spectrum of the Group’s innovative drug candidates has spanned from oncology to ophthalmology and beyond. The Group will keep exploring new medical fields by introducing more innovative drugs.

As of the end of the Reporting Period, the Group had obtained approval from the National Medical Products Administration (NMPA) for a total of 17 generic drugs for commercialisation, including those for digestive system diseases, cardiovascular system diseases, endocrine system diseases, nervous system diseases and inflammatory diseases. The Group has established sales and distribution networks with over 21,000 hospitals and other medical institutions (including over 5,500 Grade III or II hospitals and over 24,000 pharmacies), covering all provinces, municipalities and autonomous regions in China. In addition, in the field of innovative drugs, leveraging the Group’s insights in inflammatory response and immune regulation, the Group’s innovative drug pipeline focuses on drug candidates for various indications with significant unmet medical needs and substantial global market potential, including a potential first-in-class investigational oncology drug, a world’s potential first oral drug candidate for the treatment of nAMD/DME/RVO, and two other innovative drug candidates in the preclinical stage for the treatment of oncology and respiratory diseases. All innovative drug candidates under development by the Group are the original drugs developed in-house. To protect the Group’s products and drug candidates throughout their lifecycle, as of the end of the Reporting Period, the Group had established a global patent portfolio comprising 39 patents, including 20 patents granted in overseas jurisdictions such as the United States, Canada, Australia, Japan, Korea, Singapore, India and approximately 29 European countries. In addition, the Group plans to actively explore opportunities to collaborate with multinational corporations (MNCs) to expand its capabilities in international clinical research and commercialisation.

BOARD OF DIRECTORS

Executive Directors

Dr. Kang Xinshan
(Chairman and Chief Executive Director)
Ms. Feng Yan (Co-founder)
Dr. Chen Guangming
Dr. Li Junqing (appointed on 27 May 2026)
Mr. Chen Tingze (appointed on 4 August 2026)
Dr. Chen Shuyi (retired on 27 May 2026)

Non-executive Directors

Mr. Xu Dong
Mr. Wang Xinkun (retired on 4 August 2026)

Independent Non-executive Directors

Mr. Lin Bin (appointed on 27 May 2026)
Ms. Wang Shan Shan
Ms. Pu Meiting
Mr. Gong Weimin (retired on 27 May 2026)

JOINT COMPANY SECRETARIES

Ms. Zhang Junhuan
Mr. Lau Kwok Yin

AUTHORISED REPRESENTATIVES

Dr. Kang Xinshan
Mr. Lau Kwok Yin

AUDIT COMMITTEE

Ms. Pu Meiting (Chairwoman)
Mr. Lin Bin (appointed on 27 May 2026)
Ms. Wang Shan Shan
Mr. Gong Weimin (retired on 27 May 2026)

REMUNERATION AND APPRAISAL COMMITTEE

Ms. Wang Shan Shan (Chairwoman)
(appointed on 27 May 2026)
Dr. Kang Xinshan
Ms. Pu Meiting
Mr. Gong Weimin (Chairman)
(retired on 27 May 2026)

NOMINATION COMMITTEE

Ms. Wang Shan Shan (Chairwoman)
Dr. Kang Xinshan
Ms. Pu Meiting

STRATEGY COMMITTEE

Dr. Kang Xinshan (Chairman)
Ms. Feng Yan
Mr. Lin Bin (appointed on 27 May 2026)
Mr. Gong Weimin (retired on 27 May 2026)

REGISTERED OFFICE, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

Floor 3 & 4, Block B
No. 177 Jinda Road, Jianxin Town
Cangshan District
Fuzhou, Fujian Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai, Hong Kong

COMPANY'S WEBSITE

www.hxpharma.com



Corporate Information

AUDITOR

RSM China CPA LLP (*appointed on 4 August 2026*)
Suite 1001-1 to 1001-26, 10th floor, Building 1,
No. 22 Fuchengmenwai St, Xicheng,
Beijing, China

LEGAL ADVISER

As to Hong Kong law:
Ashurst Perkins Coie Hong Kong
Suites 4304A & 4312-4317
42/F & 43/F Jardine House
1 Connaught Place
Central Hong Kong SAR

COMPLIANCE ADVISER

Orient Capital (Hong Kong) Limited
28/F-29/F
100 Queen's Road Central
Central, Hong Kong

STOCK CODE

2637

H SHARE REGISTRAR

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

PRINCIPAL BANKS

China Everbright Bank Co., Ltd.
China Merchants Bank Co., Ltd.
Industrial Bank Co., Ltd.
Shanghai Pudong Development Bank Co., Ltd.
CMB Wing Lung Bank Limited
China CITIC Bank International Limited



Chairman's Statement

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of the Group, I would like to express my sincere gratitude for your continued attention and support for the Company. I am pleased to present the unaudited consolidated interim results of Haixi Pharmaceuticals for the six months ended 30 June 2026 (the "Reporting Period") prepared in accordance with the China Accounting Standards for Business Enterprises ("CASBE"), together with the comparative figures for the corresponding period of 2025, and to briefly outline the Company's future development.

Haixi Pharmaceuticals significantly invests in R&D of innovative drugs by following a dual-track strategy of "fast-follow fuels innovation, innovation shapes the future (仿製助力創新, 創新驅動未來)". Leveraging the Company's insights in inflammatory response and immune regulation, the Company has developed the proprietary MultiSel-Opt Platform and focuses on developing drug candidates targeting various indications with significant unmet medical needs and substantial global market potential. As of the end of the Reporting Period, the Company had four projects related to innovative drug candidates under development, including C019199 (a multi-mechanism tumor immuno-modulator targeting CSF-1R/DDR1/VEGFR2), HXP056 (a potential world's first oral drug for the treatment of ocular fundus diseases such as nAMD/DME/RVO), HXP089 (a single-agent multi-mechanism therapy for glioblastoma) and HXP090 (an oral drug designed specifically targeting idiopathic pulmonary fibrosis (IPF)).

C019199 is a multi-mechanism tumor immuno-modulator targeting CSF-1R/DDR1/VEGFR2 and has the potential to become a first-in-class therapy. Currently, its clinical research program covers a broad range of indications, including osteosarcoma, breast cancer, colorectal cancer, pancreatic cancer and tenosynovial giant cell tumor. As at 30 June 2026, the Company had (i) completed Phase Ia clinical trials and initiated Phase Ib/II clinical trials for osteosarcoma and TGCT; and (ii) completed Phase I clinical trial and initiated Phase II clinical trial in different types of solid tumors for combination therapy with anti-PD-1 mAbs. In the second quarter of 2026, the Company initiated Phase III clinical trials for C019199 for osteosarcoma in China. It is poised to fill the treatment gap for third-line and advanced osteosarcoma, potentially becoming a breakthrough therapy specifically for osteosarcoma to address a critical unmet medical need globally.

HXP056 project designs to develop an original innovative drug for treating vascularization-related retinal diseases, such as neovascular age-related macular degeneration, diabetic macular edema and retinal vein occlusion. It has the potential to become the world's first oral drug in this therapeutic area. HXP056 addresses a major limitation of current retinal disease therapies, which all require intravitreal injections. The Group believes the oral drug can effectively resolve two major pain points in clinical application: 1) significantly improving patient compliance, ensuring long-term adherence to treatment and preventing disease recurrence or worsening due to treatment interruption; and 2) providing a dual benefit for patients diagnosed with unilateral retinal disease; while treating the affected eye, it potentially offers prophylactic effects for the asymptomatic eye, thereby preventing bilateral vision loss. Furthermore, an oral drug mitigates the side effects and discomfort associated with ocular injections.

Looking ahead, Haixi Pharmaceuticals remains committed to the strategy of "fast-follow fuels innovation, and innovation shapes the future (仿製助力創新, 創新驅動未來)". We leverage the cash flow generated by our generic drugs business to fuel the research and development of innovative drugs, utilizing the global exploration of our innovative drugs to propel the Group's future ascent. In the long term, the Group aims to develop first-in-class innovative drugs with global competitiveness. To achieve this, the Group plans to increase R&D investment, advance product development and enrich its product portfolio and pipeline; gradually establish the infrastructure for international clinical studies; enhance domestic commercialisation capabilities while building a global commercial footprint; actively explore collaboration opportunities with excellent biopharmaceutical companies of all sizes worldwide; keep expanding production capacity and further strengthen quality control to establish a global supply capability. The cornerstone of these initiatives is our commitment to continuously recruiting, cultivating, and retaining the industry's top talent.



Chairman's Statement

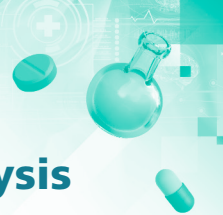
Haixi Pharmaceuticals will remain firmly committed to advancing its established strategic objectives at full speed. Through the collective efforts of all Haixi Pharmaceuticals' employees, we will accelerate the clinical research and global market launch of more original innovative drugs. Our mission is to meet the clinical needs of patients worldwide and create significant clinical value. At the same time, we will proactively pursue strategic collaborations on key projects, thereby supporting the Company's sustained rapid growth in the future, delivering higher-quality products to society and generating greater returns for our shareholders.

Fujian Haixi Pharmaceuticals Co., Ltd.

Kang Xinshan

Chief Executive Officer and Chairman

28 August 2026



Management Discussion and Analysis

BUSINESS OVERVIEW

The Group is a commercial-stage pharmaceutical company that integrates R&D, production and sales capacities, with a pipeline of innovative drug candidates. We have established a diversified product portfolio and a pipeline of innovative drug candidates in the largest and fastest-growing therapeutic areas in China.

As at 30 June 2026, our commercialised product portfolio primarily consisted of generic drugs for digestive system diseases, cardiovascular system diseases, endocrine system diseases, nervous system diseases and inflammatory diseases.

Our innovative drug pipeline focuses on drug candidates in a variety of indications, including two innovative oncology drug candidate, one potential first oral drug therapy for neovascular age-related macular degeneration (nAMD, a retinal disease caused by abnormal growth of blood vessels under the retina), diabetic macular edema (DME, fluid leakage into macula from diabetes) and retinal vein occlusion (RVO, vision loss from blockage of retinal veins), and another innovative preclinical-stage drug candidates respiratory diseases. All above-mentioned of our innovative drug candidates are proprietarily discovered and developed in house.

As at 30 June 2026, the Company had obtained approval from National Medical Products Administration (the “NMPA”) for 17 generic drugs and established a pipeline of four innovative drug candidates, making us a key market participant in the pharmaceutical industry in China. During the Reporting Period, we generated revenue from 15 out of the 17 approved products.

In order to protect our products and drug candidates throughout their lifecycle, the Company had established a global patent portfolio that consisted of 39 patents as at 30 June 2026, including 20 in overseas jurisdictions covering U.S., Canada, Australia, Japan, Korea, Singapore, India and 29 European countries.

In addition, we plan to actively explore opportunities to collaborate with multinational corporations (MNCs) to expand our international clinical research and commercialization capacities.

During the Reporting Period, the Company has persisted in the strategy of “fast-follow fuels innovation, and innovation shapes the future (仿製助力創新, 創新驅動未來)” and has made further progress in all aspects of R&D, sales and marketing.

2026 INTERIM REVIEW

Since early 2026, the Group has achieved significant milestones in pipeline development, sales and marketing, manufacturing and business partnerships.

During the Reporting Period, the Group’s revenue increased by 3.85% to RMB311.62 million compared to the six months ended 30 June 2025, demonstrating its capacities to continuously commercialise pharmaceutical products and maintain its market share. As at the date of this report, various products of the Group had been successfully launched in China and marketed through more than 21,000 targeted hospitals and institutions in China.



Management Discussion and Analysis

Our commercialised products

At the end of the Reporting Period, the Group obtained approval from the National Medical Products Administration (the “NMPA”) for 17 generic drugs, nine of which were selected in the national volume-based procurement (“VBP”) schemes and the provincial VBP schemes. Among these nine drugs, six have participated in the renewal of the 1st-8th batches of the national VBP schemes, with terms valid until 31 December 2028; one is still within its agreement period; and the remaining two were selected in the provincial VBP schemes. The aforementioned VBP drugs continue to contribute stable revenue to the Group.

The six drugs which participated in the renewal of the 1st-8th batches of national VBP schemes are as follows:

Anbili (安必力®): the first-to-market generic of mosapride citrate tablets that was regarded as passing the consistency evaluation in China and selected in the Fourth National VBP Scheme, participated in the renewal of the national VBP schemes in February 2026.

Haihitong (海慧通®) (5mg/10mg): a generic of amlodipine besilate and atorvastatin calcium tablets, selected in the Eighth National VBP Scheme, participated in the renewal of the national VBP schemes in February 2026.

Haihitong (海慧通®) (5mg/20mg): a generic of amlodipine besilate and atorvastatin calcium tablets, supplementarily selected in the Eighth National VBP Scheme in 2025, participated in the renewal of the national VBP schemes in February 2026.

Ruiantuo (瑞安妥®): a generic of cinacalcet hydrochloride tablets, selected in the Fifth National VBP Scheme, participated in the renewal of the national VBP schemes in February 2026.

Haibiping (海必平®): a generic of valsartan and amlodipine tablets (I), selected in the VBP scheme of Henan Alliance in 2022, participated in the renewal of the national VBP schemes in February 2026.

Anyoufan (安優凡®, a generic of escitalopram oxalate tablets) and Haikexi (海可喜®, a generic of valsartan tablets), selected in the provincial VBP schemes in 2022 to 2024, respectively, participated in the renewal of the national VBP schemes in February 2026.

As of the date of this report, six products have participated in the renewal of the 1st-8th batches of national VBP schemes, including three national VBP scheme products (Anbili (安必力®), Haihitong (海慧通®) and Ruiantuo (瑞安妥®)) and three provincial VBP scheme products (Haibiping (海必平®), Anyoufan (安優凡®) and Haikexi (海可喜®)), with terms valid until 31 December 2028. As of the date of this report, the Company expects to retain the market share of the six products above and stabilise its product price according to the terms of the renewal agreement. Subsequently, sales volume stands a chance of growing through consistent marketing, channel and end-user base expansion in the next three years, laying a solid foundation for the Company’s performance.

The drug selected in national VBP scheme is as follows:

Saixifu (賽西福®): the second-to-market generic of hydroxychloroquine sulfate tablets that was regarded as passing the consistency evaluation in China, was selected in the Tenth National VBP Scheme. As of the date of this report, Saixifu (賽西福®) contributed RMB35.7 million to the Group’s revenue.



The two drugs selected in provincial VBP scheme are as follows:

Anfeiping (安飛平®): the first-to-market generic of diclofenac sodium enteric-coated tablets that was regarded as passing the consistency evaluation in China, was selected in the VBP schemes of Guangdong 21-Province Alliance in October 2025.

Jishuning (及舒寧®): a generic of cetirizine hydrochloride oral solution was selected in the VBP schemes of Guangdong 21-Province Alliance in October 2025.

The selection of Anfeiping (安飛平®) and Jishuning (及舒寧®) in the VBP schemes of Guangdong 21-Province Alliance is expected to bring positive impacts on the 2026 results of the Company.

Updates of our generic drug candidates

Besides the abovementioned generic drugs that have been approved by the NMPA and commercialised, the Group has a pipeline of various generic drug candidates at the ANDA stage for indications including hypertension, mild to severe pain, gastric mucosal protection, bowel dysfunction, arthritis and others, which are expected to be approved for marketing by the second half of 2026 or 2027.

Pipeline of Several Generic Drug Candidates

Drug Name	Dosage Form	Indication	Expected Time for Obtaining ANDA Approval	Origin
Paracetamol Ibuprofen Tablets	Oral	Mild pain	2026	Contracted developed
Polaprezinc Granules	Oral	Gastric mucosal protection	2026	Developed in-house
Pinaverium Bromide Tablets	Oral	Bowel dysfunction	2027	Developed in-house
Iguratimod Tablets	Oral	Arthritis	2027	Developed in-house
Deferasirox Tablets	Oral	Chronic Iron Overload in blood	2027	Collaborative R&D
Lercanidipine Hydrochloride Tablets	Oral	Hypertension	2027	Developed in-house
Teprenone Capsules	Oral	Gastritis and Gastrohelcosis	2027	Developed in-house
Tizanidine Hydrochloride Tablets	Oral	Central skeletal muscle relaxation	2027	Developed in-house
Doxycycline Hydrochloride Tablets	Oral	Bacterial infection	2027	Developed in-house
Bismuth Potassium Citrate Tablets	Oral	Chronic gastritis, intestines and stomach ulcers	2028	Developed in-house
Bumetanide Tablets	Oral	Renal edema or hepatic edema, heart failure	2028	Developed in-house

Management Discussion and Analysis

Updates of our innovative drug candidates

Based on our knowledge of the human immune system, we believe it is an extremely complex three-dimensional network with synergy among multiple channels and multiple mechanisms. Haixi Pharmaceuticals' small-molecule innovative drug candidates platform aims to address inflammation and immunomodulation in the human body, fully leveraging single small-molecule drug to achieve selective multi-mechanism synergy (the "MultiSel-Opt Platform"). The platform has thus enabled the exploration of a new mechanism for disease treatment and achieved original innovation in innovative drug projects and candidate compounds. The Group internally developed all its innovative drug candidates in a proprietary manner.

Top 4 of Innovative Drugs

Project Name	Therapeutic Areas	Target/MOA	Dosage Form	Intended Indications	Expected registration category	Expected Upcoming Milestone
C019199	Oncology	CSF-1R/ DDR1/ VEGFR2	Oral	Osteosarcoma, HER2- breast Cancer, TGCT and others	Type 1 drug of chemical drug	Plan to complete the enrolment for the Phase III trial in the second half of 2027
HXP056	Ophthalmology	Confidentially	Oral	nAMD, DME and RVO	Type 1 drug of chemical drug	Plan to complete Phase II trial of nAMD by the end of 2026
HXP089	Oncology	Confidentially	Oral	Glioblastoma (GBM)	Type 1 drug of chemical drug	Plan to initiate Phase I/II clinical trial of GBM in the second half of 2026
HXP090	Respiratory	Confidentially	To be determined	Idiopathic pulmonary fibrosis (IPF)	Type 1 drug of chemical drug	Plan to submit IND application in 2027

C019199

C019199 is a multi-mechanism immuno-modulator targeting CSF-1R/DDR1/VEGFR2, which is the first innovative drug candidate developed from the MultiSel-Opt Platform. The Company is developing C019199 both as monotherapy and in combination therapies with drugs such as anti-PD-1 mAbs for a variety of oncology diseases. C019199's indications include, among others, osteosarcoma, breast cancer, colorectal cancer, pancreatic cancer and tenosynovial giant cell tumor (TGCT). In July 2020, the Company obtained the Investigational New Drug Application (IND) approval from the NMPA for C019199. As at 30 June 2026, the Company had (i) completed Phase Ia clinical trials and initiated Phase Ib/II clinical trials for osteosarcoma and TGCT; and (ii) completed Phase I clinical trial and initiated Phase II clinical trial in different types of solid tumors for combination therapy with anti-PD-1 mAbs. In the second quarter of 2026, the Company has initiated Phase III clinical trials for C019199 for osteosarcoma in China. In the U.S., the Company also expects to initiate Phase I/II clinical trials for osteosarcoma after the Company obtains Food and Drug Administration (FDA) IND approval.

HX9428

HX9428 is a candidate drug molecule of HXP056, an innovative drug project independently developed by the Company. It is designed to provide an oral therapy for the treatment of ocular fundus diseases. HX9428 is expected to overcome the technical challenges of achieving BRB penetration to reach the retinal disease site, while simultaneously optimising systemic exposure to ensure patients' safety. HX9428 has the potential to become the world's first oral therapy for the treatment of the said retinal diseases, rendering both a significant technological advancement and an explosive global market potential.

Preliminary data from the Phase I clinical study of HX9428 in nAMD demonstrated favourable safety and tolerability, with a good dose-exposure relationship. Furthermore, in both treatment-naïve and previously treated patients with nAMD enrolled in Phase I clinical trial, initial improvements in both fundus morphology and retinal function were observed. Based on these promising early results, the Company has already commenced patient enrollment for the Phase II expansion study in China in the fourth quarter of 2025 while the Phase I dose escalation was still ongoing. The Company's goal is to expeditiously evaluate and determine the optimal dose for treatment, thereby laying a solid foundation for the upcoming Phase III clinical studies in the near future. Furthermore, given the favorable efficacy and safety trends demonstrated by HX9428 in its domestic clinical studies, as of the date of this report, the U.S. Food and Drug Administration (FDA) has approved the initiation of the Phase II clinical trial of HX9428 in the U.S. and granted HX9428 Fast Track Designation. At the same time, the Company officially commenced the second Phase II clinical trial of HX9428 (Registration No.: CTR20262884) for the treatment of nAMD in China, and the related information has been published on the Drug Clinical Trial Registration and Information Disclosure Platform of the Center for Drug Evaluation (CDE) of the NMPA. This study is a randomized and positive-controlled Phase II clinical trial further initiated by the Company based on the prior Phase I and Phase II dose expansion studies of HX9428.

HXP089

HXP089 is another innovative drug candidate developed from the Company's MultiSel-Opt Platform. Its R&D and design consistently adhere to the concept of "delivering synergistic therapeutic effects through multiple mechanisms of action with a single molecule". It is intended for the treatment of glioblastoma (GBM). During the molecular design process, HXP089 placed significant emphasis on the targeted optimization of compound exposure in target tissues. This ensures that the final compound candidate possesses strong blood-brain barrier (BBB) penetration capabilities and achieves coordinated modulation of multiple key disease pathways. It is expected to bring new therapeutic hope to GBM patients, addressing the long-standing unmet medical need for effective treatment options. As at the date of this report, the IND application for HXP089 for the treatment of GBM has been approved by the NMPA. The Company expects to initiate the Phase I/II clinical trial for the treatment of GBM in the third quarter of 2026.

HXP090

The HXP090 project is a small-molecule drug designed specifically targeting idiopathic pulmonary fibrosis (IPF), which is referred to as "the cancer that is not cancer". The median survival time of IPF patients is only 2 to 4 years with approximately 80% of patients surviving no more than 5 years after diagnosis. Effective treatment options for IPF remain scarce. Currently marketed drugs, such as pirfenidone and nintedanib, can only slow the decline of lung function and disease progression. They are unable to control or reverse pulmonary fibrosis, and their safety and tolerability profiles leave much to be improved. The development of HXP090 departs from the "one drug for one disease" philosophy. Instead, it utilizes a single drug molecule to achieve a multi-mechanism synergy that is simultaneously anti-inflammatory, anti-epithelial-mesenchymal transition and anti-fibrotic. Currently, the project is scheduled to submit its IND application in 2027.



Management Discussion and Analysis

ROBUST R&D CAPABILITY

With over a decade of experience, the Group has established a R&D team that covers the entire cycle of pharmaceutical R&D, including medicinal chemistry, formulation, preclinical research, quality develop, control and assurance, clinical operation and regulatory affairs. We have built two product development platforms which form the bedrock of our R&D capabilities. These product development platforms include (i) the Multi-target Innovative Drug Development Platform (the MultiSel-Opt Platform), through which we facilitate the screening, discovery and optimization of compound candidates in preclinical research and advance development candidates in clinical studies; and (ii) the Generic Drug Development Platform, through which we continue to develop drug candidates with market potential.

As of the end of Reporting Period, the R&D team of the Group consisted of approximately 110 researchers, around 38.2% of whom have obtained a Ph.D. or a master's degree, covering a broad range of scientific disciplines. As of the end of Reporting Period, all the key members of the Group's R&D team had several years of experience in the pharmaceutical industry.

Empowered by our R&D team, we have established a patent portfolio to protect our diversified products and drug candidates. As of the end of Reporting Period, we had been granted 39 patents globally, including 20 in overseas jurisdictions covering U.S., Canada, Australia, Japan, Korea, Singapore, India and 29 European countries.

STABLE MANUFACTURING EXCELLENCE DRIVEN BY HIGH BENCHMARKS, RIGOROUS STANDARDS AND SUPERIOR EFFICIENCY

The Haixi Changle Facility of the Group adheres to construction and operational standards defined by a **high benchmarks, rigorous requirements, strong execution and a focus on practical results**. Within its approximately 2,000-square-meter D-Class clean area, the facility is equipped with 24 air handling units (AHUs). Each operational zone is independent, allowing for the precise control of temperature and humidity to meet the diverse environmental requirements of multi-product concurrent production. From workshop layout and HVAC management to gowning protocols, every detail is designed to minimize the risks of contamination and cross-contamination to the greatest extent possible.

The designed production capacity of Haixi Changle Facility is approximately 2 billion tablets/capsules. Its core process equipment is sourced from world-class international brands. For instance, the wet granulation process utilizes original Glatt equipment imported from Germany, featuring capabilities for wet granulation, one-step granulation, melt granulation, pellet coating and powder coating. The German-imported Glatt coating machine supports coating for both micro-tablets and standard tablets, with a versatile production capacity covering an extensive range from 25kg to 390kg per unit. Furthermore, Fette tablet presses (菲特壓片機) and Syntegon capsule filling machines (星德科膠囊填充機) (both German brands) ensure high-speed and stable output during the molding and filling stages. In 2026, an additional Alu-PVC/Alu-Alu blister packaging line and a German-brand Fette tablet presses were introduced to further expand production capacity. The quality control platform is equipped with advanced instruments, including High-Performance Liquid Chromatography (HPLC), Gas Chromatography (GC), UV spectrophotometers, infrared spectrometers and Malvern particle size analyzers. The facility can independently perform physicochemical testing for the vast majority of raw materials, excipients and packaging materials. It also possesses robust capabilities for microbial limit method development and validation, having already completed more than 250 sets of method transfers or validations.

Guided by the principle of “Systems as the foundation, data as the evidence”, we have established and implemented over 1,300 quality management documents and standard operating procedures. This achieves standardized management across the entire workflow—from material receiving, weighing, and granulation to tableting, coating, blister packaging, and final product dispatch. To ensure the continuous robustness of our processes and facilities, we have systematically conducted more than 600 validation projects. These comprehensively cover utility systems, production equipment, analytical instruments, computerized systems, analytical methods, manufacturing processes and cleaning procedures. Leveraging our high-quality hardware infrastructure and a highly disciplined quality system, the Haixi Changle Facility significantly reduces reliance on manual labor. This minimizes the risk of human error, ensuring consistent process stability and the sustained reliability of product quality.

In March 2023, the Haixi Changle Facility obtained its land use rights of the property and secured the production license (category A) within two years; in May 2025, completed GMP compliance inspections for rebamipide tablets and cobamamide capsules; in September 2025, the site change for the contracted manufactured baclofen tablets had been completed, and the Facility obtained the production license (category C); in November 2025, completed GMP compliance inspections for amlodipine besilate and atorvastatin calcium tablets, and celecoxib capsules. The site change for valsartan and amlodipine tablets (I) and diclofenac sodium enteric-coated tablets had been completed in April 2026, and that for mosapride citrate tablets was also completed in May 2026. The Group has secured production licenses for categories A, B and C, and established a quality control system that integrates contracted manufacturing (outsourced), contracted manufacturing (insourced) and in-house production. By unifying the management of production and quality personnel, we continue to unlock labor cost efficiencies. As at 30 June 2026, 21 new products have been introduced, and site-transfer process validations for key generic drug products, such as mosapride citrate tablets and cinacalcet hydrochloride tablets, have been completed.

The Haixi Changle Facility completed phase I of its pallet warehouse construction. With over 2,600 storage slots, the Facility has achieved full automation for the inbound storage, picking, outbound dispatch and shelf-life management of raw materials, excipients, packaging materials and finished products. This ensures zero-error material turnover and full-process traceability. With the deployment of stacker cranes and autonomous mobile robots, the warehousing platform now handles a maximum throughput of over 2,000 units per day. The intelligent warehousing system deeply integrates industry standards with technological innovation. It covers core scenarios including supply chain, production, sales, warehousing and compliance, ensuring effective classification, status control and expiration management of materials. Simultaneously, the Group is progressively refining an integrated intelligent platform that synchronizes warehousing, production, sales and financial systems. This platform will enable more efficient and systematic operational management upon completion. AI-driven intelligent decision-making will provide the Group’s smart manufacturing chain with dynamic forecasting, including inventory optimisation and sales alerts, as well as intelligent scheduling, including automated path planning within the warehouse. These advancements aim to minimize manual intervention, enhance resource utilization and build a highly collaborative ecosystem.

The Haixi Changle Facility leverages its robust manufacturing capabilities to safeguard the stable supply of VBP products, while laying a solid foundation for the global supply of its in-house innovative drug candidates. Driven by high-quality and high-standard manufacturing expertise, the Haixi Changle Facility continues to expand its influence within the biopharmaceutical industry.



Management Discussion and Analysis

Evolving from a category B marketing authorization holder (MAH) which relied entirely on contract manufacturing to a comprehensive pharmaceutical company integrating R&D, production, warehousing, sales and clinical medicine, we possess a deeper understanding of the pain points and needs of MAH than traditional CMO. As we bridge the gap between R&D and production, our professional technology development and technology transfer teams provide more direct and efficient services for transferred products, assisting MAH in achieving seamless product localization and regulatory filing. With its world-class hardware, rigorous quality systems, and highly efficient service standards, the Haixi Pharma Changle Facility is increasingly becoming the preferred partner for domestic and international MAH seeking CMO collaborations.

MATURE COMMERCIALISATION CAPABILITIES

The successful commercialization of our various products across China is empowered by our professional and efficient sales team, nationwide sales and distribution network and multi-dimensional sales model. As of the end of the Reporting Period, we had a sales team of 36 employees with an average of approximately ten years of experience in the pharmaceutical industry. We treat hospitals and other medical institutions as our focal points and gradually expand into other sales channels, such as retail pharmacies, online pharmacies and internet medical platforms. Through selection of our products in the national and provincial VBP schemes, we were able to significantly expand our sales and distribution network.

As of the end of the Reporting Period, our sales and distribution network was connected to over 21,000 hospitals and other medical institutions, including more than 5,500 Grade III or II hospitals, in addition to over 24,000 pharmacies, covering all of the provinces, municipalities and autonomous regions in China. The triad of our sales team, sales and distribution network and sales model enabled us to respond quickly to evolving market needs, explore new sales channels and facilitate the smooth circulation of our products from production to end customers, deeply penetrating to different tiers of markets.

PERFORMANCE OUTLOOK AFTER THE PERIOD

For the six months ended 30 June 2026, the Group recorded revenue of RMB311.62 million and net profit of RMB81.05 million. Furthermore, several of the Group's generic drug candidates are expected to obtain marketing approval in 2026. These products will continue to enrich the Group's product portfolio and serve as a robust source of growth for the Group's product revenue.

In terms of innovative drugs, key pipeline candidates have progressed into critical clinical stages. C019199 is undergoing multiple clinical trials, including Phase Ib/II clinical trials for osteosarcoma and breast cancer. The key Phase III clinical trial for osteosarcoma was initiated in the second quarter of 2026. HX9428 has received IND approval from the National Medical Products Administration (NMPA) of China, initiated Phase I clinical trial in June 2025 in China and expanded Phase II clinical trial in December 2025 which is expected to be completed by the end of 2026. The Group also intends to publish relevant clinical results in international research journals or present them at academic conferences upon completion. In addition, the Phase II clinical trial of HX9428 has been approved by the U.S. Food and Drug Administration (the "FDA") and will be initiated in the U.S.. At the same time, HX9428 was granted Fast Track Designation ("FTD") by the FDA, helping the Group facilitate the launch of this drug. The Group's third innovative drug project for treating glioblastoma (GBM), HXP089, has also received IND approval from the NMPA, and the Group plans to initiate a Phase I/II clinical trial in the second half of 2026. In addition, the fourth project of the Group is scheduled to submit an IND application next year. The Group has initiated discussions with various pharmaceutical companies (including multinational corporations) or investment institutions regarding the licensing or co-development of these innovative pipelines.

Finally, the Group's vision is to become a leading pharmaceutical company in China and even the world. To achieve our vision and objectives, the Group will implement the following strategies:

- Continue to invest in R&D to advance our product development and enrich our product portfolio and pipeline
- Gradually establish the infrastructure for international clinical studies and accelerate the overseas listing of products
- Enhance domestic commercialization while building a global commercial footprint
- Expand production capacity, and further strengthen quality control to establish a global supply capability
- Actively explore collaboration opportunities with excellent biopharmaceutical companies of all sizes worldwide
- Continuously recruit, cultivate, and retain the industry's top talent
- Continue to improve earnings and overall profitability

FINANCIAL REVIEW

Financial Highlights

Since the listing of the Company's H Shares on the Stock Exchange, the Company has been preparing its financial accounting reports in accordance with IFRS Accounting Standards. According to the Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong issued by the Stock Exchange in December 2010, with effect from 15 December 2010, issuers incorporated in the Chinese Mainland and listed on the Stock Exchange are permitted to prepare their financial statements in accordance with the China Accounting Standards for Business Enterprises ("CASBE"), and mainland accounting firms recognised by the Ministry of Finance of the PRC and the China Securities Regulatory Commission are permitted to provide audit services to such issuers using the China Auditing Standards for Certified Public Accountants.

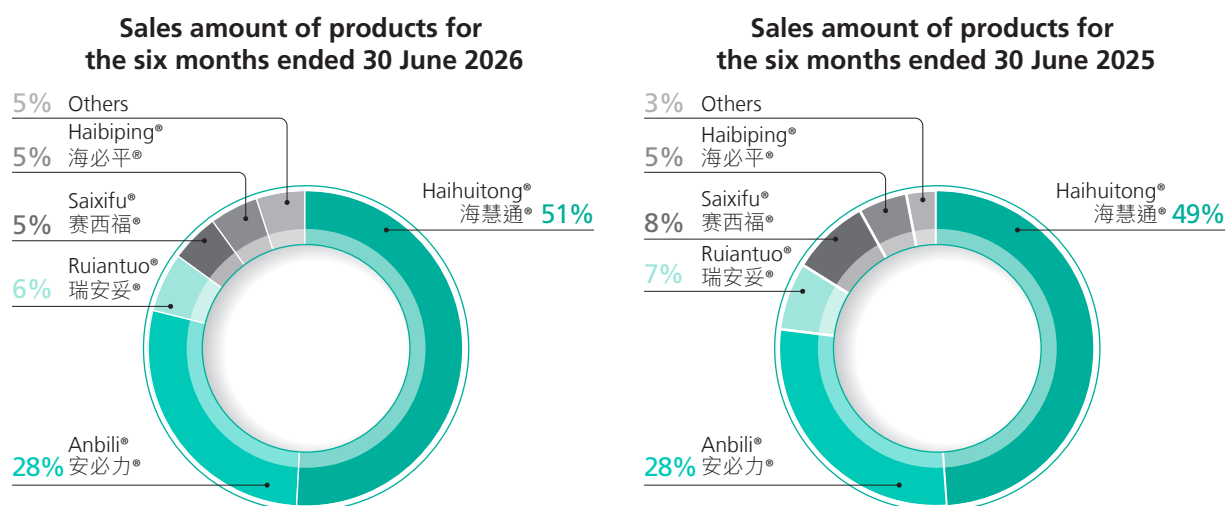
In light of the foregoing arrangements and given that CASBE and IFRS Accounting Standards have substantially converged, and that the Company principally conducts its business in the Chinese Mainland, in order to enhance operational efficiency, the Company, as approved at the shareholders' meeting held on 4 August 2026, has adopted CASBE and the relevant regulations for the preparation of its financial statements commencing from the 2026 interim period.

There was no material difference between the financial data for the corresponding period of 2025 previously prepared and disclosed in accordance with IFRS Accounting Standards and those under CASBE.

Management Discussion and Analysis

Revenue

For the six months ended 30 June 2026, the revenue of the Group from sales of pharmaceutical products was approximately RMB311,067,000, representing an increase of approximately RMB11,400,000 or 3.8% compared to approximately RMB299,667,000 for the six months ended 30 June 2025.



Operating Costs

Operating costs for the six months ended 30 June 2026 amounted to RMB56,462,000, representing an increase of 39.02% from RMB40,615,000 for the six months ended 30 June 2025, primarily due to the gradual transition of certain commercialised products from the Contract Manufacturing Organization (CMO) model to in-house manufacturing model. During the Reporting Period, the relevant production lines were still in the capacity ramp-up phase, and the capacity utilisation had not yet reached the optimal level, resulting in an increase in the fixed asset depreciation and manufacturing overhead per unit of product. As capacity utilisation gradually improves and economies of scale are realised, the unit production cost is expected to be lower. The establishment of the in-house manufacturing model will fundamentally enhance the Company's ability to maintain an autonomous and controllable supply chain, and lay a solid foundation for subsequent cost reduction through scaled production.

Other Income

Other income for the six months ended 30 June 2026 amounted to RMB6,366,000, representing an increase of 747.67% from RMB751,000 for the six months ended 30 June 2025, primarily attributable to an increase in government grants received during the Period.

Administrative Expenses

Administrative expenses for the six months ended 30 June 2026 amounted to RMB12,611,000, representing an increase of 9.41% from RMB11,526,000 for the six months ended 30 June 2025. The increase was primarily attributable to higher professional service fees incurred following the Company's listing compared to the corresponding period.

Selling Expenses

Selling expenses for the six months ended 30 June 2026 amounted to RMB99,356,000, representing a decrease of 0.49% from RMB99,849,000 for the six months ended 30 June 2025.

Finance Expenses

Finance expenses of the Group for the six months ended 30 June 2026 amounted to RMB11,759,000, representing an increase of 321.02% from RMB2,793,000 for the six months ended 30 June 2025, primarily attributable to foreign exchange gains or losses arising from the translation of foreign currencies into Renminbi at the end of the period.

R&D Expenses

R&D expenses for the six months ended 30 June 2026 amounted to RMB40,762,000, representing an increase of 50.32% from RMB27,116,000 for the six months ended 30 June 2025, primarily due to the advancement of clinical progress of the Group's innovative drug projects, resulting in higher clinical trial expenses.

Net Profit

Net profit for the six months ended 30 June 2026 amounted to RMB81,049,000, representing a decrease of 24.82% from RMB107,806,000 for the six months ended 30 June 2025, primarily due to depreciation expenses of RMB7,987,000 arising from the commencement of operations at the subsidiary's production base compared to the corresponding period, and higher R&D expenses in the Reporting Period.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Company's monetary funds increased from approximately RMB645,054,000 as at 31 December 2025 to approximately RMB1,018,978,000 as at 30 June 2026. The Company's primary sources of liquidity are its operating cash flows and the proceeds from the Global Offering. The Board is of the opinion that the Company has sufficient resources to sustain its management and meet its foreseeable capital expenditure requirements.

Gearing Ratio

The Group's gearing ratio (being total liabilities divided by total assets) increased from 13.70% as at 31 December 2025 to 15.11% as at 30 June 2026, primarily attributable to the increase in the amount of government grants related to assets received during the Period that were recognized as deferred revenue.

Funding and Treasury Policies

The Group primarily finances its operations through cash generated from business operations and the net proceeds from the Global Offering. The Group's treasury activities are managed by its finance department in accordance with the Group's internal monetary fund management policies and external investment management policies. The primary objectives of the Group's treasury management are to safeguard the Group's assets, manage its liquidity position and minimise financial risks. The finance department is responsible for monitoring and managing the Group's cash flows, foreign exchange exposures and investment activities under the oversight of the management and the Board.

Management Discussion and Analysis

Interest Rate of Borrowings

As at 30 June 2026, the Group's total short-term borrowings amounted to approximately RMB76,592,000 (being RMB50,000,000 at fixed interest rates and RMB26,592,000 at floating interest rates). Approximately 65.28% of the Group's total borrowings were at fixed interest rates, while approximately 34.72% were at floating interest rates. The Directors consider that the Group's exposure to interest rate risk arising from floating rate borrowings is not material.

Foreign Exchange and Exchange Rate Risk

The Group primarily operates in the PRC and is exposed to foreign currency risk arising from fluctuations in exchange rate between RMB and other currencies in which the Group conducts its business. The Group did not enter into any hedging transactions in respect of foreign currency risk as at 30 June 2026. The Directors expect that the fluctuation of the RMB exchange rate will not have a material adverse effect on the operation of the Group.

Hedging Activities

As at 30 June 2026, the Group did not use any financial instruments for hedging purposes and did not enter into any hedging transactions in respect of foreign currency risk or interest rate risk.

OTHER INFORMATION

Significant Investments

As at 30 June 2026, the Group had total assets of RMB1,966,288,000. The table below sets out the fair value of each investment and its percentage of the Group's total assets as at 30 June 2026:

Item	Fair value at the end of the period (RMB)	Percentage of the Group's total assets (%)
(1) Financial assets held for trading	172,386,000.00	8.77
(2) Other non-current financial assets	25,337,000.00	1.29
(3) Other equity instrument investments	19,653,000.00	1.00
Total	217,376,000.00	11.06

As at 30 June 2026, the Company's financial assets held for trading primarily consisted of:

- (1) Financial assets held for trading mainly are the money market funds (classified as current financial assets at fair value through profit or loss). The funds were used to subscribe for wealth management products managed by various fund managers in Chinese Mainland, in the aggregate principal amount of RMB170,310,000. All applicable percentage ratios in respect of each investment were below 5% and none of them individually constituted a disclosable transaction of the Company under Chapter 14 of the Listing Rules. The underlying assets of these funds in Chinese Mainland mainly comprise cash, short-term debt instruments issued by municipal governments and other financial instruments.

- (2) Other non-current financial assets mainly are the convertible notes issued by an equity investment (classified as other non-current financial assets at fair value through profit or loss). During the six months ended 30 June 2026, the Company held convertible notes in the principal amount of RMB20,000,000. The convertible notes are classified as other non-current assets because the Directors expect that the financial asset will not be realized until more than twelve months after the end of the Reporting Period. The fair value of the convertible notes is determined based on a valuation performed by an independent external valuer using a binomial valuation model. The key inputs to the model include the coupon rate, conversion price and expected volatility of comparable companies.
- (3) The Company made a cash investment of RMB20,000,000 for an approximately 4.58% equity interest in a private entity incorporated in the Cayman Islands (the “Investment”). The entity is an independent third party principally engaged in the business of providing treatment technologies for nervous injury and degenerative diseases. The capital injection was completed in July 2023. The Investment is held for long-term strategic purposes rather than for trading, and is therefore designated as an equity instrument at fair value through other comprehensive income.

Performance of Each Investment During the Six Months Ended 30 June 2026

- (1) Financial assets held for trading at fair value through profit or loss: the investment cost of the financial assets held for trading was RMB170,310,000. As at 30 June 2026, the fair value was RMB172,386,000. No interest income or realised gains were recognised during the six months ended 30 June 2026.
- (2) Other non-current financial assets at fair value through profit or loss: the cost of the other non-current financial assets was RMB20,000,000. As at 30 June 2026, the fair value was RMB25,337,000. No interest income or realised gains were recognised during the six months ended 30 June 2026.
- (3) Other equity instrument investments at fair value through other comprehensive income: as at 30 June 2026, the fair value was RMB19,653,000. No dividends were received during the six months ended 30 June 2026. The investment cost of the equity investment was RMB20,000,000.

Investment Policy and Objectives

The Company’s investments comprise two categories:

- (a) Wealth management products (money market funds and structured financial products): the primary objective is to optimise returns on the Group’s idle cash balances while preserving capital. These do not form part of the Group’s principal business.
- (b) Strategic investments (equity instrument at FVTOCI and convertible note): these represent the Company’s long-term strategic investment in the equity investment, aligning with its long-term vision to expand into the field of brain diseases medicine, particularly in the development of treatment options for central nervous system diseases and glioma.

The scope of permissible investments includes: (a) money market funds, structured deposits and other relatively low-risk wealth management products with risk ratings of R1 (low risk) and R2 (low-to-medium risk), primarily focusing on fixed-income or cash management types of assets; and (b) strategic equity investments and convertible instruments in entities whose business is synergistic with the Group’s pharmaceutical research and development strategy. The Company does not engage in speculative securities trading activities. The investment strategy is aligned with the Company’s corporate strategy and principal business of pharmaceutical research and development.



Management Discussion and Analysis

All of the above products were funded by the Company's internal working capital. The proceeds from the initial public offering were not used for any of the aforementioned investment activities.

Save as disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company issued on 9 October 2025 and further updated in the section headed "Use of Proceeds" below in this report, the Group does not have any future plans for material investments or capital assets acquisitions as at 30 June 2026.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the six months ended 30 June 2026.

Pledge of Assets

As at 30 June 2026, the Group did not have any assets pledged to secure its loans and banking facilities.

Litigation and Contingent Liabilities

The Company was not involved in any material litigation or arbitration for the six months ended 30 June 2026. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group as at 30 June 2026 and up to the date of this report. As at 30 June 2026, the Group did not have any material contingent liabilities.

Events after the Reporting Period

On 15 July 2026, having considered the recommendation of the audit committee of the Company, the Board resolved to universally adopt the China Accounting Standards for Business Enterprises for the preparation of the Company's financial reports. From the interim financial report of the Company for the period ended 30 June 2026, the financial accounting report of the Company will be prepared in accordance with China Accounting Standards for Business Enterprises. Since 30 June 2026 and up to the date of this report, no material events affecting the Group have occurred, except as disclosed in this report.

Use of Proceeds

The Company completed its Global Offering on the Stock Exchange on 20 October 2025. After deducting underwriting commissions and other expenses payable in connection with the Global Offering, the net proceeds from the Global Offering amounted to approximately HK\$940.13 million.

The intended allocation of net proceeds as set out in the Prospectus and the details of net proceeds of the Global Offering (totalling approximately HK\$173.55 million) utilised on 30 June 2026, are summarised as follows:

No.	Intended Use	Approximate % of net proceeds	Allocated amount (HK\$ million)	Net proceed unutilised at the beginning of the Reporting Period (HK\$ million)	Amount utilised during the Reporting Period (HK\$ million)	Amount utilised as at 30 June 2026 (HK\$ million)	Unutilised amount as at 30 June 2026 (HK\$ million)	Expected timeline for full utilisation
1	Continuous investment in R&D to advance drug candidates in the pipeline and to enrich the product portfolio (including approximately 40.0% for R&D of innovative drugs and approximately 12.0% for R&D of generic drugs)	52.0%	488.87	472.02	38.32	55.17	433.70	Before 31 December 2027
2	Improvement of the Group's R&D capacities and pursuit of collaboration opportunities	23.0%	216.23	212.09	11.05	15.19	201.04	Before 31 December 2027
3	Improvement and optimisation of the Group's R&D and manufacturing systems	7.0%	65.81	57.37	0.71	9.15	56.66	Before 31 December 2027
4	Enhancement of the Group's commercialisation capabilities and expansion of its market presence	8.0%	75.21	41.92	37.64	70.93	4.28	Before 31 December 2027
5	Working capital and other general corporate purposes	10.0%	94.01	82.07	11.17	23.11	70.90	Before 31 December 2027
	Total	100.0%	940.13	865.47	98.89	173.55	766.58	

As at 30 June 2026, the unutilised net proceeds from the Global Offering were deposited with licensed banks in the PRC and Hong Kong. The proceeds from the Global Offering have been and will continue to be utilised in accordance with the intended purposes as disclosed in the Prospectus. There has been no change in the intended use of the net proceeds from the Global Offering, nor has there been any material delay in the utilisation of such proceeds, as compared to the intentions previously disclosed in the Prospectus.

Employees and Remuneration Policy

As at 30 June 2026, the Group employed a total of 200 employees. For the six months ended 30 June 2026, employee costs (including Directors' emoluments, but excluding any contributions to pension schemes) amounted to approximately RMB19,598,000. The Group's remuneration policy is designed to motivate and retain high-calibre employees, with remuneration levels determined with reference to prevailing market practices and the individual performance of employees. The Group also provides training schemes for eligible employees to enhance their skills and professional knowledge.



Other Information

INTERIM DIVIDENDS

The Company did not distribute any interim dividends for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

CHANGES IN THE INFORMATION OF DIRECTORS AND SUPERVISORS

Pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on the Stock Exchange, changes in the information of the Company's directors and supervisors during the Reporting Period are set forth below:

1. Dr. Li Junqing was appointed as an executive Director on 27 May 2026.
2. Mr. Lin Bin was appointed as an independent non-executive Director, members of the Audit Committee and the Strategy Committee on 27 May 2026.
3. Dr. Chen Shuyi ceased to be an executive Director on 27 May 2026.
4. Mr. Gong Weimin ceased to be an independent non-executive Director, members of the Audit Committee and the Strategy Committee, member and chairman of the Remuneration and Appraisal Committee on 27 May 2026.
5. The Supervisory Committee of the Company has been abolished on 27 May 2026.
6. Ms. Chen Xia ceased to be a supervisor and chairwoman of the Supervisory Committee on 27 May 2026.
7. Mr. Wu Jiang ceased to be a supervisor on 27 May 2026.
8. Ms. Xu Lixia ceased to be a supervisor on 27 May 2026.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the Directors and chief executives of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were 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 which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, as follows:

Name	Nature of Interest	Number of Securities	Approximate Percentage of Shareholding in the Total Issued Share Capital
Dr. Kang Xinshan	Beneficial owner, interest of spouse and interest in controlled corporation	12,759,114 H Shares (beneficial owner), 9,918,426 H Shares (interest of spouse) and 5,000,000 H Shares (interest in controlled corporation)	16.21%, 12.60% and 6.35% (in aggregate: 35.16%)
Ms. Feng Yan	Beneficial owner and interest of spouse	9,918,426 H Shares (beneficial owner) and 17,759,114 H Shares (interest of spouse)	12.60% and 22.56% (in aggregate: 35.16%)

Notes:

- (1) All interests are long positions.
- (2) Ms. Feng Yan is the spouse of Dr. Kang Xinshan. Accordingly, they are deemed to be interested in the same number of Shares of each other for the purpose of the SFO.
- (3) Xiamen Tairuihe Investment Partnership (Limited Partnership) ("Tairuihe Investment") directly holds a total of 5,000,000 Shares of the Company and is one of the employee shareholding platforms. Dr. Kang Xinshan is the sole general partner of Tairuihe Investment. Accordingly, Dr. Kang Xinshan is deemed to be interested in such Shares held by Tairuihe Investment.

Save as disclosed above, as at 30 June 2026, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (ii) were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures (including bonds) of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 owned any right to subscribe for the securities of the Company or had exercised any such right.

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

As at 30 June 2026, to the best knowledge of the Directors, the following persons (other than the Directors and chief executives of the Company) had or were deemed or taken to have interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 336 of the SFO:

Name	Nature of Interest	Number of Securities	Approximate Percentage of Shareholding in the Total Issued Share Capital
Mr. Tu Liandong ⁽²⁾⁽⁵⁾	Interest in controlled corporation	16,003,450 H Shares	
	Interest of spouse	1,900 H Shares	
	Total	16,005,350 H Shares	20.34%
Pingxiang Zhanhongxin Venture Investment Partnership (Limited Partnership) (萍鄉展鴻鑫創業投資合夥企業 (有限合夥)) ("Zhanhongxin Investment") ⁽²⁾	Beneficial owner	7,593,750 H Shares	9.65%
Fujian Huaxing Venture Investment Co., Ltd. ("Huaxing Venture") ⁽³⁾	Beneficial owner	7,000,000 H Shares	8.89%
Fuzhou Venture Capital Co., Ltd. ("Fuzhou Capital") ⁽⁴⁾	Beneficial owner	4,680,000 H Shares	5.95%

Notes:

- (1) All interests are long positions.
- (2) Zhanhongxin Investment directly holds a total of 7,593,750 Shares in the Company. Mr. Tu Liandong is the sole general partner of Zhanhongxin Investment and none of the limited partners of Zhanhongxin Investment has contributed more than one third of the partnership interest in Zhanhongxin Investment. Accordingly, Mr. Tu is deemed to be interested in such Shares held by Zhanhongxin Investment by virtue of the SFO. Pingxiang Zhanhongxin Venture Investments Partnership (Limited Partnership) was previously known as Xiamen Zhanhongda Investment Partnership (Limited Partnership)* (廈門展鴻達投資合夥企業 (有限合夥)).
- (3) Huaxing Venture directly holds a total of 7,000,000 Shares in the Company. It is wholly owned by Fujian Province Investment Development Group Co., Ltd.* (福建省投資開發集團有限責任公司), which in turn is controlled by Fujian SASAC, a PRC Government body. As such, Fujian Province Investment Development Group Co., Ltd.* (福建省投資開發集團有限責任公司) is deemed to be interested in such Shares held by Huaxing Venture by virtue of the SFO.

- (4) Fuzhou Capital directly holds a total of 4,680,000 Shares in the Company. It is wholly owned by Fuzhou Jinrong Holding Group Co., Ltd.* (福州市金榕控股集團有限公司), which in turn is controlled by Fuzhou Municipal Finance Bureau (福州市財政局), a PRC Government body. As such, Fuzhou Jinrong Holding Group Co., Ltd.* (福州市金榕控股集團有限公司) is deemed to be interested in such Shares held by Fuzhou Capital by virtue of the SFO.
- (5) Mr. Tu Liandong is deemed to be interested in such Shares held by his spouse, Ms. Ju Donghong (巨東紅女士).

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any person who had any interests or short positions in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept pursuant to Section 336 of the SFO.

CONVERTIBLE SECURITIES, SHARE OPTIONS, WARRANTS OR SIMILAR RIGHTS

During the six months ended 30 June 2026, the Company had not issued any convertible securities, share options, warrants or similar rights.

ISSUE AND LISTING OF EQUITY SECURITIES

Save for the Global Offering in connection with the Listing (details of which are set out in the Prospectus, the allotment results announcement of the Company dated 17 October 2025 and the announcement in relation to the over-allotment option), the Company did not issue any new equity securities or sell any treasury shares for cash during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2026. During the Reporting Period, the trustee of the share incentive scheme purchased 33,100 shares in aggregate on the Stock Exchange according to the rules of such scheme and the terms of the trust deed, at a total consideration of RMB4,912,959.42 (excluding expenses).

As of the end of the Reporting Period, the Company did not hold any treasury shares.

TAX RELIEF

The Company is not aware of any tax relief available to the shareholders by reason of their holding of the Shares.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association requiring the Company to offer new shares of the Company to existing shareholders in proportion to their shareholdings.

PERMITTED INDEMNITY PROVISION

During the six months ended 30 June 2026, there was no permitted indemnity provision which was in force for the benefit of the Directors of the Company (whether made by the Company or otherwise) or for the benefit of any directors of an associated company of the Company (if made by the Company). The Company has arranged appropriate insurance cover in respect of legal action against its Directors.



Other Information

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS IN COMPETING BUSINESS

During the six months ended 30 June 2026, none of the Directors had any interest in any business which competed directly with the business of the Company or any of its jointly controlled entities and subsidiaries.

CONNECTED TRANSACTIONS

During the six months ended 30 June 2026, the Group had not entered into any connected transactions or continuing connected transactions which were required to be disclosed in this interim report pursuant to the Listing Rules.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed together with the management the accounting principles and policies adopted by the Group, and discussed the unaudited interim consolidated financial statements and interim results announcement of the Group for the six months ended 30 June 2026. There were no disagreements between the Audit Committee and the Board regarding the accounting treatments, and the Audit Committee recommended its adoption by the Board.

The financial information contained in this report relating to the Group's consolidated balance sheet as at 30 June 2026 and consolidated income statement for the six months ended 30 June 2026 and relevant notes is derived from the consolidated financial statements prepared in accordance with CASBE, which have been reviewed by the Audit Committee, the Board and the Company's external auditor, RSM China CPA LLP.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct for securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules. Having made specific enquiries with all Directors, they have confirmed that they had complied with the Model Code during the six months ended 30 June 2026.

SUFFICIENCY OF PUBLIC FLOAT

As at 30 June 2026 and at the latest practicable date prior to the printing of this report, the Company had maintained the prescribed public float of not less than 25% of the issued Shares as required under the Listing Rules, based on the information publicly available to the Company and to the best knowledge of the Directors.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Company has complied with the relevant laws and regulations that have a significant impact on the Company.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules as its own code of corporate governance. From the listing date of the Company (i.e. 20 October 2025 to 30 June 2026, and up to the date of this report), the Company has complied with all applicable code provisions set out in Part 2 of the CG Code, save that Dr. Kang Xinshan serves as both the chairman of the Board and the general manager as discussed below.

Pursuant to provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. Kang Xinshan, is our co-founder, chairman of the Board and general manager (same nature as chief executive). From the inception of our business, Dr. Kang has been responsible for the overall strategic planning of business operations and making key business and operational decisions of our Company. Since Dr. Kang is the key person for our Company’s development and he will not undermine our Company’s interests in any way under any circumstances, the Board believes that vesting the roles of both chairman of the Board and general manager in the same person has the benefit of ensuring consistent leadership within our Company and enables more effective and efficient overall strategic planning for our Company. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively. The Board is currently composed of five executive Directors, one non-executive Director and three independent non-executive Directors. Accordingly, the Board maintains a strong level of independence in its composition.

CORPORATE CULTURE

The Company believes that a strong and healthy corporate culture is essential to achieving long-term sustainable development and the continuous creation of value for shareholders. In assuming primary responsibility for leading the corporate culture, the Board strives to align the Company’s core values, mission and vision, and strategic objectives, and to promote the effective implementation of cultural values throughout its business activities under its effective governance.

The Company upholds the corporate spirit of “results-oriented, hard-working (以結果為導向, 艱苦奮鬥)” and adheres to the core values of “innovation, integrity, sharing and goodness (創新、誠信、分享、向善)”. The Company’s vision is to “Best medicine made available to people”. In line with its strategy of “fast-follow fuels innovation, and innovation shapes the future (仿製助力創新, 創新驅動未來)”, the Board has ensured that the Company’s purpose, values and strategy are aligned with its corporate culture by continuously investing in research and development, maintaining rigorous quality standards in manufacturing, fostering talent development, and promoting ethical business conduct throughout the Group’s operations.

The Board has reviewed the Company’s corporate culture during the Reporting Period and considers that the Company’s culture is aligned with its purpose, values and strategy.

Compliance with the requirements of Rules 3.10(1) and 3.21 of the Listing Rules

For the six months ended 30 June 2026, the Company has been in compliance with the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications of accounting or related financial management expertise, and the requirement of Rule 3.10A of the Listing Rules relating to independent non-executive Directors representing at least one-third of the Board. The Company has also complied with the requirement of Rule 3.21 of the Listing Rules requiring the Audit Committee to comprise a minimum of three members.

CORPORATE GOVERNANCE STRUCTURE

The Company has established a sound corporate governance structure comprising the general meeting of shareholders, the Board of Directors and senior management, each performing their respective duties and exercising checks and balances to jointly promote the healthy development of the Company.

Review Report



RSM China CPA LLP

Headquarter: Suite 1001-1 to 1001-26, 10th floor,
No.22 Fuchengmenwai St, Xicheng, Beijing, China, 100037

TEL:010-6600 1391 FAX:010-6600 1392

E-mail:bj@rsmchina.com.cn

<https://www.rsm.global/china/>

Review No. [2026]518Z0038

TO THE SHAREHOLDERS OF FUJIAN HAIXI PHARMACEUTICALS CO., LTD.

We have reviewed the accompanying financial statements of Fujian Haixi Pharmaceuticals Co., Ltd. (hereinafter referred to as "Haixi Pharmaceuticals"), which comprise the consolidated balance sheet as at 30 June 2026, and the consolidated income statement, consolidated statement of cash flows, and consolidated statement of changes in equity for the six months ended 30 June 2026, and the notes to the financial statements. The preparation of these financial statements is the responsibility of the management of Haixi Pharmaceuticals. Our responsibility is to issue a review report on these financial statements based on our review work performed.

We conducted our review in accordance with *Chinese Standard on Review Engagements No. 2101 — Review of Financial Statements*. This standard requires us to plan and perform the review to obtain limited assurance as to whether the financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared in accordance with the Accounting Standards for Business Enterprises and do not present fairly, in all material respects, the consolidated financial position of Haixi Pharmaceuticals as at 30 June 2026, and its consolidated results of operations and cash flows for the six months ended 30 June 2026.

RSM China CPA LLP

Beijing, China

China Certified Public Accountant: _____
Zhang Liping (Engagement partner)

China Certified Public Accountant: _____
Tian Jianmin

28 August 2026

Consolidated Balance Sheet

As at 30 June 2026

(Unless otherwise specified, all amounts are in RMB)

Item	Note 5	30 June 2026	31 December 2025
Current assets:			
Monetary funds	1	1,018,978,308.55	645,054,375.66
Financial assets held for trading	2	172,386,138.83	533,553,984.82
Derivative financial assets		—	—
Notes receivable	3	26,288,423.87	19,113,169.74
Accounts receivable	4	29,210,546.44	9,209,045.04
Accounts receivable financing		—	—
Advances to supplier	5	13,643,972.62	17,812,225.97
Other receivables	6	1,082,716.63	328,899.46
Including: Interest receivable		—	—
Dividends receivable		—	—
Inventories	7	51,729,088.77	56,099,983.16
Contract assets	8	1,231,733.26	1,302,763.66
Assets held for sale		—	—
Non-current assets due within one year		—	—
Other current assets	9	237,727,973.01	158,017,607.56
Total current assets		1,552,278,901.98	1,440,492,055.07
Non-current assets:			
Debt investments		—	—
Other debt investments		—	—
Long-term receivables	10	477,313.50	477,313.50
Long-term equity investments		—	—
Other equity instrument investments	11	19,652,528.48	20,281,268.58
Other non-current financial assets	12	25,337,394.35	23,383,745.50
Investment properties		—	—
Fixed assets	13	253,164,162.97	257,339,954.63
Construction in progress	14	31,926,690.43	36,268,994.98
Productive biological assets		—	—
Oil and gas assets		—	—
Right-of-use assets	15	4,721,340.95	5,534,765.95
Intangible assets	16	27,472,584.81	27,781,841.55
Development expenditures		—	—
Goodwill		—	—
Long-term deferred expenses	17	1,471,271.70	1,618,398.90
Deferred income tax assets	18	6,655,457.07	4,419,219.64
Other non-current assets	19	43,130,086.71	29,101,619.31
Total non-current assets		414,008,830.97	406,207,122.54
Total assets		1,966,287,732.95	1,846,699,177.61

Consolidated Balance Sheet

As at 30 June 2026

(Unless otherwise specified, all amounts are in RMB)

Item	Note 5	30 June 2026	31 December 2025
Current liabilities:			
Short-term borrowings	21	76,592,345.10	78,513,500.00
Financial liabilities held for trading		—	—
Derivative financial liabilities		—	—
Notes payable		—	—
Accounts payable	22	25,432,044.41	31,699,365.37
Receipts in advance			
Contract liabilities	23	938,431.24	1,693,496.59
Employee benefits payable	24	3,549,456.18	9,753,209.70
Taxes payable	25	10,969,813.65	15,064,798.89
Other payables	26	103,285,174.46	84,249,185.83
Including: Interest payable		—	—
Dividends payable		—	—
Liabilities classified as held for sale		—	—
Non-current liabilities due within one year	27	5,818,315.43	7,088,377.15
Other current liabilities	28	113,897.09	220,154.56
Total current liabilities		226,699,477.56	228,282,088.09
Non-current liabilities:			
Long-term borrowings		—	—
Bonds payable		—	—
Including: Preferred shares		—	—
Perpetual bonds		—	—
Lease liabilities	29	4,208,357.61	4,775,643.59
Long-term payables	30	17,800,312.75	19,768,294.97
Long-term employee benefits payable		—	—
Estimated liabilities		—	—
Deferred income	31	48,340,271.99	140,881.55
Deferred income tax liabilities		—	—
Other non-current liabilities		—	—
Total non-current liabilities		70,348,942.35	24,684,820.11
Total liabilities		297,048,419.91	252,966,908.20

Consolidated Balance Sheet

As at 30 June 2026

(Unless otherwise specified, all amounts are in RMB)

Item	Note 5	30 June 2026	31 December 2025
Shareholders' equity:			
Share capital	32	78,707,270.00	78,707,270 .00
Other equity instruments		—	—
Including: Preferred shares		—	—
Perpetual bonds		—	—
Capital reserve	33	1,083,121,148.81	1,083,121,148.81
Less: Treasury shares	34	4,912,959.42	—
Other comprehensive income	35	(347,471.52)	281,268.58
Special reserve			
Surplus reserve	36	39,394,585.00	39,394,585.00
Undistributed profit	37	473,276,740.17	392,227,997.02
Total equity attributable to owners of the parent company		1,669,239,313.04	1,593,732,269.41
Non-controlling interests		—	—
Total equity		1,669,239,313.04	1,593,732,269.41
Total liabilities and equity		1,966,287,732.95	1,846,699,177.61
Net current assets		1,325,579,424.42	1,212,209,966.98
Total assets less current liabilities		1,739,588,255.39	1,618,417,089.52

Note: The comparative balance sheet as at 31 December 2025 presented in the interim financial information is derived from the Group's annual consolidated financial statements for the year ended 31 December 2025. Such annual financial statements were originally prepared in accordance with IFRS Accounting Standards and were audited by an independent external auditor, who issued an unmodified audit opinion thereon on 30 March 2026.

For the purpose of consistent presentation and compliance with the current reporting requirements under CASBE applicable to the current interim period, the comparative financial balances extracted from the IFRS-based annual financial statements have been subject to appropriate reclassification and presentation adjustments. No substantive recognition or measurement adjustments were involved in such reclassification; the adjustments solely aim to align the comparative financial information with the Group's current CASBE presentation basis, so as to enhance the period-on-period comparability of the interim financial information.

Consolidated Income Statement

For the six months ended 30 June 2026

(Unless otherwise specified, all amounts are in RMB)

Item	Note 5	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. Total operating income		311,618,533.54	300,075,435.14
Including: Operating income	38	311,618,533.54	300,075,435.14
II. Total operating costs		224,661,989.85	184,397,083.23
Including: Operating costs	38	56,461,977.36	40,614,937.46
Taxes and surcharges	39	3,711,490.80	2,497,169.17
Selling expenses	40	99,356,317.01	99,849,391.06
Administrative expenses	41	12,611,364.81	11,526,405.08
R&D expenses	42	40,761,658.84	27,116,284.90
Finance expenses	43	11,759,181.03	2,792,895.56
Including: Interest expenses		3,621,162.90	3,347,160.69
Interest income		7,928,162.57	569,945.24
Add: Other income	44	6,366,228.05	750,847.72
Investment income (losses are represented by “()”)	45	(10,527,184.67)	1,268,974.55
Including: Income from investment in associates and joint ventures			
Gains on derecognition of financial assets measured at amortised cost		—	—
Gains on net exposure hedging (losses are represented by “()”)		—	—
Gains on changes in fair value (losses are represented by “()”)	46	2,864,803.46	5,177,052.15
Credit impairment losses (losses are represented by “()”)	47	(932,821.35)	(283,859.81)
Asset impairment losses (losses are represented by “()”)	48	(436,714.54)	267,661.70
Gains on disposal of assets (losses are represented by “()”)	49	9,390.59	—
III. Operating profit (losses are represented by “()”)		84,300,245.23	122,859,028.22
Add: Non-operating income	50	41.85	38,839.22
Less: Non-operating expenses	51	—	7,897.40
IV. Total profit (total losses are represented by “()”)		84,300,287.08	122,889,970.04
Less: Income tax expenses	52	3,251,543.93	15,084,115.57
V. Net profit (net losses are represented by “()”)		81,048,743.15	107,805,854.47
(I) Categorized by continuity of operations			
1. Net profit from continuing operations (net losses are represented by “()”)		81,048,743.15	107,805,854.47
2. Net profit from discontinued operations (net losses are represented by “()”)		—	—
(II) Classified by ownership			
1. Net profit attributable to owners of the parent company (net losses are represented by “()”)		81,048,743.15	107,805,854.47
2. Profit or loss attributable to non-controlling interests (net losses are represented by “()”)		—	—
VI. Other comprehensive income, net of tax		(628,740.10)	—
(I) Other comprehensive income attributable to owners of the parent company, net of tax		(628,740.10)	—
(II) Other comprehensive income attributable to non-controlling interests, net of tax		—	—
VII. Total comprehensive income		80,420,003.05	107,805,854.47
(I) Total comprehensive income attributable to owners of the parent company		80,420,003.05	107,805,854.47
(II) Total comprehensive income attributable to non-controlling interests		—	—
VIII. Earnings per share			
(I) Basic earnings per share (RMB/Share)		1.03	1.60
(II) Diluted earnings per share (RMB/Share)		1.03	1.60

Consolidated Statement of Cash Flows

For the six months ended 30 June 2026
(Unless otherwise specified, all amounts are in RMB)

Item	Note	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. Cash flows from operating activities			
Cash received from sale of goods and rendering of services		303,777,517.24	317,477,783.63
Cash received from tax refund		—	—
Other cash received relating to operating activities		61,534,853.13	1,008,199.11
Subtotal of cash inflows from operating activities		365,312,370.37	318,485,982.74
Cash payments for goods purchased and services received		48,803,659.82	49,272,601.52
Cash payments to and on behalf of employees		26,331,197.56	23,510,871.09
Payments for taxes		38,681,696.11	32,804,341.01
Other cash payments relating to operating activities		136,046,645.35	132,339,844.33
Subtotal of cash outflows from operating activities		249,863,198.84	237,927,657.95
Net cash flows from operating activities	V.53	115,449,171.53	80,558,324.79
II. Cash flows from investing activities			
Cash received from disposal and redemption of investments		857,165,722.17	347,769,336.39
Cash received from returns on investments		4,845,536.82	2,075,343.64
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		25,000.00	—
Net cash received from disposal of subsidiaries and other business units		—	—
Other cash received relating to investing activities		—	2,271,900.00
Subtotal of cash inflows from investing activities		862,036,258.99	352,116,580.03
Cash payments to acquire fixed assets, intangible assets and other long-term assets		9,538,852.00	23,979,676.98
Cash payments to acquire investments		590,010,000.00	406,100,000.00
Net cash payments to acquire subsidiaries and other business units		—	—
Other cash payments relating to investing activities		—	—
Subtotal of cash outflows from investing activities		599,548,852.00	430,079,676.98
Net cash flows from investing activities		262,487,406.99	(77,963,096.95)
III. Cash flows from financing activities			
Cash received from capital contributions		—	—
Including: Cash received by subsidiaries from capital contributions of non-controlling interests		—	—
Cash received from borrowings		28,673,745.10	9,713,200.00
Other cash received relating to financing activities		—	—
Subtotal of cash inflows from financing activities		28,673,745.10	9,713,200.00
Cash repayments of debts		10,081,800.00	8,118,000.00
Cash payments for distribution of dividends, profits or payment of interest expenses		305,861.24	189,865.23
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		—	—
Other cash payments relating to financing activities		6,291,722.57	6,214,885.02
Subtotal of cash outflows from financing activities		16,679,383.81	14,522,750.25
Net cash flows from financing activities		11,994,361.29	(4,809,550.25)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(16,007,006.92)	—
V. Net increase in cash and cash equivalents		373,923,932.89	(2,214,322.41)
Add: Cash and cash equivalents at the beginning of the period		645,054,375.66	38,281,811.70
VI. Cash and cash equivalents at the end of the period		1,018,978,308.55	36,067,489.29

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

(Unless otherwise specified, all amounts are in RMB)

Item	For the six months ended 30 June 2026												
	Equity attributable to owners of the parent company												
	Share capital	Preference share	Other equity instruments	others	Capital reserve	Less: treasury shares	comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Sub-total	Non-controlling interests	Total equity
			Perpetual bond										
	78,707,270.00	—	—	—	1,083,121,148.81	—	281,268.58	—	39,394,585.00	392,227,997.02	1,593,732,269.41	—	1,593,732,269.41
I. Balance at the end of prior year	—	—	—	—	—	—	—	—	—	—	—	—	—
Add: Changes in accounting policies	—	—	—	—	—	—	—	—	—	—	—	—	—
Correction of prior period errors	—	—	—	—	—	—	—	—	—	—	—	—	—
Business combination under common control	—	—	—	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—	—	—	—
II. Balance at the beginning of current year	78,707,270.00	—	—	—	1,083,121,148.81	—	281,268.58	—	39,394,585.00	392,227,997.02	1,593,732,269.41	—	1,593,732,269.41
III. Increase/(decrease) during the current period	—	—	—	—	—	—	—	—	—	—	—	—	—
(I) Total comprehensive income	—	—	—	—	—	4,912,959.42	(628,740.10)	—	—	81,048,743.15	75,507,043.63	—	75,507,043.63
(II) Capital contributions or withdrawals by owners	—	—	—	—	—	—	(628,740.10)	—	—	81,048,743.15	80,420,003.05	—	80,420,003.05
1. Ordinary shares contributed by shareholders	—	—	—	—	—	4,912,959.42	—	—	—	—	(4,912,959.42)	—	(4,912,959.42)
2. Capital contributed by holders of other equity instruments	—	—	—	—	—	4,912,959.42	—	—	—	—	(4,912,959.42)	—	(4,912,959.42)
3. Share-based payments recognized in equity	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Others	—	—	—	—	—	—	—	—	—	—	—	—	—
(III) Profit distribution	—	—	—	—	—	—	—	—	—	—	—	—	—
1. Withdrawal of surplus reserves	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Profit distribution to owners (or shareholders)	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Others	—	—	—	—	—	—	—	—	—	—	—	—	—
(IV) Transfer within equity	—	—	—	—	—	—	—	—	—	—	—	—	—
1. Capital reserves converted to share capital	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Surplus reserves converted to share capital	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Loss made up by surplus reserves	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Changes in the defined benefit plan transferred to retained earnings	—	—	—	—	—	—	—	—	—	—	—	—	—
5. Other comprehensive income transferred to retained earnings	—	—	—	—	—	—	—	—	—	—	—	—	—
6. Others	—	—	—	—	—	—	—	—	—	—	—	—	—
(V) Special reserves	—	—	—	—	—	—	—	—	—	—	—	—	—
1. Withdrawal during the current period	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Utilized during the current period	—	—	—	—	—	—	—	—	—	—	—	—	—
(VI) Others	—	—	—	—	—	—	—	—	—	—	—	—	—
IV. Balance at the end of current period	78,707,270.00	—	—	—	1,083,121,148.81	4,912,959.42	(347,471.52)	—	39,394,585.00	473,276,740.17	1,669,239,313.04	—	1,669,239,313.04

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026
(Unless otherwise specified, all amounts are in RMB)

Item	For the six months ended 30 June 2025													
	Equity attributable to owners of the parent company													
	Share capital	Preference shares	Other equity instruments	Others	Capital reserves	Treasury shares	Less:	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Subtotal	Non-controlling interests	Total equity
I. Balance at the end of prior year	67,207,270.00	—	—	—	219,525,530.42	—	—	—	—	27,661,315.00	226,932,617.90	541,326,733.32	—	541,326,733.32
Add:	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Changes in accounting policies	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Correction of prior period errors	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Business combination under common control	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
II. Balance at the beginning of current year	67,207,270.00	—	—	—	219,525,530.42	—	—	—	—	27,661,315.00	226,932,617.90	541,326,733.32	—	541,326,733.32
III. Increase/(decrease) during the current period	—	—	—	—	—	—	—	—	—	9,129,089.46	98,676,765.01	107,805,854.47	—	107,805,854.47
(I) Total comprehensive income	—	—	—	—	—	—	—	—	—	—	107,805,854.47	107,805,854.47	—	107,805,854.47
(II) Capital contributions	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1. Ordinary shares contributed by shareholders	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Capital contributed by holders of other equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Share-based payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(III) Profit distribution	—	—	—	—	—	—	—	—	—	9,129,089.46	(9,129,089.46)	—	—	—
1. Withdrawal of surplus reserves	—	—	—	—	—	—	—	—	—	9,129,089.46	(9,129,089.46)	—	—	—
2. Profit distribution to owners (or shareholders)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(IV) Transfer within equity	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1. Capital reserves converted to share capital	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Surplus reserves converted to share capital	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Loss made up by surplus reserves	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Changes in the defined benefit plan transferred to retained earnings	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5. Other comprehensive income transferred to retained earnings	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6. Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(V) Special reserves	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1. Withdrawal during the current period	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Usage during the current period	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(VI) Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
IV. Balance at the end of current period	67,207,270.00	—	—	—	219,525,530.42	—	—	—	—	36,790,404.46	325,609,382.91	649,132,587.79	—	649,132,587.79



Notes to the Financial Statements

I. COMPANY PROFILE

福建海西新藥創制股份有限公司 (Fujian Haixi Pharmaceuticals Co., Ltd., being translation for identification purpose only) (hereinafter referred to as the “**Company**”) was established in the People’s Republic of China (the “**PRC**”) as a limited liability company on 27 March 2012 and was converted into a joint stock company with limited liability on 15 November 2022 under laws of the PRC. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 20 October 2025 (the “**Listing**”). The address of the registered office and the principal place of business of the Company is Floor 3&4, Block B, No. 177 Jinda Road, Jianxin Town, Cangshan District, Fuzhou, Fujian Province, the PRC.

The Company is a commercial-stage pharmaceutical company dedicated to developing, manufacturing and commercialising quality pharmaceutical products in China and globally, providing innovative and accessible treatment solutions for common therapeutic areas such as digestive system diseases, cardiovascular system diseases, endocrine system diseases, nervous system diseases and inflammatory diseases.

These financial statements have been approved by the Board of Directors of the Company on 28 August 2026.

II. BASIS OF PREPARATION FOR FINANCIAL STATEMENTS

1. Basis of preparation

The Company has historically prepared its financial statements in accordance with IFRS Accounting Standards for the purpose of information disclosure on the Stock Exchange. According to the Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong issued by the Stock Exchange in December 2010, issuers incorporated in Chinese Mainland and listed in Hong Kong are allowed to prepare their financial statements using the CASBE, and accounting firms in Chinese Mainland recognized by the Ministry of Finance of the People’s Republic of China (the “**PRC**”) and the China Securities Regulatory Commission (the “**CSRC**”) are permitted to provide services using the China Auditing Standards for Certified Public Accountants for those issuers. In order to unify the financial information disclosure between the Chinese Mainland and Hong Kong, subject to the approval by the Board, the Company will prepare its financial statements in accordance with the CASBE promulgated by the Ministry of Finance of the PRC and relevant regulations, commencing with the interim financial report for the period ended 30 June 2026.

The Group prepares financial statements on a going concern basis, based on actual transactions and events, in accordance with the relevant provisions of Accounting Standard for Business Enterprises No.32 - Interim Financial Reports issued by the Ministry of Finance, as well as the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

2. Going concern

The Company has assessed its ability to continue as a going concern for the 12 months from the end of the reporting period, and no matters that may cast doubt on its ability to continue as a going concern were noted. Therefore, it is reasonable for the Company to prepare its financial statements on a going concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The following significant accounting policies and accounting estimates of the Company are formulated in accordance with the CASBE. Businesses not mentioned are subject to the relevant accounting policies in the CASBE.

1. Statement of compliance with CASBE

The financial statements prepared by the Company meet the requirements of the CASBE and truly and completely reflect the Company's financial position, operating results, changes in equity, cash flows and other related information.

2. Accounting period

The Company's accounting year is from 1 January to 31 December in a calendar year. The accounting period for these financial statements is from 1 January 2026 to 30 June 2026.

3. Operating cycle

The Company's normal operating cycle is one year.

4. Functional currency

The Company adopts RMB as its functional currency.

5. Key accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and profit or loss. By definition, the outcomes of accounting estimates are rarely equal to the related actual results. In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those applied in the annual financial statements for 2025.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

The Company will prepare its financial statements in accordance with the Accounting Standards for Business Enterprises and related regulations issued by the Ministry of Finance of the PRC, commencing from the half-yearly financial report for the period ended 30 June 2026.

(2) Changes in significant accounting estimates

The Company has no significant changes in accounting estimates for the reporting period.

IV. TAXATION

1. Main tax types and tax rates

Tax type	Tax basis	Tax rate
Value-added tax	Taxable sale income	13%, 6%
Urban maintenance and construction tax	Turnover tax payable	5%
Educational surcharge	Turnover tax payable	3%
Local educational surcharge	Turnover tax payable	2%
Property tax	Balance after deducting 20.00% or 30.00% from the original value of the property	1.2%
Land use tax	Actually occupied land area	RMB2.4/m ²
Enterprise income tax	Taxable income	25%, 15%, 16.5%

Different enterprise income tax rates for the Company's subsidiaries

Name of taxpayer	Enterprise income tax rate
Haixi New Drug Creation (Fuzhou) Co., Ltd. *(海西新藥創制(福州)有限公司)	25%
Hong Kong Haixi Pharmaceuticals Limited	16.5%

IV. TAXATION (CONTINUED)

2. Tax preference

(1) Enterprise income tax

On 4 December 2024, the Company obtained the High-tech Enterprise Certificate (Certificate No. GR202435002642) jointly issued by the Fujian Provincial Department of Science and Technology, Fujian Provincial Department of Finance, and Fujian Provincial Tax Bureau, State Taxation Administration. The certificate is valid for 3 years. According to Article 28 of the Enterprise Income Tax Law of the People's Republic of China, the applicable income tax rate for the Company during the Reporting Period was 15%.

(2) Value-added tax

Pursuant to the Announcement on the Value-Added Tax Additional Deduction Policy for Advanced Manufacturing Enterprises (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 43), from 1 January 2023 to 31 December 2027, advanced manufacturing enterprises are permitted to apply an additional 5% deduction against their value-added tax (VAT) payable based on the deductible input VAT for the current period. The above preferential policy was applicable to the Company during the Reporting Period.

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Monetary funds

Item	30 June 2026	31 December 2025
Cash on hand	—	—
Bank deposits	973,889,390.33	645,028,856.68
Other monetary funds	45,088,918.22	25,518.98
Total	1,018,978,308.55	645,054,375.66
Including: Total amount of overseas funds	609,965,237.83	434,484,976.73

Notes to the Financial Statements

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Financial assets held for trading

Item	30 June 2026	31 December 2025
Financial assets at fair value through profit or loss	172,386,138.83	533,553,984.82
Including: Structured deposit	20,007,671.23	20,258,356.17
Wealth management products	152,378,467.60	513,295,628.65
Total	172,386,138.83	533,553,984.82

3. Notes receivable

(1) Notes receivable by category

Type	30 June 2026			31 December 2025		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Bank acceptance bills	22,793,245.10	113,966.23	22,679,278.87	12,947,100.00	95,475.26	12,851,624.74
Finance company acceptance bills	3,799,100.00	189,955.00	3,609,145.00	6,591,100.00	329,555.00	6,261,545.00
Total	26,592,345.10	303,921.23	26,288,423.87	19,538,200.00	425,030.26	19,113,169.74

(2) The Company had no pledged notes receivable at the end of the period.

(3) Notes receivable which have been endorsed or discounted but have not matured at the end of the period

Type	Amount derecognized	Amount not derecognized
Bank acceptance bills	—	22,793,245.10
Finance company acceptance bills	—	3,799,100.00
Total	—	26,592,345.10

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Bill receivables (continued)

(4) Disclosure by classification of provision for bad debts

Type	Book balance		30 June 2026		
	Amount	Proportion (%)	Provision for bad debts Amount	Provision ratio (%)	Carrying amount
Provision for bad debts on an individual basis	—	—	—	—	—
Provision for bad debts on a group basis	26,592,345.10	100.00	303,921.23	1.14	26,288,423.87
Bank acceptance bills	22,793,245.10	85.71	113,966.23	0.50	22,679,278.87
Finance company acceptance bills	3,799,100.00	14.29	189,955.00	5.00	3,609,145.00
Total	26,592,345.10	100.00	303,921.23	1.14	26,288,423.87

(Continued)

Type	Book balance		31 December 2025		
	Amount	Proportion (%)	Provision for bad debts Amount	Provision ratio (%)	Carrying amount
Provision for bad debts on an individual basis	—	—	—	—	—
Provision for bad debts on a group basis	19,538,200.00	100.00	425,030.26	2.18	19,113,169.74
Bank acceptance bills	12,947,100.00	66.27	95,475.26	0.74	12,851,624.74
Finance company acceptance bills	6,591,100.00	33.73	329,555.00	5.00	6,261,545.00
Total	19,538,200.00	100.00	425,030.26	2.18	19,113,169.74

(5) Changes in provision for bad debts

Type	31 December 2025		Changes in the Period			30 June 2026
	Provision		Recovery or reversal	Elimination or write-off	Others	
Bank acceptance bills	95,475.26	18,490.97	—	—	—	113,966.23
Finance company acceptance bills	329,555.00	(139,600.00)	—	—	—	189,955.00
Total	425,030.26	(121,109.03)	—	—	—	303,921.23

(6) There were no notes receivable actually written off during the Period.

Notes to the Financial Statements

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable

(1) Disclosure by aging

Aging	30 June 2026	31 December 2025
Within 1 year	30,731,891.42	9,693,403.64
1 to 2 years	16,944.00	—
Sub-total	30,748,835.42	9,693,403.64
Less: Provision for bad debts	1,538,288.98	484,358.60
Total	29,210,546.44	9,209,045.04

Note: The above agings are presented based on the record date at the end of each reporting period.

(2) Accounts receivable by bad debt provision method

Type	Book balance		30 June 2026 Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis	—	—	—	—	—
Provision for bad debts on a group basis	30,748,835.42	100.00	1,538,288.98	5.00	29,210,546.44
Including: Aging portfolio	30,748,835.42	100.00	1,538,288.98	5.00	29,210,546.44
Total	30,748,835.42	100.00	1,538,288.98	5.00	29,210,546.44

(Continued)

Type	Book balance		31 December 2025 Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts on an individual basis	—	—	—	—	—
Provision for bad debts on a group basis	9,693,403.64	100.00	484,358.60	5.00	9,209,045.04
Including: Aging portfolio	9,693,403.64	100.00	484,358.60	5.00	9,209,045.04
Total	9,693,403.64	100.00	484,358.60	5.00	9,209,045.04

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (continued)

(2) Accounts receivable by bad debt provision method (continued)

Specific description of provision for bad debts:

- ① As at 30 June 2026, the Company had no accounts receivable for which provision for bad debts were made on an individual basis
- ② As at 30 June 2026, accounts receivable for which provision for bad debts were made based on the ageing group

Aging	30 June 2026			31 December 2025		
	Book balance	Provision for bad debts	Provision ratio (%)	Book balance	Provision for bad debts	Provision ratio (%)
Within 1 year	30,731,891.42	1,536,594.58	5.00	9,693,403.64	484,358.60	5.00
1 to 2 years	16,944.00	1,694.40	10.00	—	—	—
Total	30,748,835.42	1,538,288.98	5.00	9,693,403.64	484,358.60	5.00

(3) Changes in provision for bad debts

Type	31 December 2025		Changes in the Period			30 June 2026
	2025	Provision	Recovery or reversal	Elimination or write-off	Others	
Aging group	484,358.60	1,053,930.38	—	—	—	1,538,288.98
Total	484,358.60	1,053,930.38	—	—	—	1,538,288.98

(4) There were no accounts receivable actually written off during the period.

Notes to the Financial Statements

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Advances to supplier

(1) Advances to supplier by aging

Aging	30 June 2026		31 December 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	11,830,003.90	86.71	14,174,008.31	79.57
1 to 2 years	1,645,609.59	12.06	3,638,217.66	20.43
2 to 3 years	168,359.13	1.23	—	—
Total	13,643,972.62	100.00	17,812,225.97	100.00

6. Other receivables

(1) Other receivables by category

Item	30 June 2026	31 December 2025
Interest receivable	—	—
Dividends receivable	—	—
Other receivables	1,082,716.63	328,899.46
Total	1,082,716.63	328,899.46

(2) Other receivables

① Other receivables by aging

Aging	30 June 2026	31 December 2025
Within 1 year	1,082,716.63	328,758.79
1 to 2 years	—	140.67
Sub-total	1,082,716.63	328,899.46
Less: Provision for bad debts	—	—
Total	1,082,716.63	328,899.46

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (continued)

(2) Other receivables (continued)

② Other receivables by nature

Nature	30 June 2026	31 December 2025
R&D subsidies	625,000.00	—
Social insurance and housing fund withheld and paid on behalf of employees	370,402.56	310,780.73
Employee reimbursements and petty cash	37,500.00	—
Others	49,814.07	18,118.73
Sub-total	1,082,716.63	328,899.46
Less: Provision for bad debts	—	—
Total	1,082,716.63	328,899.46

③ Other receivables by bad debt provision method

- A. As at 30 June 2026, provision for bad debts were made based on the three-stage model as follows:

Stage	Book balance	Provision for bad debts	Carrying amount
Stage 1	1,082,716.63	—	1,082,716.63
Stage 2	—	—	—
Stage 3	—	—	—
Total	1,082,716.63	—	1,082,716.63

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (continued)

(2) Other receivables (continued)

③ Other receivables by bad debt provision method (continued)

A. As at 30 June 2026, provision for bad debts were made based on the three-stage model as follows: (continued)

As at 30 June 2026, provision for bad debts at stage 1:

Type	Book balance	Provision ratio (%)	Provision for bad debts	Carrying amount	Reason
Provision for bad debts on an individual basis	—	—	—	—	
Provision for bad debts on a group basis	1,082,716.63	—	—	1,082,716.63	
Including: Aging portfolio	1,082,716.63	—	—	1,082,716.63	
Total	1,082,716.63	—	—	1,082,716.63	

As at 30 June 2026, the Company had no other receivables at stage 2.

As at 30 June 2026, the Company had no other receivables at stage 3.

B. As at 31 December 2025, provision for bad debts were made based on the three-stage model as follows:

Stage	Book balance	Provision for bad debts	Carrying amount
Stage 1	328,899.46	—	328,899.46
Stage 2	—	—	—
Stage 3	—	—	—
Total	328,899.46	—	328,899.46

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (continued)

(2) Other receivables (continued)

③ Other receivables by bad debt provision method (continued)

B. As at 31 December 2025, provision for bad debts were made based on the three-stage model as follows: (continued)

As at 31 December 2025, provision for bad debts at stage 1:

Type	Book balance	Provision ratio (%)	Provision for bad debts	Carrying amount	Reason
Provision for bad debts on an individual basis	—	—	—	—	
Provision for bad debts on a group basis	328,899.46	—	—	328,899.46	
Including: Aging portfolio	328,899.46	—	—	328,899.46	
Total	328,899.46	—	—	328,899.46	

As at 31 December 2025, the Company had no other receivables at stage 2.

As at 31 December 2025, the Company had no other receivables at stage 3.

④ Changes in provision for bad debts

Type	Changes in the Period					
	31 December 2025	Provision	Recovery or reversal	Elimination or write-off	Others	30 June 2026
On an individual basis	—	—	—	—	—	—
On a group basis	—	—	—	—	—	—
Total	—	—	—	—	—	—

Notes to the Financial Statements

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

(1) Inventories by category

Item	30 June 2026			31 December 2025		
	Book balance	Impairment provision for inventories or performance costs	Carrying amount	Book balance	Impairment provision for inventories or performance costs	Carrying amount
Raw materials	29,918,565.04	—	29,918,565.04	22,220,996.72	—	22,220,996.72
Work in progress	13,462,707.92	—	13,462,707.92	18,482,329.71	—	18,482,329.71
Finished goods	8,766,267.00	733,568.41	8,032,698.59	15,764,541.00	367,884.27	15,396,656.73
Goods shipped	315,117.22	—	315,117.22	—	—	—
Total	52,462,657.18	733,568.41	51,729,088.77	56,467,867.43	367,884.27	56,099,983.16

(2) Impairment provision for inventories or performance costs

Item	31 December 2025	Increase during the Period		Decrease during the Period		30 June 2026
		Provision	Others	Reversal or elimination	Others	
Finished goods	367,884.27	383,791.54	—	18,107.40	—	733,568.41
Total	367,884.27	383,791.54	—	18,107.40	—	733,568.41

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets

(1) Contract assets

Item	30 June 2026			31 December 2025		
	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
Work performed but not yet settled	1,383,228.02	151,494.76	1,231,733.26	1,383,228.02	80,464.36	1,302,763.66
Sub-total	1,383,228.02	151,494.76	1,231,733.26	1,383,228.02	80,464.36	1,302,763.66
Less: Contract assets presented in other non-current assets	—	—	—	—	—	—
Total	1,383,228.02	151,494.76	1,231,733.26	1,383,228.02	80,464.36	1,302,763.66

(2) Contract assets by impairment provision method

Type	Book balance		30 June 2026 Impairment provision		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Impairment provision on an individual basis	—	—	—	—	—
Impairment provision on a group basis	1,383,228.02	100.00	151,494.76	10.95	1,231,733.26
Including: Aging portfolio	1,383,228.02	100.00	151,494.76	10.95	1,231,733.26
Total	1,383,228.02	100.00	151,494.76	10.95	1,231,733.26

(Continued)

Type	Book balance		31 December 2025 Impairment provision		Carrying amount
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Impairment provision on an individual basis	—	—	—	—	—
Impairment provision on a group basis	1,383,228.02	100.00	80,464.36	5.82	1,302,763.66
Including: Aging portfolio	1,383,228.02	100.00	80,464.36	5.82	1,302,763.66
Total	1,383,228.02	100.00	80,464.36	5.82	1,302,763.66

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Contract assets (continued)

(2) Contract assets by impairment provision method (continued)

Specific description of impairment provision:

- ① As at 30 June 2026, The Company had no contract assets for which provision for bad debts were made on an individual basis
- ② As at 30 June 2026, contract assets for which provision for bad debts were made based on the ageing group

Aging	30 June 2026			31 December 2025		
	Book balance	Provision for bad debts	Provision ratio (%)	Book balance	Provision for bad debts	Provision ratio (%)
Within 1 year	188,679.25	9,433.96	5.00	1,157,168.85	57,858.44	5.00
1 to 2 years	968,489.60	96,848.96	10.00	226,059.17	22,605.92	10.00
2 to 3 years	226,059.17	45,211.84	20.00	—	—	—
Total	1,383,228.02	151,494.76	10.95	1,383,228.02	80,464.36	5.82

(3) Changes in impairment provision

Item	31 December 2025	Provision	Changes in the Period			30 June 2026
			Recovery or reversal	Elimination or write-off	Others	
Aging group	80,464.36	71,030.40	—	—	—	151,494.76
Total	80,464.36	71,030.40	—	—	—	151,494.76

(4) There were no contract assets actually written off during the Period

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Other current assets

Item	30 June 2026	31 December 2025
Large-denomination certificates of deposit and time deposits	232,701,113.77	151,861,891.55
Deductible tax	5,026,859.24	6,155,716.01
Total	237,727,973.01	158,017,607.56

10. Long-term receivables

Item	30 June 2026			31 December 2025			
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount	Discount rate range
Deposits and retention money receivable	477,313.50	—	477,313.50	477,313.50	—	477,313.50	/
Less: Long-term receivables due within one year	—	—	—	—	—	—	/
Total	477,313.50	—	477,313.50	477,313.50	—	477,313.50	—

11. Other equity instrument investments

(1) Details of other equity instrument investment

Item	Increase/decrease in the Period						30 June 2026
	31 December 2025	Additional investment	Decrease in investment	Gains included in other comprehensive income in the Period	Losses included in other comprehensive income in the Period	Others	
Unlisted corporate equity	20,281,268.58				628,740.10		19,652,528.48
Total	20,281,268.58				628,740.10		19,652,528.48

Notes to the Financial Statements

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Other equity instrument investments (continued)

(1) Details of other equity instrument investment (continued)

(Continued)

Item	Dividend income recognized in the Period	Cumulative gains included in other comprehensive income	Cumulative losses included in other comprehensive income	Reasons for designating at fair value through other comprehensive income
Unlisted corporate equity	—	(347,471.52)		Industry strategic investment
Total	—	(347,471.52)		

12. Other non-current financial assets

Item	30 June 2026	31 December 2025
Financial assets measured at fair value through profit or loss	25,337,394.35	23,383,745.50
Total	25,337,394.35	23,383,745.50

13. Fixed assets

(1) Fixed assets by category

Item	30 June 2026	31 December 2025
Fixed assets	253,164,162.97	257,339,954.63
Disposal of fixed assets	—	—
Total	253,164,162.97	257,339,954.63

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Fixed assets (continued)

(2) Fixed assets

① Details of fixed assets

Item	Buildings and constructions	Machinery and equipment	Vehicles	Office equipment and others	Total
I. Initial cost:					
1. Balance as at 31 December 2025	183,105,433.86	95,244,510.04	1,427,688.95	816,306.44	280,593,939.29
2. Increase in the period	—	5,154,497.52	9,300.00	69,545.13	5,233,342.65
(1) Acquisition	—	1,092,101.91	9,300.00	69,545.13	1,170,947.04
(2) Transfer from construction in progress	—	4,062,395.61	—	—	4,062,395.61
3. Decrease in the period	—	254,665.98	—	—	254,665.98
(1) Disposal or retirement	—	254,665.98	—	—	254,665.98
4. Balance as at 30 June 2026	183,105,433.86	100,144,341.58	1,436,988.95	885,851.57	285,572,615.96
II. Accumulated depreciation:					
1. Balance as at 31 December 2025	1,449,584.68	20,124,360.26	1,061,758.43	618,281.29	23,253,984.66
2. Increase in the period	4,348,754.04	4,934,104.02	64,491.74	49,051.21	9,396,401.01
(1) Provision	4,348,754.04	4,934,104.02	64,491.74	49,051.21	9,396,401.01
3. Decrease in the period	—	241,932.68	—	—	241,932.68
(1) Disposal or retirement	—	241,932.68	—	—	241,932.68
4. Balance as at 30 June 2026	5,798,338.72	24,816,531.60	1,126,250.17	667,332.50	32,408,452.99
III. Provision for impairment:					
1. Balance as at 31 December 2025	—	—	—	—	—
2. Increase in the period	—	—	—	—	—
(1) Provision	—	—	—	—	—
3. Decrease in the period	—	—	—	—	—
(1) Disposal or retirement	—	—	—	—	—
4. Balance as at 30 June 2026	—	—	—	—	—
IV. Carrying amount:					
1. Balance as at 30 June 2026	177,307,095.14	75,327,809.98	310,738.78	218,519.07	253,164,162.97
2. Balance as at 31 December 2025	181,655,849.18	75,120,149.78	365,930.52	198,025.15	257,339,954.63

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Fixed assets (continued)

(2) Fixed assets (continued)

- ② Temporarily idle fixed assets at the end of the period: Nil.
- ③ Fixed assets leased out under operating leases: Nil.
- ④ Fixed assets pending certificates of ownership

Item	Carrying amount as at 30 June 2026	Reason
Production building	123,974,557.56	Failure to meet the overall completion acceptance conditions
Dormitory building	30,189,658.97	Failure to meet the overall completion acceptance conditions
Hazardous chemicals warehouse	2,175,403.87	Failure to meet the overall completion acceptance conditions
Equipment room	3,288,177.74	Failure to meet the overall completion acceptance conditions
Sewage treatment station	5,359,245.30	Failure to meet the overall completion acceptance conditions

14. Construction in progress

(1) Construction in progress by category

Item	30 June 2026	31 December 2025
Construction in progress	31,926,690.43	36,268,994.98
Construction materials	—	—
Total	31,926,690.43	36,268,994.98

(2) Construction in progress

- ① Details of construction in progress

Item	30 June 2026			31 December 2025		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Phase I of the office building project	25,727,005.84	—	25,727,005.84	25,727,005.84	—	25,727,005.84
Equipment installation engineering	6,199,684.59	—	6,199,684.59	10,541,989.14	—	10,541,989.14
Total	31,926,690.43	—	31,926,690.43	36,268,994.98	—	36,268,994.98

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Right-of-use assets

(1) Details of right-of-use assets

Item	Buildings and constructions	Total
I. Initial cost:		
1. Balance as at 31 December 2025	11,700,577.49	11,700,577.49
2. Increase in the period	—	—
(1) New Leases	—	—
3. Decrease in the period	—	—
(1) Disposal	—	—
(2) Contract expiration	—	—
4. Balance as at 30 June 2026	11,700,577.49	11,700,577.49
II. Accumulated depreciation:		
1. Balance as at 31 December 2025	6,165,811.54	6,165,811.54
2. Increase in the period	813,425.00	813,425.00
(1) Provision	813,425.00	813,425.00
3. Decrease in the period	—	—
(1) Disposal	—	—
(2) Contract expiration	—	—
4. Balance as at 30 June 2026	6,979,236.54	6,979,236.54
III. Provision for impairment:		
1. Balance as at 31 December 2025	—	—
2. Increase in the period	—	—
(1) Provision	—	—
3. Decrease in the period	—	—
(1) Disposal	—	—
(2) Contract expiration	—	—
4. Balance as at 30 June 2026	—	—
IV. Carrying amount:		
1. Balance as at 30 June 2026	4,721,340.95	4,721,340.95
2. Balance as at 31 December 2025	5,534,765.95	5,534,765.95

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Intangible assets

(1) Details of intangible assets

Item	Land use rights	Patent rights	Others	Total
I. Initial cost:				
1. Balance as at 31 December 2025	29,418,900.00	9,600,000.00	160,712.56	39,179,612.56
2. Increase in the period	—	—	—	—
(1) Acquisition	—	—	—	—
(2) Internal research and development	—	—	—	—
(3) Business combination	—	—	—	—
3. Decrease in the period	—	—	—	—
(1) Disposal	—	—	—	—
4. Balance as at 30 June 2026	29,418,900.00	9,600,000.00	160,712.56	39,179,612.56
II. Accumulated amortisation:				
1. Balance as at 31 December 2025	1,765,134.00	6,560,000.00	32,637.01	8,357,771.01
2. Increase in the period	294,189.00	—	15,067.74	309,256.74
(1) Provision	294,189.00	—	15,067.74	309,256.74
3. Decrease in the period	—	—	—	—
(1) Disposal	—	—	—	—
4. Balance as at 30 June 2026	2,059,323.00	6,560,000.00	47,704.75	8,667,027.75
III. Provision for impairment:				
1. Balance as at 31 December 2025	—	3,040,000.00	—	3,040,000.00
2. Increase in the period	—	—	—	—
(1) Provision	—	—	—	—
3. Decrease in the period	—	—	—	—
(1) Disposal	—	—	—	—
4. Balance as at 30 June 2026	—	3,040,000.00	—	3,040,000.00
IV. Carrying amount:				
1. Balance as at 30 June 2026	27,359,577.00	—	113,007.81	27,472,584.81
2. Balance as at 31 December 2025	27,653,766.00	—	128,075.55	27,781,841.55

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Long-term deferred expenses

Item	31 December 2025	Increase in the Period	Decrease in the Period		30 June 2026
			Amortization	Other decreases	
Renovation costs	1,618,398.90	—	147,127.20	—	1,471,271.70
Total	1,618,398.90	—	147,127.20	—	1,471,271.70

18. Deferred income tax assets and deferred income tax liabilities

(1) Deferred income tax assets before offsetting

Item	30 June 2026		31 December 2025	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Government grants	48,340,271.99	12,072,516.73	140,881.55	21,132.23
Other borrowings	22,225,756.60	3,333,863.49	25,235,759.51	3,785,421.11
Lease liabilities	10,540,921.09	1,581,138.16	18,653,895.36	2,798,084.30
Tax-accounting differences in intangible assets	3,375,824.19	506,373.63	3,692,307.70	553,846.16
Provision for credit impairment	1,842,210.21	276,331.53	909,388.86	136,408.33
Provision for impairment of assets	885,063.17	132,759.47	448,348.63	67,252.29
Total	87,210,047.25	17,902,983.01	49,080,581.61	7,362,144.42

(2) Deferred income tax liabilities before offsetting

Item	30 June 2026		31 December 2025	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
One-off additional deduction for fixed assets	34,949,920.40	8,737,480.10	—	—
Changes in fair value of financial assets held for trading	7,121,533.18	1,068,229.97	1,857,820.31	278,673.05
Right-of-use assets	9,612,105.80	1,441,815.87	17,761,677.94	2,664,251.73
Total	51,683,559.38	11,247,525.94	19,619,498.25	2,942,924.78

Notes to the Financial Statements

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Deferred income tax assets and deferred income tax liabilities (continued)

(3) Deferred income tax assets or liabilities presented by net amount after offsetting

Item	Amount after mutual offset of deferred income tax assets and liabilities as at 30 June 2026	Balance of deferred income tax assets or liabilities after offsetting as at 30 June 2026	Amount after mutual offset of deferred income tax assets and liabilities as at 31 December 2025	Balance of deferred income tax assets or liabilities after offsetting as at 31 December 2025
Deferred income tax assets	11,247,525.94	6,655,457.07	2,942,924.78	4,419,219.64
Deferred income tax liabilities	11,247,525.94	—	2,942,924.78	—

19. Other non-current assets

Item	30 June 2026			31 December 2025		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Deductible input tax	26,531,830.78	—	26,531,830.78	27,500,723.26	—	27,500,723.26
Prepayment for engineering equipment and intangible asset	16,598,255.93	—	16,598,255.93	1,600,896.05	—	1,600,896.05
Total	43,130,086.71	—	43,130,086.71	29,101,619.31	—	29,101,619.31

20. Assets with ownership or usage restrictions

Item	30 June 2026			
	Book balance	Carrying amount	Restriction type	Restriction
Notes receivable	26,592,345.10	26,288,423.87	Discounted	Discounted but not yet due
Total	26,592,345.10	26,288,423.87	—	—

Item	31 December 2025			
	Book balance	Carrying amount	Restriction type	Restriction
Notes receivable	18,431,700.00	18,059,189.97	Discounted	Discounted but not yet due
Total	18,431,700.00	18,059,189.97	—	—

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**21. Short-term borrowings**

Item	30 June 2026	31 December 2025
Borrowings with discounted notes	26,592,345.10	18,431,700.00
Credit loans	50,000,000.00	60,081,800.00
Total	76,592,345.10	78,513,500.00

22. Accounts payable**(1) Accounts payable by nature**

Item	30 June 2026	31 December 2025
Payable for materials	12,322,853.94	13,306,768.49
Payable for engineering equipment	12,119,236.22	15,837,656.54
Other payables	989,954.25	2,554,940.34
Total	25,432,044.41	31,699,365.37

(2) Disclosure by aging

Aging	30 June 2026	31 December 2025
Within 1 year	17,136,451.32	26,023,069.62
1-2 years	8,267,196.28	5,651,300.47
2-3 years	28,396.81	24,995.28
Total	25,432,044.41	31,699,365.37

Note: The above agings are presented based on the record date at the end of each reporting period.

(3) No significant account payables with aging over 1 year as at the end of the period

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Contract liabilities

(1) Contract liabilities

Item	30 June 2026	31 December 2025
Advances from customers for goods	938,431.24	1,693,496.59
Total	938,431.24	1,693,496.59

(2) Significant contract liabilities with aging over 1 year at the end of the period: Nil.

24. Employee benefits payable

(1) Details of employee benefits payable

Item	31 December 2025	Increase in the Period	Decrease in the Period	30 June 2026
I. Short-term compensation	9,753,209.70	19,597,516.59	25,801,270.11	3,549,456.18
II. Post-employment benefits - defined contribution plan	—	884,980.24	884,980.24	—
III. Dismissal benefits	—	—	—	—
IV. Other benefits due within one year	—	—	—	—
Total	9,753,209.70	20,482,496.83	26,686,250.35	3,549,456.18

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Employee benefits payable (continued)

(2) Presentation of short-term compensation

Item	31 December 2025	Increase in the Period	Decrease in the Period	30 June 2026
I. Salaries, bonuses, allowances and subsidies	9,734,744.00	16,469,766.36	22,655,054.18	3,549,456.18
II. Employee benefits	—	1,018,034.77	1,018,034.77	—
III. Social insurance premiums	—	514,493.85	514,493.85	—
Including: Medical insurance premium	—	449,109.52	449,109.52	—
Work-related injury insurance premiums	—	26,088.03	26,088.03	—
Maternity insurance premiums	—	39,296.30	39,296.30	—
IV. Housing provident fund	—	1,363,612.00	1,363,612.00	—
V. Labor union expenditure and employee education expenses	18,465.70	231,609.61	250,075.31	—
VI. Short-term paid absences	—	—	—	—
VII. Short-term profit sharing scheme	—	—	—	—
Total	9,753,209.70	19,597,516.59	25,801,270.11	3,549,456.18

(3) Presentation of defined contribution plans

Item	31 December 2025	Increase in the Period	Decrease in the Period	30 June 2026
Post-employment benefits:				
1. Basic endowment insurance premiums	—	858,160.96	858,160.96	—
2. Unemployment insurance premiums	—	26,819.28	26,819.28	—
Total	—	884,980.24	884,980.24	—

Note: The Company and its domestic subsidiaries participate in the pension insurance, unemployment insurance, and enterprise annuity schemes established by government authorities as required. Under these schemes, the Company makes monthly contributions to such schemes based on the criteria and proportions stipulated by the State. Apart from these monthly contributions, the Company has no further payment obligations and may not use or recover the contributions made. The corresponding expenses are included in the relevant asset costs or in the current profit or loss when incurred.

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Taxes payable

Item	30 June 2026	31 December 2025
Value-added tax	6,258,840.81	5,351,832.62
Enterprise income tax	3,541,738.99	8,846,530.43
Urban maintenance and construction tax	313,077.14	268,157.72
Personal income tax	91,901.69	157,186.97
Educational surcharge	313,077.14	268,157.72
Property tax	417,366.68	139,122.23
Urban land use tax	33,811.20	33,811.20
Total	10,969,813.65	15,064,798.89

26. Other payables

(1) Other payables by category

Item	30 June 2026	31 December 2025
Interests payable	—	—
Dividends payable	—	—
Other payables	103,285,174.46	84,249,185.83
Total	103,285,174.46	84,249,185.83

(2) Other payables

① Other payables by nature

Item	30 June 2026	31 December 2025
Payables for research services and payables to partners of collaborative arrangements	52,443,040.28	43,779,901.31
Payables for marketing expenses	49,276,967.45	36,014,567.87
Deposits received from suppliers	808,000.00	913,000.00
Listing and issue expenses	—	2,992,245.60
Others	757,166.73	549,471.05
Total	103,285,174.46	84,249,185.83

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**27. Non-current liabilities due within one year**

Item	30 June 2026	31 December 2025
Long-term payables due within one year	4,425,443.85	5,467,464.54
Lease liabilities due within one year	1,392,871.58	1,620,912.61
Total	5,818,315.43	7,088,377.15

28. Other current liabilities

Item	30 June 2026	31 December 2025
Output tax to be carried forward	113,897.09	220,154.56
Total	113,897.09	220,154.56

29. Lease liabilities

Item	30 June 2026	31 December 2025
Lease payment	6,159,419.63	7,099,235.22
Less: Finance costs unrecognized	558,190.44	702,679.02
Sub-total	5,601,229.19	6,396,556.20
Less: Lease liabilities due within one year	1,392,871.58	1,620,912.61
Total	4,208,357.61	4,775,643.59

30. Long-term payables**(1) Long-term payables by category**

Item	30 June 2026	31 December 2025
Long-term payables	22,225,756.60	25,235,759.51
Sub-total	22,225,756.60	25,235,759.51
Less: Long-term payables due within one year	4,425,443.85	5,467,464.54
Total	17,800,312.75	19,768,294.97

Notes to the Financial Statements

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Long-term payables (continued)

(2) Long-term payables by nature

Item	30 June 2026	31 December 2025
Other borrowings	22,225,756.60	25,235,759.51
Sub-total	22,225,756.60	25,235,759.51
Less: Long-term payables due within one year	4,425,443.85	5,467,464.54
Total	17,800,312.75	19,768,294.97

31. Deferred income

Item	31 December 2025	Increase in the Period	Decrease in the Period	30 June 2026	Causes
Government grants	140,881.55	50,000,000.00	1,800,609.56	48,340,271.99	Special fund for the industrialization development of the biomedical industry and decoration subsidy
Total	140,881.55	50,000,000.00	1,800,609.56	48,340,271.99	—

32. Share capital

Item	31 December 2025	Increase/decrease (+, -)					30 June 2026
		Issuance of new shares	Stock dividend	Conversion of reserves into share capital	Others	Sub-total	
Total number of shares	78,707,270.00	—	—	—	—	—	78,707,270.00

33. Capital reserve

Item	31 December 2025	Increase in the Period	Decrease in the Period	30 June 2026
Capital premium (share capital premium)	1,083,121,148.81			1,083,121,148.81
Total	1,083,121,148.81			1,083,121,148.81

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Treasury shares

Item	31 December 2025	Increase in the Period	Decrease in the Period	30 June 2026
Treasury shares	—	4,912,959.42	—	4,912,959.42

Note: During the Reporting Period, the trustee of the equity incentive scheme purchased a total of 33,100 H shares on the Stock Exchange in accordance with the rules of the equity incentive scheme and the terms of the trust deed, at total consideration (excluding expenses) of RMB4,912,959.42. Such purchase was made by the trustee on trust for the benefit of the participants of the equity incentive scheme and does not constitute a repurchase by the Company of its own Shares.

35. Other comprehensive income

Item	Amount in the Period							30 June 2026
	31 December 2025	Amount before income tax in the Period	Less: Amount included in other comprehensive income in prior period and transferred to current profit or loss	Less: Amount included in other comprehensive income in prior period and transferred to retained income in the current period	Less: Income tax expenses	Attributable to the parent company after tax	Amount attributable to non-controlling shareholders after tax	
I. Other comprehensive income that cannot be reclassified into profit or loss								
Including: Changes in fair value of other equity instrument investments	281,268.58	(628,740.10)	—	—	—	—	—	(347,471.52)
Total other comprehensive income	281,268.58	(628,740.10)	—	—	—	—	—	(347,471.52)

36. Surplus reserve

Item	31 December 2025	Increase in the Period	Decrease in the Period	30 June 2026
Statutory surplus reserve	39,394,585.00	—	—	39,394,585.00
Total	39,394,585.00	—	—	39,394,585.00

Notes to the Financial Statements

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Undistributed profit

Item	For the six months ended 30 June 2026	2025
Undistributed profit as at the end of the previous period before adjustment	392,227,997.02	226,932,617.90
Adjustment to total undistributed profit as at the beginning of the period (+ for increase and - for decrease)	—	—
Undistributed profit as at the beginning of the period after adjustment	392,227,997.02	226,932,617.90
Add: Net profit attributable to owners of the parent company in the Period	81,048,743.15	177,028,649.12
Transfer-in of surplus reserves offsetting losses	—	—
Transfer-in of capital reserves offsetting losses	—	—
Less: Withdrawal of statutory surplus reserves	—	11,733,270.00
Withdrawal of discretionary surplus reserves	—	—
Withdrawal of general risk reserves	—	—
Ordinary share dividend payable	—	—
Ordinary share dividends converted to share capital	—	—
Undistributed profit as at the end of the period	473,276,740.17	392,227,997.02

38. Operating income and operating costs

Item	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Revenue	Costs	Revenue	Costs
Main business	311,067,445.71	55,689,338.46	299,666,640.06	40,415,534.55
Other business	551,087.83	772,638.90	408,795.08	199,402.91
Total	311,618,533.54	56,461,977.36	300,075,435.14	40,614,937.46

Note: The Company's operating lease income is accounted for in accordance with Leases. Operating lease income for January to June 2025 and January to June 2026 amounted to RMB47,935.10 and nil, respectively. Revenue from the sale of pharmaceutical products and other revenue are accounted for in accordance with Revenue from Contracts with Customers.

(1) Breakdown of main business revenue and main business cost

Item	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	Revenue	Costs	Revenue	Costs
By product type				
Sale of pharmaceutical products	311,067,445.71	55,689,338.46	299,666,640.06	40,415,534.55
Total	311,067,445.71	55,689,338.46	299,666,640.06	40,415,534.55
By revenue recognition time				
Recognition of revenue at a point in time	311,067,445.71	55,689,338.46	299,666,640.06	40,415,534.55
Total	311,067,445.71	55,689,338.46	299,666,640.06	40,415,534.55

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Taxes and surcharges

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Urban maintenance and construction tax	1,260,160.81	1,158,965.35
Educational surcharge	1,260,160.81	1,158,965.38
Stamp duty	288,813.42	111,616.04
Urban land use tax	67,622.40	67,622.40
Property tax	834,733.36	—
Total	3,711,490.80	2,497,169.17

40. Selling expenses

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Marketing expenses	95,163,422.67	95,255,971.73
Employee benefits	3,362,353.79	3,800,110.41
Travel expenses	521,066.62	445,451.22
Courier and transportation expenses	83,415.52	65,907.80
Business promotion expenses	73,869.10	15,517.95
Entertainment expenses	35,486.24	75,030.16
Others	116,703.07	191,401.79
Total	99,356,317.01	99,849,391.06

41. Administrative expenses

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Employee benefits	5,817,395.75	4,835,763.90
Service fee	3,931,236.40	2,821,964.64
Depreciation and amortization	965,489.38	592,255.78
Office expenses	437,724.35	844,090.42
Travel expenses	297,561.50	158,069.99
Entertainment expenses	276,548.82	188,442.97
Utilities and property management fees	218,215.21	1,657,733.55
Software service fees	114,867.26	72,700.54
Others	552,326.14	355,383.29
Total	12,611,364.81	11,526,405.08

Notes to the Financial Statements

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. R&D expenses

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Clinical expenditures and technical service fees	25,239,325.47	10,557,051.82
Employee benefits	7,520,758.02	8,410,890.61
Direct input	3,611,326.65	4,367,740.08
Depreciation and amortization	1,697,406.33	1,388,654.19
Other expenses	2,692,842.37	2,391,948.20
Total	40,761,658.84	27,116,284.90

43. Finance expenses

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Interest expenses	3,621,162.90	3,347,160.69
Including: Interest expense on lease liabilities	144,488.56	162,773.83
Less: Interest income	7,928,162.57	569,945.24
Foreign exchange losses and gains	16,008,127.92	—
Bank charges	58,052.78	15,680.11
Total	11,759,181.03	2,792,895.56

44. Other income

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Government grants	5,818,545.16	719,332.88
Handling charges for individual tax withholding	42,646.89	31,514.84
Additional deduction for input tax	505,036.00	—
Total	6,366,228.05	750,847.72

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Investment income

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Investment income from disposal of financial assets held for trading	(10,527,184.67)	1,268,974.55
Total	(10,527,184.67)	1,268,974.55

46. Gains on changes in fair value

Source of gains from changes in fair value	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Other non-current financial assets	1,953,648.85	3,000,626.00
Financial assets held for trading	911,154.61	2,176,426.15
Total	2,864,803.46	5,177,052.15

47. Credit impairment losses

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Losses from bad debts of notes receivable	121,109.03	(53,495.76)
Losses from bad debts of accounts receivable	(1,053,930.38)	(287,516.77)
Losses from bad debts of other receivables	—	57,152.72
Total	(932,821.35)	(283,859.81)

48. Asset impairment losses

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Losses on inventory depreciation and impairment losses on contract performance costs	(365,684.14)	266,448.63
Losses from impairment of contract assets	(71,030.40)	1,213.07
Total	(436,714.54)	267,661.70

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Gains on disposal of assets

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Gains or losses on disposal of fixed assets, construction in progress, productive biological assets, and intangible assets not classified as held for sale	9,390.59	—
Including: Fixed assets	9,390.59	—
Total	9,390.59	—

50. Non-operating income

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025	Amount included in current non-recurring profit or loss
Others	41.85	38,839.22	41.85
Total	41.85	38,839.22	41.85

51. Non-operating expenses

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025	Amount included in current non-recurring profit or loss
Losses from the damage and scrapping of non-current assets	—	6,122.85	—
Others	—	1,774.55	—
Total	—	7,897.40	—

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Income tax expenses

(1) Composition of income tax expenses

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Current income tax expenses	5,487,781.36	13,267,851.96
Deferred income tax expenses	(2,236,237.43)	1,816,263.61
Total	3,251,543.93	15,084,115.57

(2) Accounting profit and income tax expense adjustment process

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Total profits	84,300,287.08	122,889,970.04
Income tax expense calculated at statutory/applicable tax rate	12,645,043.06	18,433,495.51
Effect of different tax rate applicable to subsidiaries	(129,002.20)	(182,263.88)
Effect of adjustments to the income tax for the prior periods	(662,498.22)	340,414.27
Effect of non-taxable income	—	—
Effect of non-deductible costs, expenses and losses	15,351.50	15,808.39
Effect of utilizing deductible losses on unrecognized deferred income tax assets in previous periods	(2,689,251.97)	—
Effect of deductible temporary differences or deductible losses on unrecognized deferred income tax assets in the Period	56,416.77	455,659.70
Additional deduction for R&D expenses	(5,984,515.01)	(3,978,998.42)
Income tax expenses	3,251,543.93	15,084,115.57

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows:

Supplementary information	For the six months ended 30 June 2026	For the six months ended 30 June 2025
1. Net profit adjusted to cash flow from operating activities:		
Net profit	81,048,743.15	107,805,854.47
Add: Provision for assets impairment	436,714.54	(267,661.70)
Provision for credit impairment	932,821.35	283,859.81
Depreciation of fixed assets, depreciation of investment property, depletion of oil and gas assets, and depreciation of productive biological assets	9,396,401.01	1,291,486.29
Depreciation of right-of-use assets	813,425.00	736,114.81
Amortization of intangible assets	309,256.74	294,189.00
Amortization of long-term deferred expenses	147,127.20	147,127.20
Losses on disposal of fixed assets, intangible assets and other long-term assets ("()" for gains)	(9,390.59)	—
Losses on write-off of fixed assets ("()" for gains)	—	1,774.55
Losses from changes in fair value ("()" for gains)	(2,864,803.46)	(5,177,052.15)
Financial expenses ("()" for income)	19,274,265.06	3,347,160.69
Investment losses ("()" for gains)	10,527,184.67	(1,268,974.55)
Decrease in the deferred income tax assets ("()" for increase)	(2,236,237.43)	1,816,263.61
Increase in deferred income tax liabilities ("()" for decrease)	—	—
Decrease in inventories ("()" for increase)	4,005,210.25	(2,486,070.14)
Decrease in operating receivables ("()" for increase)	(53,302,580.32)	(20,457,574.39)
Increase in operating payables ("()" for decrease)	46,971,034.36	(5,508,172.71)
Others	—	—
Net cash flow from operating activities	115,449,171.53	80,558,324.79
2. Significant investing and financing activities not involving cash inflow and outflow:		
Conversion of debt into capital	—	—
Convertible corporate bonds due within one year	—	—
New right-of-use assets	—	—
Supplier financing arrangements not involving cash receipts and payments	—	—
3. Net changes in cash and cash equivalents:		
Ending balance of cash	1,018,978,308.55	36,067,489.29
Less: Beginning balance of cash	645,054,375.66	38,281,811.70
Add: Ending balance of cash equivalents	—	—
Less: Beginning balance of cash equivalents	—	—
Net increase in cash and cash equivalents	373,923,932.89	(2,214,322.41)

V. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Supplementary information to the statement of cash flows (continued)

- (2) Net cash paid to acquire subsidiaries in the Period: Nil.
- (3) Net cash received for disposal of subsidiaries in the Period: Nil.

(4) Composition of cash and cash equivalents

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. Cash	1,018,978,308.55	36,067,489.29
Including: Cash on hand	—	—
Unrestricted bank deposits	973,889,390.33	35,887,265.17
Unrestricted other monetary funds	45,088,918.22	180,224.12
Unrestricted deposits with central bank	—	—
Deposits with other banks and financial institutions	—	—
Loans to other banks and financial institutions	—	—
II. Cash equivalents		
Including: Bond investments due within three months		
III. Ending balance of cash and cash equivalents	1,018,978,308.55	36,067,489.29
Including: Cash and cash equivalents restricted for use by the parent company or subsidiaries within the Group		

(5) Monetary funds not classified as cash and cash equivalents

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025	Reason
Equipment security deposit	—	4,806,429.20	Restricted security deposits
Total	—	4,806,429.20	

Notes to the Financial Statements

VI. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the enterprise group

Name of subsidiaries	Registered capital	Main place of operation	Registered address	Nature of business	Shareholding proportion (%)		Method of acquisition
					Direct	Indirect	
Haixi New Drug Creation (Fuzhou) Co., Ltd.* (海西新藥創制(福州)有限公司)	RMB160 million	Fuzhou City, Fujian Province	Fuzhou City, Fujian Province	Manufacture, wholesale, retail and commissioned manufacture of pharmaceutical products	100.00	—	Establishment
Hong Kong Haixi Pharmaceuticals Limited	—	Hong Kong	Hong Kong	Research and development and sales of pharmaceuticals products and provision of pharmaceuticals technical services	100.00	—	Establishment

* for identification purpose only

(2) Major non-wholly-owned subsidiaries: Nil.

VII. DISCLOSURE OF FAIR VALUE

The level in which the fair value measurement is categorized in its entirety is determined by the lowest level input that is significant to the entire measurement:

Level 1: quoted prices unadjusted in active markets for identical assets or liabilities.

Level 2: directly or indirectly observable inputs of relevant assets or liabilities other than inputs at Level 1.

Level 3: unobservable inputs of relevant assets or liabilities.

1. Fair value of assets and liabilities measured at fair value as at 30 June 2026

Item	Fair value as at 30 June 2026			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
I. Measurement at fair value on a going concern basis				
(I) Financial assets held for trading	—	172,386,138.83	—	172,386,138.83
1. Structural deposit and wealth management products	—	172,386,138.83	—	172,386,138.83
(II) Other non-current financial assets	—	25,337,394.35	—	25,337,394.35
(III) Investment in other equity instruments	—	19,652,528.48	—	19,652,528.48

VII. DISCLOSURE OF FAIR VALUE (CONTINUED)

1. Fair value of assets and liabilities measured at fair value as at 30 June 2026 (continued)

Where there is an active market traded for a financial instrument, the Company shall adopt the quoted price in the active market to determine its fair value; where there is no active market traded for a financial instrument, the Company shall adopt valuation techniques to determine its fair value. The valuation models used are mainly discounted cash flow model and comparable company analysis model, etc. The inputs to valuation techniques mainly include the risk-free rate, benchmark interest rate, exchange rate, credit spread, liquidity premium, and lack of liquidity discount.

2. Basis for determining the market price of recurring and non-recurring Level 1 fair value measurement items

The market prices for recurring Level 1 fair value measurement items are all derived from quoted prices in active markets.

3. Qualitative and quantitative information on valuation techniques and significant inputs adopted for recurring and non-recurring Level 2 fair value measurement items

Fair value of wealth management products in financial assets held for trading is determined at cash flows projected based on their product types and yields;

Other non-current financial assets are measured using a binomial valuation model. The key inputs to this model include the coupon rate of the financial instruments, the conversion price of the convertible notes, and the expected volatility of comparable companies;

Investments in other equity instruments are measured using the market approach and valued based on recent transaction approach;

4. Qualitative and quantitative information on valuation techniques and significant inputs for recurring and non-recurring Level 3 fair value measurement items

Nil.

5. Fair value of financial assets and financial liabilities not measured at fair value

The financial assets and financial liabilities of the Company measured at amortized cost mainly include monetary funds, notes receivable, accounts receivable, other receivables, short-term borrowings, accounts payable, other payables, long-term borrowings due within one year, long-term payables, long-term borrowings, etc.

VIII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

Recognition criteria of related parties: One party is related to another if it has control or joint control, or significant influence over the other party, or both of them are jointly controlled by or under common control of the same third party.

1. Parent company of the Company

The controlling shareholders and ultimate controllers of the Company are Mr. Kang Xinshan and Ms. Feng Yan. As at 30 June 2026, Mr. Kang Xinshan and Ms. Feng Yan directly and indirectly controlled 35.16% equity of the Company. As husband and wife, Mr. Kang Xinshan and Ms. Feng Yan serve as the joint actual controllers of the Company.

2. Subsidiaries of the Company

For details of the subsidiaries of the Company, please refer to Note VI. INTERESTS IN OTHER ENTITIES.

3. Joint ventures and associates of the Company: Nil.

4. Other related parties of the Company

Name of other related party	Relationship between other related party with the Company
Kang Xinshan	Chairman of the Board, general manager, and executive Director
Chen Guangming	Executive Director, chief scientific officer, and deputy general manager
Feng Yan	Executive Director and deputy general manager
Li Junqing	Appointed as executive Director on 27 May 2026
Chen Shuyi	Resigned as executive Director on 27 May 2026
Wang Xinkun	Non-executive Director
Xu Dong	Non-executive Director
Pu Meiting	Independent non-executive Director
Wang Shan Shan	Independent non-executive Director
Lin Bin	Appointed as independent non-executive Director on 27 May 2026
Gong Weimin	Resigned as independent non-executive Director on 27 May 2026
Zhang Mingqiang	Deputy general manager and president of R&D and global affairs
Hu Kai	Resigned as assistant president and deputy general manager on 31 March 2026
Zhang Junhuan	Finance director, company secretary, and secretary of the Board
Chen Xia	Resigned as supervisor and chairman of the Supervisory Committee on 27 May 2026
Wu Jiang	Resigned as supervisor on 27 May 2026
Xu Lixia	Resigned as supervisor on 27 May 2026
Tu Liandong	Shareholder holding more than 10% of the Shares

VIII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**5. Related party transactions****(1) Remuneration of key management**

Item	Amount incurred during January to June 2026	Amount incurred during January to June 2025
Fees	181,613.00	180,000.00
Salaries, wages and allowances	2,273,882.48	2,379,558.07
Performance-related bonuses	40,206.05	72,576.00
Retirement benefits	27,328.61	22,802.56
Total	2,523,030.14	2,654,936.63

Note: Key management include the Directors, supervisors and other members of key management of the Company (including the chief executive). The statistical basis covers compensation earned during the executives' term of office.

IX. SHARE-BASED PAYMENTS

The Company had no share-based payment during the Period.

X. COMMITMENTS AND CONTINGENCIES**1. Significant commitments**

As at 30 June 2026, the Company had no significant commitments required to be disclosed.

2. Contingencies

As at 30 June 2026, the Company had no significant contingencies required to be disclosed.

XI. POST BALANCE SHEET EVENTS

As at 28 August 2026 (the date of approval of the report by the Board), there were no post-balance sheet events to be disclosed by the Company.

XII. OTHER SIGNIFICANT EVENTS

1. Segment information

(1) Determination basis and accounting policies for reportable segments

Based on the Group's internal organisational structure, management requirements and internal reporting system, the Group's business operations are divided into 2 reportable segments. These segments are determined based on the financial information required for daily internal management of the Group. The Group's management regularly evaluates the operating results of these reportable segments to determine resource allocation and assess their performance.

The Group's reportable segments include:

- ① Innovative Drugs segment which focuses on the research and development of innovative drugs;
- ② Generic Drugs segment which focuses on the research and development, production and sales of generic drugs;

Information on segment reporting are disclosed according to the accounting policies and measurement standards adopted by each segment to report to the management, which are consistent with the accounting policies and measurement basis adopted to prepare the financial statements.

(2) Segment profit or loss

For the six months ended 30 June 2026/As at 30 June 2026	Innovative Drugs segment	Generic Drugs segment	Undistributed	Total
Operating income	—	311,618,533.54		311,618,533.54
Segment profit/(loss)	(32,907,138.65)	148,248,798.85	(31,041,373.12)	84,300,287.08
Financing costs	—	—	3,621,162.90	3,621,162.90
Undistributed income and expenses of the Group	—	—	27,420,210.22	27,420,210.22
Listing expenses	—	—	—	—
Supplementary information:	—	—	—	—
1. R&D expenses	32,907,138.65	7,854,520.19	—	40,761,658.84
2. Marketing expenses	—	95,163,422.67	—	95,163,422.67
3. Depreciation and amortization expenses	—	9,700,720.57	965,489.38	10,666,209.95
4. Changes in book value of other borrowings measured at amortized cost	—	4,451,285.21	—	4,451,285.21

XII. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment information (continued)

(2) Segment profit or loss (continued)

(Continued)

For the six months ended 30 June 2025/As at 30 June 2025	Innovative Drugs segment	Generic Drugs segment	Undistributed	Total
Operating income	—	300,075,435.14		300,075,435.14
Segment profit/(loss)	(19,640,910.07)	155,154,059.08	(12,623,178.97)	122,889,970.04
Financing costs	—	—	3,347,160.69	3,347,160.69
Undistributed income and expenses of the Group	—	—	7,038,810.05	7,038,810.05
Listing expenses	—	—	2,237,208.23	2,237,208.23
Supplementary information:	—	—	—	—
1. R&D expenses	19,640,910.07	7,475,374.83	—	27,116,284.90
2. Marketing expenses	—	95,255,971.73	—	95,255,971.73
3. Depreciation and amortization expenses	—	1,876,661.52	592,255.78	2,468,917.30
4. Changes in book value of other borrowings measured at amortized cost	—	5,247,834.76	—	5,247,834.76

(3) Other segment information

Revenue from external transactions of products and services: Nil.

Geographical information

All of the Group's non-current assets are located in Chinese Mainland, and all of the Group's external customers are also based in Chinese Mainland. Therefore, this report does not analyze the geographical segment business of its external customers.

Degree of dependency on main customers

Revenue from customers accounting for more than 10% of the Group's total revenue is as follows:

Customer	Revenue type	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Customer A	Sale of pharmaceutical products	131,892,505.16	129,596,902.26
Total		131,892,505.16	129,596,902.26

2. Other important transaction and events affecting decision-making of investors: Nil.



Notes to the Financial Statements

XIII. EARNINGS PER SHARE

Item	For the six months ended 30 June 2026	For the six months ended 30 June 2025
Net profit attributable to ordinary shareholders of the Company	81,048,743.15	107,805,854.47
Weighted average number of outstanding ordinary shares	78,706,778.49	67,207,270.00
Earnings per share	1.03	1.60

XIV. DIVIDENDS

For the six months ended 30 June 2026, the Company did not pay any dividends.