



CF PHARMTECH

长 | 风 | 药 | 业

長風藥業股份有限公司

CF PharmTech, Inc.

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

Stock Code : 2652

2026

INTERIM REPORT



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DEFINITIONS

In this interim report, unless the context otherwise requires, the following terms have the meanings set forth below:

“Articles of Association”	our Company’s Articles of Association, as amended, supplemented or otherwise modified from time to time
“Associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	Audit Committee of the Board of Directors of the Company
“Annual Report”	the Annual Report of the Company dated April 30, 2026
“Board Committee(s)”	the Board committees of our Company, namely the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee
“Board of Directors” or “Board”	the board of Directors of our Company
“China” or “PRC”	the People’s Republic of China, for the purpose of this interim report and for geographical reference only, excluding the Hong Kong and Macau Special Administrative Region of China and the Taiwan Region
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company” or “CF PharmTech”	CF PharmTech, Inc. (長風藥業股份有限公司), a limited liability company established in the PRC on January 24, 2013 and converted into a joint stock company with limited liability on June 8, 2016, and formerly known as Suzhou CF PharmTech Co., Ltd. (蘇州長風藥業有限公司), the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2652)
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
“Director(s)”	the director(s) of our Company
“Global Offering”	has the meaning ascribed to it in the Prospectus
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	our Company, subsidiaries and consolidated affiliated entities from time to time

DEFINITIONS

“H Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, listed on the Stock Exchange and traded in Hong Kong dollars
“HK Gentiana”	Gentiana International Corporation Limited, a limited liability company incorporated in Hong Kong on July 2, 2015, wholly owned by Dr. LI LI BOVET and a member of our Single Largest Group of Shareholders
“HK Pyramid”	Pyramid Investment Limited, a limited liability company incorporated in Hong Kong on June 25, 2015, wholly owned by Dr. LIANG and a member of our Single Largest Group of Shareholders
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Date”	October 8, 2025, being the date on which the H Shares of the Company are listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
“Prospectus”	the Prospectus of the Company dated September 26, 2025
“Reporting Period”	for the six months ended June 30, 2026
“RMB”	Renminbi, the lawful currency of the PRC
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary shares of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Single Largest Group of Shareholders”	Dr. LIANG Wenqing, Dr. LI LI BOVET, HK Pyramid, Suzhou Pyramid, Suzhou Minmei, Suzhou Yuanchen, Suzhou Dachen, Suzhou Yuansheng, Suzhou Wolun, HK Gentiana, Suzhou Meizhongrui and Dr. Jean-Marc BOVET

DEFINITIONS

“Subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	member(s) of our Supervisory Committee
“Supervisory Committee”	the supervisory committee of our Company
“Suzhou Dachen”	Suzhou Dachen Enterprise Management Partnership (Limited Partnership) (蘇州達辰企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on May 4, 2023, and one of our employee incentive platforms
“Suzhou Meizhongrui”	Suzhou Meizhongrui Investment Management Enterprise (Limited Partnership) (蘇州美中瑞投資管理企業(有限合夥)), a limited partnership established in the PRC on August 19, 2015, and a member of our Single Largest Group of Shareholders
“Suzhou Minmei”	Suzhou Minmei Investment Management Enterprise (Limited Partnership) (蘇州閩美投資管理企業(有限合夥)), a limited partnership established in the PRC on April 16, 2013, and one of our employee incentive platforms and a member of our Single Largest Group of Shareholders
“Suzhou Pyramid”	Suzhou Pyramid Investment Management Enterprise (Limited Partnership) (蘇州嶺頭投資管理企業(有限合夥)), a limited partnership established in the PRC on August 19, 2015, and a member of our Single Largest Group of Shareholders
“Suzhou Wolun”	Suzhou Wolun Enterprise Management Center (Limited Partnership) (蘇州沃倫企業管理中心(有限合夥)), a limited partnership established in the PRC on May 18, 2020, and one of our employee incentive platforms and a member of our Single Largest Group of Shareholders
“Suzhou Yuanchen”	Suzhou Yuanchen Enterprise Management Center (Limited Partnership) (蘇州遠辰企業管理中心(有限合夥)) (formerly known as Kunshan Yuanchen Enterprise Management Center (Limited Partnership) (昆山遠辰企業管理中心(有限合夥))), a limited partnership established in the PRC on July 1, 2020, and one of our employee incentive platforms and a member of our Single Largest Group of Shareholders
“Suzhou Yuansheng”	Suzhou Yuansheng Enterprise Management Partnership (Limited Partnership) (蘇州遠昇企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on May 4, 2023, and one of our employee incentive platforms

“Treasury Shares”	has the meaning ascribed to it under the Listing Rules
“Unlisted Share(s)”	ordinary share(s) of our Company with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
“VBP”	volume-based procurement, a set of drug procurement regulations implemented in China with the goal of promoting generic substitutes and lowering the price of medications that have outlived their exclusivity periods
“2024 Share Incentive Scheme”	the share incentive scheme adopted by the Company in February 2014 (most recently revised in September 2024) and implemented through the employee incentive platforms
“2025 H Share Incentive Scheme”	the 2025 H share award trust scheme adopted by the Company on December 16, 2025
“2026 Placing”	the placing of 21,747,700 new H Shares under the general mandate at the placing price of HK\$13.82 per H Share, which was announced on July 31, 2026 and completed on August 6, 2026
“%”	percentage

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Dr. LIANG Bill Wenqing (*Chairperson of the Board*)
Dr. LI LI BOVET
Dr. LI Qi
Ms. ZHU Yuyu
Ms. ZHANG Jingjing (*appointed on June 26, 2026*)

Non-Executive Directors

Mr. CAI Lei
Dr. YI Hua

Independent Non-Executive Directors

Dr. JIN Jian
Ms. WANG Lijuan
Mr. WEI Shirong
Mr. IP Wang Hoi

JOINT COMPANY SECRETARIES

Ms. ZHU Yuyu
Ms. CHU Cheuk Ting

AUTHORIZED REPRESENTATIVES

Dr. LIANG Bill Wenqing
Ms. CHU Cheuk Ting

AUDIT COMMITTEE

Ms. WANG Lijuan (*Chairperson*)
Dr. JIN Jian
Mr. IP Wang Hoi

REMUNERATION AND APPRAISAL COMMITTEE

Mr. IP Wang Hoi (*Chairperson*)
Dr. LIANG Bill Wenqing
Mr. WEI Shirong

NOMINATION COMMITTEE

Mr. WEI Shirong (*Chairperson*)
Ms. ZHU Yuyu
Dr. JIN Jian

SUPERVISORS

Mr. ZHENG Yao (*Chairperson*)
(*appointed on June 26, 2026*)
Ms. CHENG Xiangfeng
Ms. KUAI Jingjing
Ms. ZHANG Jingjing (*resigned on May 29, 2026*)

HEAD OFFICE, REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 16, Hucundang Road
Xiangcheng Economic Development District
Suzhou
Jiangsu
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., Tower Two
Times Square, 1 Matheson Street
Causeway Bay
Hong Kong

COMPANY'S WEBSITE

www.cfpharmtech.com

PRINCIPAL BANKS

China Merchant Bank Co., Ltd., Suzhou Xiangcheng Branch
First Building F, East Furniture Avenue
Yuanhe Town
Xiangcheng District
Suzhou
Jiangsu
PRC

China Construction Bank Suzhou Xiangcheng Branch
No. 780, Huayuan Road
Xiangcheng District
Suzhou
Jiangsu
PRC

LEGAL ADVISORS

As to Hong Kong law:
Kirkland & Ellis
26/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law:
Zhong Lun Law Firm
57/58/59/F, Tower A
Ping An Finance Centre, 5033 Yitian Road
Futian District
Shenzhen
Guangdong
PRC

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

STOCK CODE

2652

FINANCIAL HIGHLIGHTS

The following is a summary of the results of our Group for the Reporting Period, together with comparative figures for the six months ended June 30, 2025:

FINANCIAL SUMMARY

	For the six months ended June 30,	
	2026 (RMB'000)	2025 (RMB'000)
Revenue	210,154	205,879
Gross profit	161,496	156,550
Loss for the period	(10,506)	(1,230)
Loss for the period attributable to owners of the parent	(10,506)	(1,230)

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Group continued to advance the commercialization of its marketed products, expand its product portfolio, advance the clinical translation of its innovative pipeline, diversity of its commercial channels and pursue overseas registration in the inhalation formulation and respiratory disease fields. The renewal of centralized volume-based procurement (“VBP”), the switch between the old and new procurement cycles, medical insurance payment administration and stricter in-hospital access requirements affected procurement timing, distribution and prescription growth for certain products. The Group responded by optimizing channel management, strengthening compliant medical education and patient accessibility, and improving supply and end-market service efficiency.

BUSINESS REVIEW

During the Reporting Period, the market performance of the Group’s marketed products was affected by policy arrangements, the transition between procurement cycles and channel factors. The renewal of the national VBP and the transition between the old and new tendering cycles led to adjustments in procurement and distribution schedules in certain markets. At the same time, medical insurance payment administration and stricter in-hospital access requirements affected end-market promotion and prescription growth for certain products. Following the phased implementation of the results of the new round of VBP, end-market procurement and stocking volumes recovered month by month from May 2026, although the extent of the recovery for the full year will depend on the implementation progress in each province.

In March 2026, the Company entered into a strategic cooperation with JD Health covering the online launch of several respiratory and nasal products, patient services and internet-based chronic disease management. This cooperation complements the Group’s existing out-of-hospital and grassroots channels and broadens patient access.

Research and Development, Registration and Internationalization

During the Reporting Period, several nasal and respiratory products made regulatory progress. The new drug application (“NDA”) for budesonide nasal spray was accepted by the National Medical Products Administration (the “NMPA”) in January 2026; the Investigational New Drug (“IND”) for olopatadine hydrochloride and mometasone furoate monohydrate nasal spray was approved by the NMPA in March 2026; and the NDA for tiotropium bromide inhalation powder was accepted by the NMPA in May 2026. The budesonide nasal spray, olopatadine hydrochloride and mometasone furoate monohydrate nasal spray, and tiotropium bromide inhalation powder cover treatment areas including allergic rhinitis and chronic obstructive pulmonary disease and further expand the Group’s product portfolio.

The IND for ICF004*, a Class 1 innovative inhalation powder for interstitial lung diseases including idiopathic pulmonary fibrosis and progressive pulmonary fibrosis, was approved by the NMPA in June 2026. The IND for ICF001*, a Class 2.1 improved new drug, was accepted by the NMPA in March 2026, with pulmonary arterial hypertension and pulmonary hypertension associated with interstitial lung disease among its initial development directions. The Group also continued to invest in inhaled small nucleic acid, respiratory interventional devices and other precision pulmonary delivery technology platforms.

* The drug previously disclosed as IC004 in the Prospectus has been renamed ICF004. ICF004 and IC004 are references to the same drug.

* The drug previously disclosed as IC001 in the Prospectus has been renamed ICF001. ICF001 and IC001 are references to the same drug.



MANAGEMENT DISCUSSION AND ANALYSIS

In May 2026, the Group submitted a marketing authorization application for CF017 in one Southeast Asian market. In June 2026, the Group's inhalation manufacturing site in Suzhou, China passed an on-site Good Manufacturing Practice ("GMP") compliance inspection conducted by the drug regulatory authority of a PIC/S member country. These developments provide a quality and regulatory foundation for subsequent overseas registration, supply and commercial cooperation; overseas supply and revenue contribution remain subject to the progress of the relevant registration and commercialization.

Future Outlook

Looking ahead to the second half of 2026, the Group will advance four workstreams: core commercialization, product portfolio expansion, clinical translation of the innovative pipeline and globalization. For marketed products, the Group continue implementing the VBP renewal cycle and monitor the recovery of end-market procurement and stocking. In response to changes in medical insurance payment administration and the in-hospital access environment, the Group will continue to improve distribution efficiency, end-market coverage, compliant medical education and patient accessibility, while integrating in-hospital, grassroots, retail and online channels to enhance the commercialization efficiency of the existing product portfolio. For marketed and late-stage products, the Group will, in accordance with regulatory requirements, continue to advance the review of the NDAs for budesonide nasal spray and tiotropium bromide inhalation powder and conduct the clinical development of olopatadine hydrochloride and mometasone furoate monohydrate nasal spray. The Group will also leverage JD Health and its existing out-of-hospital and grassroots cooperation networks to prepare for the commercialization, following regulatory approval, of budesonide nasal spray, tiotropium bromide inhalation powder and olopatadine hydrochloride and mometasone furoate monohydrate nasal spray. For innovative drugs, the Group will, in accordance with regulatory requirements, initiate the clinical trials of ICF004 and ICF001 and commence patient enrollment, and will continue to invest in inhaled small nucleic acid, respiratory interventional devices and other precision pulmonary delivery technology platforms. The relevant candidates remain at different stages of development, and their development progress, safety, efficacy and final regulatory approval remain subject to uncertainty. For internationalization, the Group will build on the CF017 marketing authorization application in one Southeast Asian market and the passage of the on-site GMP compliance inspection by the drug regulatory of a PIC/S member country at the Suzhou inhalation manufacturing site, and will, subject to the relevant registration and commercialization progress, advance product registration in key markets, quality system alignment, supply chain development and commercial cooperation, and arrange overseas supply accordingly. Overseas supply and revenue contribution remain subject to the relevant registration and commercialization progress. In financial management, the Group will maintain adequate liquidity and a prudent capital structure and prioritize resources for research and development projects with clear clinical, registration and commercialization milestones, capacity building and internationalization. Given that U.S. dollar/Renminbi exchange rate volatility affected the Group's financial results for the Reporting Period, the Group will continue to monitor its foreign exchange exposure and currency mix and assess appropriate risk management measures where necessary. The Group will continue to increase the diversification of its revenue sources and capital utilization efficiency in line with its research and development, production, registration and commercialization activities in inhalation formulations.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group primarily generated revenue from sales of its inhalation formulation products. To a lesser extent, the Group also generated revenue from sales of consumer health products and the provision of outsourced research and development and manufacturing services.

The Group's revenue slightly increased from RMB205.88 million for the six months ended June 30, 2025 to RMB210.15 million for the six months ended June 30, 2026. The increase was mainly due to higher revenue generated from CF017, driven by the continued expansion of the Group's customer base and market coverage for CF017 in the Middle East.

Cost of Revenue

The Group's cost of revenue primarily consisted of raw materials, direct labor costs and manufacturing costs.

The Group's cost of revenue slightly decreased from RMB49.33 million for the six months ended June 30, 2025 to RMB48.66 million for the six months ended June 30, 2026. The decrease was mainly due to: (i) lower purchase prices of key raw materials; and (ii) dilution of the unit fixed manufacturing costs of the Group's principal products resulting from higher capacity utilization.

Accordingly, cost of revenue as a percentage of revenue decreased from 24.0% for the six months ended June 30, 2025 to 23.2% for the six months ended June 30, 2026.

Gross Profit and Gross Profit Margin

Based on the foregoing changes in sales volume, pricing and product mix, as well as lower purchase prices of key raw materials and dilution of unit fixed manufacturing costs of the Group's principal products resulting from higher capacity utilization, the Group's gross profit slightly increased from RMB156.55 million for the six months ended June 30, 2025 to RMB161.50 million for the six months ended June 30, 2026.

Accordingly, the Group's gross profit margin increased from 76.0% for the six months ended June 30, 2025 to 76.8% for the six months ended June 30, 2026. However, lower average selling prices following the renewal of VBP may put pressure on the Group's gross profit margin going forward, with the actual impact depending on product mix, procurement volume and capacity utilization.



MANAGEMENT DISCUSSION AND ANALYSIS

Other (Losses), Income and Gains

The Group's other (losses), income and gains primarily consisted of (i) government grants; (ii) gains or losses on financial assets at fair value through profit or loss; (iii) interest income from cash at banks; and (iv) others.

The Group's net other income and gains changed from a net gain of RMB5.73 million for the six months ended June 30, 2025 to a net loss of RMB0.86 million for the six months ended June 30, 2026, mainly due to unrealized foreign exchange and fair value losses on the Group's U.S. dollar-denominated investment assets resulting from the depreciation of the U.S. dollar against the Renminbi. Notwithstanding such losses, the aggregate value of these investment assets increased in U.S. dollar terms during the Reporting Period.

Selling and Distribution Expenses

The Group's selling and distribution expenses primarily consisted of (i) business development expenses incurred by the Group to maintain and develop the Group's sales network; (ii) staff costs for the Group's sales and marketing personnel; (iii) transportation and travel fees in relation to the Group's sales and marketing activities; and (iv) depreciation and amortization.

The Group's selling and distribution expenses decreased by 29.3% from RMB53.23 million for the six months ended June 30, 2025 to RMB37.63 million for the six months ended June 30, 2026. The decrease was mainly due to: (i) lower in-hospital promotion requirements for CF017 as a VBP-winning product supplied on the basis of agreed procurement volumes; and (ii) the Group's synchronous reallocation of resources to non-VBP channels.

Administrative Expenses

The Group's administrative expenses primarily consisted of (i) staff costs for the Group's administrative and other staff; (ii) depreciation and amortization; (iii) professional services fees paid by the Group; (iv) rent and utilities expenses; (v) office and administrative expenses; (vi) business hospitality expenses; and (vii) maintenance and repair expenses.

The Group's administrative expenses increased by 14.6% from RMB53.62 million for the six months ended June 30, 2025 to RMB61.47 million for the six months ended June 30, 2026. The increase was mainly due to additional costs associated with the Group's operations as a listed company, including expenses relating to enhanced corporate governance, ongoing compliance and professional service.

MANAGEMENT DISCUSSION AND ANALYSIS

Research and Development Expenses

The Group's research and development expenses primarily consisted of (i) testing and technical service fees; (ii) staff costs in relation to the Group's research and development team; (iii) costs of raw materials used in the Group's research and development projects; and (iv) depreciation and amortization expenses.

The Group's research and development expenses slightly decreased from RMB60.80 million for the six months ended June 30, 2025 to RMB60.67 million for the six months ended June 30, 2026 and remained broadly stable. The expense level reflects continued investment in the Group's core pipeline and related clinical and registration work, alongside overall control of testing and technical service fees, research and development staff costs, research and development raw materials and depreciation and amortization.

Impairment Loss on Financial Assets

The Group's impairment loss or reversal of impairment loss on financial assets represents expected credit losses on, or reversals of expected credit losses on, the Group's trade receivables and other receivables.

The Group's impairment losses on financial assets increased by 74.1% from RMB1.36 million for the six months ended June 30, 2025 to RMB2.37 million for the six months ended June 30, 2026. The increase mainly reflected greater exposure to trade receivables. In connection with the renewal of national VBP, the Group granted credit periods to certain distributors under the relevant sales arrangements, resulting in a higher trade receivables balance at the end of the Reporting Period. The Group measures impairment allowances for trade receivables under the expected credit loss model by customer groupings with similar credit risk characteristics and ageing. The increase in impairment allowances during the Reporting Period mainly reflected the larger receivables balance rather than deterioration in the credit standing of individual customers.

Other Expenses

The Group's other expenses primarily consisted of (i) foreign exchange gains or losses in relation to foreign currencies held in the Group's cash and cash equivalents; and (ii) donations.

The Group's other expenses significantly increased from RMB0.42 million for the six months ended June 30, 2025 to RMB12.21 million for the six months ended June 30, 2026. The increase was mainly due to exchange losses on the U.S dollar-denominated Global Offering proceeds and other monetary assets as the U.S. dollar depreciated against the Renminbi.



MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

The Group's finance costs primarily represented interest incurred on the Group's bank loans and handling fees paid by the Group to banks.

The Group's finance costs increased by 67.5% from RMB1.10 million for the six months ended June 30, 2025 to RMB1.84 million for the six months ended June 30, 2026. The increase was mainly due to new operating bank borrowings drawn during the Reporting Period to supplement working capital, resulting in a corresponding increase in interest expense.

Share of Losses of an Associate and Joint Ventures

The Group's share of losses of an associate and joint ventures related to the Group's investments in Guangzhou Xingzhe Medical New Technology Co., Ltd. (廣州行者醫學新科技有限公司), Guangzhou CF Hekang Health Technology Co., Ltd. (廣州市長風合康健康科技有限公司) ("**Guangzhou Hekang**") and CF PharmTech (Xiamen) Co., Ltd. (長風藥業(廈門)有限公司).

The Group's share of losses of an associate and joint ventures increased from RMB0.02 million for the six months ended June 30, 2025 to RMB1.20 million for the six months ended June 30, 2026. The increase was mainly due to Guangzhou Hekang remained in its business build-out phase and continued to invest in developing online and offline distribution networks for inhaled pharmaceutical products. Guangzhou Hekang's operating costs exceeded its current revenue scale, resulting in a wider net loss and a corresponding increase in the Group's proportionate share of loss.

Income Tax Credit

The Group recorded an income tax credit of RMB6.25 million for the six months ended June 30, 2026, compared with an income tax credit of RMB7.04 million for the six months ended June 30, 2025. The change was mainly due to a reduction in cumulative tax losses available to offset future taxable profits, which lowered the recognizable tax credit.

Loss for the Period

For the foregoing reasons, the Group recorded a loss of RMB10.51 million for the six months ended June 30, 2026, compared with a loss of RMB1.23 million for the six months ended June 30, 2025. The widening loss was driven mainly by non-operating foreign exchange and fair value movements, together with continued high investment in research and development and capacity expansion, while gross profit at the operating level still grew.

MANAGEMENT DISCUSSION AND ANALYSIS

Property, Plant and Equipment

The Group's property, plant and equipment consist of buildings, leasehold improvements, machinery, furniture and fixtures, motor vehicles and construction in progress.

The Group's property, plant and equipment remained relatively stable at RMB547.42 million as of December 31, 2025 and RMB548.44 million as of June 30, 2026.

INVENTORIES

The Group's inventories primarily consist of raw materials, work-in-progress and finished goods.

The Group's inventories increased by 38.6% from RMB36.70 million as of December 31, 2025 to RMB50.87 million as of June 30, 2026. The increase was mainly due to: (i) advance stocking of key raw and auxiliary materials in line with the second-half production plan to meet the Group's supply obligations for the agreed procurement volume of CF017 under the new round of national VBP and to manage the risk of supply interruption; (ii) higher finished goods stocking for CF018 in response to the inclusion of CF018 in the regular NRDL and the expansion of out-of-hospital and online channels; and (iii) advance stocking of raw and auxiliary materials to lock in purchase prices and safeguard continuity of GMP supplies.

TRADE AND BILLS RECEIVABLES

The Group's trade receivables represent outstanding amounts due from the Group's distributors.

The Group's trade receivables increased by 9.7% from RMB159.37 million as of December 31, 2025 to RMB174.86 million as of June 30, 2026, mainly because customers resumed bulk stocking from May 2026 after the new tendering cycle took effect on April 1, 2026, resulting in higher credit-term receivables arising from shipments at the end of the Reporting Period. The increase was smaller than the recovery in stocking and shipments, mainly reflecting that the Group's customers are principally distributors qualified to supply public healthcare institutions and that their ageing profile and collections remained normal.

Prepayments, Other Receivables and Other Assets

The Group's prepayments, other receivables and other assets primarily consist of (i) prepayments to suppliers; (ii) deposits and other receivables; (iii) recoverable VAT; (iv) impairment allowances; and (v) others.

The Group's prepayments, other receivables and other assets increased by 28.5% from RMB33.23 million as of December 31, 2025 to RMB42.71 million as of June 30, 2026. The increase was mainly due to higher prepayments for consulting, clinical trial and technical services as the Group advanced its research and development projects, as well as increased prepayments for supplies to support its planned research and development and production workshops.



MANAGEMENT DISCUSSION AND ANALYSIS

Financial Assets at Fair Value through Profit or Loss (“FVTPL”)

The Group’s financial assets at FVTPL mainly represent structured deposits and wealth management products.

The Group’s financial assets at FVTPL decreased by 37.8% from RMB238.34 million as of December 31, 2025 to RMB148.22 million as of June 30, 2026. The decrease was mainly due to funds from certain structured deposits and wealth management products that matured and were redeemed during the Reporting Period being redeployed to working capital, capital expenditure and research and development, resulting in a lower balance at the end of the Reporting Period.

Restricted Cash and Time Deposits

The Group’s restricted cash and time deposits consist primarily of time deposits and other temporarily restricted cash used to secure bank acceptance bills relating to payments made by the Group for the construction of new manufacturing facilities.

The Group’s restricted cash and time deposits decreased by 38.1% from RMB7.63 million as of December 31, 2025 to RMB4.72 million as of June 30, 2026. The decrease was mainly due to lower advance receipts from the international trade business, which reduced guarantee deposits and fewer bank acceptance bills being issued during the Reporting Period.

Cash and Cash Equivalents

The Group’s cash and cash equivalents primarily consist of cash, bank balances and time deposits. Most of the Group’s cash and cash equivalents are denominated in Renminbi, while a portion is denominated in U.S. dollars or other currencies.

The Group’s cash and cash equivalents decreased by 15.3% from RMB414.90 million as of December 31, 2025 to RMB351.27 million as of June 30, 2026. The decrease was mainly due to increased cash outflow for share repurchase consideration paid during the Reporting Period.

Trade and Bills Payables

The Group’s trade and bills payables primarily represent payments due to the Group’s suppliers.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's trade and bills payables slightly increased from RMB21.38 million as of December 31, 2025 to RMB22.68 million as of June 30, 2026. The increase was mainly due to: (i) the results of the new round of national VBP tanking effect on April 1, 2026, the agreed procurement volumes for CF017 coming into force and end markets resuming bulk procurement and stocking from May 2026, requiring the Group to bring forward the second-half production plan and stockpile key raw and auxiliary materials; (ii) higher finished goods and packaging material stocking for the marketing promotion of CF018 and newly approved or under-review nasal products; and (iii) a larger procurement scale following the commissioning of the new manufacturing base.

Other Payables and Accruals

The Group's other payables and accruals primarily consist of (i) payables for the purchase of property, plant and equipment in relation to the construction of the Group's facilities; (ii) payroll and welfare payable to the Group's employees; (iii) contract liabilities, representing prepayments received by the Group from its distributors; and (iv) other taxes payable.

The Group's other payables and accruals decreased by 10.6% from RMB126.50 million as of December 31, 2025 to RMB113.13 million as of June 30, 2026. The decrease was mainly due to lower contract liabilities and adjustments to the headcount structure and performance-based remuneration arrangements.

Liquidity and Capital Resources

As of June 30, 2026, the Group's liquidity comprised cash and cash equivalents of RMB351.27 million, financial assets at FVTPL of RMB148.22 million, restricted cash and time deposits of RMB4.72 million and other current assets. Inventories, trade receivables and prepayments increased as compared with December 31, 2025, while other payables and accruals decreased, resulting in higher working capital requirements. The Group's net current assets were approximately RMB531.89 million as of June 30, 2026, and the Group's interest-bearing borrowings totaled RMB209.73 million, all unsecured. During the Reporting Period, the Group did not experience any difficulty in obtaining bank loans, any default in payment of bank loans or other borrowings, or any breach of covenants.

Having considered the Group's existing cash and liquid investments, expected operating cash flows, banking facilities and financial commitments, the Directors are of the view that the Group has sufficient working capital for its present and near future requirements. In forming this view, the Directors have taken into account the Group's anticipated funding needs for capital expenditure, debt service, pipeline investment and day-to-day operations.



MANAGEMENT DISCUSSION AND ANALYSIS

The Group's primary sources of liquidity continue to be cash generated from operations, existing banking facilities and, where appropriate, the net proceeds from the global offering completed in October 2025 (the **"Global Offering"**). The Group also held short-dated and/or redeemable-on-demand structured deposits with reputable PRC commercial banks, classified as financial assets at FVTPL, which provide additional flexibility for treasury management. The Group expects to fund ordinary-course working capital, research and development, manufacturing and commercialization activities primarily from internal resources and bank borrowings, supplemented by the remaining net proceeds from the Global Offering in accordance with the intended uses disclosed in the Company's prospectus.

The Group manages refinancing and interest rate risks through ongoing engagement with its relationship banks and by maintaining a prudent liquidity buffer. Near-term maturities within the next 12 months are expected to be serviced through existing cash resources, operating cash flows and routine roll-over or refinancing of facilities in the ordinary course.

The Group continues to monitor its capital expenditure programme and contracted capital commitments. Based on approved budgets and the current implementation timetable, the Group expects to meet its capital expenditure and other financial commitments through a combination of internal resources, banking facilities and, where appropriate, the remaining net proceeds from the Global Offering. The Group will continue to evaluate market conditions and may consider opportunistic financing to support value-accretive strategic initiatives.

Indebtedness

The Group has indebtedness in the form of bank borrowings and lease liabilities (both current and non-current). As of June 30, 2026, the Group did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, acceptance liabilities, or other similar indebtedness, any material guarantees, litigations, or claims that are pending or threatened against any member of the Group, or other material contingent liabilities.

The Group's lease liabilities decreased by 20.1% from RMB3.25 million as of December 31, 2025 to RMB2.60 million as of June 30, 2026. The decrease was mainly due to continued lease payments during the Reporting Period with no significant new lease liabilities.

The Group's interest-bearing borrowings increased significantly from RMB142.31 million as of December 31, 2025 to RMB209.73 million as of June 30, 2026. The increase was mainly due to new bank borrowings to supplement working capital and to optimize funding costs by taking advantage of the relatively low interest-rate environment in the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

All of the Group's interest-bearing bank borrowings are unsecured. As of December 31, 2025 and June 30, 2026, the effective interest rate of the Group's current interest-bearing bank borrowings ranged from 2.14% to 2.80%. The Group's interest-bearing bank borrowings as at June 30, 2026 were principally denominated in Renminbi. During the Reporting Period, the Group did not experience any difficulty in obtaining bank loans or other borrowings, any default in payment of bank loans or other borrowings, or any breach of covenants.

Capital Expenditure

The Group's capital expenditure primarily consists of additions to the Group's property, plant and equipment, which primarily included construction in progress, furniture and fixtures, machinery, buildings and motor vehicles.

The Group's capital expenditure increased by 102.7% from RMB41.98 million for the six months ended June 30, 2025 to RMB85.12 million for the six months ended June 30, 2026. The increase was mainly due to increased investment in capacity building and internationalization, including: (i) additional utilities at certain plants to support the construction of production facilities and the commissioning of the new manufacturing base; and (ii) investment in facilities and equipment associated with the Suzhou inhalation manufacturing site, which passed an on-site GMP compliance inspection conducted by the drug regulatory authority of a PIC/S member country in June 2026. Such investment supports quality system alignment and subsequent international supply.

Contingent Liabilities

The Board confirms that there was no material change in the Group's contingent liabilities during the Reporting Period.

Capital Commitments

The Group's capital commitments primarily relate to contracted expenditures on property, plant and equipment in connection with the construction of the Group's manufacturing facilities that had not yet been provided for.

The Group's capital commitment increased from RMB59.59 million as of December 31, 2025 to RMB113.60 million as of June 30, 2026. The increase was mainly due to increased investment in the construction of manufacturing facilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Key Financial Ratios

The following table sets forth the key financial ratios for the periods indicated:

	As of June 30, 2026	As of December 31, 2025
Current ratio ⁽¹⁾	3.21	4.59
Quick ratio ⁽²⁾	3.00	4.40
Gearing ratio (%) ⁽³⁾	15.82	9.91

Notes:

- (1) Current ratio represents current assets divided by current liabilities as of the same date.
- (2) Quick ratio represents current assets less inventories divided by current liabilities as of the same date.
- (3) Gearing ratio represents total debt divided by total equity as of the same date. Total debt comprises interest-bearing borrowings and lease liabilities.

PLEDGE OF ASSETS

As of June 30, 2026, the Group did not have any material pledge of assets.

DIVIDENDS

No dividend was paid during the Reporting Period and the Board does not recommend the payment of an interim dividend for the Reporting Period (for the six months ended June 30, 2025: nil), considering the Group's results of operations, cash flows, financial condition, cash dividend payments by the Company's subsidiaries to the Company, the Group's business prospects, statutory and regulatory restrictions on the Company's declaration and payment of dividends and other factors that the Board may consider important.

The Company does not have any formal dividend policy or pre-determined dividend payout ratio. Any future declaration and payment as well as the amount of dividends will be subject to the Company's constitutional documents and the relevant laws.

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS

As of June 30, 2026, the Group did not hold any investment which, on a standalone basis, carried a value of 5% or more of the Group's total assets as of June 30, 2026. The Board confirmed that the Group's transactions in financial assets during the Reporting Period, on a standalone basis and aggregate basis, did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

As of June 30, 2026, the Group held financial assets at FVTPL of RMB148.22 million, comprising low-risk wealth management products issued by licensed financial institutions. These investments are short-dated and redeemable on demand or at short notice, with the purpose of preserving principal and generating returns on surplus cash pending deployment in the Group's principal businesses. Counterparty risk is managed by transacting only with licensed financial institutions meeting the Group's internal credit criteria; liquidity risk is managed by matching maturity with anticipated cash needs. The Board oversees investment activities and approves material transactions in accordance with the Company's investment policy.

The Company's investment policy aims to preserve and grow its assets while exploring strategic opportunities that align with its corporate strategy and principal business operations. The purpose of the investments is to generate long-term value, maintain sufficient liquidity for operational needs, and foster potential synergies with other enterprises to support future growth. The investment strategy is closely aligned with the Company's corporate strategy, focusing on assets that complement its principal businesses and strategic priorities.

Investments of the Company may include equity investments, acquisitions of assets, securities and fund investments, entrusted wealth management, and other permitted investment activities. The Company does not engage in speculative investment activities and generally avoids high-risk or highly leveraged financial products.

Investment decisions are subject to the Company's internal control mechanism, including pre-investment evaluation and due diligence procedures, concentration monitoring and periodic review of performance and risks, as well as a tiered approval mechanism based on transaction size. Significant investments are subject to audit or valuation requirements where applicable. The Board oversees the investment strategy and risk management. The Company will also ensure compliance with applicable disclosure obligations under the Listing Rules in respect of its investment activities.



MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As of June 30, 2026, the Group did not have any concrete plans or commitments for material investments and capital assets.

MATERIAL ACQUISITIONS AND/OR DISPOSALS OF SUBSIDIARIES

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

During the Reporting Period, the Group did not record any profit or loss arising from the sale or disposal of properties that would require separate disclosure pursuant to paragraph 4 of Appendix D2 to the Listing Rules. As at June 30, 2026, the Group did not hold any property interests for development or sale, or for investment purposes, in respect of which any of the percentage ratios (as defined under Chapter 14 of the Listing Rules) exceeded 5%.

FOREIGN EXCHANGE RISK AND HEDGING

The functional currency of the Company's entities is Renminbi. As of June 30, 2026, the Group held U.S. dollar-denominated cash and bank balances of approximately RMB190.51 million (as of December 31, 2025: RMB325.40 million). The change in U.S. dollar-denominated balances was primarily attributable to the Company's receipt of the net proceeds from the Global Offering in October 2025, a portion of which had not yet been converted into Renminbi as of the end of the Reporting Period. As the Company operates principally in the PRC, movements in the U.S. dollar/Renminbi exchange rate may affect the Group's financial results presented in Renminbi. Realized and unrealized foreign exchange effects on the Group's U.S. dollar-denominated cash and bank balances are reflected mainly in other expenses, whereas foreign exchange and fair value effects on the Group's U.S. dollar-denominated investment assets are reflected mainly in other income and gains; all such effects are non-operating. In terms of foreign exchange risk management, the Company currently has no foreign exchange hedging policy. However, the management continuously monitors the foreign exchange exposure and foreign currency concentration and will assess hedging arrangements, including forward foreign exchange contracts, if necessary. The Group will also progressively convert a portion of its U.S. dollar-denominated balances into Renminbi in line with its capital expenditure and operating requirements denominated in Renminbi.

EMPLOYEES AND REMUNERATION

As of June 30, 2026, the Group had 625 employees (as of June 30, 2025: 577 employees). The total remuneration cost incurred by the Group for the six months ended June 30, 2026 was RMB58.09 million (for the six months ended June 30, 2025: RMB68.53 million). The Group recruits employees primarily through online platforms, recruitment websites, headhunter referrals and job fairs, and enters into employment contracts covering compensation, benefits, workplace safety, confidentiality, intellectual property and termination.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group also enters into separate confidentiality agreements containing non-competition provisions with senior management and certain key research and development and other employees who have access to trade secrets or confidential information. The Group's compensation packages generally include salaries and bonuses based on qualifications, performance and seniority, and the Group also offers share incentives and promotion opportunities. The Group believes that the Company has maintained good working relationships with the Group's employees.

The Group provides onboarding, ongoing supervisory guidance and internal and external training programs to support employee development and cultivate a diversified talent pool. In accordance with PRC laws and regulations, the Group provides statutory benefits, including social insurance and housing provident funds, as well as legally required leave, and maintains a safe working environment. The Group also maintains personnel-related, property and clinical trial liability insurance, as well as other safety-related coverage, which the Group believes is in line with market practice and adequate for the Group's operations.

NO MATERIAL CHANGES

Save as disclosed in this interim report, during the Reporting Period, there were no material changes affecting our Group's performance that need to be disclosed under paragraphs 32, 40(2) and 46 of Appendix D2 to the Listing Rules.

IMPORTANT EVENT AFTER THE REPORTING PERIOD

Save for the 2026 Placing, which is disclosed in this interim report, there were no other important events affecting our Group that occurred since the end of the Reporting Period and up to the date of this interim report.



CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

To the best knowledge of the Directors, our Company complied with all applicable code provisions set out in Part 2 of the CG Code during the Reporting Period, except for Code Provisions C.2.1 and D.1.2.

Code provision C.2.1 provides that the roles of chairperson and chief executive should be separate and should not be performed by the same individual. Dr. LIANG Bill Wenqing (“**Dr. LIANG**”) currently serves as both chairperson of the Board and chief executive officer of our Company. As the founder of the Group, Dr. LIANG has been responsible for the overall management and operations of the Group since its establishment. The Board considers that vesting both roles in Dr. LIANG is beneficial to the business operations and development of the Group and is in the interests of our Company and the shareholders as a whole. The Board considers that this arrangement does not impair the balance of power and authority between the Board and management, taking into account that: (i) Board decisions require approval by at least a majority of the Directors; (ii) the Board includes four independent non-executive Directors in compliance with the Listing Rules; and (iii) all Directors, including Dr. LIANG, are aware of and will continue to discharge their fiduciary duties in the best interests of our Company. In addition, major business, financial and operational matters of the Group are considered collectively by the Board and senior management.

Code Provision D.1.2 requires management to provide all members of the Board with, and the Board and each Director are entitled to and should request, monthly updates giving a balanced and understandable assessment of the Company’s financial and operating performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. During the Reporting Period, the Company did not provide monthly updates to all members of the Board. Instead, having regard to the business needs and circumstances of the Group, management provided all members of the Board with updates on any material changes in the Company’s performance, reported to the Board on the Group’s performance, position and prospects on a half-yearly basis, and promptly escalated material issues to the Board as and when they arise. Management also responds to requests from Directors for further information on the Group’s business and financial performance in a timely manner. The Board is of the view that, given that the executive Directors oversee the daily operations of the Group and there is effective communication among the executive Directors, management and the non-executive Directors (including the independent non-executive Directors) on the Group’s affairs, the existing arrangements provide the Board with sufficient information on the Group’s performance, position and prospects to enable the Directors to discharge their duties and to give a balanced and understandable assessment of the Group, and therefore serve the underlying purpose of Code Provision D.1.2 and the relevant Listing Rules. The Board will move towards full compliance with Code Provision D.1.2 where practicable.

Except as expressly described below, the Company has complied with all applicable code provisions under the CG Code throughout the Reporting Period. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by the Directors and Supervisors. Each of the Directors and Supervisors has confirmed, following specific enquiries by our Company, that he or she complied with the Model Code during the Reporting Period. Senior management and employees of our Company who are likely to be in possession of inside information of our Company are also subject to the Model Code. During the Reporting Period, our Company was not aware of any non-compliance with the Model Code by such senior management or employees.

ANNUAL REVIEW OF CONFLICTS OF INTEREST

As disclosed in the section headed “Relationship with Our Single Largest Group of Shareholders – Corporate Governance Measures” in the Prospectus, the Company has adopted certain corporate governance measures to manage potential conflicts of interest between the Group and the Single Largest Group of Shareholders, including, among other things, that: (a) our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Single Largest Group of Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders; (b) our Single Largest Group of Shareholders will provide our independent non-executive Directors with all relevant financial, operational and market and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review; and (c) our Company shall disclose the decisions of the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules.

The annual review was conducted by the independent non-executive Directors in respect of the period from the Listing Date to December 31, 2025 (the “**Relevant Period**”).

The independent non-executive Directors have reviewed and considered, among other things: (a) whether there were any competing businesses or interests of the Single Largest Group of Shareholders that competed or were likely to compete, directly or indirectly, with the business of the Group; (b) whether any connected transactions had been entered into between the Group and the Single Largest Group of Shareholders or their respective associates, and if so, whether such transactions had been conducted on normal commercial terms and in the ordinary and usual course of business of the Group and in compliance with the applicable requirements under the Listing Rules; (c) whether the Single Largest Group of Shareholders had provided all information necessary for the annual review as required; (d) whether the Group maintained its independence in management, operations, finance and administration from the Single Largest Group of Shareholders after the Listing; and (e) whether each of the four independent non-executive Directors met the requirements under Rule 3.13 of the Listing Rules and had no conflicts of interest.



CORPORATE GOVERNANCE AND OTHER INFORMATION

Based on the above review, the independent non-executive Directors are of the view that, during the Relevant Period: (a) there were no conflicts of interests between the Group and the Single Largest Group of Shareholders which needed to be addressed or resolved; (b) the Directors, Supervisors and senior management of the Company and the Single Largest Group of Shareholders did not hold any business interests that competed or could potentially compete with the business of the Group; (c) no connected transactions had been entered into between the Group and the Single Largest Group of Shareholders or their respective associates during the Relevant Period; (d) the Group maintained full independence in management, operations, finance and administration from the Single Largest Group of Shareholders after the Listing; (e) the Single Largest Group of Shareholders had provided all information necessary for the annual review as required; (f) each of the four independent non-executive Directors met the requirements under Rule 3.13 of the Listing Rules and had no conflicts of interest; and (g) the corporate governance measures adopted by the Company as disclosed in the Prospectus remained adequate and effective in managing potential conflicts of interest and in safeguarding the interests of the Company and its minority Shareholders.

AUDIT COMMITTEE

Our Company has established the Audit Committee in accordance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Ms. WANG Lijuan, Dr. JIN Jian and Mr. IP Wang Hoi, with Ms. WANG Lijuan acting as the chairperson of the Audit Committee. Mr. IP Wang Hoi holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed the unaudited interim condensed consolidated financial statements of our Group for the six months ended June 30, 2026, which have been prepared in accordance with the IFRS Accounting Standards, and has discussed with senior management and the Company's Auditor matters relating to the accounting policies and practices and internal controls adopted by our Company. There were no significant changes in the accounting policies adopted during the Reporting Period, and no prior period adjustments were made as a result of the correction of material errors. There was no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by our Company.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Dr. YI Hua ceased to be a non-executive director of TransThera Sciences (Nanjing), Inc., a company listed on the Main Board of the Stock Exchange (stock code: 2617) with effect from March 31, 2026.

Mr. CHEN Penghui has resigned as a non-executive Director with effect from May 29, 2026 in order to devote more time to his other professional commitments.

Ms. ZHANG Jingjing ("**Ms. ZHANG**") resigned as a Supervisor and chairperson of the Supervisory Committee with effect from May 29, 2026, in connection with her proposed nomination as an executive Director at the Company's 2025 annual general meeting held on June 26, 2026. Ms. ZHANG was elected as an executive Director of the fourth session of the Board with effect from June 26, 2026. Ms. ZHANG is not entitled to any annual director's allowance for the year ended December 31, 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Mr. ZHENG Yao was elected as a Supervisor of the fourth session of the Supervisory Committee with effect from June 26, 2026.

As of June 30, 2026, save as mentioned above, there are no other changes in the information of Directors, Supervisors and chief executives that need to be disclosed under Rule 13.51B(1) of the Listing Rules since the publication of the 2025 annual report of the Company.

PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S LISTED SECURITIES

At the general meetings held on December 16, 2025 and June 26, 2026, the Shareholders passed resolutions granting and subsequently renewing, respectively, a general mandate to the Directors (the “**Share Repurchase Mandate**”) to repurchase H Shares of our Company on the Stock Exchange from time to time.

During the Reporting Period, the Company repurchased 1,330,000 H Shares on the Stock Exchange for an aggregate consideration of approximately HK\$33.6 million, under the Share Repurchase Mandate. The Board believes that the repurchases were made for the benefit of the Company to create value for its shareholders.

Particulars of the H Shares repurchased are as follows:

Month and year	Number of H Shares repurchased	Purchase price per H Share		Aggregate consideration (before expenses) (HK\$ in million)
		Highest (HK\$)	Lowest (HK\$)	
January 2026	102,000	36.22	31.70	3.5
February 2026	327,500	38.92	34.08	11.9
March 2026	9,500	23.22	22.90	0.2
April 2026	159,000	23.22	20.54	3.5
May 2026	551,000	22.78	18.86	11.1
June 2026	181,000	21.04	17.83	3.4
Total	1,330,000			33.6

Save as disclosed above, neither our Company nor any of its subsidiaries purchased, sold or redeemed any of our Company's securities (including any sale of Treasury Shares) during the Reporting Period.

As of June 30, 2026, our Company held 1,397,000 Treasury Shares. The Company did not sell any Treasury Shares during the Reporting Period or up to the date of this interim report. The Board currently intends to use such Treasury Shares to satisfy awards that may be granted under the share incentive schemes from time to time or to resell such Treasury Shares on the Stock Exchange, subject to compliance with the Listing Rules, applicable laws.

CORPORATE GOVERNANCE AND OTHER INFORMATION

USE OF PROCEEDS FROM THE GLOBAL OFFERING

Our Company completed the Global Offering and listed its H Shares on the Main Board of the Stock Exchange on October 8, 2025 (the “**Listing**”), issuing 41,198,000 new H Shares at an offer price of HK\$14.75 per H Share, with net proceeds from the Listing of approximately HK\$525.4 million after deducting underwriting commissions, fees and other expenses related to the Global Offering.

The net proceeds from the Listing will be applied in accordance with the plans disclosed in “Future Plans and Use of Proceeds” in the prospectus of our Company dated September 26, 2025.

As at June 30, 2026, approximately HK\$129.2 million of the net proceeds from the Global Offering had been utilized and approximately HK\$396.2 million remained unutilized, which unutilized amount is held in short-term interest-bearing accounts. The intended and actual use of the net proceeds from the Global Offering as at June 30, 2026 is set out below:

Item	Percentage	Proceeds to be used for the related purpose (HK\$ in million)	Unutilized proceeds as of December 31, 2025 (HK\$ in million)	Utilized proceeds during the Reporting Period (HK\$ in million)	Unutilized proceeds as of June 30, 2026 (HK\$ in million)	Expected timetable for the fully utilizing of unutilized proceeds ^{Note}
to fund the ongoing research and development, clinical development and commercialization of our inhalation formulation product candidates	40.0%	210.2	45.4	13.0	151.8	December 31, 2027
to fund the pre-clinical research and development across multiple pipeline programs and the technologies	20.0%	105.1	14.8	5.9	84.4	December 31, 2027
to fund the expansion and upgrade of our manufacturing facilities, equipment procurement, and production management systems	30.0%	157.6	25.8	24.4	107.5	December 31, 2027
to fund working capital and other general corporate purposes	10.0%	52.5	–	–	52.5	December 31, 2026
Total	100%	525.4	86.0	43.3	396.2	

Note: The expected timetable for the fully utilizing of unutilized proceeds was based on the estimate of the Group, which is subject to the current and future development of the market conditions.

As of June 30, 2026, the Directors are not aware of any material change in the planned use of net proceeds from the Global Offering. Our Company has placed the net proceeds from the Global Offering that have not yet been utilized in short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions. Our Company will comply with PRC laws regarding foreign exchange registration and remittance of proceeds.

USE OF PROCEEDS FROM 2026 PLACING

Reference is made to the announcements of the Company dated July 31, 2026 and August 6, 2026 in relation to 2026 Placing. A total of 21,747,700 new H Shares, representing approximately 6.74% of the H Shares in issue (excluding any Treasury Shares) and approximately 5.03% of the total number of Shares in issue (excluding any Treasury Shares) as enlarged by the allotment and issuance of the placing Shares immediately upon completion of the 2026 Placing, were placed with not less than six placees who are independent individual, professional, corporate, institutional or other investors at the placing price of HK\$13.82 per H Share upon the terms and subject to the conditions set out in the placing agreement dated July 31, 2026. The closing price was HK\$15.70 per H Share as quoted on the Stock Exchange on the date of the placing agreement.

Having regard to the growth opportunities available to the Group in the respiratory and inhalation sector, the Board considers it appropriate to raise additional equity capital through the 2026 Placing to pursue such opportunities without diverting resources from the initiatives funded by the Global Offering. The net proceeds will strengthen the Group's financial position, support the development and commercialization of its product portfolio and pipeline, capacity expansion and globalization strategy, and provide additional working capital, without increasing its reliance on debt financing. The Board also considers that the 2026 Placing provides an effective and timely means of raising capital while broadening and diversifying the Company's shareholder base. Accordingly, the Board considers that the 2026 Placing is on normal commercial terms, fair and reasonable, and in the interests of the Company and the shareholders as a whole.

The gross proceeds and net proceeds (after deducting the commissions and estimated expenses) from the 2026 Placing were approximately HK\$300.55 million and approximately HK\$294.81 million, respectively. On this basis, the net issue price was approximately HK\$13.56 per placing Share. The net proceeds from the 2026 Placing are intended to be applied as follows: (a) approximately 70% (approximately HK\$206.37 million) for the clinical and pre-clinical development of the Group's innovative drug candidates; (b) approximately 15% (approximately HK\$44.22 million) for the development of the Group's complex inhalation formulation products globally; and (c) approximately 15% (approximately HK\$44.22 million) for working capital and general corporate purposes. For further details on the reasons for and benefits of the 2026 Placing and the use of proceeds from the 2026 Placing, see the announcements of the Company dated July 31, 2026 and August 6, 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The following table sets forth the status of the use of net proceeds from the 2026 Placing:

Item	Percentage	Proceeds to be used for the related purpose (HK\$ in million)	Utilized proceeds from completion of the 2026 Placing up to the date of this interim report (HK\$ in million)	Unutilized proceeds as of the date of this interim report (HK\$ in million)	Expected timetable for the full utilizing of unutilized proceeds ^{Note}
To fund the clinical and pre-clinical development of the Group's innovative drug candidates	70%	206.37	–	206.37	December 31, 2029
To fund the development of the Group's complex inhalation formulation products globally	15%	44.22	–	44.22	December 31, 2029
To fund working capital and general corporate purposes	15%	44.22	–	44.22	December 31, 2029
Total	100%	294.81	–	294.81	

As of the date of this interim report, the Directors are not aware of any material change in the planned use of the net proceeds from the 2026 Placing. Our Company has placed the unutilized net proceeds from the 2026 Placing in short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions. Our Company will comply with PRC laws regarding foreign exchange registration and remittance of proceeds.

EMPLOYEE INCENTIVE SCHEME

2024 Share Incentive Scheme

As of the date of this interim report, the Company had adopted two share schemes, namely 2024 Share Incentive Scheme and 2025 H Share Incentive Scheme.

The Company adopted the 2024 Share Incentive Scheme in February 2014, and the scheme was most recently revised in September 2024. Each of Suzhou Minmei, Suzhou Yuanchen, Suzhou Wolun, Suzhou Yuansheng and Suzhou Dachen was established in the PRC as our employee incentive platforms to implement the 2024 Share Incentive Scheme. The 2024 Share Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the granting of awards or options by our Company to subscribe for Shares after the Listing. Since the underlying Shares under the 2024 Share Incentive Scheme have already been issued, there will be no dilutive effect on the issued Shares upon the vesting of incentive awards under the 2024 Share Incentive Scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

As of the date of this interim report, our employee incentive platforms, in aggregate, held 50,957,464 Shares in our Company, representing 11.79% of the share capital of our Company (excluding Treasury Shares), of which a total of 43,394,188 Shares were held to implement the 2024 Share Incentive Scheme and the 7,563,276 Shares were personal interests of Dr. LIANG (held through Suzhou Pyramid) and Dr. LI LI BOVET (held through Suzhou Meizhongrui), which were not subject to the 2024 Share Incentive Scheme. Details of the terms of 2024 Share Incentive Scheme are set out in “Appendix VII — Statutory and General Information — D. Employee Incentive Scheme” in the Prospectus.

2025 H Share Incentive Scheme

The Company adopted the 2025 H Share Incentive Scheme in December 2025 and amended it in June 2026. The scheme is implemented through a trust, under which the trustee acquires existing H Shares on-market to satisfy awards, rather than the Company issuing new shares, and constitutes a scheme involving existing shares under Chapter 17 of the Listing Rules.

(a) Purpose

The 2025 H Share Incentive Scheme is intended to attract, retain and motivate core technical staff, management and long-serving employees (including Directors); to deepen reform of the Company’s compensation system by balancing the interests of shareholders and management; and to align the interests of management and long-serving employees with those of the shareholders and the Company as a whole. The 2025 H Share Incentive Scheme is also intended to reward and retain service providers whose services are material to the continuing development and long-term growth of the Group.

(b) Participants

Participants are eligible employees selected by the Board (or its authorized persons), drawn from qualifying personnel of the Company and its subsidiaries, Directors (other than independent non-executive Directors), Supervisors, senior management and key management personnel, and, service providers, being persons providing services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are material to the Group’s long-term development (excluding connected persons of the Company). In selecting participants, the Board considers factors such as the individual’s skills, experience, performance, and past and expected contribution to the Group.

(c) Shares Available

The maximum number of H shares that the trustee may acquire on-market to satisfy awards is 9,066,707 H shares, representing 3% of the Company’s issued H shares as at the date the 2025 H Share Incentive Scheme (or an updated limit) was authorized, and 2.10% of the Company’s total issued shares (excluding Treasury Shares) as at the date of this interim report.



CORPORATE GOVERNANCE AND OTHER INFORMATION

(d) Maximum Entitlement of Each Participant

The total award shares granted to each eligible person under the 2025 H Share Incentive Scheme and any other share scheme of the Company (including cancelled but excluding lapsed awards) may not exceed 1% of the Company's issued share capital from time to time.

(e) Exercise Period

The 2025 H Share Incentive Scheme has no exercise mechanism. On vesting, the trustee will either transfer the vested H shares to the participant or sell them on-market and pay the proceeds in cash. Vested shares are subject to a six-month lock-up from the relevant vesting date. Where a participant ceases employment, vested award shares must be sold on-market within 24 months of termination.

(f) Vesting Period

The 2025 H Share Incentive Scheme rules do not prescribe a fixed vesting period. The Board (or its authorized persons) determines the vesting schedule, criteria and period for each award and sets them out in the relevant award letter, provided that the vesting period may not extend beyond the remaining award period at the time of grant. Award shares for which the vesting conditions are not met will not vest and will be held by the trustee as returned shares.

(g) Amount Payable on Acceptance

No amount is payable by a participant on application for or acceptance of an award; the trustee's purchases of H shares are funded by the Company from its own or self-raised funds, and no loans are made to participants. Participants remain responsible for taxes and similar levies arising from their participation.

(h) Basis for Determining Price

The 2025 H Share Incentive Scheme involves no options and no exercise price, and participants pay no purchase price for award shares. The trustee acquires the H shares on-market at prevailing market prices using funds provided by the Company.

(i) Remaining Life

The 2025 H Share Incentive Scheme is valid for ten years from December 16, 2025, with no further awards granted thereafter, although the 2025 H Share Incentive Scheme continues in force as needed to give effect to outstanding unvested awards and may be terminated earlier by the Board. The remaining life as at the date of the interim report is to be calculated as ten years less the period elapsed from the adoption date of 2025 H Share Incentive Scheme, being approximately 8 years. The 2025 H Share Incentive Scheme does not contain any service provider sublimit. From the adoption date of the 2025 H Share Incentive Scheme to June 30, 2026, being the end of the Reporting Period, the trustee has purchased a total of 4,219,000 H shares on-market. No awards were granted, vested, cancelled or lapsed under the 2025 H Share Incentive Scheme during the Reporting Period. The 2025 H Share Incentive Scheme does not contain any sublimit in respect of service providers.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERESTS AND LONG POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF OUR COMPANY AND ITS ASSOCIATED CORPORATIONS

As at June 30, 2026, the interests and long positions of the following Directors, Supervisors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO or as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements in the Model Code, were as follows:

Name	Nature of Interest ⁽¹⁾	Description of Shares	Number of Shares held	Approximate percentage of shareholding in the Unlisted Shares/ H Shares (as applicable) ⁽²⁾	Approximate percentage in the total issued share capital of our Company ⁽²⁾
Dr. LIANG Bill Wenqing ⁽³⁾	Interest in controlled corporation	H Shares	46,293,405	15.32%	11.24%
		Unlisted Shares	30,834,604	28.09%	7.48%
	Interests held jointly with another person	H Shares	14,378,728	4.76%	3.49%
		Unlisted Shares	9,585,819	8.73%	2.33%
Dr. LI LI BOVET ⁽³⁾	Interest in controlled corporation; interest of spouse	H Shares	38,614,894	12.78%	9.37%
		Unlisted Shares	25,743,263	23.46%	6.25%
	Interests held jointly with another person	H Shares	22,057,239	7.30%	5.35%
		Unlisted Shares	14,677,160	13.37%	3.56%
Ms. ZHU Yuyu ^{(4) (5) (6)}	Interest in controlled corporation	H Shares	7,337,976	2.43%	1.78%
		Unlisted Shares	4,891,983	4.46%	1.19%
	Other**	H Shares	288,398	0.10%	0.07%
		Unlisted Shares	192,264	0.18%	0.05%
Ms. ZHANG Jingjing	Other **	H Shares	75,613	0.03%	0.02%
		Unlisted Shares	50,409	0.05%	0.01%
Ms. CHENG Xiangfeng ^{(5) (7)}	Interest in controlled corporation	H Shares	6,474,841	2.14%	1.57%
		Unlisted Shares	4,316,560	3.93%	1.05%
	Other**	H Shares	177,802	0.06%	0.04%

** denotes interested in a limited partnership as a limited partner.

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 411,978,387 Shares in issue as of June 30, 2026, which consists of 109,754,801 Unlisted Shares and 302,223,586 H Shares in issue (including 1,397,000 Treasury Shares).
- (3) Details of interest of Dr. LIANG and Dr. LI LI BOVET are set out in "Interests and Long Positions of Substantial Shareholders in the Shares and Underlying Shares of Our Company" in the section headed "Corporate Governance and Other Information" below.

CORPORATE GOVERNANCE AND OTHER INFORMATION

- (4) Ms. ZHU Yuyu is interested in 12,710,621 Shares, consisting of (i) 10,791,401 Shares held by Suzhou Meimin Enterprise Management Center (Limited Partnership) (蘇州美閩企業管理中心(有限合夥)) ("Meimin Investment"); (ii) 1,438,558 Shares held by Suzhou Shengyuan Enterprise Management Center (Limited Partnership) (蘇州晟源企業管理中心(有限合夥)) ("Shengyuan Investment"); and (iii) 480,662 Shares held through Suzhou Minmei as its limited partner.
- (5) Meimin Investment, a limited partnership established in the PRC, is jointly managed by its three general partners, two of which are Ms. ZHU Yuyu and Ms. CHENG Xiangfeng. As such, under the SFO, each of Ms. ZHU Yuyu and Ms. CHENG Xiangfeng is deemed to be interested in the Shares held by Meimin Investment.
- (6) Shengyuan Investment, a limited partnership established in the PRC, is managed by its general partner, Ms. ZHU Yuyu. As such, under the SFO, Ms. ZHU Yuyu is deemed to be interested in Shares held by Shengyuan Investment.
- (7) Ms. ZHANG Jingjing is interested in 126,022 Shares, consisting of (i) 72,905 Shares held through Suzhou Yuanchen as its limited partner; and (ii) 53,117 Shares held through Suzhou Wolun as its limited partner.
- (8) Ms. CHENG Xiangfeng is interested in 10,969,203 Shares, consisting of (i) 10,791,401 Shares held by Meimin Investment; and (ii) 177,802 Shares held through Suzhou Wolun as its limited partner.

Save as disclosed above, as at June 30, 2026, none of the Directors, Supervisors or chief executive of the Company had or was deemed to have 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 were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements in the Model Code.

INTERESTS AND LONG POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF OUR COMPANY

As at June 30, 2026, so far as is known to the Directors, the following persons had interests or short positions in the Shares and underlying Shares of our Company which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or which were recorded in the register required to be kept by our Company under Section 336 of the Securities and Futures Ordinance:

Name	Nature of Interest ⁽¹⁾	Description of Shares	Number of Shares held	Approximate percentage of shareholding in the Unlisted Shares/ H Shares (as applicable) ⁽²⁾	Approximate percentage in the total issued share capital of our Company ⁽²⁾
Dr. LIANG Bill Wenqing ^{(3) (4) (6) (8) (9) (10)}	Interest in controlled corporation	H Shares	46,293,405	15.32%	11.24%
		Unlisted Shares	30,834,604	28.09%	7.48%
	Interests held jointly with another person	H Shares	14,378,728	4.76%	3.49%
		Unlisted Shares	9,585,819	8.73%	2.33%
HK Pyramid ^{(6) (8) (9) (10)}	Interest in controlled corporation	H Shares	46,251,905	15.30%	11.23%
		Unlisted Shares	30,834,604	28.09%	7.48%
	Beneficial owner	H Shares	41,500	0.01%	0.01%
Suzhou Pyramid ^{(6) (8) (9) (10)}	Beneficial owner	H Shares	15,677,427	5.19%	3.81%
		Unlisted Shares	10,451,618	9.52%	2.54%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name	Nature of Interest ⁽¹⁾	Description of Shares	Number of Shares held	Approximate percentage of shareholding in the Unlisted Shares/ H Shares (as applicable) ⁽²⁾	Approximate percentage in the total issued share capital of our Company ⁽²⁾
Suzhou Minmei ⁽⁸⁾	Interest in controlled corporation	H Shares	30,574,478	10.12%	7.42%
		Unlisted Shares	20,382,986	18.57%	4.95%
	Beneficial owner	H Shares	12,638,297	4.18%	3.07%
		Unlisted Shares	8,425,531	7.68%	2.05%
Suzhou Yuanchen ⁽⁹⁾	Beneficial owner	H Shares	11,597,869	3.84%	2.82%
		Unlisted Shares	7,731,913	7.04%	1.88%
Dr. LI LI BOVET ^{(3) (5) (7) (8) (9)}	Interest in controlled corporation; interest of spouse	H Shares	38,614,894	12.78%	9.37%
		Unlisted Shares	25,743,263	23.46%	6.25%
	Interests held jointly with another person	H Shares	22,057,239	7.30%	5.35%
		Unlisted Shares	14,677,160	13.37%	3.56%
HK Gentiana ^{(7) (8) (9)}	Interest in controlled corporation	H Shares	38,614,894	12.78%	9.37%
		Unlisted Shares	25,743,263	23.46%	6.25%
Suzhou Meizhongrui ^{(7) (8) (9)}	Interest in controlled corporation	H Shares	24,236,166	8.02%	5.88%
		Unlisted Shares	16,157,444	14.72%	3.92%
	Beneficial owner	H Shares	14,378,728	4.76%	3.49%
		Unlisted Shares	9,585,819	8.73%	2.33%
FII ⁽¹¹⁾	Beneficial owner	H Shares	26,058,641	8.62%	6.33%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 411,978,387 Shares in issue as of June 30, 2026, which consists of 109,754,801 Unlisted Shares and 302,223,586 H Shares in issue (including 1,397,000 Treasury Shares).
- (3) Pursuant to Acting-in-Concert Agreement, Dr. LIANG and Dr. LI LI BOVET are parties acting in concert at the Board meetings and the general meetings of our Company until and unless both of them cease to hold managerial positions in our Company. As such, under the SFO, each of Dr. LIANG and Dr. LI LI BOVET is deemed to be interested in the Shares the other is interested in.
- (4) Dr. LIANG is deemed to be interested in 101,092,556 Shares, consisting of (i) 41,500 Shares held by HK Pyramid; (ii) 26,129,045 Shares held by Suzhou Pyramid; (iii) 21,063,828 Shares held by Suzhou Minmei; (iv) 19,329,782 Shares held by Suzhou Yuanchen; (v) 10,563,854 Shares held by Suzhou Wolun; and (vi) 23,964,547 Shares held by Suzhou Meizhongrui in which Dr. LIANG is deemed to be interested as a result of being a party acting-in-concert with Dr. LI LI BOVET.
- (5) Dr. LI LI BOVET is deemed to be interested in 101,092,556 Shares, consisting of (i) 23,964,547 Shares held by Suzhou Meizhongrui; (ii) 21,063,828 Shares held by Suzhou Minmei; (iii) 19,329,782 Shares held by Suzhou Yuanchen; and (iv) 36,734,399 Shares (consisting of 41,500 Shares held by HK Pyramid, 26,129,045 Shares held by Suzhou Pyramid, and 10,563,854 Shares held by Suzhou Wolun) in which Dr. LI LI BOVET is deemed to be interested as a result of being a party acting-in-concert with Dr. LIANG.
- (6) Suzhou Pyramid, a limited partnership established in the PRC, is managed by its general partner, HK Pyramid. Incorporated in Hong Kong, HK Pyramid is a limited liability company wholly owned by Dr. LIANG. As such, under the SFO, each of Dr. LIANG and HK Pyramid is deemed to be interested in Shares held by Suzhou Pyramid.
- (7) Suzhou Meizhongrui, a limited partnership established in the PRC, is managed by its general partner, HK Gentiana. Incorporated in Hong Kong, HK Gentiana is a limited liability company wholly owned by Dr. LI LI BOVET. As such, under the SFO, each of Dr. LI LI BOVET and HK Gentiana is deemed to be interested in Shares held by Suzhou Meizhongrui.

CORPORATE GOVERNANCE AND OTHER INFORMATION

- (8) Suzhou Minmei, a limited partnership established in the PRC, is managed by its general partner, Suzhou Pyramid, which is in turn controlled by its general partner, HK Pyramid, a company wholly owned by Dr. LIANG. Furthermore, Suzhou Meizhongrui owns approximately 36.0% partnership interest in Suzhou Minmei as a limited partner. Dr. LI LI BOVET controls Suzhou Meizhongrui through its general partner, HK Gentiana, a company wholly owned by Dr. LI LI BOVET. The spouse of Dr. LI LI BOVET, Dr. Jean-Marc BOVET, is also a limited partner of Suzhou Minmei, owning 0.6% partnership interest. Consequently, Dr. LI LI BOVET is deemed to be interested in 36.6% partnership interest in Suzhou Minmei by virtue of SFO. As such, under the SFO, each of Dr. LIANG, HK Pyramid, Suzhou Pyramid, Dr. LI LI BOVET, HK Gentiana and Suzhou Meizhongrui is deemed to be interested in Shares held by Suzhou Minmei.
- (9) Suzhou Yuanchen, a limited partnership established in the PRC, is managed by its general partner, Suzhou Pyramid, which is in turn controlled by its general partner, HK Pyramid, a company wholly owned by Dr. LIANG. Furthermore, Suzhou Meizhongrui owned approximately 38.5% in Suzhou Yuanchen. Dr. LI LI BOVET controls Suzhou Meizhongrui through its general partner, HK Gentiana, a company wholly owned by Dr. LI LI BOVET. As such, under the SFO, each of Dr. LIANG, HK Pyramid, Suzhou Pyramid, Dr. LI LI BOVET, HK Gentiana and Suzhou Meizhongrui is deemed to be interested in Shares held by Suzhou Yuanchen.
- (10) Suzhou Wolun, a limited partnership established in the PRC, is managed by its general partner, Suzhou Pyramid, which is in turn controlled by Dr. LIANG through its general partner, HK Pyramid, a company wholly owned by Dr. LIANG. As such, under the SFO, each of Dr. LIANG, HK Pyramid and Suzhou Pyramid is deemed to be interested in Shares held by Suzhou Wolun.
- (11) Advanced Manufacturing Industry Investment Fund (Limited Partnership) (“**FIIF**”), a limited partnership established in the PRC, is managed by its general manager and private fund manager, SDICFUND Management Co., Ltd. (國投創新投資管理有限公司) (“**SDICFUND**”). SDICFUND is 40% owned by China State Investment High-Tech Industrial Investment Co., Ltd. (中國國投高新產業投資有限公司), which in turn is controlled by State Development and Investment Corporation (國家開發投資集團有限公司), a wholly state-owned enterprise. As such, under the SFO, each of State Development and Investment Corporation, China State Investment High-Tech Industrial Investment Co., Ltd. and SDICFUND is deemed to be interested in Shares held by FIIF.
- (12) According to the confirmation issued by CICC Generation (Suzhou) Emerging Industries Equity Investment Fund Partnership (Limited Partnership) (中金啟辰(蘇州)新興產業股權投資基金合夥企業(有限合夥)) (“**CICC Generation Fund**”) and CICC Biomedical Fund L.P. (中金啟德(廈門)創新生物醫藥創業投資合夥企業(有限合夥)) (“**CICC Biomedical Fund**”), even though with identical general partner and private manager, CICC Generation Fund and CICC Biomedical Fund conduct business operations and exercise their Shareholders’ rights in our Company independently in accordance with their respective partnership agreements and relevant internal systems, without any acting-in-concert arrangement. In such case, CICC Generation Fund and CICC Biomedical Fund should not be considered as under common control. CICC Generation Fund and CICC Biomedical Fund are not presented as substantial shareholders in this interim report.

Save as disclosed above, as at June 30, 2026, the Directors are not aware of any other persons who had interests or short positions in the Shares and underlying Shares of our Company which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or which were recorded in the register required to be kept by our Company under Section 336 of the Securities and Futures Ordinance.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

As of June 30, 2026, the Directors were not aware of any circumstances giving rise to the disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

SIGNIFICANT EVENTS AFTER THE SIX MONTHS ENDED JUNE 30, 2026

As announced by the Company on June 22, 2026, the board lot size for trading in the H Shares on the Stock Exchange was changed from 500 H Shares to 100 H Shares with effect on July 14, 2026. Parallel trading in the H Shares in board lots of 500 H Shares and 100 H Shares took place from July 14, 2026 to August 3, 2026, and the last day for free exchange of H Share certificates was August 5, 2026. The Board considers that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

Save for the 2026 Placing and the change in board lot size, the Directors are not aware of other significant event requiring disclosure that has taken place subsequent to 30 June 2026 and up to the date of this interim report.

INDEPENDENT REVIEW REPORT



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the shareholders of CF PharmTech, Inc.

(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 38 to 58, which comprises the condensed consolidated statement of financial position of CF PharmTech, Inc. (the “**Company**”) and its subsidiaries (the “**Group**”) as at 30 June 2026 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* (“**IAS 34**”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certificate Public Accountants (“**HKICPA**”). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

Ernst & Young

Certified Public Accountants

Hong Kong

31 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	Six months ended 30 June	
		2026	2025
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue	5	210,154	205,879
Cost of revenue		(48,658)	(49,329)
Gross profit		161,496	156,550
Other (losses), income and gains	6	(863)	5,728
Selling and distribution expenses		(37,625)	(53,229)
Administrative expenses		(61,472)	(53,622)
Research and development expenses		(60,671)	(60,796)
Impairment losses on financial assets		(2,371)	(1,362)
Other expenses		(12,213)	(422)
Finance costs	7	(1,837)	(1,097)
Share of profits and losses of an associate and joint ventures		(1,197)	(16)
LOSS BEFORE TAX	8	(16,753)	(8,266)
Income tax credit	9	6,247	7,036
LOSS FOR THE PERIOD		(10,506)	(1,230)
Attributable to:			
Owners of the parent		(10,506)	(1,230)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB cents)	11	(2.56)	(0.33)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	(10,506)	(1,230)
OTHER COMPREHENSIVE INCOME/(LOSS)	103	(199)
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent years:		
Exchange differences on translation of foreign operations	103	(199)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(10,403)	(1,429)
Attributable to:		
Owners of the parent	(10,403)	(1,429)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

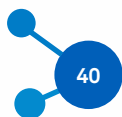
30 June 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	548,436	547,420
Right-of-use assets		27,261	27,809
Other Intangible assets		154,500	154,885
Investments in an associate and joint ventures		32,500	3,697
Deferred tax assets		117,012	110,765
Other non-current assets		85,160	41,531
Total non-current assets		964,869	886,107
CURRENT ASSETS			
Inventories	13	50,868	36,696
Trade and bills receivables	14	174,857	159,366
Prepayments, deposits and other receivables		42,710	33,234
Financial assets at fair value through profit or loss		148,219	238,337
Restricted cash and time deposits		4,718	7,626
Cash and cash equivalents		351,274	414,897
Total current assets		772,646	890,156
CURRENT LIABILITIES			
Trade and bills payables	15	22,684	21,377
Other payables and accruals		113,130	126,503
Interest-bearing borrowings		103,212	44,517
Lease liabilities		1,731	1,564
Total current liabilities		240,757	193,961
NET CURRENT ASSETS		531,889	696,195
TOTAL ASSETS LESS CURRENT LIABILITIES		1,496,758	1,582,302
NON-CURRENT LIABILITIES			
Interest-bearing borrowings		106,518	97,791
Lease liabilities		865	1,687
Deferred income		45,296	12,493
Other non-current liabilities		2,000	2,000
Total non-current liabilities		154,679	113,971
Net assets		1,342,079	1,468,331
EQUITY			
Equity attributable to owners of the parent			
Share capital	16	411,978	411,978
Treasury shares	16	(120,491)	(2,086)
Reserves		1,050,592	1,058,439
Total equity		1,342,079	1,468,331

Dr. LIANG Bill Wenqing
Executive director

Ms. ZHU Yuyu
Executive director

Mr. WEI Wei
Head of finance



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent						
	Share capital	Treasury shares	Capital reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2026	411,978	(2,086)	1,513,312	348,153	(614)	(802,412)	1,468,331
Loss for the period	-	-	-	-	-	(10,506)	(10,506)
Other comprehensive loss for the period:							
Exchange differences on translation of foreign operations	-	-	-	-	103	-	103
Total comprehensive income for the period	-	-	-	-	103	(10,506)	(10,403)
Repurchase Treasury shares	-	(118,405)	-	-	-	-	(118,405)
Share-based payments	-	-	-	2,556	-	-	2,556
At 30 June 2026 (unaudited)	411,978	(120,491)	1,513,312	350,709	(511)	(812,918)	1,342,079

* These reserve accounts comprise the consolidated reserves of RMB1,050,592,000 in the interim condensed consolidated statement of financial position as at 30 June 2026(31 December 2025: RMB1,058,439,000).

	Attributable to owners of the parent					
	Share capital	Capital reserve	Share-based payment reserve	Exchange fluctuation reserve	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	370,780	1,034,807	339,311	(719)	(804,897)	939,282
Loss for the period	-	-	-	-	(1,230)	(1,230)
Other comprehensive loss for the period:						
Exchange differences on translation of foreign operations	-	-	-	(199)	-	(199)
Total comprehensive income for the period	-	-	-	(199)	(1,230)	(1,429)
Share-based payments	-	-	10,618	-	-	10,618
At 30 June 2025 (unaudited)	370,780	1,034,807	349,929	(918)	(806,127)	948,471

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(16,753)	(8,266)
Adjustments for:			
Finance costs	7	1,837	1,097
Share of profits and losses of an associate and joint ventures		1,197	16
Depreciation of property, plant and equipment		30,632	24,153
Depreciation of right-of-use assets		2,025	2,210
Amortisation of other intangible assets		5,366	5,978
Loss on disposal of items of property, plant and equipment		2	28
Loss/(gains) on financial assets at fair value through profit or loss	6	7,789	(2,586)
Write-down of inventories to net realisable value		660	1,841
Impairment losses on financial assets		2,371	1,362
Equity-settled share-based payment expenses		2,513	10,158
Foreign exchange differences, net		11,240	389
		48,879	36,380
(Increase)/decrease in inventories		(14,832)	5,739
Increase in trade and bills receivables		(17,839)	(28,967)
(Increase)/decrease in prepayments, deposits and other receivables		(9,476)	4,105
Changes in restricted cash		187	(1,350)
Increase/(decrease) in trade payables and bills payables		4,028	(3,407)
Decrease in other payables and accruals		(97)	(69,964)
Increase/(decrease) in deferred income		32,803	(1,748)
Cash generated from/(used in) operations		43,653	(59,212)
Net cash flows generated from/(used in) operating activities		43,653	(59,212)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment	(85,116)	(41,983)
Proceeds from disposal of items of property, plant and equipment	457	–
Purchase of other intangible assets	(2,893)	(16,695)
Purchase of financial assets at fair value through profit or loss	(285,000)	(380,000)
Proceeds from disposal of financial assets at fair value through profit or loss	367,329	482,993
Changes in restricted cash	2,721	(2,606)
Capital injection in a joint venture	(30,000)	–
Net cash flows (used in)/generated from investing activities	(32,502)	41,709
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans	79,882	51,443
Repayment of bank loans	(12,495)	(17,595)
Interest paid for interest-bearing borrowings	(1,751)	(958)
Principal and interest elements of lease payments	(2,024)	(1,409)
Share issue expenses	(8,686)	(6,427)
Shares repurchased	(118,405)	–
Net cash flows (used in)/generated from financing activities	(63,479)	25,054
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(52,328)	7,551
Cash and cash equivalents at beginning of year	414,897	81,937
Effect of foreign exchange differences, net	(11,295)	(586)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	351,274	88,902

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

1. CORPORATE INFORMATION

CF PharmTech, Inc. (the “**Company**”) was incorporated in the People’s Republic of China (“**PRC**”) on 24 January 2013 as a limited liability company. On 8 June 2016, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The registered office of the Company is located at No.16 Hucundang Road, Xiangcheng Economic Development District, Suzhou, Jiangsu, the PRC.

During the period, the Company and its subsidiaries (the “**Group**”) are mainly engaged in the research and development of respiratory drugs and other related medical products.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to IFRS 9 and IFRS 7

Amendments to IFRS 9 and IFRS 7

Annual Improvements to IFRS Accounting Standards – Volume 11

Amendments to the Classification and Measurement of Financial Instruments

Contracts Referencing Nature-dependent Electricity

Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and impact of the amended IFRS Accounting Standards are described below:

- (a) Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.
- (b) Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.
- (c) Annual Improvements to IFRS Accounting Standards – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

4. OPERATING SEGMENT INFORMATION

Operating segment information

No operating segment information is presented as the Group's revenue and reported results during the period, and the Group's total assets as at 30 June 2026 were derived from one single operating segment.

Geographical information

Since approximately all of the Group's non-current assets were located in Chinese Mainland, no geographical segment information is presented in accordance with IFRS 8 *Operating Segments*.

5. REVENUE

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue from contracts with customers:		
Sale of products	208,519	204,514
Technical service	1,635	1,365
Total	210,154	205,879

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

5. REVENUE (continued)

An analysis of revenue is as follows:

(i) Disaggregated revenue information

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue from contracts with customers:		
Sale of products	208,519	204,514
Technical service	1,635	1,365
Total	210,154	205,879

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Timing of revenue recognition		
At a point in time:		
Sale of products	208,519	204,514
Technical service	1,635	1,365
Total revenue from contracts with customers	210,154	205,879

Revenue recognised that was included in contract liabilities at the beginning of the reporting period:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Sale of products	9,209	6,376
Technical service	631	26
Total	9,840	6,402

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

6. OTHER (LOSSES), INCOME AND GAINS

An analysis of other losses, income and gains is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants*	2,002	2,656
Gains/(losses) on financial assets at fair value through profit or loss	(7,789)	2,586
Interest income from cash in banks	4,769	113
Others	155	373
Total	(863)	5,728

* The government grants mainly represent the financial award the Group received from the local governments for the purpose of compensation for expenses on research and development activities and incentives for attracting talent. There are no contingencies relating to these grants.

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on lease liabilities	(50)	(78)
Interest on bank loans	(1,787)	(1,019)
Total	(1,837)	(1,097)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

8. LOSS BEFORE TAX

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

	Notes	Six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cost of revenue*		16,622	23,440
Depreciation of property, plant and equipment		30,632	24,153
Depreciation of right-of-use assets		2,025	2,210
Amortisation of other intangible assets		5,366	5,978
Research and development costs		33,381	32,419
Lease payments not included in the measurement of lease liabilities		244	408
Employee benefit expenses (including directors' and chief executive's remuneration (note 18)):			
Salaries, allowances, benefits in kind and pension scheme contributions		58,085	68,533
Equity-settled share-based payment expense		2,513	10,158
Foreign exchange differences, net		11,240	389
Impairment losses on trade receivables and other receivables		2,371	1,362
Write-down of inventories to net realisable value		660	1,841
Loss on disposal of items of property, plant and equipment		2	28
Interest on lease liabilities	7	50	78
Fair value losses/(gains) on financial assets at fair value through profit or loss	6	7,789	(2,586)
Share of profits and losses of an associate and joint ventures		1,197	16

* The amount of cost of revenue stated here excludes those included in the depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets, impairment of inventories, employee benefit expenses, testing and technical service fees, consumption of raw materials, office expenses, travel expenses and utility expenses.

9. INCOME TAX CREDIT

The Group's principal applicable taxes and tax rates are as follows:

- (a) Under the Law of the PRC on Corporate Income Tax (the “**CIT Law**”) and Implementation Regulation of the CIT Law, the CIT rate of the Group's PRC subsidiaries is 25% unless subject to tax exemption set out below.

The Company was accredited as a “High and New Technology Enterprise” in December 2023, and therefore, the Company was entitled to a preferential CIT rate of 15% from 2023-2025. This qualification is subject to review by the relevant tax authority in the PRC every three years. In 2026, the Company would apply for the certificate of high-tech enterprise again in accordance with the relevant regulations. The tax rate for prepayment of corporate income tax was temporarily 15%.

Pursuant to “The Announcement on Relevant Tax Policies for Further Supporting the Development of Small-scaled Minimal Profit Enterprise and Individual Industrial and Commercial Households” (Announcement [2023] No. 12) issued by the MOF and National Tax Bureau on 2 August 2023, for a small-scaled minimal profit enterprise with an annual taxable profit below RMB3,000,000 (RMB3,000,000 included), on top of the tax relief policies stipulated under “The Announcement of Implementation on Inclusive Tax Relief Policy of Small-scaled minimal profit enterprise” issued by MOF and National Tax Bureau” (Cai Shui [2019] No. 13) and “The Announcement on the Further Implementation of Preferential Income Tax Policies for Small-scaled Minimal Profit Enterprises” (Cai Shui [2022] No. 13). That is, for a small-scaled minimal profit enterprise whose annual taxable income does not exceed RMB3,000,000, the taxable income is reduced by 25% and the enterprise income tax shall be paid at a rate of 20% from 1 January 2023 to 31 December 2027.

- (b) No provision for the United States income tax has been provided for at a rate of 21% pursuant to the Corporate Income Tax Law of the United States and the respective regulations (the “**US Law**”), as the Group's entity in the United States had no assessable profits.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

9. INCOME TAX CREDIT (continued)

- (c) Under the Hong Kong tax law, the Company's subsidiaries in Hong Kong are subject to Hong Kong profits tax at a rate of 8.25% for assessable profits on the first HK\$2 million and 16.5% for any assessable profits in excess of HK\$2 million. No provision for Hong Kong profits tax was made as the subsidiaries did not have any assessable profits arising in or derived from Hong Kong during the reporting period.

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current income tax	–	–
Deferred income tax	6,247	7,036
Tax credit for the period	6,247	7,036

10. DIVIDEND

No dividend has been paid or declared by the Company and its subsidiaries during the six months ended 30 June 2026 (six months ended June 30, 2025: Nil).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

11. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 410,506,054 (six months ended 30 June, 2025: 370,780,387) in issue during the period.

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

Loss per share	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent (RMB'000)	(10,506)	(1,230)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	410,506,054	370,780,387
Loss per share (RMB cents)	(2.56)	(0.33)

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

The Company has no potential common stock or diluted securities during the period, so diluted loss per share equals basic loss per share.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets at a cost of RMB23,839,000 (six months ended 30 June 2025: RMB14,377,000).

Assets with a net book value of RMB459,000 were disposed of by the Group during the six months ended 30 June 2026 (six months ended 30 June 2025: RMB28,000), resulting in a net loss on disposal of RMB2,000 (six months ended 30 June 2025: net loss of RMB28,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

13. INVENTORIES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Raw materials	27,383	22,168
Work in progress	6,053	6,167
Finished goods	17,432	8,361
Total	50,868	36,696

14. TRADE RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade receivables	182,355	135,375
Impairment	(9,118)	(6,770)
Subtotal	173,237	128,605
Bills receivable	1,620	30,761
Trade receivables, net	174,857	159,366

An ageing analysis of the trade receivables as at the end of each of the reporting periods, based on the invoice date and net of loss allowance, is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	174,857	159,366

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

15. TRADE AND BILLS PAYABLES

The trade payables are non-interest-bearing and are normally settled within three months.

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade payables	21,914	17,886
Bills payable	770	3,491
Total	22,684	21,377

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 1 year	22,145	21,190
Over 1 year	539	187
Total	22,684	21,377

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

16. SHARE CAPITAL AND TREASURY SHARES

A summary of movements in the Company's share capital and treasury shares is as follows:

Share Capital

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Issued and fully paid:		
Ordinary shares with par value of RMB1.00 each	411,978	411,978
Total	411,978	411,978

Treasury shares

	Note	Number of shares '000	Amounts RMB'000
At 31 December 2025		67	2,086
Shares repurchased	(a)	5,549	118,405
At 30 June 2026		5,616	120,491

- (a) During the six months ended 30 June 2026, the Group repurchased 5,549,000 of its own shares from the market, out of which, none had been cancelled as at 30 June 2026. The shares were repurchased at prices ranging from HKD17.66 to HKD38.92 per share (before expenses), with an average price of HKD24.35 per share (before expenses).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

17. COMMITMENTS

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

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Contracted, but not provided for:		
Property, plant and equipment	113,596	59,589

18. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

Compensation of key management personnel of the Group is as follows:

	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	1,882	1,546
Share-based payment expense	1,148	7,112
Pension scheme contributions	175	153
Total	3,205	8,811

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts		Fair values	
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Financial assets				
Financial assets at fair value through profit or loss	148,219	238,337	148,219	238,337

Management has assessed that the fair values of cash and cash equivalents, the current portion of restricted cash and time deposits, trade and bills receivables, trade and bill payables, financial assets included in deposits and other receivables, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments. The fair values of interest-bearing borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

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

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

The Group invests in structured deposits and wealth management products. The Group has measured the fair values of these structured deposits and wealth management products by using the net asset value reported by banks and funds.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

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

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

As at 30 June 2026:

	Fair value measurement categorised into			Total RMB'000
	Quoted prices	Significant	Significant	
	in active	observable	unobservable	
	markets (Level 1) RMB'000	inputs (Level 2) RMB'000	inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	–	148,219	–	148,219

As at 31 December 2025:

	Fair value measurement categorised into			Total RMB'000
	Quoted prices	Significant	Significant	
	in active	observable	unobservable	
	markets (Level 1) RMB'000	inputs (Level 2) RMB'000	inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	–	238,337	–	238,337

20. EVENTS AFTER THE RELEVANT PERIODS

On 6 August 2026, the Company has completed the placing of a total of 21,747,700 new H shares at a price of HK\$13.82 per H share. Further details can be referred to the announcements of the Company dated 31 July 2026 and 6 August 2026.

21. APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

The interim condensed financial information was approved and authorised for issue by the board of directors on 31 August 2026.