

PHARMESIS INTERNATIONAL LTD.

Co. Registration No. 200309641E

Unaudited Condensed Financial Statements for the 12 months ended 31 December 2025
A. UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2025

	Group		+ / (-) %	Group		+ / (-) %
	6 months ended 31.12.2025 RMB'000	6 months ended 31.12.2024 RMB'000		12 months ended 31.12.2025 RMB'000	12 months ended 31.12.2024 RMB'000	
Revenue	16,551	43,776	(62.2)	43,753	67,650	(35.3)
Cost of sales	(11,051)	(28,324)	(61.0)	(27,915)	(43,501)	(35.8)
Gross profit	5,500	15,452	(64.4)	15,838	24,149	(34.4)
Other income	1,870	7,373	(74.6)	1,974	7,115	(72.3)
Selling and distribution costs	(3,812)	(5,312)	(28.2)	(9,087)	(10,896)	(16.6)
Administrative costs	(5,853)	(5,807)	0.8	(12,059)	(11,231)	7.4
(Loss)/profit from operations	(2,295)	11,706	n.m.	(3,334)	9,137	n.m.
Finance income	–	1	n.m.	26	2	1200.0
Finance costs	(328)	(352)	(6.8)	(687)	(704)	(2.4)
Net finance costs	(328)	(351)	(6.6)	(661)	(702)	(5.8)
(Loss)/profit before tax	(2,623)	11,355	n.m.	(3,995)	8,435	n.m.
Income tax (expense)/income	(306)	267	n.m.	(306)	(827)	(63.0)
(Loss)/profit for the period/year	(2,929)	11,622	n.m.	(4,301)	7,608	n.m.
Attributable to:						
Equity holders of the Company	(2,929)	11,760	n.m.	(4,301)	8,278	n.m.
Non-controlling interest	–	(138)	n.m.	–	(670)	n.m.
(Loss)/profit for the period/year	(2,929)	11,622	n.m.	(4,301)	7,608	n.m.
(Loss)/profit per share (RMB cents)						
Basic and diluted	(9.2)	37.1		(13.6)	27.7	

NOTES TO THE CONSOLIDATED INCOME STATEMENT

(a) (Loss)/profit for the period is arrived at after crediting/(charging):

	Group			Group		
	6 months ended	6 months ended	+ / (-) %	12 months ended	12 months ended	+ / (-) %
	31.12.2025	31.12.2024		31.12.2025	31.12.2024	
	RMB'000	RMB'000		RMB'000	RMB'000	
Finance income	–	1	n.m.	26	2	1200.0
Finance costs	(328)	(352)	(6.8)	(687)	(704)	(2.4)
Write back/(allowance) for expected credit loss	734	(502)	n.m.	621	(445)	n.m.
Depreciation of right-of-use assets	(360)	(381)	(5.5)	(715)	(709)	0.8
Depreciation of property, plant, and equipment	(617)	(595)	3.7	(1,241)	(1,213)	2.3
Depreciation of investment property	(469)	–	n.m.	(939)	–	n.m.
Impairment loss of property, plant and equipment	–	(69)	n.m.	–	(69)	n.m.
Reversal of impairment loss of property, plant, and equipment	–	6,910	n.m.	–	6,910	n.m.
Government grants	45	89	(49.4)	78	113	(31.0)
Foreign exchange (loss)/gain	(76)	27	n.m.	(48)	2	n.m.

n.m. denotes not meaningful

B. UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

	GROUP		COMPANY	
	As at 31.12.2025 RMB'000	As at 31.12.2024 RMB'000	As at 31.12.2025 RMB'000	As at 31.12.2024 RMB'000
Non-current assets				
Property, plant and equipment	13,837	49,408	–	–
Investment property	39,233	–	–	–
Right-of-use assets	2,319	7,184	51	120
Investments in subsidiaries	–	–	54,999	54,999
Goodwill on consolidation	1,323	1,323	–	–
Deferred tax assets	57	315	–	–
Other non-current assets	710	1,095	–	–
	57,479	59,325	55,050	55,119
Current assets				
Inventories	16,298	14,154	–	–
Trade receivables	16,098	36,011	–	–
Prepaid expenses	34	63	–	–
Other receivables	1,511	1,688	21	21
Cash and cash equivalents	4,312	4,604	2,718	800
	38,253	56,520	2,739	821
Current liabilities				
Bank borrowings	15,000	15,000	–	–
Trade payables	11,480	25,056	–	–
Accrued liabilities and other payables	12,876	12,812	2,571	960
Lease liabilities	396	571	53	72
Tax payable	136	142	13	20
	39,888	53,581	2,637	1,052
Net current (liabilities)/ assets	(1,635)	2,939	102	(231)
Non-current liabilities				
Lease liabilities	299	692	–	50
	299	692	–	50
Net assets	55,545	61,572	55,152	54,838
Equity attributable to equity holders of the Company				
Share capital	54,838	88,446	54,838	88,446
Reserves	707	(26,874)	314	(33,608)
Total equity	55,545	61,572	55,152	54,838

1(b)(ii) Aggregate amount of group's borrowing and debt securities

Amount repayable in one year or less, or on demand

In RMB'000

As at 31 December 2025		As at 31 December 2024	
Secured	Unsecured	Secured	Unsecured
15,000	–	15,000	–

Amount repayable after one year

In RMB'000

As at 31 December 2025		As at 31 December 2024	
Secured	Unsecured	Secured	Unsecured
–	–	–	–

The above does not include the lease liabilities recognised under SFRS(I) 16.

Details of any collateral

The bank borrowings are secured over the land use rights and buildings of a subsidiary.

C. **UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2025**

	Group			
	6 months ended 31.12.2025	6 months ended 31.12.2024	12 months ended 31.12.2025	12 months ended 31.12.2024
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
(Loss)/profit before tax	(2,623)	11,355	(3,995)	8,435
Adjustments for:				
(Write back)/allowance for expected credit loss – trade	(734)	502	(621)	445
Impairment loss of property, plant and equipment	–	69	–	69
Reversal of impairment loss of property, plant, and equipment	–	(6,910)	–	(6,910)
Depreciation of right-of-use assets	360	381	715	709
Depreciation of property, plant, and equipment	617	595	1,241	1,213
Depreciation of investment property	469	–	939	–
Gain on disposal of property, plant & equipment	–	(161)	–	(161)
Finance income	–	(1)	(26)	(2)
Finance costs	328	352	687	695
Operating profit before changes in working capital	(1,583)	6,182	(1,060)	4,493
Changes in working capital				
Other non-current assets	385	–	385	–
Trade receivables	(3,206)	(29,823)	20,534	(29,695)
Prepayments, deposits and other receivables	(254)	(59)	206	(182)
Inventories	(2,066)	1,114	(2,144)	1,216
Trade payables	6,728	19,648	(13,576)	19,080
Accrued liabilities and other payables	2,663	8,527	(1,662)	3,746
Cash generated from operations	2,667	5,589	2,683	(1,342)
Finance income received	–	1	26	2
Finance costs paid	(328)	(352)	(687)	(695)
Income tax paid/(refund)	64	107	(54)	(1,035)
Net cash flows from/(used in) operating activities	2,403	5,345	1,968	(3,070)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(1,125)	(1,140)	(1,692)	(1,167)
Proceeds from disposal of property, plant and equipment	–	200	–	200
Acquisition of non-controlling interest	–	(2,830)	–	(2,830)
Net cash flows used in investing activities	(1,125)	(3,770)	(1,692)	(3,797)
Cash flows from financing activities				
Proceeds from bank borrowing	15,000	15,000	15,000	15,000
Repayment of bank borrowing	(15,000)	(15,000)	(15,000)	(15,000)
Net proceeds from issue of shares	–	–	–	2,604
Repayment of principal portion of lease liabilities	(227)	(414)	(568)	(610)
Net cash flows (used in)/from financing activities	(227)	(414)	(568)	1,994
Net increase/(decrease) in cash and cash equivalents	1,051	1,161	(292)	(4,873)
Cash and cash equivalents at beginning of period/year	3,261	3,443	4,604	9,477
Cash and cash equivalents at end of period/year	4,312	4,604	4,312	4,604

D. UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY

<u>Group</u> <u>In RMB'000</u>	Attributable to equity holders of the Company						Total Equity
	Share capital	Premium paid on acquisition of non- controlling interest	Statutory reserve	Accumulated (losses)/ profits	Total	Non- controlling Interest	
At 1 January 2025	88,446	(10,854)	9,507	(25,527)	61,572	–	61,572
Capital reduction	(33,608)	–	–	33,608	–	–	–
Total comprehensive income	–	–	–	(1,372)	(1,372)	–	(1,372)
At 30 June 2025	54,838	(10,854)	9,507	6,709	60,200	–	60,200
Dividend declared	–	–	–	(1,726)	(1,726)	–	(1,726)
Total comprehensive income	–	–	–	(2,929)	(2,929)	–	(2,929)
At 31 December 2025	54,838	(10,854)	9,507	2,054	55,545	–	55,545
At 1 January 2024	85,842	(10,471)	11,979	(36,277)	51,073	3,117	54,190
Issue of new shares	2,604	–	–	–	2,604	–	2,604
Total comprehensive income	–	–	–	(3,482)	(3,482)	(532)	(4,014)
At 30 June 2024	88,446	(10,471)	11,979	(39,759)	50,195	2,585	52,780
Acquisition of NCI	–	(383)	–	–	(383)	(2,447)	(2,830)
Transfer of reserve	–	–	(2,472)	2,472	–	–	–
Total comprehensive income	–	–	–	11,760	11,760	(138)	11,622
At 31 December 2024	88,446	(10,854)	9,507	(25,527)	61,572	–	61,572

<u>Company</u> <u>In RMB'000</u>	Share Capital	Accumulated (losses)/profits	Total Equity
At 1 January 2025	88,446	(33,608)	54,838
Capital reduction	(33,608)	33,608	–
Total comprehensive income	–	3,311	3,311
At 30 June 2025	54,838	3,311	58,149
Dividend declared	–	(1,726)	(1,726)
Total comprehensive income	–	(1,271)	(1,271)
At 31 December 2025	54,838	314	55,152
At 1 January 2024	85,842	(30,786)	55,056
Issue of new shares	2,604	–	2,604
Total comprehensive income	–	(1,379)	(1,379)
At 30 June 2024	88,446	(32,165)	56,281
Total comprehensive income	–	(1,443)	(1,443)
At 31 December 2024	88,446	(33,608)	54,838

E. Notes to the condensed consolidated financial statements

E1. Corporate information

Pharmesis International Ltd. (the "Company") is a limited liability company incorporated in Singapore and is listed on the Singapore Exchange. The registered office and principal place of business of the Company is located at 5 Kallang Sector #03-02, Singapore 349279.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 12 of the financial statements. There have been no significant changes in the nature of these activities during the year.

The Group operates principally in the People's Republic of China ("PRC").

E2. Basis of Preparation

The condensed financial statements for the twelve months ended 31 December 2025 have been prepared in accordance with SFRS(I) 1-34 Financial Reporting issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except in the current financial period, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

The condensed financial statements are presented in Renminbi ("RMB") which is the Company's functional currency and all values are rounded to the nearest thousands, except when otherwise indicated.

Going concern assumption

The Group reported a net loss of RMB 4.3 million for the financial year ended 31 December 2025. As at 31 December 2025, the Group reported a net current liabilities position of RMB 1.6 million, with current assets of RMB 38.3 million and current liabilities of RMB 39.9 million. The Board has carefully assessed the Group's liquidity and believes that the net current liabilities position does not indicate any risk on the Group's ability to operate as a going concern. The assessment is supported by the following:

- (1) The current liabilities included a discretionary special interim dividend of RMB 1.7 million declared to mark the Group's 20th anniversary. Excluding this discretionary shareholder distribution, the Group maintained a positive net current asset position.
- (2) The Group's underlying business remains highly cash generative. For the financial year ended 31 December 2025, the Group generated a positive net operating cash inflow of RMB 2.0 million, as compared to an operating cash outflow of RMB 3.1 million in the previous financial year ended 31 December 2024.

The Group remains focused on driving revenue growth, enhancing margins, and executing prudent capital expenditure to support sustainable cash generation. The Board continues to exercise prudent capital management and will evaluate strategic financial structuring option to further optimize the balance sheet as and when appropriate.

Based on the above, the Board is of the opinion that the Group will be able to meet its short-term debt obligations as and when they fall due and able to continue as going concern.

E2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

E2.2. Use of judgements and estimates

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

E3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

E4. Segment information and revenue information

For management purposes, the Group is organised into business units based on their products, and has 3 reportable operating segments as follows:

- (i) **Western drugs** - refer mainly to chemically formulated drugs. **TCH Procurement** – refers to procurement and processing of Traditional Chinese Herbs (“TCH”)
- (ii) **TCM formulated drugs** - refer to Traditional Chinese Medicine. **IP Rental** – refers to rental of investment property
- (iii) **Distribution** - This segment refers to agency products and internally manufactured products which are marketed through the distribution arm.

Analysis by business segment

<u>From 1.1.2025 to 31.12.2025</u>	Western drugs / TCH Procurement	TCM formulated drugs & IP Rental	Distribution	Elimination	Group RMB'0 00
	RMB'000	RMB'000	RMB'000	RMB'000	
Revenue					
External customers	2,815	14,394	26,544	–	43,753
Inter segment	13,615	11,656	–	(25,271)	–
Total Revenue	16,430	26,050	26,544	(25,271)	43,753
Result					
Segment result	939	(843)	(478)		(382)
Unallocated corporate expenses					(2,952)
Loss from operations					(3,334)
Finance income	1	25	–		26
Finance costs	(72)	(611)	(4)		(687)
Income tax expense	(306)	–	–		(306)
Profit before non-controlling interest					(4,301)
Non-controlling interest					–
Net loss attributable to equity holders of the Company					(4,301)
Assets and liabilities					
Segment assets	18,918	60,071	15,555		94,544
Unallocated corporate assets					1,188
Total assets					95,732
Segment liabilities	5,892	28,477	3,181		37,550
Unallocated corporate liabilities					2,637
Total liabilities					40,187
Other segment information					
Capital expenditure	205	940	–		1,145
Depreciation	865	2,030	–		2,895
Finance income	(1)	(25)	–		(26)
Finance costs	72	611	4		687
Write-back of allowance for expected credit loss	(569)	(22)	(30)		(621)

<u>From 1.1.2024 to 31.12.2024</u>	Western drugs / TCH Procurement RMB'000	TCM formulated drugs RMB'000	Distribution RMB'000	Elimination RMB'000	Group RMB'000
Revenue					
External customers	33,513	13,108	21,029	–	67,650
Inter segment	10,489	5,734	–	(16,223)	–
Total Revenue	44,002	18,842	21,029	(16,223)	67,650
Result					
Segment result	6,841	4,445	658		11,944
Unallocated corporate expenses					(2,807)
Profit from operations					9,137
Finance income	1	1	–		2
Finance costs	(133)	(569)	(2)		(704)
Income tax expense	–	(827)	–		(827)
Loss before non-controlling interest					7,608
Non-controlling interest					670
Net loss attributable to equity holders of the Company					8,278
Assets and liabilities					
Segment assets	43,948	67,801	3,156		114,905
Unallocated corporate assets					940
Total assets					115,845
Segment liabilities	27,016	25,272	885		53,173
Unallocated corporate liabilities					1,100
Total liabilities					54,273
Other segment information					
Capital expenditure	10	1,219	–		1,229
Depreciation	1,010	912	–		1,922
Finance income	(1)	(1)	–		(2)
Finance costs	133	569	2		704
Impairment loss of property, plant and equipment	69	–	–		69
Reversal of impairment loss of property, plant, and equipment	–	(6,910)	–		(6,910)
(Write-back of)/allowance for expected credit loss – trade	484	(79)	40		445

<u>From 1.7.2025 to 31.12.2025</u>	Western drugs / TCH Procurement RMB'000	TCM formulated drugs & IP Rental RMB'000	Distribution RMB'000	Elimination RMB'000	Group RMB'000
Revenue					
External customers	1,519	6,090	8,942	–	16,551
Inter segment	4,304	5,221	–	(9,525)	–
Total Revenue	5,823	11,311	8,942	(9,525)	16,551
Result					
Segment result	(241)	(479)	(312)		(1,032)
Unallocated corporate expenses					(1,263)
Loss from operations					(2,295)
Finance costs	(26)	(298)	(4)		(328)
Income tax expense	(306)	–	–		(306)
Profit before non-controlling interest					(2,929)
Non-controlling interest					–
Net profit attributable to equity holders of the Company					(2,929)
Other segment information					
Capital expenditure	205	372	–		577
Depreciation	424	1,022	–		1,446
Finance costs	26	298	4		328
(Write-back)/allowance for expected credit loss – trade	(690)	(127)	83		(734)

<u>From 1.7.2024 to 31.12.2024</u>	Western drugs / TCH Procurement RMB'000	TCM formulate d drugs RMB'000	Distribution RMB'000	Elimination RMB'000	Group RMB'000
Revenue					
External customers	30,686	5,947	7,143	–	43,776
Inter segment	5,895	3,736	–	(9,631)	–
Total Revenue	36,581	9,683	7,143	(9,631)	43,776
Result					
Segment result	7,010	5,956	169		13,135
Unallocated corporate expenses					(1,429)
Loss from operations					11,706
Finance income	1	–	–		1
Finance costs	(68)	(283)	(1)		(352)
Income tax income	–	267	–		267
Loss before non-controlling interest					11,622
Non-controlling interest					138
Net loss attributable to equity holders of the Company					11,760
Other segment information					
Capital expenditure	10	1,192	–		1,202
Depreciation	522	454	–		976
Finance income	(1)	–	–		(1)
Finance costs	68	283	1		352
Impairment loss of property, plant and equipment	69	–	–		69
Reversal of impairment loss of property, plant, and equipment	–	(6,910)	–		(6,910)
Allowance for/(write back) for expected credit loss – trade	563	(59)	(2)		502

E4. Disaggregation of Revenue

	Western drugs / TCH Procurement	TCM formulated drugs	Distribution	Group
	RMB'000	RMB'000	RMB'000	RMB'000
12 months ended 31.12.2025				
Revenue				
Western drugs	2,815	–	14,463	17,278
TCM formulated drugs	–	14,394	12,081	26,475
Total Revenue	2,815	14,394	26,544	43,753
Timing of transfer of goods or services				
At a point in time	2,815	14,394	26,544	43,753
Primary geographical market				
People's Republic of China	2,815	14,394	26,544	43,753
12 months ended 31.12.2024				
Revenue				
Western drugs	4,658	–	12,561	17,219
TCM formulated drugs	–	13,108	8,468	21,576
TCH procurement	28,855	–	–	28,855
Total Revenue	33,513	13,108	21,029	67,650
Timing of transfer of goods or services				
At a point in time	33,513	13,108	21,029	67,650
Primary geographical market				
People's Republic of China	33,513	13,108	21,029	67,650

	Western drugs / TCH Procurement RMB'000	TCM formulated drugs RMB'000	Distribution RMB'000	Group RMB'000
6 months ended 31.12.2025				
Revenue				
Western drugs	1,520	–	3,591	5,111
TCM formulated drugs	–	6,090	5,350	11,440
Total Revenue	1,520	6,090	8,941	16,551
Timing of transfer of goods or services				
At a point in time	1,520	6,090	8,941	16,551
Primary geographical market				
People's Republic of China	1,520	6,090	8,941	16,551
6 months ended 31.12.2024				
Revenue				
Western drugs	1,831	–	2,413	4,244
TCM formulated drugs	–	5,946	4,731	10,677
TCH procurement	28,855	–	–	28,855
Total Revenue	30,686	5,946	7,144	43,776
Timing of transfer of goods or services				
At a point in time	30,686	5,946	7,144	43,776
Primary geographical market				
People's Republic of China	30,686	5,946	7,144	43,776

E5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2025 and 31 December 2024:

	<u>Group</u>		<u>Company</u>	
	As at 31.12.25 RMB'000	As at 31.12.24 RMB'000	As at 31.12.25 RMB'000	As at 31.12.24 RMB'000
Group				
<i>Financial assets</i>				
Trade receivables	16,098	36,011	–	–
Other receivables	1,511	1,688	21	21
Cash and cash equivalents	4,312	4,604	2,718	800
Total	21,921	42,303	2,739	821
<i>Financial liabilities</i>				
Bank borrowings	15,000	15,000	–	–
Trade and other payables and accrued liabilities	24,356	37,868	2,571	960
Lease liabilities	695	1,263	53	122
Total	40,051	54,131	2,624	1,082

E6. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	6 months ended 31.12.2025 RMB'000	6 months ended 31.12.2024 RMB'000	12 months ended 31.12.2025 RMB'000	12 months ended 31.12.2024 RMB'000
Income tax (expense)/income	(306)	267	(306)	(827)
	(306)	267	(306)	(827)

E7. Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.

Other information

- 1(a) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Share Capital

The Company's issued share capital has decreased from RMB 88.4 million in the previous financial period ended 31 December 2025 to RMB 54.8 million due to the completion of capital reduction exercise to offset the previous retained losses on 23 June 2025.

- 1(b) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Total number of issued shares as at 31 December 2025 and 31 December 2024 were 31,700,000 ordinary shares

- 1(c) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2024.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group and the Company adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)"), amendments and interpretations of SFRS(I)s effective for annual periods beginning on or after 1 January 2025. The adoption of these new SFRS(I) did not have any material impact on the financial statements of the Group.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

Profit/(loss) per ordinary share	Group			
	6 months ended		Year ended	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Based on weighted average number of shares (RMB cents)	(9.2)	37.1	(13.6)	27.7
Weighted average number of shares	31,700,000	31,700,000	31,700,000	29,869,041

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

In RMB	Group		Company	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Net asset value("NAV") per ordinary share	1.75	1.94	1.74	1.73
No. of shares in computing NAV	31,700,000	31,700,000	31,700,000	31,700,000

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INCOME STATEMENT

Six Months Ended 31 December 2025 (2nd Half 2025)

The Group's core pharmaceutical segments demonstrated resilience and growth in 2H 2025, Revenue from the non-prescribed drugs segment increased by RMB 0.7 million, from RMB 10.7 million in 2H 2024 to RMB 11.4 million in 2H 2025, driven primarily by higher sales of Er Ding. Similarly, revenue from the prescribed drugs segment saw an increase of RMB 0.9 million from RMB 4.2 million in 2H 2024 to RMB 5.1 million in 2H 2025, driven primarily by higher sales of ATT.

Overall Group revenue for 2H 2025 was RMB 16.6 million, a decrease of 62.2% from RMB 43.8 million in 2H 2024. This decrease is mainly attributable to the absence of revenue from the Traditional Chinese Herbs ("TCH") procurement segment, which contributed RMB 28.9 million in 2H 2024.

The Group's overall gross profit margin decreased from 35.3% in 2H 2024 to 33.2% in 2H 2025 mainly due to the higher sales from lower margin non-prescribed drugs segment. Other income normalized to RMB 1.9 million in 2H 2025, comprising mainly rental income and government grants compared to RMB 7.4 million in 2H 2024, which was mainly due to one-off reversal of impairment relating to JiangYou Factory.

Selling and distribution costs decreased by RMB 1.5 million or 28.2% from RMB 5.3 million in 2H 2024 to RMB 3.8 million for 2H 2025 corresponding to lower revenue. Administrative costs increased by RMB 0.1 million or 0.8% from RMB 5.8 million in 2H 2024 to RMB 5.9 million for 2H 2025.

Finance income was nil in 2H 2025 as compared to RMB 1,000 in 2H 2024. Finance costs decreased from RMB 352,000 in 2H 2024 to RMB 328,000 in 2H 2025 mainly due to lower interest expense.

Income tax expense in 2H 2025 was RMB 0.3 million.

As a result of the above, the Group recorded net loss after tax attributable to equity holders of the Company of RMB 2.9 million for 2H 2025, as compared to a net profit of RMB 11.8 million for 2H 2024 which was supported by the one-off impairment reversal of RMB 6.9 million.

Full Year Ended 31 December 2025 (“FY 2025”)

The Group’s core pharmaceutical segments demonstrated resilience and growth in FY2025, Revenue from the non-prescribed drugs segment increased by RMB 4.9 million, from RMB 21.6 million in FY 2024 to RMB 26.5 million in FY 2025, driven primarily by higher sales of Er Ding. Similarly, revenue from the prescribed drugs segment saw a slight increase to RMB 17.3 million in FY 2025.

Overall Group revenue for FY 2025 was RMB 43.8 million, a decrease of 35.3% from RMB 67.7 million in FY 2024. This decrease is mainly attributable to the absence of revenue from the Traditional Chinese Herbs (“TCH”) procurement segment, which contributed RMB 28.9 million in FY 2024.

As a result of the shift in revenue mix, the Group’s overall gross profit margin increased from 35.7% in FY 2024 to 36.2% in FY 2025 mainly due to absence of contribution from lower margin TCH procurement segment. Other income normalized to RMB 2.0 million in FY 2025, comprising mainly rental income and government grants compared to RMB 7.1 million in FY 2024, which was mainly due to one-off reversal of impairment relating to JiangYou Factory.

Selling and distribution costs decreased by RMB 1.8 million or 16.6% from RMB 10.9 million in FY 2024 to RMB 9.1 million in FY 2025 corresponding to lower revenue. Administrative costs increased by RMB 0.9 million or 7.4% from RMB 11.2 million in FY 2024 to RMB 12.1 million in FY 2025 mainly due to depreciation associated with the Group’s investment property.

Finance income increased from RMB 2,000 in FY 2024 to RMB 26,000 in FY 2025, mainly due to higher interest income. Finance costs decreased from RMB 704,000 in FY2024 to RMB 687,000 in FY 2025.

Income tax expense for FY 2025 was RMB 0.3 million.

As a result of the above, the Group recorded a net loss attributable to shareholders of RMB 4.3 million for FY 2025 compared to a net profit of RMB 8.3 million for FY 2024 which was supported by the one-off impairment reversal of RMB 6.9 million.

STATEMENT OF FINANCIAL POSITION

The Group’s non-current assets were RMB 57.5 million as at 31 December 2025, a decrease of RMB 1.8 million from RMB 59.3 million as at 31 December 2024. This was mainly due to the decrease in property, plant and equipment, right-of-use assets, deferred tax assets and other non-current assets which was partially reduced by an increase in investment property. Investment property was reclassified from property, plant and equipment and right of use asset when the lease commenced on 1 January 2025.

The Group’s current assets were RMB 38.3 million as at 31 December 2025, a decrease of RMB 18.2 million from RMB 56.5 million as at 31 December 2024. This was mainly due to lower trade receivables, cash and cash equivalents, prepaid expense, other receivables and increase in inventories. Trade receivables decreased by RMB 19.9 million mainly due to the collection of trade receivables arising from the Traditional Chinese Herbs (“TCH”) procurement business which was not due as at 31 December 2024.

The Group’s current liabilities were RMB 39.9 million as at 31 December 2025, a decrease of RMB 13.7 million from RMB 53.6 million as at 31 December 2024 mainly due to decrease in trade payables, tax payables and current lease liabilities and increase in accrued liabilities and other payables. Trade payables decreased by RMB 13.6 million mainly due to the payment of trade payables arising from the TCH procurement business which was not due as at 31 December 2024.

The Group’s non-current liabilities were RMB 0.3 million as at 31 December 2025, a decrease of RMB 0.4 million from RMB 0.7 million as at 31 December 2024 due to decrease in non-current lease liabilities.

STATEMENT OF CASH FLOWS

The Group's cash and cash equivalents amounted to RMB 4.3 million as at 31 December 2025, a decrease of RMB 0.3 million from RMB 4.6 million as at 31 December 2024 mainly due to:

- (i) cash inflow from operating activities of RMB 2.0 million;
- (ii) cash outflow used in investing activities of RMB 1.7 million for acquisition of property, plant and equipment;
- (iii) cash outflow used in financing activities of RMB 0.6 million for the repayment of lease liabilities

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

In line with the prospect statement made in 1H FY2025.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The outlook for the year ahead remains challenging as our drugs continue to face competition, inflationary and pricing pressure. The Group will remain focused on driving revenue growth, enhancing margins, exercising prudent capital management and evaluating financial structuring option to further strengthen the balance sheet as and when appropriate.

11. Dividend

(a) Current Financial Period Reported On

Yes.

Name of dividend	Interim special – 20 th Anniversary
Dividend Type	Cash
Dividend Amount per share (in Singapore cents)	1 cent per ordinary share
Tax rate	Tax exempt (1-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

To be announced on a later date.

(d) Books closure date

To be announced on a later date.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs. There was no IPT of \$100,000 and above in the current financial period under review.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).

The Company has procured all the required undertakings as required under Rule 720(1).

15. Disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use.

As at 31 December 2025, the Company has fully utilised the net proceeds of approximately SGD 483,000 from the issuance of 4.1 million new ordinary shares at the issue price of SGD 0.13 per share in June 2024 as follows:

	Use of proceeds as at 31 Dec 2025 (SGD'000)
Personnel & related expenses	185
Directors' fees	121
Professional fees	157
Office expenses	20
Total	483

The above use of proceeds was in accordance with the Company's stated use.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8 above for the analysis.

17. A breakdown of sales.

	Group		
	2025	2024	Increase / (Decrease)
	RMB'000	RMB'000	%
First Half			
(a) Revenue	27,202	23,874	13.9
(b) Operating loss after tax before non-controlling interest	(1,372)	(4,014)	(65.8)
Second Half			
(a) Revenue	16,551	43,776	(62.2)
(b) Operating (loss)/profit after tax before non-controlling interest	(2,929)	11,622	n.m.

- 18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

- 19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There is no person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

**WU XUEDAN
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER**

27 February 2026