碧生源控股有限公司
BESUNYEN HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 926)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

The Operation Results of the Group

The revenue of the Group for the first half of 2026 was RMB304.8 million, representing an increase of 17.7% as compared with the revenue of RMB258.9 million for the same period of 2025.

The gross profit of the Group for the first half of 2026 was RMB237.4 million, representing an increase of 33.7% as compared with the gross profit of RMB177.6 million for the same period of 2025. The gross profit margin of the Group for the first half of 2026 was 77.9%, representing an increase of 9.3 percentage points as compared with the gross profit margin of 68.6% for the same period of 2025.

The total operating expenses (including selling and marketing expenses, administrative expenses and research and development costs) of the Group for the first half of 2026 were RMB216.7 million, representing an increase of 31.7% as compared with the total operating expenses of RMB164.6 million for the same period of 2025.

The total comprehensive income of the Group for the first half of 2026 was RMB15.1 million (for the same period of 2025: the total comprehensive income was RMB12.4 million).

The total comprehensive income attributable to owners of the Company for the first half of 2026 was RMB15.1 million (for the same period of 2025: the total comprehensive income attributable to owners of the Company was RMB12.4 million). The basic and diluted earnings per share attributable to owners of the Company for the first half of 2026 were both RMB0.12 (the basic and diluted earnings per share attributable to owners of the Company for the first half of 2025 were both RMB0.10).

INTERIM DIVIDEND

The Board has resolved not to declare and pay any interim dividend for the six months ended 30 June 2026.

The board (the "**Board**") of directors (the "**Directors**") of Besunyen Holdings Company Limited (the "**Company**") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026 (the "**Result Announcement**"), as below:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*3*	**304,838**	258,913
Cost of sales		**(67,462)**	(81,362)
Gross profit		**237,376**	177,551
Other income		**943**	3,998
Selling and marketing expenses		**(185,671)**	(124,603)
Administrative expenses		**(25,775)**	(34,927)
Research and development costs		**(5,279)**	(5,035)
Impairment losses under expected credit loss model, net		**(2,586)**	(107)
Other gains (losses) , net	*4*	**4,942**	(380)
Operating profit		**23,950**	16,497
Finance income		**123**	378
Finance costs		**(143)**	(134)
Finance (costs) income, net		**(20)**	244
Share of profits of joint ventures		**390**	3,803
Profit before income tax		**24,320**	20,544
Income tax expense	*5*	**(9,254)**	(8,142)
Profit and total comprehensive income for the period		**15,066**	12,402
Earnings per share attributable to the owners of the Company for the period (RMB):			
Basic and diluted	*6*	**0.12**	0.10

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
		30 June	31 December
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**97,925**	99,394
Intangible assets		**1,686**	1,720
Right-of-use assets		**20,895**	20,669
Interests in joint ventures		**4,382**	8,129
Financial assets measured at fair value through profit or loss	*7*	**145,558**	140,960
Deferred income tax assets		**15,980**	24,515
Total non-current assets		**286,426**	295,387
Current assets			
Inventories		**28,887**	29,098
Trade receivables	*8*	**30,682**	28,281
Bills receivables	*8*	**500**	—
Deposits, prepayments and other receivables		**42,804**	32,612
Cash and cash equivalents		**218,858**	177,926
Total current assets		**321,731**	267,917
Total assets		**608,157**	563,304
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**288**	288
Share premium		**911,622**	911,622
Other reserves		**348,285**	348,285
Accumulated losses		**(776,860)**	(791,926)
Total equity		**483,335**	468,269

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		As at	
		30 June	31 December
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Audited)
LIABILITIES			
Non-current liabilities			
Deferred government grants		**1,847**	1,915
Lease liabilities		**1,940**	1,780
Deferred income tax liabilities		**2,115**	1,396
Total non-current liabilities		**5,902**	5,091
Current liabilities			
Trade payables	*9*	**1,452**	3,191
Other payables and accrued expenses		**109,089**	77,535
Contract liabilities		**4,604**	6,056
Lease liabilities		**3,772**	3,159
Current income tax liabilities		**3**	3
Total current liabilities		**118,920**	89,944
Total liabilities		**124,822**	95,035
Total equity and liabilities		**608,157**	563,304

NOTE:

1. GENERAL INFORMATION

Besunyen Holdings Company Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company's registered office is The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands.

The ultimate parent undertaking of the Company is Green River Fiduciary Services, LLC which was incorporated in the United States of America. The address of the Green River Fiduciary Services, LLC's principal place of business is 140 S King St Ste C, Jackson, WY 83001, USA.

The principal activities of the Company and its subsidiaries (collectively referred to as the "**Group**") are manufacturing and sales of therapeutic tea products, including Detox tea, Slimming tea, Fit tea, Relief tea and other tea products, and sales of weight-loss and other medicines.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

This interim condensed consolidated financial information is presented in Renminbi ("**RMB**"), which is the functional currency of the Company, unless otherwise stated.

This unaudited interim condensed consolidated financial information was approved for issue by the board of directors of the Company on 7 August 2026.

2. BASIS OF PREPARATION

The Group's interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard 34 ("**IAS 34**") "Interim Financial Reporting" as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2025 (the "**2025 Annual Financial Statements**"), which have been prepared in accordance with IFRS Accounting Standards, and any public announcement made by the Company during the current period and up to date of approval of this unaudited interim condensed consolidated financial information.

2. BASIS OF PREPARATION (CONTINUED)

The accounting policies used in the interim condensed consolidated financial statements are consistent with those adopted in the 2025 Annual Financial Statements, except as described below.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board which are effective for the Group's financial year beginning 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

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

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

3. SEGMENT AND REVENUE INFORMATION

The executive directors of the Company, identified as the chief operating decision makers ("**CODM**"), review the Group's internal reporting in order to assess performance and allocate resources.

The CODM has identified the manufacturing and sales of tea products (including Detox tea, Slimming tea, Fit tea, Relief tea and others) and sales of weight-loss and other medicines as separate reportable segments, namely the tea products segment and the weight-loss and other medicines segment.

The CODM evaluates the performance of the reportable segments based on their revenue, gross profit and operating results which derived from gross profit deducting selling and marketing expenses and research and development costs. The CODM does not assess the assets and liabilities of the operating segments to allocate resources.

3. SEGMENT AND REVENUE INFORMATION (CONTINUED)

The segment results for the six months ended 30 June 2026 are as follows:

	Tea products segment *RMB'000*	Weight-loss and other medicines segment *RMB'000*	Total *RMB'000*
Total revenue	**209,105**	**95,733**	**304,838**
Revenue from external customers	**209,105**	**95,733**	**304,838**
Timing of revenue recognition			
At a point in time	**209,105**	**95,733**	**304,838**
Cost of sales	**(34,923)**	**(32,539)**	**(67,462)**
Gross profit	**174,182**	**63,194**	**237,376**
Selling and marketing expenses	**(125,335)**	**(60,336)**	**(185,671)**
Research and development costs	**(3,562)**	**(1,717)**	**(5,279)**
Segment results	**45,285**	**1,141**	**46,426**
Administrative expenses			**(25,775)**
Impairment losses under expected credit loss model, net			**(2,586)**
Other income			**943**
Other gains, net			**4,942**
Operating profit			**23,950**
Finance income			**123**
Finance costs			**(143)**
Finance costs, net			**(20)**
Share of profits of joint ventures			**390**
Profit before income tax			**24,320**
Income tax expense			**(9,254)**
Profit for the period			**15,066**
Other segment information:			
Depreciation	**(8,361)**	**(1,497)**	**(9,858)**
Amortisation	**(175)**	**—**	**(175)**

3. **SEGMENT AND REVENUE INFORMATION (CONTINUED)**

The segment results for the six months ended 30 June 2025 are as follows:

	Tea products segment *RMB'000*	Weight-loss and other medicines segment *RMB'000*	Total *RMB'000*
Total revenue	159,668	99,245	258,913
Revenue from external customers	159,668	99,245	258,913
Timing of revenue recognition			
At a point in time	159,668	99,245	258,913
Cost of sales	(33,484)	(47,878)	(81,362)
Gross profit	126,184	51,367	177,551
Selling and marketing expenses	(76,841)	(47,762)	(124,603)
Research and development costs	(2,873)	(2,162)	(5,035)
Segment results	46,470	1,443	47,913
Administrative expenses			(34,927)
Impairment losses under expected credit loss model, net			(107)
Other income			3,998
Other losses, net			(380)
Operating profit			16,497
Finance income			378
Finance costs			(134)
Finance income, net			244
Share of profits of joint ventures			3,803
Profit before income tax			20,544
Income tax expense			(8,142)
Profit for the period			12,402
Other segment information:			
Depreciation	(7,983)	(1,162)	(9,145)
Amortisation	(218)	(9)	(227)

3. **SEGMENT AND REVENUE INFORMATION (CONTINUED)**

Information about major customers

Revenues from customers contributing over 10% of the total revenue of the Group for the respective years is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Customer A	**44,395**	30,280
Customer B	**N/A *(note)***	30,010

Note:

The corresponding revenue did not contribute over 10% of total revenue of the Group for the period ended 30 June 2026.

4. **OTHER GAINS (LOSSES), NET**

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Net foreign exchange losses	**(328)**	(515)
Net fair value gains (losses) on financial assets measured at fair value through profit or loss	**4,068**	(283)
Net gains on disposals of property, plant and equipment and right of use assets	**410**	567
Others	**792**	(149)
Other gains (losses), net	**4,942**	(380)

5. **INCOME TAX EXPENSE**

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current income tax	**—**	2,329
Deferred income tax	**9,254**	5,813
Income tax expense	**9,254**	8,142

5. INCOME TAX EXPENSE (CONTINUED)

Notes:

(i) Certain subsidiaries of the Group were incorporated in the Cayman Islands and the BVI and they are tax exempted under the tax laws of the Cayman Islands and the BVI respectively.

(ii) Certain subsidiaries of the Group are Hong Kong tax residents and subject to Hong Kong profits tax. Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits.

(iii) The provision for PRC Corporate Income Tax is based on the respective corporate income tax rates applicable to the subsidiaries located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

Beijing Outsell Health Product Development Co., Ltd. is entitled to the preferential policy of High and New Technology Enterprise ("**HNTE**") from 2023 to 2026, for which the applicable income tax rate is 15% (2025: 15%).

All other PRC subsidiaries of the Group are subject to the statutory corporate income tax rate of 25% (2025: 25%).

(iv) The current income tax represents the 5% withholding tax on dividends received from the PRC subsidiaries during the period.

6. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2026	2025
Profit attributable to owners of the Company *(RMB'000)*	**15,066**	12,402
Weighted-average number of ordinary shares in issue	**122,265,585**	122,265,585
Basic earnings per share *(RMB)*	**0.12**	0.10

(b) Diluted

Diluted earnings per share are calculated by adjusting the weighted-average number of ordinary shares outstanding by assuming that the conversion of all potential dilutive ordinary shares arising from share options granted by the Company (collectively forming the denominator for computing the diluted earnings per share).

The computation of diluted earnings per share did not assume the exercise of the Company's outstanding share options granted as at 30 June 2026 and 2025 as the exercise prices of the share options were higher than the average market price of the Company's shares for the six months ended 30 June 2026 and 2025.

7. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Non-current assets		
Investments in GOSP6 *(note b)*	**86,505**	86,505
Equity investments in private companies *(note c)*	**3,395**	1,673
Investments in funds *(note d)*	**55,658**	52,782
	145,558	140,960

Notes:

(a) The Group's wealth management products and structured deposits purchased from commercial financial institutes are denominated in RMB. The returns of these wealth management products and structured deposits are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, they are measured at fair value through profit or loss, and the fair values are based on discounted cash flow using the expected return based on management estimation and are within level 3 of the fair value hierarchy. There were no balance amounts as at 31 December 2025 and 30 June 2026.

(b) The fair values of the investments in Central China Dragon Global Opportunity Fund SP6 (the "**GOSP6**"), a segregated portfolio of Central China Dragon Global Opportunity Fund SPC, are determined by the management based on the readily available information provided by the Fund Manager.

(c) The fair values of equity investments in private companies are measured using a valuation technique with unobservable inputs and hence classified as level 3 of the fair value hierarchy.

(d) The fair values of investments in funds are measured using a valuation technique with unobservable inputs and hence classified as level 3 of the fair value hierarchy.

8. TRADE RECEIVABLES AND BILLS RECEIVABLES

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Trade receivables	**30,708**	28,373
Less: Loss allowance	**(26)**	(92)
	30,682	28,281

8. TRADE RECEIVABLES AND BILLS RECEIVABLES (CONTINUED)

The Group allows a credit period of 30–90 days to its customers. The following is an aging analysis of trade receivables (net of loss allowance) based on the dates of deliveries of the related goods to the customers, which approximated to their invoice dates:

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
0 to 90 days	**28,713**	27,613
91 to 180 days	**1,497**	589
181 to 365 days	**435**	33
Over 365 days	**37**	46
	30,682	28,281

As of 30 June 2026, bills receivables amounted to RMB500,000 (31 December 2025: Nil) were all commercial acceptance notes with maturity date within 6 months and are classified as financial assets measured at fair value through other comprehensive income.

9. TRADE PAYABLES

The aging analysis of the trade payables based on their respective invoice and issue dates are as follows:

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
0 to 90 days	**1,290**	3,178
Over 180 days	**162**	13
	1,452	3,191

10. DIVIDEND

No dividend was proposed during the period ended 30 June 2026, nor has any dividend been proposed since the end of the reporting period (2025: interim dividend in respect of the six months ended 30 June 2025 of HK$0.15 per share, in an aggregate amount of HK$18,340,000 (equivalent to approximately RMB16,725,000) was subject to approval by the shareholders in the extraordinary general meeting held on 25 August 2025).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2026, the Group achieved revenue of approximately RMB304.8 million, reflecting an increase of 17.7% compared to the same period last year, indicative of steady advancement in overall operations. In particular, total revenue from the core "Four Teas" products (Besunyen Detox Tea, Slimming Tea, Fit Tea, and Relief Tea) amounted to approximately RMB185.6 million, representing an increase of 43.8% compared to the same period last year, which was primarily attributable to the price recovery in traditional channels and the growth in sales volume from e-commerce channels; and revenue from weight-loss medicines (Orlistat) reached approximately RMB93.6 million, marking a decrease of 0.8% compared to the same period last year, which was due to a slight decline in sales volume. During the period, the Group recorded total comprehensive income of approximately RMB15.1 million, a substantial increase of 21.8% from RMB12.4 million in the same period of 2025, signaling a strong trajectory toward profitability recovery.

Amid a complex and dynamic macroeconomic and consumer environment, the Group remained steadfast in maintaining stable operations with profitability as its central focus. It pursued integrated omni-channel operations, expanding both online and offline distribution channels. The marketing management system integration, initiated in July 2025, unified the previously separate offline OTC and e-commerce businesses under the leadership of the Vice President responsible for marketing. This initiative effectively addressed prior inconsistencies in pricing strategies, channel allocation, and product lines between online and offline operations, fostering a healthier market environment, maturing the agency operational model, and enhancing both operational efficiency and earnings quality. Throughout the period, the Group concentrated on its two core categories, namely therapeutic teas and weight-loss medicines, and strengthened brand communication and consumer education through a media matrix including screen media, Xiaohongshu, Douyin, and Kuaishou. Regarding offline channels, the Group covered OTC pharmacies and pharmaceutical third terminals, spanning across 31 provinces, autonomous regions and municipalities nationwide, through its joint ventures. For online channels, the Group established 69 shops on 20 e-commerce platforms to sell the Four Teas, Orlistat and other health products, while actively expanding into new retail scenarios such as Douyin, Kuaishou, O2O, and B2C. These efforts ensured rapid market entry of new products and reinforced the Group's industry-leading position.

I. OTC SEGMENT BUSINESS — DUAL EMPHASIS ON CHANNEL PENETRATION AND PRICING GOVERNANCE

Facing challenges in the pharmaceutical retail industry such as channel reshuffling, increasing consolidation among pharmacy chains, and customer diversion due to low price of competing health food and fat-loss products, the Group's OTC segment continued to advance its reform of "omni-channel operations". During the reporting period, the Group consolidated four previously regional, independent agency companies into a regional operating structure under a single entity. This reform fundamentally standardized supply prices, terminal retail prices, and promotional policies nationwide, eliminating unauthorized cross-territory low-price product diversion and establishing a stable and orderly channel pricing system, thereby laying a robust foundation for long-term strategic cooperation. Key efforts during the period focused on the following three areas:

(I) Deepening strategic cooperation with pharmacy chains to jointly develop category solutions

Aligned with the trend toward professionalized and refined pharmacy chain operations, the Group leveraged its comprehensive training system to provide shop assistants and end consumers with integrated health solutions centered on weight management and intestinal health. It collaborated with leading pharmacy chains to formulate annual category marketing plans, executing quarterly themed promotions and health education campaigns. This approach facilitated resource sharing, drove concurrent growth in store category sales and brand penetration, and fostered enduring strategic partnerships.

(II) Linking membership systems to drive online-offline omni-channel interaction

To activate the existing chain store membership base, the Group regularly implemented localized O2O delivery services, in-store live streaming, and interactive health education. Product visibility and purchasing convenience were enhanced through diverse terminal promotional activities, including dedicated brand display zones, flash sales, and bundled packages. Additionally, free tasting samples and health consultation services were provided to enrich the offline consumer experience. The Group leveraged offline engagement to drive online repurchases, continuously unlocking consumption potential and increasing repurchase frequency among existing customers.

(III) Rigorous price order control to ensure reasonable channel returns

To address pricing inconsistencies and unauthorized cross-territory product diversion arising from multi-channel distribution, the Group established an omni-channel price monitoring mechanism supported by tiered control measures, such as sales quota adjustments, supply suspensions, and revocation of distributorship status. Real-time monitoring of pricing across online third-party stores and offline distribution channels enabled prompt identification and resolution of non-compliant low-priced goods. This strategy effectively safeguarded reasonable profit margins for regional distributors and chain stores, ensuring long-term and healthy market circulation.

In the second half of the year, the OTC segment will further expand its presence in county-level third terminals, extending coverage to primary care clinics and community pharmacies. The Group will develop differentiated support policies tailored to chain stores at various levels, enhance incentive programs for shop assistants, and collaborate with the R&D team to launch regulatory-compliant, upgraded products. These measures aim to continuously strengthen the Group's leading offline position in the weight management and laxative health categories.

II. E-COMMERCE BUSINESS SEGMENT — DIGITAL INTELLIGENCE FOR ENHANCING OMNI-CHANNEL EFFICIENCY

The e-commerce business covers traditional platforms such as JD.com, Alibaba, and Pinduoduo, as well as new retail channels including Douyin, Kuaishou, and Xiaohongshu. With profitability as its central focus, the Group employed AI technologies to empower live streaming and promotional activities, stabilized pricing systems, improved traditional business operations, and capitalized on growth opportunities in new retail. Key achievements during the period include:

(I) Integrated marketing campaigns during key festivals and use of AI-driven content generation systems

During the reporting period, integrated marketing campaigns were conducted around three major occasions: the Spring Festival, Spring Refresh, and Mother's Day. These campaigns featured twist-ending micro-short dramas, spring-themed content, and emotive short films, respectively. By partnering with influencers across multiple sectors, the Group established a comprehensive conversion pathway that included "brand content — influencer dissemination — user engagement — e-commerce execution". For Mother's Day, the Group launched its first AI-assisted short film and implemented a standardized smart content production workflow. This innovation significantly shortened the production cycle of content across all online channels, effectively reduced the creative costs, and propelled the digital and intelligent transformation of marketing.

(II) Strategic penetration across omni-channel networks with core categories maintaining leading market positions

By deepening operations on platforms such as Douyin and JD.com, the Orlistat category attained the top spot in overall store ranking in March through cross-departmental coordination, optimized omni-channel advertising placement, expanded marketing assets, and enhanced store repeat purchase initiatives. During the 618 Shopping Festival, despite intense low-price competition from competing products, the Group successfully maintained its market share through product ranking management, tiered price defense, and integration of public and private traffic channels. Regarding a self-operated channel on JD.com, sales reached record highs during the 618 festival, sustaining leadership in the weight management category. The Fit Tea product achieved multi-fold sales growth and significant performance improvements across multiple channels by leveraging on-platform resources, real-scene live streaming, and off-site influencer product seeding.

(III) Establishment of in-house content teams and standardization of production processes

During the first half of the year, both pharmaceutical and non-pharmaceutical business lines established in-house content teams, transitioning fully from outsourcing to in-house production. They also implemented standardized, end-to-end processes covering topic selection planning, script shooting, post-production, and data review. The non-pharmaceutical business line produced over 1,000 proprietary short videos, maintaining a consistent content calendar that facilitates rapid trend tracking, flexible creative testing, and precise audience targeting. This approach significantly reduced external procurement costs and secured proprietary control over brand content.

(IV) Refinement of store operations to benchmark organic-traffic proprietary live streaming

The Group implemented end-to-end optimization across product titles, primary display images, product details, and review systems to enhance organic search visibility and reduce reliance on paid traffic. An integrated closed-loop system combining short videos and proprietary brand live streaming was established to create a synergistic cycle that mutually reinforces content, traffic, and transactions. The proprietary live streaming team developed a matrix of organic-traffic live streaming channels and deployed 24/7 digital avatar live streaming, addressing traffic gaps during the night and public holidays. Amid rising industry-wide traffic acquisition costs, the Group achieved counter-trend profit growth driven by an operational model characterized by a high organic traffic and low dependence on paid channels, maintaining industry-leading conversion rates and setting a benchmark for proprietary live streaming in the big health sector.

(V) Comprehensive deployment of digital tools to enhance operational intelligence, compliance, and risk control

To overcome challenges of fragmented data across multiple platforms and inefficient manual compilation, an automated data aggregation system was implemented to centrally consolidate sales, traffic, and expenditure data from all channels. This system generates visualization dashboards, reduces human error, and reallocates manpower toward strategic optimization. AI tools now support the entire operational process: digital avatar live streaming manages round-the-clock traffic; AIGC produces visual and scenario-based marketing materials in batches, complemented by proactive compliance and risk controls to mitigate advertising non-compliance risks; and intelligent tools automatically generate business analysis reports. These advancements facilitate a transition from experience-based judgment to data-driven decision-making, thereby strengthening the digital operational foundation.

(VI) Strategic upgrade of brand visual identity to establish a technology-driven professional image

To address visual homogeneity across pharmaceutical e-commerce platforms, the Group initiated a brand-new visual identity upgrade during the reporting period, adopting "Tech Blue" as the primary visual baseline to integrate technological innovation with professional medical attributes. Utilizing AIGC visual tools for efficient production of standardized marketing materials, the Group established a unified brand visual framework with strong recognition. Following the upgrade, key metrics such as primary image click-through rates and conversion rates improved significantly. This initiative enhanced design efficiency and fostered a professional, contemporary health brand image among consumers, thereby completing the corporate image transition from a traditional pharmaceutical company to a technology-driven health enterprise and building long-term brand visual equity.

III. INTERNATIONAL BUSINESS DEPARTMENT — STRATEGIC RESTRUCTURING AND GLOBAL BRAND EXPANSION

During the period, the International Business Department underwent a strategic transformation, shifting from direct-to-consumer sales to a B2B-first and brand-driven model, thereby establishing a sustainable development path for its overseas business operations:

(I) Top-tier strategic restructuring and market deployment

Following an evaluation of the U.S. market, the Group repositioned it as a brand content testing market. The product portfolio was reorganized into two scenario-based frameworks, Reset (post-event recovery) and Balance (daily light care), to eliminate perception barriers among overseas customers. A three-pronged strategy comprising B2B distribution, direct-to-consumer brand validation, and supply chain expansion was established. This involved developing standardized B2B and OEM sales tools while simultaneously advancing preemptive FDA access procedures and conducting multi-category compliance reviews. Through an exclusive overseas partnership with Guoyi Yilian, product lines including herbal pastes, cosmeceuticals, and functional foods were expanded, transitioning from fragmented trial sales to systematic operations, proactively managing compliance risks, and securing upstream resources for sustainable growth.

(II) Establishment of the Bessence global brand system

To address the issue of fragmented brand presentation across multiple platforms, the Group established the Bessence global brand system between April and June 2026, positioning it as a Chinese herbal health brand anchored by the core message "Trusted since 2000". This initiative unified brand communications, eliminated sensitive fat-loss terminology, standardized visual styles, established five reusable content pillars, and compiled a comprehensive global brand manual. A unified operating standard was implemented across all platforms, balancing direct-to-consumer product seeding with B2B negotiations, while enabling expansion into new products such as gummies and probiotics. This laid the foundation for long-term overseas brand operations.

(III) Stable operations in global order fulfillment and supply chain delivery

During the period, the Group ensured timely and compliant order fulfillment across the Middle East, North America, and the Asia-Pacific region, achieving zero customs clearance errors and zero customer complaints. This success strengthened the Group's cross-border supply chain delivery capabilities. Product selection and assessment for Guoyi Yilian, promotional materials for the Five Teas series, and product inspection documentation were completed, alongside ongoing FDA approval preparations. The Group efficiently managed cross-departmental administrative procedures, including OA workflows and contract reviews, while developing standardized operational documentation for product launches and account management. These efforts institutionalized operational knowledge and completed proactive preparations for new product launches.

(IV) Omni-channel online platform matrix and marketing information system

During the first half of the year, the Group deployed four primary overseas platforms, namely the Standalone Site, Alibaba.com, TikTok, and Facebook. Standardized operational procedures were developed to support multi-channel synergy for the second half of the year. The Group regularly monitored competing products and industry information while continuously expanding its database of overseas KOLs and influencers to provide data-driven support for targeted marketing. Channel strategies accommodate both B2B wholesale client acquisition and direct-to-consumer product seeding, establishing online conversion pathways aligned with the global brand manual. This created a marketing closed loop supporting immediate conversion goals and laying the groundwork for scalable multi-regional and multi-category expansion.

IV. PRODUCT RESEARCH AND DEVELOPMENT

During the reporting period, the Group focused on two main themes: compliance upgrades for health foods and product research and innovation. Multiple core special projects were coordinated and advanced to safeguard the bottom line of lawful operations and provide technical reserves for the Company's medium- to long-term development:

(I) Completion of registration renewal applications for three health food products

As the approvals for Relief Tea, Chinese Sage and Red Date Granules, and Siyue Granules are approaching expiration, and in light of stricter review standards and historical data issues such as deficiencies in raw material identification and lenient quality indicators, the R&D center proactively conducted data reviews, risk assessments, and revisions of technical requirements. Comprehensive registration renewal materials were submitted to the national regulatory authorities by the end of June 2026. The project introduced an exclusive raw material identification system and optimized internal quality control standards, successfully preserving the assets of these three distinctive products, enriching the health and wellness product portfolio, and strengthening the foundation for compliant brand operations.

(II) Deepened industry-academia-research collaboration resulting in an invention patent for uric acid reduction

In response to sub-health issues related to chronic metabolic diseases and hepatic injury, as well as challenges such as insufficient mechanistic evidence for core products and intensified homogeneous competition, the Group has initiated an industry-academia-research collaboration with Li Jian's team at Beijing Technology and Business University. This collaboration entailed the development of disease-specific murine models for intervention studies and the application of metagenomic techniques to elucidate the mechanisms of action by which Detox Tea and Slimming Tea modulate metabolism and repair organ damage through gut microbiota, thereby facilitating secondary innovation of existing products and establishing a differentiated competitive advantage. During the period, an invention patent named "the preparation method of a uric acid-lowering composition and its application" was granted, delineating the preparation method and utility of a uric acid-lowering composition and providing a research foundation for new product function applications and academic dissemination.

(III) Comprehensive implementation of the special rectification for centralized registration renewal of existing health food products with no validity period and no technical requirements

In accordance with the registration renewal policy for health food products with no validity period and no technical requirements (mandating the rectification of existing approvals with no validity period and no standardized technical requirements to be completed within five years) issued by the State Administration for Market Regulation in November 2024, the R&D center spearheaded three fundamental tasks: conducting in-depth research into the review policy and establishing a "one product, one file" ledger to categorize key rectification areas; collaborating with professional technical institutions to mitigate compliance risks during application processes; and coordinating with multiple departments and contract manufacturers to uniformly confirm rights to formulations, processes, and internal control standards, as well as to standardize data compilation protocols. This registration renewal process simultaneously effectuates a standardized upgrade of the technical system for existing products, rectifies historical compliance deficiencies, and lays a solid compliance and technical foundation for the full-scale circulation of products and subsequent applications for new functional claims.

(IV) Establishment of an efficient cross-departmental collaboration system to support the international development strategy

Focusing on three major initiatives, namely approval renewal, new function research and development, and registration renewal for health food products with no validity period and no technical requirements, the Group has established collaborative channels among multiple entities, including quality assurance, supply chain, contract manufacturers, and academic research institutions, to build a stable and efficient collaboration mechanism. Compliance projects eliminate discrepancies between registration data and on-site production information, while research projects effectively connect with external academic resources. Each special project is progressing on schedule, with the simultaneous completion of product compliance upgrades, patent portfolio development, and rectification of historical approvals. The uniformly standardized product technical data and comprehensive quality control system are adaptable to both domestic and international regulatory standards, thereby strongly supporting the Company's international business expansion from the perspective of research and development compliance.

V. CONTINUOUS OPTIMIZATION OF PRODUCTION QUALITY MANAGEMENT SYSTEM

The Group has established a comprehensive production quality management system. In compliance with relevant laws and regulations, the Group has successfully obtained certifications of ISO9001 quality management system, ISO22000 food safety management system, and HACCP key control point system, thereby providing a solid foundation for the delivery of high-quality products. Assuming primary responsibility for food safety, the Group has rigorously implemented a three-tier management structure comprising the enterprise's primary responsible person, the food safety director, and the food safety officer. The Group has continuously enhanced risk control measures to ensure effective risk management and prevent safety hazards throughout the production process. From factory layout and facilities to production management, raw and auxiliary materials handling, warehouse management, inspection, and labeling, the Group exercises stringent control over the entire production process. It fosters a culture of quality management at every production stage and continuously improves the quality stability and safety of products.

VI. PROSPECTS

Looking ahead to the second half of 2026, the Group will capitalize on policy opportunities arising from the National Health Commission's ongoing promotion of the "Weight Management Year" campaign. It will actively respond to industry competition and shifting demand, further consolidate the achievements of prior reforms, and continuously deepen the optimization of internal mechanisms. The Group aims to fully stimulate the operational vitality of its entities, as well as the agencies and joint ventures for agency operation established through restructuring, while concentrating resources on cultivating Besunyen's core business in health teas. In response to the evolving regulatory and channel landscape of the OTC industry, the Group will continue to enhance the integration of its marketing management system, seamlessly connect online and offline operations, and leverage synergistic sales advantages across all channels. By focusing on the two core areas of weight management and laxative and intestinal health, aligning with omni-channel consumption trends and the preferences of the new generation of consumers, and utilizing new media and new retail models, the Group seeks to consolidate its core market competitiveness.

Meanwhile, the Group will continue to enhance its diversified product channel strategy, promote refined offline terminal operations and precise online agency management, deepen its presence in the new retail sector, and ensure the stable and positive growth of its core business. As a domestic brand with a 26-year legacy in the health industry, the Group will intensify brand upgrading and rejuvenation efforts by leveraging scenario-based marketing, an integrated media matrix, and social content operations to boost brand visibility and market reputation. The Group will closely monitor trends in national health consumption upgrades, increase investment in product research and innovation, and consistently deliver high-quality health products, with the mission of safeguarding public health and contributing to the high-quality development of China's big health industry.

FINANCIAL REVIEW

Revenue

	For the six months ended 30 June			
	2026		2025	
	RMB'000	***Percentage of revenue***	*RMB'000*	*Percentage of revenue*
Revenue:				
Besunyen Detox Tea	**43,922**	**14.4%**	30,352	11.7%
Besunyen Slimming Tea	**82,444**	**27.1%**	50,290	19.4%
Besunyen Fit Tea	**57,083**	**18.7%**	45,732	17.7%
Besunyen Relief Tea	**2,132**	**0.7%**	2,753	1.1%
Weight-loss medicines	**93,556**	**30.7%**	94,368	36.4%
Other health food	**23,524**	**7.7%**	30,541	11.8%
Other medicines	**2,177**	**0.7%**	4,877	1.9%
Total	**304,838**	**100.0%**	258,913	100.0%

Note: Weight-loss medicines mainly consist of Besunyen Orlistat, other health food mainly consists of health food and other tea products (excluding the Four Teas), and other medicines mainly consist of finished medicines.

The Group's revenue in the first half of 2026 was RMB304.8 million, representing an increase of 17.7% from RMB258.9 million in the first half of 2025. Such increase was mainly driven by a significant increase of 43.8% in revenue from the Four Teas, which was partially offset by a decline in sales volume of other medicines and other health food.

In the first half of 2026, revenue from the Four Teas was RMB185.6 million, representing an increase of 43.8% from RMB129.1 million in the first half of 2025, while sales volume increased by 1.7%.

Traditional channels: In the first half of 2026, revenue was RMB78.2 million, representing an increase of 30.4% from RMB59.9 million in the first half of 2025, while sales volume decreased by 20.6%. Such revenue growth was mainly attributable to the integration of the marketing management system initiated in July 2025, under which the Group consolidated four original regional agency companies into a single unified operating entity, resulting in significantly enhanced pricing synergy and bargaining power. During the period, the unit selling price of traditional channels increased year-on-year, driving a 30.4% growth in sales revenue for this channel. However, affected by the external market environment, sales volume of traditional channels decreased by approximately 20.6% year-on-year, partially diluting the positive effect of price increases on sales revenue.

E-commerce channels: In the first half of 2026, revenue was RMB107.4 million, representing an increase of 55.2% from RMB69.2 million in the first half of 2025, while sales volume increased by 34.2%. Positioned with a focus on market expansion and market share acquisition, growth in these channels was primarily driven by sales volume expansion.

Taken together, price recovery in traditional channels contributed significantly to the sales of the Four Teas, though the decline in sales volume caused by the external market environment has had a certain dampening effect; e-commerce channels maintained rapid growth, further driving the overall growth of the Four Teas. Driven by the combined impact of positive and negative factors, revenue from the Four Teas recorded strong growth of 43.8% during the period.

Revenue from weight-loss medicines in the first half of 2026 was RMB93.6 million, representing a decrease of 0.8% from RMB94.4 million in the first half of 2025, which was mainly due to a decline in sales volume.

Revenue from other health food in the first half of 2026 was RMB23.5 million, representing a decrease of 23.0% from RMB30.5 million in the first half of 2025; and revenue from other medicines in the first half of 2026 was RMB2.2 million, representing a decrease of 55.1% from RMB4.9 million in the first half of 2025.

Other health food and other medicines were primarily affected by the combined impact of domestic policy changes in the industry and the Group's strategic adjustments. The Group proactively optimized resource allocation and appropriately scaled back the size of this business segment in order to focus on core products and the expansion of high-growth channels.

Cost of Sales, Gross Profit and Gross Profit Margin

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Cost of sales	**67,462**	81,362
Gross profit	**237,376**	177,551
Gross profit margin	**77.9%**	68.6%

The Group's cost of sales in the first half of 2026 was RMB67.4 million, representing a decrease of 17.2% as compared to RMB81.4 million in the first half of 2025.

The gross profit margin in the first half of 2026 was 77.9%, representing an increase of 9.3 percentage points as compared to 68.6% in the first half of 2025. This was mainly due to (i) an increase of 1.7% in the sales volume of high-margin tea products, driving a positive contribution to the profit structure; and (ii) enhanced supply chain management efficiency, which led to a further reduction in procurement prices of weight-loss medicines, as well as an improvement in gross profit margin. Driven by these combined factors, the Group's profitability was systematically enhanced.

Selling and Marketing Expenses

	For the six months ended 30 June			
	2026		2025	
	RMB'000	***Percentage of revenue***	*RMB'000*	*Percentage of revenue*
Marketing and promotion expenses	**164,906**	**54.1%**	106,192	41.0%
Advertising costs	**5,191**	**1.7%**	5,580	2.2%
Employee benefit expenses	**6,256**	**2.1%**	4,961	1.9%
Others	**9,318**	**3.0%**	7,870	3.0%
Total	**185,671**	**60.9%**	124,603	48.1%

The Group's selling and marketing expenses in the first half of 2026 were RMB185.7 million, representing an increase of 49.0% from RMB124.6 million in the first half of 2025.

In the first half of 2026, marketing and promotion expenses increased by RMB58.7 million, or 55.3%, as compared to the first half of 2025. This was mainly due to (i) the effect of the integration of the marketing management system initiated in July 2025, under which the Group consolidated four original regional agency companies into a single unified operating entity, which in turn resulted in a corresponding increase of RMB38.9 million in agency operation fees for this business segment; and (ii) an increase in platform promotion expenses and agency operation fees payable due to the expansion trend in the e-commerce channel business.

Administrative Expenses

	For the six months ended 30 June			
	2026		2025	
	RMB'000	***Percentage of revenue***	*RMB'000*	*Percentage of revenue*
Employee benefit expenses	**11,856**	**3.9%**	11,351	4.4%
Professional and consultation service fees	**7,859**	**2.6%**	12,173	4.7%
Entertainment and travelling expenses	**1,742**	**0.6%**	3,114	1.2%
Office expenses	**1,456**	**0.5%**	1,120	0.4%
Others	**2,862**	**0.9%**	7,169	2.8%
Total	**25,775**	**8.5%**	34,927	13.5%

The Group's administrative expenses in the first half of 2026 were RMB25.8 million, representing a decrease of 26.2% from RMB34.9 million in the first half of 2025, mainly due to the decrease in professional fees and travelling expenses.

Research and Development Costs

	For the six months ended 30 June			
	2026		2025	
	RMB'000	***Percentage of revenue***	*RMB'000*	*Percentage of revenue*
Research and development costs	**5,279**	**1.7%**	5,035	1.9%

The research and development costs in the first half of 2026 were RMB5.3 million, representing an increase of RMB0.3 million from RMB5.0 million in the first half of 2025, mainly due to a slight increase in employee benefit expenses.

Share of Profits of Investments Accounted for Using the Equity Method

The Group's share of profits of investments accounted for using the equity method for the first half of 2026 was RMB0.4 million. During the period, three associates, whose projects had been completed, completed their deregistration process. These projects contributed an aggregate investment gain of approximately RMB2.2 million during their operational existence, with overall returns being in line with management expectations.

Taxation

The income tax expenses of the Group in the first half of 2026 were RMB9.3 million, increased by RMB1.2 million as compared to the income tax expenses of RMB8.1 million in the first half of 2025, which was mainly due to an increase in fair value of financial assets measured at fair value through profit or loss held by the Group, which led to the corresponding recognition of deferred tax liabilities, resulting in an increase in deferred tax expenses.

Total Comprehensive Income for the Period and Total Comprehensive Income Attributable to Owners of the Company

Due to the factors set out above, the total comprehensive income of the Group for the first half of 2026 was RMB15.1 million (for the same period of 2025: the total comprehensive income was RMB12.4 million).

The total comprehensive income attributable to owners of the Company for the first half of 2026 was RMB15.1 million (for the same period of 2025: the total comprehensive income attributable to owners of the Company was RMB12.4 million). The basic and diluted earnings per share attributable to owners of the Company for the first half of 2026 were both RMB0.12 (for the same period of 2025: the basic and diluted earnings per share attributable to owners of the Company were both RMB0.10).

Liquidity and Capital Resources

In the first half of 2026, funds and capital expenditure required in the operation of the Group mainly came from the cash flows from operating activities.

Cash Flows

The following table summarizes the net cash flows of the Group for the six months ended 30 June:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Net cash inflow from operating activities	**45,041**	30,989
Net cash (outflow)/inflow from investing activities	**(1,881)**	1,201
Net cash outflow from financing activities	**(2,228)**	(1,803)
Net increase in cash and cash equivalents	**40,932**	30,387
Cash and cash equivalents at beginning of period	**177,926**	134,155
Cash and cash equivalents at end of period	**218,858**	164,542

In the first half of 2026, the Group's net cash inflow from operating activities was RMB45.0 million (for the same period of 2025: net cash inflow from operating activities of RMB31.0 million), the increase was mainly due to the growth of the operating activities during the period. In the first half of 2026, the Group's net cash outflow from investing activities was RMB1.9 million, which was mainly attributable to the cash outflow for the purchase of fixed assets by the Group, partially offset by the receipt of liquidation distribution from joint ventures (for the same period of 2025: net cash inflow from investing activities of RMB1.2 million, which was mainly attributable to the Group's receipt of dividend income from its joint ventures). In the first half of 2026, the Group's net cash outflow from financing activities was RMB2.2 million, which was mainly attributable to the payment of rents for housing leases (for the same period of 2025: net cash outflow from financing activities of RMB1.8 million, utilized for the same purpose).

Financial Assets Measured at Fair Value through Profit or Loss

As at 30 June 2026, the Group's financial assets measured at fair value through profit or loss amounted to RMB145.6 million (31 December 2025: RMB141.0 million), which mainly included:

(i) The Group's investment in Vstar Investment Fund Limited Partnership amounting to approximately RMB12.2 million;

(ii) The Group's investment in ERX Pharmaceuticals Inc. amounting to approximately RMB3.4 million;

(iii) The Group's investment in Nanjing Jinbi Venture Capital Partnership (Limited Partnership) amounting to approximately RMB27.6 million;

(iv) The Group's investment in Shanghai Yuanxing Zhiyin Venture Capital Partnership (Limited Partnership) amounting to approximately RMB15.8 million;

(v) The Group's financial investments held through Central China Dragon Global Opportunity Fund SP6 which were measured at fair value through profit or loss amounting to approximately RMB86.5 million.

The Company subscribed for the participating shares of Central China Dragon Global Opportunity Fund SP6 (the "**GOSP6**") with a total investment of HK$100 million (equivalent to approximately RMB91.8 million) in October 2023, and the GOSP6 is principally engaged in managing and holding the investment in wealth management as acquired by the Company through the manager (please refer to the announcements of the Company dated 26 September 2023 and 5 October 2023 for details). The investment objective of the GOSP6 is to provide investors with a stable return through a combination of current income and capital appreciation, with fixed income investment products accounting for not less than 80% and mainly focusing on private and public general bonds, as well as investment products in Asia, America and Europe.

Given that the Company is the only holder of participating shares in the GOSP6 and the fees paid to the manager are comparable to the services it provided as an agent, the Group treated the GOSP6 as a consolidated structured entity under IFRS Accounting Standards.

However, in 2025, the following new facts and circumstances, which had a decisive impact on the management's assessment of whether the Group could continue to maintain effective control over the Fund, successively arose in the actual operation of the Fund:

(i) The Group submitted a notice of full redemption to the Fund Manager on 26 March 2025 in accordance with the private placement memorandum, with the redemption date being 2 July 2025. However, the Fund Manager has only returned HK$10,000,000 (representing approximately 10% of the total investment amount) in August 2025, and the remaining investment balance remains outstanding as at the date of this announcement; and

(ii) Despite the Group's repeated urgings through written communications since early 2025 and the issuance of formal demand letters to the Fund Manager through its legal representatives starting from December 2025, requesting the provision of information related to the underlying assets of the Fund and a specific and feasible redemption payment plan, the Fund Manager only provided part of the documents requested by the Group on 31 December 2025 (namely, the audited financial statements of the Fund for the year 2024, the net asset value report for the third quarter of 2025, and the fund asset statement for the third quarter of 2025). The Fund Manager failed to respond adequately to the Group's request for all necessary information and documents regarding the underlying assets of the Fund and the redemption payment arrangements. This resulted in the Group being unable to ascertain the asset status of the Fund and to obtain the underlying supporting materials required by the auditor to perform its audit work.

After a comprehensive consideration of the new facts and circumstances mentioned above, the management is of the view that its original assumption that the Fund Manager was acting as an agent in managing the Fund in accordance with the contractual terms is no longer tenable. The management has accordingly reassessed the Group's control over the Fund in accordance with the requirements of IFRS 10 — Consolidated Financial Statements, and concluded that the Group no longer had control over the Fund in 2025. Accordingly, the Fund ceased to be consolidated in 2025, and the carrying amounts of the relevant assets and liabilities held by the Fund were combined and reclassified as a single financial asset, presented as a financial asset at fair value through profit or loss at its aggregate carrying amount as at the date of reclassification. Management is of the view that the aforementioned deconsolidation is a reassessment based on new facts and circumstances that arose in 2025, and is in compliance with the requirements of the relevant IFRSs.

The Fund Manager has provided the Group with a revaluation statement regarding the overall net asset value of the Fund, but has not provided the detailed methodology, significant assumptions and key judgments supporting the valuation. Based on the information provided by the Fund Manager, management is unable to determine the underlying asset conditions and value of the Fund. Management believes that using the carrying amount of the investment as at 31 December 2024 as the measurement basis provides a better representation of the Group's investment in the Fund than any valuation derived from inputs that cannot be independently verified, and facilitates a proper understanding by financial statement users of the Group's financial position.

For further details of the GOSP6, please refer to the section headed "Progress on the Redemption of the Investment in GOSP6" on page 35 of this announcement.

Bank Balances and Cash

The Group's bank balances and cash, comprising cash and cash equivalents, term deposits and restricted bank deposits, amounted to RMB218.9 million as at 30 June 2026 (31 December 2025: RMB177.9 million).

Borrowings and Pledge of Assets

As at 30 June 2026, the Group had no bank borrowings (31 December 2025: Nil).

As at 30 June 2026, the Group had no pledge of assets (31 December 2025: Nil).

Capital Expenditure

In the first half of 2026, the capital expenditure of the Group amounted to RMB6.4 million (for the same period of 2025: RMB1.5 million). The following table sets forth the capital expenditure paid by the Group for the six months ended 30 June:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Property, plant and equipment	**6,298**	1,204
Intangible assets	**141**	265
Total	**6,439**	1,469

Inventories

The Group's inventories include raw materials and packaging materials, work in progress and finished goods as indicated in the following table:

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Raw materials and packaging materials	**4,149**	5,599
Work in progress	**1,291**	1,943
Finished goods	**23,447**	21,556
Total	**28,887**	29,098

Risks of Foreign Exchange Rate

Almost all of the revenue, costs of sales and expenses of the Group are denominated in Renminbi. Apart from some bank deposits that are denominated in HK dollar and US dollar, most assets and liabilities of the Group are also denominated in Renminbi. Since Renminbi is the functional currency of the Group, risks of foreign exchange rate mainly come from assets denominated in HK dollar and US dollar.

For the six months ended 30 June 2026, the Group did not purchase any foreign exchange derivative products, interest rate derivative products or hedging instruments (for the same period of 2025: Nil).

Material Acquisitions or Disposals

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the first half of 2026.

Significant Investments and Plans

Save as disclosed in this announcement, as at 30 June 2026, the Group had no single significant investment with a carrying amount of 5% or more of the Group's total assets.

As at the date of this announcement, the Board has not approved any plan for significant investments or acquisition of capital assets.

Gearing Ratio

As at 30 June 2026, the Group's gearing ratio (total liabilities divided by total assets, in percentage) was 20.5% (31 December 2025: 16.9%).

Contingent Liabilities and Guarantees

As at 30 June 2026, the Group had no material contingent liabilities and guarantees (31 December 2025: Nil).

Capital Commitments

As at 30 June 2026, capital commitments for property, plant and equipment as contracted for but not yet incurred amounted to RMB0.4 million (31 December 2025: RMB0.2 million).

Compliance with Laws and Regulations

The Group shall conduct business in compliance with the requirements of various laws and regulations, mainly including the Food Safety Law of the PRC, the Drug Administration Law of the PRC, the Regulations for Implementation of the Drug Administration Law of the PRC, the Environmental Protection Law of the PRC, the Labour Law of the PRC, the Labour Contract Law of the PRC as well as other applicable regulations, policies and normative legal documents issued based on or related to such laws and regulations. The Group's prevailing quality and safety control systems of product production are comprehensive and impose effective control over design and execution. The Group has passed the certifications of quality management systems such as ISO9001, ISO22000 and HACCP, ensuring its product quality and safety in an all-round and in-depth manner. In case of any changes in applicable laws, regulations and normative legal documents related to our principal businesses, the Group would inform relevant staff and operation teams in time. In addition, the Group ensured its compliance with such requirements via numerous measures, such as internal control and approval procedures as well as training and supervision on different business departments.

During the first half of 2026, so far as known to the Directors, there was no non-compliance with any relevant laws and regulations which would have a material impact on the Group.

Relationships with Employees, Suppliers and Customers

The Group endeavors to maintain sustainable development in the long term, continuously create value for its employees and customers, and foster good relationships with its suppliers. The Group understands that employees are its valuable assets, and the realization and enhancement of employees' values will facilitate the achievement of the Group's overall goals. For the six months ended 30 June 2026, the Group provided generous social insurance benefits to its employees to motivate their proactivity at work and heighten their sense of belonging. The Group also understands the importance of maintaining good relationships with its suppliers and customers to the overall development of the Group. The Group places emphasis on supplier selection and encourages fair and open competition to foster long-term relationships with quality suppliers on the basis of mutual trust. To maintain the competitiveness of its brand and products, the Group abides by the principles of honesty and trustworthiness and commits itself to consistently providing quality products to establish a reliable service environment for its customers. For the six months ended 30 June 2026, there was no significant or material dispute between the Group and its suppliers and/or customers.

Human Resources Management

The Group regards high-quality employees as its most important resource. As at 30 June 2026, the Group had 134 employees in mainland China and Hong Kong (31 December 2025: 123 employees). For the six months ended 30 June 2026, the staff costs of the Group (including remunerations of the Directors) were RMB24.7 million (for the same period of 2025: RMB22.5 million). Employee remuneration was determined with reference to individual performance, work experience, qualification and prevailing industry practice. Apart from basic remuneration and statutory pension benefit scheme, employee benefits also included discretionary bonus.

The Group places emphasis on the recruitment, motivation and retention of suitable talents. The Group invests considerable efforts in continuous education and training for its employees, so as to keep enhancing the knowledge, skill and team spirit of employees. The Group often provides internal and external training courses to relevant staff members based on various needs.

CORPORATE GOVERNANCE

For the six months ended 30 June 2026, the Company has applied the principles and complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to The Rules Governing the Listing of Securities on the Stock Exchange.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company (the "**Audit Committee**") comprises three independent non-executive Directors, namely Mr. He Yuanping, a Director with the appropriate professional qualifications and serving as the chairman of the Audit Committee, Mr. Shi Xiangxin and Dr. Chen Yang. The Audit Committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2026 and this announcement, the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters.

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

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company or sell any treasury shares during the six months ended 30 June 2026. As at 30 June 2026, the Company did not hold any treasury shares.

INTERIM DIVIDEND

The Board has resolved not to declare and pay any interim dividend for the six months ended 30 June 2026.

PROGRESS ON THE REDEMPTION OF THE INVESTMENT IN GOSP6

Reference is made to the 2024 annual report of the Company dated 29 April 2025, in which it was disclosed that management confirmed that the redemption arrangements disclosed in the "Subsequent Event" section of the 2024 Annual Results Announcement ultimately failed to materialize. With respect to the cash and equity redemption, the Fund Manager failed to complete the payment and share transfer in the manner described. As for the asset swap, given that the arrangement involved exchanging fund units for shares in a third-party private company, the Group, after reassessment upon due diligence, considered that such arrangement was not in the best interests of the Company and its shareholders as a whole. Consequently, the Group explicitly rejected it and, since July 2025, has consistently sought full recovery in cash of the entire investment principal and related returns.

As at the date of this announcement, the management has taken the following proactive measures to advance the recovery of the investment in the Fund:

(i) Since the beginning of 2025, the Group has repeatedly urged the Fund Manager via email and in writing to provide relevant documents and proceed with the redemption arrangements;

(ii) The Group's legal representatives issued formal demand letters to the Fund Manager on 18 December 2025, 29 December 2025, 9 January 2026, 29 January 2026, 17 March 2026, 24 June 2026, 7 July 2026 and 17 July 2026, respectively, making a stern demand regarding the overdue redemption payments and the obligation to cooperate with the audit, and requesting the submission of a specific written redemption plan; and

(iii) The Group's primary objective remains to achieve a full cash recovery of the investment in the Fund as soon as possible, and it will evaluate and pursue feasible recovery plans in a manner that is in the best interests of the Company and its shareholders as a whole.

SUBSEQUENT EVENTS

No significant event affecting the Group has occurred subsequent to 30 June 2026 and up to the date of this announcement.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

This announcement is published on the websites of the Company (http://ir.besunyen.com) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2026 will be dispatched to the shareholders of the Company and published on the above websites in due course.

By order of the Board
Besunyen Holdings Company Limited
Zhao Yihong
Chairman and Chief Strategy Officer

Hong Kong, 7 August 2026

As at the date of this announcement, the executive Directors are Mr. Zhao Yihong (Chairman and Chief Strategy Officer), Ms. Gao Yan (Vice Chairman), Mr. Feng Bing (Chief Executive Officer) and Mr. Yu Hongjiang (Executive Vice President, Chief Operating Officer and Chief Financial Officer); and the independent non-executive Directors are Mr. He Yuanping, Mr. Shi Xiangxin and Dr. Chen Yang.