

Stock Code: 603605
Bond Code: 113634

Stock Abbreviation: Proya
Bond Abbreviation: Proya Convertible Bond

Proya Cosmetics Co., Ltd. The First Quarter Report in 2026

The Board of Directors and all directors of the Company hereby guarantee that there are no false records, misleading statements or material omissions in this Announcement, and shall assume legal responsibilities for the authenticity, accuracy and completeness of the information provided.

Important Notes

The Board of Directors, directors, and senior management of the Company are responsible for the authenticity, accuracy and completeness of the information contained in this Quarterly Report without false records, misleading statements or material omissions, and assume the individual and joint legal responsibilities for the same.

The Chairman and CFO of the Company and the Head of Accounting Department (principal accounting officer) guarantee the authenticity, accuracy and completeness of the financial information in this Quarterly Report.

Whether the Q1 financial statements have been audited

☐ Yes ☒ No

I. Main Financial Data

(I) Major accounting data and financial indicators

Unit: Yuan Currency: CNY

Item	Reporting period	Same period of the previous year	Range of increase/decrease
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			in the reporting period over the same period of the previous year (%)
Operating revenue	2,305,344,625.43	2,359,334,894.91	-2.29
Total profits	452,524,830.17	493,195,647.58	-8.25
Net profit attributable to shareholders of the listed company	366,686,734.14	390,281,697.93	-6.05
Net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss	341,157,237.18	378,934,039.06	-9.97
Net cash flows from operating activities	106,971,167.62	675,490,380.59	-84.16
Basic earnings per share (yuan/share)	0.93	0.99	-6.06
Diluted earnings per share (yuan/share)	0.93	0.99	-6.06
Weighted average return on equity (%)	5.78	6.97	Down by 1.19 percentage points
	End of the reporting period	End of the previous year	Range of increase/decrease at the end of the reporting period as compared to the end of the previous year (%)
Total assets	8,912,125,388.70	8,487,416,240.25	5.00
Owners' equity attributable to shareholders of the listed company	6,406,175,986.81	6,141,055,103.57	4.32

(II) Non-recurring profit and loss items and amounts

√ Applicable □ Not applicable

Unit: Yuan Currency: CNY

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Non-recurring profit and loss items	Amount in the current period	Notes
Profit or loss from the disposal of non-current assets, including the write-off portion of recognized asset impairment provision	1,563,102.30	
Government grants recognized in the current profit or loss, excluding government grants that are closely related to the Company's normal operating activities, in compliance with national policies, obtained according to specified criteria, and have a lasting impact on the Company's profit or loss	28,613,308.30	
Except for effective hedging activities related to the Company's normal business operations, profit or loss arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, as well as profit or loss from the disposal of such financial assets and financial liabilities	6,779,948.73	
Fund possession fee collected from non-financial enterprises and included in the current profit or loss		
Profit or loss arising from entrusting others to invest or manage assets		
Profit or loss from externally entrusted loans		
Various asset losses caused by force majeure factors, such as natural disasters		
Reversal of impairment provision for receivables under separate impairment test		
Income arising when the Company's cost of investment to acquire subsidiaries, associates, and joint ventures is less than the fair value of the identifiable net assets of the investee that it should enjoy at the time of investment		
Net profit or loss for the period from the beginning of the period to the date of consolidation of subsidiaries arising from a business combination under common control		
Profit or loss on exchange of non-monetary assets		
Profit or loss from debt restructuring		
One-time expenses incurred by the enterprise due to the discontinuation of related business		

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activities, such as expenditures for resettling employees		
One-off impact on the current profit or loss due to the adjustment of taxation, accounting, and other laws and regulations		
One-off share-based payment expenses recognized due to the cancellation or modification of the equity incentive plan		
For cash-settled share-based payments, profit or loss arising from changes in the fair value of employee compensation payable after the vesting date		
Profit or loss from changes in the fair value of investment properties using the fair value model for subsequent measurement		
Income from transactions where the transaction price is manifestly not at fair value		
Profit or loss arising from contingencies irrelevant to the Company's normal business operation		
Custody fee income from entrusted management		
Other non-operating income and expenses other than the above	4,098,021.06	
Other profit or loss conforming to the definition of non-recurring profit or loss		
Less: Effect of income tax	9,451,244.10	
Effect of minority interests (after-tax)	6,073,639.33	
Total	25,529,496.96	

If the Company identifies items that are not specified in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-recurring Profits and Losses* as non-recurring profit and loss items and their amounts are significant, or if the Company identifies items specified in the announcement as recurring gain and loss items, the reasons should be stated.

☐ Applicable ☒ Not applicable

(III) Changes of major accounting data and financial indicators and the reasons

☒ Applicable ☐ Not applicable

Item	Change (%)	Main Reason
Net cash flows from operating activities	-84.16	Mainly due to a decrease in the collection of payment for goods and an increase in promotion expenses paid.

II. Shareholder Information

- (I) Total number of ordinary shareholders and that of preferred shareholders with restored voting rights and shareholding of the top ten shareholders

Unit: Share

Total number of ordinary shareholders at the end of the reporting period	73,274	Total number of preferred shareholders with restored voting rights at the end of the reporting period (if any)			0	
Shareholding of the top ten shareholders (excluding shares lent through margin financing and securities lending)						
Shareholder name	Nature of shareholders	Number of shares held	Shareholding proportion (%)	Number of restricted shares	Pledged, marked or frozen	
					Status of shares	Quantity
Hou Juncheng	Domestic natural person	136,739,037	34.53	0	None	
Fang Yuyou	Domestic natural person	59,625,258	15.06	0	Frozen and pledged	42,636,269
Hong Kong Securities Clearing Company Limited	Others	13,651,782	3.45	0	None	
Industrial and Commercial Bank of China Limited - Dongfanghong Ruixi Three-year Holding Period Hybrid Securities Investment Fund	Others	4,501,063	1.14	0	None	
Basic Pension Fund Portfolio No. 16032	Others	3,865,741	0.98	0	None	
Industrial and Commercial Bank of China Limited - CSI Consumer Staples ETF	Others	3,502,901	0.88	0	None	
Industrial and Commercial Bank of China Limited - Invesco Great Wall Emerging Growth Hybrid Securities Investment Fund	Others	2,600,000	0.66	0	None	
Agricultural Bank of China Limited – CSI 500 ETF	Others	1,655,119	0.42	0	None	
Zhao Wentao	Others	1,630,060	0.41	0	None	
Gu Jiyong	Others	1,629,096	0.41	0	None	
Shareholding of the top ten unrestricted shareholders (excluding shares lent through margin financing and securities lending)						

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Shareholder name	Number of unrestricted public shares	Type and number of shares	
		Type	Quantity
Hou Juncheng	136,739,037	CNY-denominated ordinary shares	136,739,037
Fang Yuyou	59,625,258	CNY-denominated ordinary shares	59,625,258
Hong Kong Securities Clearing Company Limited	13,651,782	CNY-denominated ordinary shares	13,651,782
Industrial and Commercial Bank of China Limited - Dongfanghong Ruixi Three-year Holding Period Hybrid Securities Investment Fund	4,501,063	CNY-denominated ordinary shares	4,501,063
Basic Pension Fund Portfolio No. 16032	3,865,741	CNY-denominated ordinary shares	3,865,741
Industrial and Commercial Bank of China Limited - CSI Consumer Staples ETF	3,502,901	CNY-denominated ordinary shares	3,502,901
Industrial and Commercial Bank of China Limited - Invesco Great Wall Emerging Growth Hybrid Securities Investment Fund	2,600,000	CNY-denominated ordinary shares	2,600,000
Agricultural Bank of China Limited – CSI 500 ETF	1,655,119	CNY-denominated ordinary shares	1,655,119
Zhao Wentao	1,630,060	CNY-denominated ordinary shares	1,630,060

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Gu Jiyong	1,629,096	CNY-denominated ordinary shares	1,629,096
Description of the related relationship or concerted action of the above shareholders	Fang Yuyou is the younger brother of Hou Juncheng's spouse Fang Aiqin, so there is an associated relationship between Hou Juncheng and Fang Yuyou.		
Description of the margin financing and securities lending and refinancing business among the top ten shareholders and the top ten shareholders not subject to trading restrictions (if any)	Shareholder Zhao Wentao holds 1,500,060 shares of the company through a credit account and 130,000 shares through an ordinary account, totaling 1,630,060 shares. Shareholder Gu Jiyong holds 1,566,696 shares of the company through a credit account and 62,400 shares through an ordinary account, totaling 1,629,096 shares.		

Note: As of the end of the reporting period, 3,757,848 shares of the Company were held in the Company's special securities account for repurchase, representing 0.95% of the Company's total share capital.

Involvement of shareholders holding more than 5% of the shares, the top ten shareholders and the top ten shareholders of unrestricted tradable shares in lending of share through margin financing and securities lending

☐ Applicable ☒ Not applicable

Changes in the top ten shareholders and the top ten shareholders of unrestricted tradable shares due to lending/returning of share through margin financing and securities lending compared with the previous period

☐ Applicable ☒ Not applicable

III. Other Reminders

Other important information about the Company's operations during the reporting period that investors should be reminded of

☐ Applicable ☒ Not applicable

IV. Quarterly Financial Statements

(I) Audit opinions

☐ Applicable ☒ Not applicable

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(II) Financial statements

Consolidated Balance Sheet

March 31, 2026

Prepared by: Proya Cosmetics Co., Ltd.

Unit: Yuan Currency: CNY Audit type: Unaudited

Item	March 31, 2026	December 31, 2025
Current assets:		
Monetary funds	4,751,189,035.34	5,060,981,558.27
Settlement reserve fund		
Loans to banks and other financial institutions		
Held-for-trading financial assets	323,742,610.23	
Derivative financial assets		
Notes receivable		
Accounts receivable	315,331,606.70	70,150,618.87
Receivables financing	4,331,974.24	2,491,804.24
Advances to suppliers	286,485,166.84	169,434,798.38
Premiums receivable		
Reinsurance premium receivable		
Reinsurance contract reserve receivable		
Other receivables	10,276,109.74	31,038,260.10
Including: Interest receivable		
Dividends receivable		20,000,000
Financial assets purchased under agreements to resell		
Inventories	678,168,914.47	634,717,582.47
Including: Data resources		
Contract assets		
Held-for-sale assets		
Current portion of non-current assets		
Other current assets	129,014,224.01	167,604,306.60
Total current assets	6,498,539,641.57	6,136,418,928.93
Non-current assets:		
Loans and advances		
Creditors' investments		
Other creditor's investment		
Long-term receivables		
Long-term equity investments	500,145,386.97	441,303,737.68

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Investments in other equity instruments	78,767,098.06	78,767,098.06
Other non-current financial assets		
Investment properties	62,790,067.48	62,924,414.65
Fixed assets	871,272,823.12	893,123,172.84
Construction in progress	148,784,750.68	128,341,121.16
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	25,159,085.66	27,117,353.69
Intangible assets	440,475,393.25	443,885,112.10
Including: Data resources		
Development expenditure		
Including: Data resources		
Goodwill		
Long-term deferred expenses	98,881,645.81	110,663,098.70
Deferred tax assets	172,845,038.47	149,070,224.51
Other non-current assets	14,464,457.63	15,801,977.93
Total non-current assets	2,413,585,747.13	2,350,997,311.32
Total assets	8,912,125,388.70	8,487,416,240.25
Current liabilities:		
Short-term borrowings	80,052,800.00	80,052,800.00
Borrowings from the central bank		
Placements from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	881,915,464.36	798,463,950.20
Advances from customers	329,059.04	345,362.16
Contract liabilities	159,466,906.96	167,287,402.83
Financial assets sold under agreements to repurchase		
Customer bank deposits and due to banks and other financial institutions		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Employee compensation payable	96,176,911.69	161,389,606.41

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Taxes payable	211,022,053.15	94,748,550.72
Other payables	42,896,273.53	45,208,485.79
Including: Interest payable		
Dividends payable		
Handling charges and commissions payable		
Dividend payable for reinsurance		
Held-for-sale liabilities		
Current portion of non-current liabilities	8,323,740.36	7,738,217.76
Other current liabilities	29,369,025.41	18,877,890.19
Total current liabilities	1,509,552,234.50	1,374,112,266.06
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings		
Bonds payable	813,437,206.78	804,392,073.95
Including: Preferred stocks		
Perpetual bonds		
Lease liabilities	18,207,332.11	19,709,565.95
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	22,253,815.99	22,680,204.91
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	853,898,354.88	846,781,844.81
Total liabilities	2,363,450,589.38	2,220,894,110.87
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	395,976,008.00	395,975,998.00
Other equity instruments	50,890,052.21	50,890,120.00
Including: Preferred stocks		
Perpetual bonds		
Capital reserve	825,301,658.81	825,300,520.47
Less: Treasury shares	293,165,449.58	192,144,659.13
Other comprehensive income	-67,627,936.57	-67,081,795.57
Special reserves		
Surplus reserves	198,411,582.50	198,411,582.50
General risk provision		
Undistributed profits	5,296,390,071.44	4,929,703,337.30

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Total owners' equity (or shareholders' equity) attributable to the parent company	6,406,175,986.81	6,141,055,103.57
Non-controlling interests	142,498,812.51	125,467,025.81
Total owners' equity (or shareholders' equity)	6,548,674,799.32	6,266,522,129.38
Total liabilities and owners' equity (or shareholders' equity)	8,912,125,388.70	8,487,416,240.25

Chairman of the Company: Hou Juncheng
of Accounting Department: Ma Nan

CFO of the Company: Jin Chang

Head

Consolidated Income Statement

January-March 2026

Prepared by: Proya Cosmetics Co., Ltd.

Unit: Yuan Currency: CNY Audit type: Unaudited

Item	Q1 2026	Q1 2025
I. Total operating revenue	2,305,344,625.43	2,359,334,894.91
Including: Operating revenue	2,305,344,625.43	2,359,334,894.91
Interest income		
Premium earned		
Handling charges and commission income		
II. Total operating cost	1,933,737,151.25	1,876,966,384.80
Including: Operating cost	587,283,446.04	642,305,320.56
Interest expenses		
Handling charges and commission expenses		
Surrenders		
Net payments for insurance claims		
Net provision for insurance contract reserves		
Policyholder dividend expenses		
Expenses for reinsurance accepted		
Taxes and surcharges	18,226,699.64	26,630,240.88
Selling expenses	1,171,893,316.87	1,076,518,735.34
Administrative expenses	115,699,318.91	99,466,389.76
R&D expenses	42,950,008.99	43,142,260.77
Financial expenses	-2,315,639.20	-11,096,562.51
Including: Interest expenses	8,629,246.59	7,872,923.59
Interest income	12,345,396.59	15,905,516.11
Add: Other income	32,564,775.50	26,816,861.36

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Investment income (loss to be listed with "-")	65,170,571.32	
Including: Income from investment in associates and joint ventures	58,841,649.28	
Income from derecognition of financial assets measured at amortized cost		
Exchange gains (loss to be listed with "-")		
Net exposure hedging income (loss to be listed with "-")		
Gains from changes in fair values (loss to be listed with "-")	451,026.69	
Credit impairment loss (loss to be listed with "-")	-11,978,745.93	8,911,220.38
Asset impairment loss (loss to be listed with "-")	-10,951,394.95	-23,840,076.55
Income from disposal of assets (loss to be listed with "-")	1,563,602.30	-374,057.21
III. Operating profit (loss to be listed with "-")	448,427,309.11	493,882,458.09
Add: Non-operating revenue	4,928,154.89	135,357.28
Less: Non-operating expenses	830,633.83	822,167.79
IV. Total profit (total loss to be listed with "-")	452,524,830.17	493,195,647.58
Less: Income tax expenses	68,876,982.21	87,634,855.99
V. Net profit (net loss to be listed with "-")	383,647,847.96	405,560,791.59
(I) Classified by continuity of operation		
1. Net profit from continuing operations (net loss to be listed with "-")	383,647,847.96	405,560,791.59
2. Net profit from discontinued operations (net loss to be listed with "-")		
(II) Classified by ownership		
1. Net profit attributable to shareholders of the parent company (net loss to be listed with "-")	366,686,734.14	390,281,697.93
2. Minority interest income (net loss to be listed with "-")	16,961,113.82	15,279,093.66
VI. Net after-tax amount of other comprehensive income	-546,141.00	122,936.85
(I) Other comprehensive income attributable to owners of the parent company, net of tax	-546,141.00	122,936.85

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1. Other comprehensive income that cannot be reclassified into profit or loss		
(1) Changes arising from re-measurement of the defined benefit plan		
(2) Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
(3) Changes in fair value of investments in other equity instruments		
(4) Changes in fair value of the enterprise's credit risk		
2. Other comprehensive income to be reclassified into profit or loss	-546,141.00	122,936.85
(1) Other comprehensive income that can be reclassified into profit or loss under the equity method		
(2) Changes in the fair value of other debt investments		
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Provision for credit impairment in other debt investments		
(5) Cash flow hedge reserve		
(6) Translation difference of foreign currency financial statements	-546,141.00	122,936.85
(7) Others		
(II) Other comprehensive income attributable to minority shareholders, net of tax		
VII. Total comprehensive income	383,101,706.96	405,683,728.44
(I) Total comprehensive income attributable to owners of the parent company	366,140,593.14	390,404,634.78
(II) Total comprehensive income attributable to minority shareholders	16,961,113.82	15,279,093.66
VIII. Earnings per share:		
(I) Basic earnings per share (yuan/share)	0.93	0.99
(II) Diluted earnings per share (yuan/share)	0.93	0.99

Chairman of the Company: Hou Juncheng
Head of Accounting Department: Ma Nan

CFO of the Company: Jin Chang

Consolidated Cash Flow Statement

January-March 2026

Prepared by: Proya Cosmetics Co., Ltd.

Unit: Yuan Currency: CNY Audit type: Unaudited

Item	Q1 2026	Q1 2025
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of labor services	2,320,030,710.81	2,718,726,372.51
Net increase in deposits from customers and placements from banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in placements from other financial institutions		
Cash received from receiving premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interests, handling charges, and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in buyback business capital		
Net cash received from securities brokering		
Receipts of tax refunds	941,715.00	649,460.74
Other cash received relating to operating activities	55,899,568.00	41,650,032.19
Subtotal of cash inflows from operating activities	2,376,871,993.81	2,761,025,865.44
Cash paid for the purchase of goods and receipt of labor services	482,265,456.77	389,052,641.67
Net increase in loans and advances to customers		
Net increase of deposits in the central bank and other banks		
Cash paid for claims of original insurance contracts		

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Net increase in loans to banks and other financial institutions		
Cash paid for interests, handling charges, and commissions		
Cash paid for policy dividends		
Cash paid to and on behalf of employees	291,908,455.02	279,768,137.80
Payments of taxes and surcharges	139,300,386.95	209,835,194.47
Other cash paid relating to operating activities	1,356,426,527.45	1,206,879,510.91
Subtotal of cash outflows from operating activities	2,269,900,826.19	2,085,535,484.85
Net cash flows from operating activities	106,971,167.62	675,490,380.59
II. Cash flows from investing activities:		
Cash received from disposal of investments	2,889,901,256.70	
Cash received from investment income	26,277,338.50	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,237,088.32	193,000.00
Net cash receipts from disposals of subsidiaries and other business units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	2,918,415,683.52	193,000.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	24,439,383.92	29,015,207.21
Cash paid for investments	3,213,141,256.70	
Net increase in pledge loans		
Net amount of cash paid for the acquisition of subsidiaries and other operating entities		
Other cash paid relating to investing activities		
Subtotal of cash outflows from investing activities	3,237,580,640.62	29,015,207.21
Net cash flows from investing activities	-319,164,957.10	-28,822,207.21
III. Cash flows from financing activities:		

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Cash receipts from capital contributions		286,400.00
Including: Cash receipts from capital contributions from minority owners of subsidiaries		286,400.00
Cash received from borrowings		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		286,400.00
Cash repayments of borrowings	432,000.00	
Cash payments for distribution of dividends or profits or settlement of interest expenses		2,953,952.16
Including: Payments for distribution of dividends or profits to minority owners of subsidiaries		2,953,952.16
Other cash paid relating to financing activities	103,412,530.31	
Subtotal of cash outflows from financing activities	103,844,530.31	2,953,952.16
Net cash flows from financing activities	-103,844,530.31	-2,667,552.16
IV. Effect of exchange rate changes on cash and cash equivalents	-546,141.00	122,936.85
V. Net increase in cash and cash equivalents	-316,584,460.79	644,123,558.07
Add: Beginning balance of cash and cash equivalents	3,934,243,638.77	2,742,569,684.62
VI. Ending balance of cash and cash equivalents	3,617,659,177.98	3,386,693,242.69

Chairman of the Company: Hou Juncheng
Head of Accounting Department: Ma Nan

CFO of the Company: Jin Chang

(III) The first implementation of new accounting standards or interpretation of standards from 2026 involves adjustment to the financial statements at the beginning of the year of the first implementation

☐ Applicable ☒ Not applicable

It is hereby announced.

Board of Directors of Proya Cosmetics Co., Ltd.
April 20, 2026