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**Shanghai Haohai Biological Technology Co., Ltd.\***

**上海昊海生物科技股份有限公司**

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

**(Stock code: 6826)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**HIGHLIGHTS OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

During the Reporting Period, the Group recorded a revenue of RMB2,679.67 million, representing an increase of RMB44.76 million, or 1.70%, as compared to the corresponding period in 2023.

During the Reporting Period, the Group's R&D expenses amounted to approximately RMB238.93 million, representing an increase of RMB18.83 million, or approximately 8.56%, as compared to the corresponding period in 2023. The R&D expenses remained high at 8.92% of the revenue (2023: 8.35%).

During the Reporting Period, the Group's net profit attributable to shareholders of the Company and net profit attributable to shareholders of the Company after deducting non-recurring profit or loss was approximately RMB420.45 million and RMB379.10 million respectively, remaining basically flat, as compared to the corresponding period in 2023.

The Board has proposed to declare the final dividend of RMB0.60 (inclusive of tax) per share for the year ended 31 December 2024 (2023: RMB1.00 per share).

The board of directors (the "**Board**") of Shanghai Haohai Biological Technology Co., Ltd.\* (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**", "**we**", "**our**" or "**us**") for the year ended 31 December 2024 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2023.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
<b>REVENUE</b>	<i>4</i>	<b>2,679,667</b>	2,634,910
Cost of sales		<u>(810,879)</u>	<u>(781,401)</u>
Gross profit		<b>1,868,788</b>	1,853,509
Other income and gains, net	<i>4</i>	<b>149,761</b>	134,286
Selling and distribution expenses		<b>(780,850)</b>	(814,508)
Administrative expenses		<b>(446,975)</b>	(422,346)
Reversal of impairment losses on financial assets, net		<b>2,229</b>	1,973
Research and development costs		<b>(238,929)</b>	(220,098)
Other expenses		<b>(70,804)</b>	(17,717)
Finance costs	<i>6</i>	<b>(18,061)</b>	(7,295)
Share of profits and losses of:			
An associate		<u><b>986</b></u>	<u>456</u>
<b>PROFIT BEFORE TAX</b>	<i>5</i>	<b>466,145</b>	508,260
Income tax expense	<i>7</i>	<u><b>(89,902)</b></u>	<u>(95,991)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>376,243</b></u>	<u>412,269</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u><b>8,502</b></u>	<u>36,258</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods:		<u><b>8,502</b></u>	<u>36,258</u>

	<i>Note</i>	<b>2024</b> <b>RMB'000</b>	2023 RMB'000
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value		(137,365)	(40,700)
Income tax effect		<u>18,071</u>	<u>(3,390)</u>
		(119,294)	(44,090)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		<u>(119,294)</u>	<u>(44,090)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<u>(110,792)</u>	<u>(7,832)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>265,451</u></u>	<u><u>404,437</u></u>
Profit attributable to:			
Owners of the parent		420,447	416,121
Non-controlling interests		<u>(44,204)</u>	<u>(3,852)</u>
		<u><u>376,243</u></u>	<u><u>412,269</u></u>
Total comprehensive income attributable to:			
Owners of the parent		308,897	402,952
Non-controlling interests		<u>(43,446)</u>	<u>1,485</u>
		<u><u>265,451</u></u>	<u><u>404,437</u></u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted (RMB)			
– For profit for the year	9	<u><u>1.80</u></u>	<u><u>1.75</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***31 December 2024*

	<i>Notes</i>	<b>2024</b> <b>RMB'000</b>	2023 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>1,700,688</b>	1,407,916
Right-of-use assets		<b>193,954</b>	207,130
Other intangible assets		<b>559,880</b>	574,876
Goodwill		<b>422,928</b>	413,021
Investment in an associate		<b>4,473</b>	3,471
Equity investments designated at fair value through other comprehensive income	<i>10</i>	<b>496,561</b>	603,630
Deferred tax assets		<b>59,300</b>	53,124
Other non-current assets		<b>25,340</b>	92,185
Total non-current assets		<b>3,463,124</b>	3,355,353
<b>CURRENT ASSETS</b>			
Inventories		<b>490,651</b>	526,174
Trade and bills receivables	<i>11</i>	<b>324,280</b>	337,083
Prepayments, other receivables and other assets		<b>125,286</b>	122,125
Financial assets at fair value through profit or loss		<b>87,846</b>	11,083
Assets classified as held for sale		–	13,000
Pledged deposits		<b>899</b>	680
Cash and bank balances		<b>2,629,306</b>	2,739,999
Total current assets		<b>3,658,268</b>	3,750,144
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>12</i>	<b>62,099</b>	55,108
Other payables and accruals		<b>480,711</b>	409,816
Interest-bearing bank and other borrowings	<i>13</i>	<b>305,683</b>	216,625
Tax payable		<b>17,400</b>	34,402
Total current liabilities		<b>865,893</b>	715,951
<b>NET CURRENT ASSETS</b>		<b>2,792,375</b>	3,034,193
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>6,255,499</b>	6,389,546

	<i>Notes</i>	<b>2024</b> <b><i>RMB'000</i></b>	2023 <i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings	<i>13</i>	<b>142,744</b>	191,324
Other payables and accruals		–	4,500
Deferred tax liabilities		<b>151,766</b>	161,665
Deferred income		<b>15,406</b>	13,625
Provision		<b>28,542</b>	1,139
		<hr/>	<hr/>
Total non-current liabilities		<b>338,458</b>	372,253
		<hr/>	<hr/>
Net assets		<b>5,917,041</b>	6,017,293
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to ordinary equity holders of the parent</b>			
Share capital	<i>14</i>	<b>233,194</b>	171,477
Treasury shares	<i>14</i>	<b>(228,341)</b>	(248,455)
Reserves		<b>5,570,406</b>	5,727,042
		<hr/>	<hr/>
<b>Non-controlling interests</b>		<b>5,575,259</b>	5,650,064
		<b>341,782</b>	367,229
		<hr/>	<hr/>
<b>Total equity</b>		<b>5,917,041</b>	6,017,293
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## NOTES TO FINANCIAL STATEMENTS

31 December 2024

### 1. CORPORATE AND GROUP INFORMATION

The Company was established as a limited liability company on 24 January 2007 in the People's Republic of China (the "PRC"), and the Company was transformed into a joint stock company with limited liability on 2 August 2010. The registered office of the Company is located at No. 5 Tongjing Road, Songjiang Industrial Zone, Shanghai, PRC. The Company issued 40,000,000 H shares and 45,300 H shares on 30 April 2015 and 28 May 2015, respectively. The H shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKSE") since 30 April 2015. The Company issued 17,800,000 A shares on 30 October 2019 ("A Share Offering"). The A shares of the Company have been listed on the Sci-tech Innovation Board of the Shanghai Stock Exchange (the "SSE") since 30 October 2019. The total number of issued shares of the Company after the A Share Offering was 177,845,300 (comprising 40,045,300 H shares and 137,800,000 A shares).

As of 31 December 2024, the Company repurchased and cancelled its own shares as follows:

#### Repurchase of H shares

During the period from March 2020 to December 2023, the Company repurchased an aggregate of 10,446,700 H shares, among which, 7,150,200 H shares have been cancelled as of 31 December 2023. During the year ended 31 December 2024, the Company repurchased 2,492,100 H shares and cancelled an aggregate of 5,592,700 H shares.

#### Repurchase of A shares

During the period from August 2023 to August 2024, the Company completed its first round of A share repurchase and a total of 2,015,674 A shares were repurchased. The Company then implemented its second round of A share repurchase plan and a total of 492,746 A shares were repurchased from November to December 2024. As of 31 December 2024, none of these repurchased A shares were cancelled.

In March 2024, 526,445 A shares were issued to eligible participants pursuant to the completion of attribution of the first grant under the Company's 2021 Restricted A Share Incentive Scheme.

In June 2024, the Company issued additional 66,782,692 shares (comprising 54,943,252 A shares and 11,839,440 H shares) by transferring capital reserve to share capital.

Throughout the fiscal year ended 31 December 2024, the Group's primary activities were focused on the manufacture and sale of biologicals, medical hyaluronate and ophthalmology products, alongside with research and development of biological engineering. Furthermore, the Group was involved in the production and distribution of pharmaceutical and ophthalmology products, as well as offering related services.

In the opinion of the directors, the ultimate controlling stakeholders are Mr. Jiang Wei and his spouse, Ms. You Jie.

## Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place and date of incorporation/ registration and place of business	Paid-up capital/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct %	Indirect %	
上海其勝生物製劑有限公司 Shanghai Qisheng Biologicals Co., Ltd.* ("Shanghai Qisheng")	PRC/Mainland China 27 May 1992	RMB160,000,000	100	–	Manufacture and sale of biological reagents, biologicals and biological materials
上海利康瑞生物工程有限公司 Shanghai Likangrui Bioengineering Co., Ltd.* ("Shanghai Likangrui")	PRC/Mainland China 3 September 2001	RMB250,000,000	70	–	Research and development, consultation and services of biological engineering and pharmaceutical products and related technology transfer
河南宇宙人工晶狀體研製有限公司 Henan Universe Intraocular Lens Research and Manufacture Co., Ltd. ("Henan Universe")	PRC/Mainland China 23 April 1991	RMB10,000,000	–	100	Manufacture and sale of intraocular lens and related products
深圳市新產業眼科新技術有限公司 Shenzhen New Industries Material of Ophthalmology Co., Ltd.* ("NIMO")	PRC/Mainland China 27 April 2006	RMB11,000,000	–	80	Sale of ophthalmology products
Contamac Limited	United Kingdom 10 May 1991	GBP1,000	–	79	Manufacture and sale of contact lens and intraocular lens material, machines and accessories
歐華美科(天津)醫學科技有限公司 Ouhua Meike (Tianjin) Medical Technology Co., Ltd. ("JUVA MEDICAL")	PRC/Mainland China 12 May 2014	RMB126,500,000	100	–	Sale machines of medical aesthetics, professional life cosmetology and home cosmetology
EndyMed Ltd.	Israel	ILS2,749,248	–	49	Research and development of radiofrequency instruments and product and sale of radiofrequency instruments

\* English translations of names for identification purposes only

\* All of the Company's subsidiaries registered in the PRC are limited liability companies under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

## 2.1 BASIS OF PRESENTATION

These financial statements have been prepared in accordance with the IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for bills receivables and certain equity investments and certain other payables and accruals, which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.



## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “ <b>2020 Amendments</b> ”)
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> (the “ <b>2022 Amendments</b> ”)
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

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

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

## 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>3</sup>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>3</sup>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>2</sup>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
Amendments to IAS 21	<i>Lack of Exchangeability</i> <sup>1</sup>
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>4</sup> No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group’s financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group’s financial statements.

*Annual Improvements to IFRS Accounting Standards – Volume 11* set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.
- IFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.
- IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.
- IAS 7 Statement of Cash Flows: The amendments replace the term “cost method” with “at cost” in paragraph 37 of IAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group’s financial statements.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating activities are related to a single operating segment, which is the manufacture and sale of biologicals, medical hyaluronate and intraocular lens, research and development of biological engineering and pharmaceutical products and the provision of related services. Therefore, management monitors the operating results of the Group's operating segment as a whole for the purpose of making decision about resources allocation and performance assessment.

#### Geographical information

##### (a) Revenue from external customers

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Mainland China	2,245,880	2,181,814
Europe	154,216	136,051
USA	137,782	120,277
Other regions and countries	141,789	196,768
Total revenue	<u>2,679,667</u>	<u>2,634,910</u>

The revenue information of continuing operations above is based on the locations of the customers.

##### (b) Non-current assets

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Mainland China	2,471,771	2,199,447
U.K.	286,531	282,825
USA	38,982	31,047
Other regions and countries	109,979	185,280
Total non-current assets	<u>2,907,263</u>	<u>2,698,599</u>

The non-current asset information of continuing operations above is based on the locations of the assets and excludes equity investments designated at fair value through other comprehensive income and deferred tax assets.

#### Information about major customers

No revenue from a single customer contributed to 10% or more of the Group's revenue during the year.

### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers	<u>2,679,667</u>	<u>2,634,910</u>

## Revenue from contracts with customers

### (a) *Disaggregated revenue information*

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Types of goods sold</b>		
Medical aesthetics and wound care products	1,189,225	1,052,801
Ophthalmology products	853,423	924,650
Orthopedic products	454,281	474,259
Antiadhesion and hemostasis products	144,924	145,924
Other products	37,814	37,276
	<hr/>	<hr/>
Total	<b>2,679,667</b>	<b>2,634,910</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	2,678,612	2,631,224
Services rendered over time	1,055	3,686
	<hr/>	<hr/>
Total	<b>2,679,667</b>	<b>2,634,910</b>
	<hr/> <hr/>	<hr/> <hr/>

### (b) *Performance obligation*

Information about the Group's performance obligation is summarised below:

#### *Sale of products*

The performance obligation is satisfied upon delivery of products and payment is generally due within six months from delivery, except for distributors, where payment in advance is normally required.

#### *Equipment technical service*

The performance obligation is satisfied over time as services are rendered. Service contracts are billed based on the time incurred or monthly.

## Other income and gains

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Bank interest income	73,962	77,731
Government grants	44,160	41,820
Fair value gain of financial assets at fair value through profit or loss	25,915	2,296
Dividend income from equity investments designated at fair value through other comprehensive income	16	423
Gain on disposal of items of property, plant and equipment	–	627
Others	5,708	11,389
	<hr/>	<hr/>
Total other income and gains	<b>149,761</b>	<b>134,286</b>
	<hr/> <hr/>	<hr/> <hr/>

#### *Note:*

Various government grants have been received from local government authorities in various regions in the PRC, for compensating research activities. The government grants released have been recorded in other income and gains, among which there were no unfulfilled conditions or contingencies relating to these recognised government grants.

## 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of inventories sold	810,788	781,162
Cost of services provided	91	239
Depreciation of property, plant and equipment	116,241	112,557
Depreciation of right-of-use assets	33,341	30,903
Less: Capitalised in construction in progress	6,515	6,515
Depreciation charged to profit or loss	<u>26,826</u>	<u>24,388</u>
Amortisation of other intangible assets	62,159	60,910
Auditor's remuneration	2,710	2,545
Research and development costs	238,929	220,098
Lease payments not included in the measurement of lease liabilities	5,038	4,652
Employee benefit expense (excluding directors' remuneration):		
Wages and salaries	631,903	577,016
Pension scheme contributions	61,038	53,065
Equity-settled share option expense	3,002	14,301
Foreign exchange differences, net	4,481	5,614
Impairment losses on financial assets, net:		
Reversal of impairment of trade receivables, net	(2,854)	(2,078)
Impairment of financial assets included in prepayments, other receivables and other assets, net	625	105
Write-down of inventories to net realisable value	32,238	6,741
Bank interest income	(73,962)	(77,731)
Net loss/(gain) on disposal and obsolescence of items of property, plant and equipment	<u>16</u>	<u>(591)</u>

## 6. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank loans and other loans	15,823	5,187
Interest on lease liabilities	<u>2,238</u>	<u>2,108</u>
Total	<u>18,061</u>	<u>7,295</u>

## 7. INCOME TAX

The Company is registered in the PRC and is subject to PRC corporate income tax (“CIT”) on the taxable income as reported in its PRC statutory accounts adjusted in accordance with relevant PRC income tax laws.

The Company, Shanghai Qisheng, Shanghai Jianhua Fine Biological Products Co., Ltd. (“Shanghai Jianhua”), Henan Universe, and Qingdao Huayuan Fine Biological Product Co., Ltd. (“Qingdao Huayuan”) were accredited as high and new-tech enterprises (the “HNTE”) for the three years from 2023 to 2025 by the relevant authorities. Therefore, the preferential income tax rate of 15% was applied during 2024 for the Company, Shanghai Qisheng, Shanghai Jianhua, Henan Universe and Qingdao Huayuan.

NIMO, Hangzhou Aijinglun Technology Co., Ltd. (“Hangzhou Aijinglun”) and Sanhe Leike Optoelectronics Technology Co., Ltd. (“Laserconn”) were accredited as HNTE for the three years from 2022 to 2024 by the relevant authorities. Therefore, the preferential income tax rate of 15% was applied during 2024 for NIMO, Hangzhou Aijinglun and Laserconn.

Henan Simedice Biotechnologies Co., Ltd. (“Henan Simedice”) was accredited as HNTE for the three years from 2024 to 2026 by the relevant authorities. Therefore, the preferential income tax rate of 15% was applied during 2024 for Henan Simedice.

The applicable tax rate for the other subsidiaries registered in Mainland China was 25% (2023: 25%) during the year.

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

The profits tax for subsidiaries in the USA has been provided at the rate of 21% (2023: 21%) on the estimated assessable profits arising in the USA during the year.

The profits tax for subsidiaries in the U.K. has been provided at the rate of 25% (2023: 25%) on the estimated assessable profits arising in the U.K. during the year.

The profits tax for subsidiaries in France has been provided at the rate of 25% (2023: 25%) on the estimated assessable profits arising in France during the year.

The profits tax for subsidiaries in Israel has been provided at the rate of 23% (2023: 23%) on the estimated assessable profits arising in Israel during the year.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Current</b>		
Charge for the year	97,790	95,774
Under provision in prior years	795	2,160
Deferred	<u>(8,683)</u>	<u>(1,943)</u>
Total tax charge for the year	<u><u>89,902</u></u>	<u><u>95,991</u></u>

## 8. DIVIDENDS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interim – RMB0.40 (2023: Nil) per ordinary share	92,902	–
Proposed final – RMB0.60 (2023: RMB1.00) per ordinary share	<u><u>138,023</u></u>	<u><u>166,834</u></u>

On 21 March 2025, the directors proposed to declare the final dividend of RMB0.60 (inclusive of tax) per ordinary share, amounting to RMB138,023,048 for the year ended 31 December 2024, based on the total number of shares issued by the Company and deducting total shares which have been repurchased but not cancelled by the Company as of 21 March 2025.

The proposed final dividend of RMB1.00 (inclusive of tax) per ordinary share of the Company for the year ended 31 December 2023 was declared payable by the shareholders of the Company at the annual general meeting of the Company on 29 May 2024.

The interim dividend of RMB0.40 (inclusive of tax) per ordinary share, amounting to RMB92,902,248 for the six-month period ended 30 June 2024 was declared payable by the shareholders of the Company at the extraordinary general meeting of the Company On 13 September 2024.

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 233,108,062 (2023: 237,313,829) outstanding during the year. The weighted average number of ordinary shares for the purposes of calculating basic earnings per share have been retrospectively adjusted to reflect the effect of issuance of shares under the capitalization issue (Note 14(4)).

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2024 and 2023. The Group has a share option scheme that has an anti-dilution effect on earnings per share, so the amounts of diluted earnings per share and basic earnings per share are the same.

The calculation of basic and diluted earnings per share is based on:

	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<b><u>Earnings</u></b>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<b>420,447</b>	416,121
	<b>Numbers of shares</b>	
	<b>2024</b>	2023
<b><u>Shares</u></b>		
Weighted average number of ordinary shares outstanding used in the basic and diluted earnings per share calculation	<b>233,108,062</b>	237,313,829



## 10. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Equity investments designated at fair value through other comprehensive income		
Listed equity investments, at fair value		
Union Medical Healthcare Limited	2,227	5,659
Raily Aesthetic Medicine International Holdings Ltd.	1,321	4,350
Aesthetic Medical International Holdings Group Limited	552	1,222
	<hr/>	<hr/>
Subtotal	4,100	11,231
	<hr/>	<hr/>
Unlisted equity investments		
Shenwu No.1 Investment Product	246,950	239,136
Eirion Therapeutics, Inc.	150,511	169,985
Shanghai Semecell Technology Co., Ltd.	27,648	96,000
Zhejiang Boye Biotech Limited	20,000	–
Jiangsu Meifengli Medical Technology Co., Ltd.	17,660	52,800
ArcScan, Inc.	13,866	17,395
Genzhishiguang Technology (Shanghai) Co., Ltd	8,638	10,000
Ornovi, Inc.	7,188	7,083
	<hr/>	<hr/>
Subtotal	492,461	592,399
	<hr/>	<hr/>
Total	<b>496,561</b>	<b>603,630</b>
	<hr/> <hr/>	<hr/> <hr/>

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

During the year ended 31 December 2024, the Group disposed of its investment in Shanghai Resthetic Biotechnology Co., Ltd. The fair value on the date of disposal was approximately RMB13,158,000 and the accumulated gain recognised in other comprehensive income of approximately RMB3,158,000 was transferred to retained earnings.

During the year ended 31 December 2023, the Group disposed of a portion of its investment in Union Medical Healthcare Limited. The fair value on the date of disposal was approximately RMB14,565,000 and the accumulated gain recognised in other comprehensive income of approximately RMB9,719,000 was transferred to retained earnings.

During the year ended 31 December 2023, the Group disposed of its investment in Jiangsu Meisikang Medical Technology Co., Ltd. The fair value on the date of disposal was approximately RMB9,800,000 and the accumulated gain recognised in other comprehensive income of approximately RMB1,801,000 was transferred to retained earnings.

## 11. TRADE AND BILLS RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Bills receivable	8,170	9,222
Trade receivables	347,533	364,880
Impairment	<u>(31,423)</u>	<u>(37,019)</u>
Net carrying amount	<u><u>324,280</u></u>	<u><u>337,083</u></u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one to twelve months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	313,591	328,230
1 to 2 years	8,665	8,853
2 to 3 years	<u>2,024</u>	<u>–</u>
Total	<u><u>324,280</u></u>	<u><u>337,083</u></u>

## 12. TRADE PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	<u><u>62,099</u></u>	<u><u>55,108</u></u>

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 3 months	52,489	51,602
3 months to 1 year	8,902	1,197
Over 1 year	<u>708</u>	<u>2,309</u>
Total	<u><u>62,099</u></u>	<u><u>55,108</u></u>

### 13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2024			31 December 2023		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
<b>Current</b>						
Lease liabilities	3.60-5.80	2025	18,595	4.24-5.80	2024	20,310
Bank loans						
unsecured (a)	2.22-2.40	2025	211,500	3.10	2024	10,000
Current portion of long term other loans guaranteed (b)	2.25	2025	1,129	2.25	2024	1,332
Current portion of long term bank loans guaranteed (b)	0.73	2025	1,168	0.73	2024	1,219
unsecured (c)	1.80-2.50	2025	73,291	2.3-2.65	2024	183,764
Total – current			<u>305,683</u>			<u>216,625</u>
<b>Non-current</b>						
Lease liabilities	3.60-5.80	2025-2030	32,023	4.24-5.80	2024-2029	33,883
Bank loans						
unsecured (c)	1.80-2.50	2025-2027	109,082	2.3-2.65	2024-2026	153,373
guaranteed (b)	0.73	2025-2026	698	0.73	2024-2026	1,907
Other loans guaranteed (b)	2.25	2025-2026	941	2.25	2024-2026	2,161
Total – non-current			<u>142,744</u>			<u>191,324</u>
Total			<u><u>448,427</u></u>			<u><u>407,949</u></u>

	<b>2024</b>	2023
	<b>RMB'000</b>	<b>RMB'000</b>
Analysed into:		
Bank loans repayable:		
Within one year or on demand	<b>285,959</b>	194,983
In the second year	<b>76,680</b>	44,659
In the third to fifth years, inclusive	<b>33,100</b>	110,621
Subtotal	<b>395,739</b>	350,263
Other borrowings repayable:		
Within one year or on demand	<b>19,724</b>	21,642
In the second year	<b>13,355</b>	17,002
In the third to fifth years, inclusive	<b>14,093</b>	14,884
Beyond five year	<b>5,516</b>	4,158
Subtotal	<b>52,688</b>	57,686
Total	<b>448,427</b>	407,949

*Notes:*

- (a) The short term unsecured bank loans represent the loans obtained by the Company, Shanghai Qisheng with interest rates of 2.22-2.40% in 2024.
- (b) The guaranteed bank and other loans represent the loans obtained by Bioxis guaranteed by the government.
- (c) The long term unsecured bank loans represent the loans obtained by the Company, Shanghai Qisheng, Haohai Development and Shanghai JianHua with interest rates of 1.80%-2.50% in 2024.

#### 14. SHARE CAPITAL

	<b>2024</b>	2023
	<b>RMB'000</b>	<b>RMB'000</b>
Issued and fully paid:233,193,695 (2023: 171,477,258) ordinary shares of RMB1.00 each	<b>233,194</b>	171,477

A summary of the Company's share capital is as follows:

	<b>Number of shares in issue</b>	<b>Share capital RMB'000</b>
At 31 December 2022 and 1 January 2023	<b>174,130,000</b>	174,130
Cancellation of repurchased H Shares ( <i>note 1</i> )	<b>(3,434,900)</b>	(3,435)
Issue of A shares ( <i>note 2</i> )	<b>782,158</b>	782
At 31 December 2023 and 1 January 2024 ( <i>note 6</i> )	<b>171,477,258</b>	171,477
Issue of A shares ( <i>note 3</i> )	<b>526,445</b>	526
Capitalisation issue of new shares ( <i>note 4</i> )	<b>66,782,692</b>	66,784
Cancellation of repurchased H shares ( <i>note 5</i> )	<b>(5,592,700)</b>	(5,593)
At 31 December 2024 ( <i>note 6</i> )	<b>233,193,695</b>	233,194

*Note 1:*

On 14 February 2023, the Company cancelled 2,859,000 H Shares which were repurchased during the year ended 31 December 2022. In addition, during the year ended 31 December 2023, the Company repurchased 3,872,400 H shares as treasury shares, which accounted for approximately 2.2239% of the Company's total share capital, at a total consideration of approximately HK\$167,506,000 (equivalent to approximately RMB152,816,000). 575,900 H shares were cancelled on 16 June 2023. The remaining 3,296,500 H shares, at a total consideration of approximately HK\$143,204,000 (equivalent to RMB131,294,000) were accounted as treasury shares as of 31 December 2023.

During the year ended 31 December 2023, the Company also repurchased 1,089,486 A shares as treasury shares, which accounted for approximately 0.6257% of the Company's total share capital, at a total consideration of approximately RMB117,161,000. These repurchased A shares were not cancelled and accounted as treasury shares as of 31 December 2023.

*Note 2:*

The subscription rights attaching to 782,158 share options were exercised at the subscription price of RMB94.20 per share, resulting in the issue of 782,158 shares for a total cash consideration, before expenses, of RMB73,682,000.

*Note 3:*

The subscription rights attaching to 526,445 share options were exercised at the subscription price of RMB93.90 per share, resulting in the issue of 526,445 shares for a total cash consideration, before expenses, of RMB49,451,000.

*Note 4:*

On 8 March 2024, the directors proposed to issue 4 new shares for every 10 existing shares of the Company to the shareholders by transferring reserve to share capital (the "**Capitalisation Issue**"), which was approved by the shareholders of the Company at the annual general meeting of the Company on 29 May 2024. In June 2024, the Capitalisation Issue was completed, resulting in issuance of 66,782,692 shares (comprising 54,943,252 A shares and 11,839,440 H shares), and approximately RMB66,784,000 was transferred from share premium in capital reserve to share capital.

*Note 5:*

On 20 March 2024, the aforementioned 3,296,500 H Shares were cancelled. In addition, during the year ended 31 December 2024, the Company repurchased 2,492,100 H shares as treasury shares, which accounted for approximately 1.069% of the Company's total share capital, at a total consideration of approximately HK\$75,982,000 (equivalent to approximately RMB69,587,000), among which, a total of 2,296,200 repurchased H shares were cancelled as of 31 December 2024. The remaining 195,900 H shares, at a total consideration of approximately HK\$5,297,000 (equivalent to RMB4,899,000) were accounted as treasury shares as of 31 December 2024.

During the year ended 31 December 2024, the Company also repurchased 1,418,934 A shares as treasury shares, which accounted for approximately 0.6214% of the Company's total share capital, at a total consideration of approximately RMB106,280,000. These repurchased A shares were not cancelled and accounted as treasury shares as of 31 December 2024.

*Note 6:*

As of 31 December 2024, treasury shares were amounted to RMB228,341,000 (comprising 195,900 H shares and 2,508,420 A shares) and as of 31 December 2023, treasury shares were amounted to RMB248,455,000 (comprising 3,296,500 H shares and 1,089,486 A shares). These treasury shares will be either used for implementing of future shares incentive scheme or to be cancelled.

## 15. BUSINESS COMBINATION

On 30 June 2024, the Group acquired a 51% equity interest in Shenhao Eye Health Technology Development Co., Ltd. (“**Shenhao Eye Health**”) from third parties. Shenhao Eye Health is engaged in the sale of ophthalmic and optometric medical devices. The purchase consideration for the acquisition was in the form of cash, with RMB36,289,000 paid on or near the acquisition date.

The fair values of the identifiable assets and liabilities of Shenhao Eye Health as at the date of acquisition were as follows:

	<b>Fair value recognised on acquisition</b> <i>RMB'000</i>
Property, plant and equipment	47
Other intangible assets	46,500
Inventories	245
Trade and bills receivables	199
Prepayments, deposits and other receivables	20,178
Cash and bank balances	280
Trade and bills payables	(17)
Other payables and accruals	(3,882)
Deferred tax liabilities	(11,625)
	<hr/>
Total identifiable net assets at fair value	51,925
Non-controlling interests	(25,443)
	<hr/>
	26,482
	<hr/> <hr/>
Goodwill on acquisition	9,807
	<hr/>
Satisfied by cash	36,289
	<hr/> <hr/>

The fair values of the trade receivables and other receivables as at the date of acquisition approximately amounted to RMB199,000 and RMB20,177,000, respectively. No impairment allowances were provided for trade receivables and other receivables as at the date of acquisition.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	<i>RMB'000</i>
Total cash consideration paid	36,289
Less: cash consideration paid to Shenhao Eye Health as capital injection	(20,000)
Cash and bank balances acquired	(280)
	<hr/>
Net inflow of cash and cash equivalents included in cash flows from investing activities	16,009
	<hr/> <hr/>

Since the acquisition, Shenhao Eye Health contributed RMB1,512,000 to the Group’s revenue and incurred net loss of approximately RMB3,387,000 to the consolidated profit or loss for the year ended 31 December 2024.

Had the combination taken place at the beginning of the year, the revenue of the Group and the profit of the Group for the year would have been RMB2,681,981,000 and RMB372,488,000, respectively.

## 16. CONTINGENT LIABILITIES

As of 31 December 2024, EndyMed, a subsidiary of the Company, was sued for alleged patent infringement in Brazil. Given the case is in its early stages, the final outcome and potential compensation amount cannot be reliably estimated at present. Accordingly, no provision has been recognized as of the end of the reporting period. The Group will timely assess its financial impact based on the litigation's progress and apply appropriate accounting treatments.

## 17. EVENTS AFTER THE REPORTING PERIOD

### Repurchase of A shares and H shares

From January 2025 to the date of this announcement, the Company repurchased a total of 333,961 A shares and 117,000 H shares at a total consideration of approximately RMB22,637,000 (including transaction fee).

### The privatization of EndyMed's equity

On 26 November 2024, Haohai Healthcare Holdings (Cayman) Co., Ltd. ("**Haohai Holdings (Cayman)**"), EndyMed and JuvaMed, which is a wholly owned subsidiary of Haohai Holdings (Cayman), entered into a merger agreement under which EndyMed and JuvaMed were consolidated. Pursuant to the agreement, EndyMed became a wholly owned subsidiary of Juva Medical post-merger. The cash consideration for the merger was set at ILS 3.25 per share, amounting to a total transaction value of ILS 22,886,000. This merger agreement was approved by EndyMed's shareholders at general meeting held on 31 December 2024. The related equity interest transfer was subsequently registered and completed through the securities trading system on 13 February 2025.

Except for the transactions detailed elsewhere in these financial statements and the events set out in this note above, there was no material subsequent event undertaken by the Group after 31 December 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operation Overview

2024 is a key year for our country to achieve the goals and tasks of the “14th Five-Year Plan.” The deepening integrated reform of health insurance, medical services and pharmaceutical systems in the medical services and medical device industries, and in particular, the reform of health insurance payment method and expansion of centralized procurement of drugs and high-value consumables, have had a profound impact on the business operations of the Group. During the Reporting Period, the Group actively responded to the changes and impacts of the internal and external environment, accelerated the building of innovative product lines, improved the quality of products and services, broadened marketing channels and increased market share, which made the Group’s overall business development stable and toward a steady pickup, demonstrating resilience to the complicated economic environment.

In 2024, the Group recorded a revenue of RMB2,679.67 million in total, representing an increase of RMB44.76 million, or 1.70%, as compared to the corresponding period in 2023. The breakdown of the Group’s revenue from the main business of each product line by therapeutic areas is as follows (by the amount and as a percentage of the total revenue of the Group):

Product line	2024		2023		Change %
	RMB’000	%	RMB’000	%	
Medical aesthetics and wound care products	1,189,225	44.38	1,052,801	39.95	12.96
Ophthalmology products	853,423	31.85	924,650	35.10	-7.70
Orthopedics products	454,281	16.95	474,259	18.00	-4.21
Anti-adhesion and hemostasis products	144,924	5.41	145,924	5.54	-0.69
Other products	37,814	1.41	37,276	1.41	1.44
<b>Total</b>	<b>2,679,667</b>	<b>100.00</b>	<b>2,634,910</b>	<b>100.00</b>	<b>1.70</b>

In 2024, the overall gross profit margin of the Group was 69.74%, representing a slight decrease as compared to 70.34% for the corresponding period in 2023. In particular, the operating revenue from medical aesthetics hyaluronic acid (“HA”) Dermal Filler products with high gross profit margin and its share of the Group’s revenue continued to grow, which continued to promote the upward increase in the Group’s overall gross profit margin. On the other hand, products such as ophthalmic intraocular lens (“IOL”), ophthalmic viscoelastic device and orthopedic sodium hyaluronate injection were in the implementation stage of a new round of national or provincial centralized volume-based procurement during the Reporting Period, and the sales price of the products decreased significantly, completely offsetting the sales growth contribution of HA Dermal Filler products to the overall gross profit margin growth.



The Group stayed committed to independent innovation and continued to increase investment in research and development (“**R&D**”). In 2024, R&D expenses amounted to RMB238.93 million, representing an increase of RMB18.83 million, or approximately 8.56%, as compared to the corresponding period in 2023. R&D expenses remained high at 8.92% of revenue (2023: 8.35%). The Group focused on expanding its innovative product lines in medical aesthetics and ophthalmology. The world’s first organic cross-linked HA Dermal Filler product which was independently developed by the Group, “Hyalumatrix MoonWhite (海魅月白)”, was successfully approved in July 2024, and the ophthalmology sodium hyaluronate eye drop product was approved in March 2024. In addition, the hydrophobic molded toric aspheric IOL and the preloaded hydrophobic molded toric aspheric IOL products were approved in January and February 2025, respectively. At the same time, the bio-gel products for intraocular fillers, the hydrophilic aspheric multifocal IOL, and the hydrophobic molded toric trifocal IOL products of the Group entered the registration application stage, while the clinical trials of key projects such as the aqueous humor permeable Phakic Refractive Lens (“**PRL**”), medical cross-linked chitosan gel, and painless cross-linked HA Dermal Filler were successfully pushed forward. The clinical trials of high gas permeable scleral lens products and new high gas permeable (DK180) orthokeratology lenses have been officially launched in July and August 2024, respectively.

During the Reporting Period, the Group’s net profit attributable to shareholders of the Company and net profit attributable to shareholders of the Company after deducting non-recurring gains or losses were approximately RMB420.45 million and RMB379.10 million, respectively, remaining basically flat, as compared to the corresponding period in 2023.

As at 31 December 2024, the total assets of the Group were RMB7,121.39 million, and the net assets of the Group attributable to shareholders of the Company were RMB5,575.26 million, remaining stable, as compared to that as at the end of 2023.

## **MANAGEMENT DISCUSSION AND ANALYSIS BY PRODUCT LINE**

### **Medical Aesthetics and Wound Care Products**

In the field of medical aesthetics and wound care, the Group has formed a business matrix covering four categories, namely HA Dermal Filler, genetic-engineering preparations for epidermal repair, radio frequency devices and laser equipment. Through the multi-level business arrangements, the Group was able to meet the comprehensive demand of end customers for medical aesthetics in relation to epidermis, dermis and subcutaneous tissue.

The Group’s human epidermal growth factor (“**hEGF**”) for external use “Healin”, developed and produced by genetic engineering technology, is the only epidermal growth factor product in China that has exactly the same quantity, sequence and spatial structure of amino acids as human natural epidermal growth factor and the first registered hEGF product for external use in the world. According to the research reports of Guangzhou Biaodian Medical Information Co., Ltd.\* (“**Biaodian Medical**”), the market share of “Healin” products in 2023 was 26.91% (2022: 27.01%), continuing to be ranked second in the domestic market share.

The Group’s HA Dermal Filler product portfolio has been widely recognized in the market and has become a leading brand of domestic HA Dermal Filler products for injection. The Group has independently developed and mastered the cross-linking processes such as monophasic cross-linking, low-temperature secondary cross-linking, linear non-particle crosslinking, and organic cross-linking. The Group’s first-generation HA Dermal Filler “Matrifill” is the first mono-phase sodium hyaluronate gel for injection approved by the National Medical Products Administration of (“NMPA”) in the PRC. It is mainly positioned as a popular entry-level HA. The Group’s second-generation HA Dermal Filler “Janlane” is mainly positioned at the mid-to-high end, and mainly features the dynamic filling function. In addition, on top of the original indication for nasolabial fold injections, “Janlane” has also expanded its indications to include lip augmentation, further expanding its clinical application scenarios. The third-generation HA Dermal Filler “Hyalumatrix” has the linear non-particle feature and is positioned for high-end consumers by providing the “precise embellishment” function. The fourth-generation HA Dermal Filler product “Hyalumatrix MoonWhite”, which was approved in July 2024, has better long-term safety, longer-lasting characteristics and stimulation of collagen hyperplasia. “Hyalumatrix MoonWhite” continued the brand DNA of “Hyalumatrix” series, and together with “Hyalumatrix” and “Hyalumatrix YUN”, will form the Group’s high-end HA Dermal Filler product series.

During the Reporting Period, the revenue of the Group from medical aesthetics and wound care products was RMB1,189.22 million, representing an increase of RMB136.42 million, or approximately 12.96%, as compared to the corresponding period in 2023. The breakdown of the revenue from products by specific products is as follows:

Item	2024		2023		Change %
	RMB’000	%	RMB’000	%	
HA Dermal Filler	<b>737,860</b>	<b>62.05</b>	599,412	56.94	23.10
hEGF for external use	<b>188,371</b>	<b>15.84</b>	170,371	16.18	10.57
Radio frequency devices and laser equipment	<b>262,994</b>	<b>22.11</b>	283,018	26.88	-7.08
<b>Total</b>	<b><u>1,189,225</u></b>	<b><u>100.00</u></b>	<b><u>1,052,801</u></b>	<b><u>100.00</u></b>	<b><u>12.96</u></b>

In recent years, as China’s per capita disposable income continues to rise, consumers of different ages and genders are becoming increasingly aware of the pursuit of beauty, health and self-confidence. The demand for medical aesthetics in the PRC is strong and diverse, and the supply is becoming increasingly abundant due to the iterative innovation of products and technologies as well as expansion of the indications of the existing products. The demand and the supply are driving the robust development of the medical aesthetics industry in the PRC. Regulators have launched compliance measures for the medical aesthetic market, which have also continued to strengthen the long-term healthy development of the industry.

Data shows that China’s medical aesthetics market size grew from RMB99.3 billion to RMB189.2 billion from 2017 to 2021, at a CAGR of 17.5%. China has become the world’s second-largest medical aesthetics market. Compared with other countries with a well-developed medical aesthetic industry, the number of medical aesthetic treatments per 1,000 people in China is only 1/3 of that in Brazil and the USA, and only 1/4 of that in South Korea. The low penetration rate of China’s medical aesthetic market will continue to increase in the coming years.

According to “China Medical Aesthetic Industry Outlook 2024” jointly published by Chinese Association of Plastics and Aesthetics, Allergan Aesthetics China and Deloitte Consulting, China’s medical aesthetics market size is expected to continue to grow by approximately 10% in 2024 from the demand side, and the growth rate in the next four years is expected to maintain at approximately 10-15% with a promising development future. Among the many medical aesthetic projects, non-surgical projects have a high degree of consumer acceptance due to the characteristics of minimal invasiveness, quick results, short recovery period, high cost-effectiveness, etc., and have occupied 52% of China’s medical aesthetic market share (calculated by consumption amount), of which the proportion of injectable and energy-source projects each accounted for 45%, respectively, and the CAGR in the next five years is expected to reach 20-30% and 15-20%, respectively. In addition, 2024 performance growth of medical aesthetic institutions is mainly due to skin and non-invasive medical aesthetic business growth, and medical aesthetic institutions are generally optimistic on the continued growth of filling/shaping injection projects (HA Dermal Filler), wrinkle removal/anti-aging photoelectric projects and botulinum toxin products in the next 2-3 years.

Leveraging on its competitive R&D efforts in biomedical materials, manufacturing and marketing platforms and comprehensive strengths in the technology and quality control of products, the Group’s products, based on their characteristics and efficacy, have established differentiated positioning and supplementary development. Meanwhile, the Group’s marketing team provides multi-dimensional and all-round services to medical institutions, doctors and consumers, conducts client-side education through online channels and builds personal brand (IP) for doctors, continuously launches rich comprehensive offline solutions for facial rejuvenation through a diversified product matrix, thus leading the trend of combined application to multiple scenarios of HA Dermal Filler in the non-invasive medical aesthetic market in the PRC, and continuously strengthens the stickiness among brands, institutions and consumers to drive the growth of sales revenue.

In 2024, the Group’s HA Dermal Filler products recorded sales revenue of RMB737.86 million, representing an increase of RMB138.45 million, or 23.10%, as compared to the corresponding period in 2023. The third generation HA Dermal Filler “Hyalumatrix” produced by the Group won the market’s recognition for its high-end HA Dermal Filler due to its non-particle and high cohesion features, making it less susceptible to deformation and displacement after injection, and giving it a more natural and longer-lasting effect. The high-end positioning of this product’s HA Dermal Filler has been recognized by the market. During the Reporting Period, the product’s sales volume continued to increase rapidly, which contributed to the revenue of HA Dermal Filler product line of the Group. At the same time, the fourth-generation HA Dermal Filler product “Hyalumatrix MoonWhite”, which was successfully launched for sales at the end of 2024, also started to contribute to incremental revenue growth. Through the high-end “Hyalumatrix” series products, i.e. “Hyalumatrix”, “Hyalumatrix YUN” and “Hyalumatrix MoonWhite”, the Group solidified its leading academic position in the industry, enhanced the customer stickiness to HA Dermal Filler products of the Group and drove the overall upward trend of the HA Dermal Filler product portfolio. Concurrently as the revenue of “Hyalumatrix” series products increased rapidly, the revenue of first-generation and second-generation HA Dermal Filler products also achieved substantial growth.

During the Reporting Period, the revenue of the Group from hEGF products was RMB188.37 million, representing an increase of RMB18.00 million or 10.57%, as compared to the corresponding period in 2023. In recent years, the Group strengthened the academic promotion of this product, the awareness of product efficacy has been continuously strengthened, and the application of the product has been gradually extended from traditional departments such as burns and dermatology to pediatrics, oncology, stomatology, general surgery, obstetrics and gynecology, endocrinology, gastroenterology and other departments.

During the Reporting Period, the revenue of the Group from the radio frequency (“**RF**”) and laser equipment product line was RMB262.99 million, representing a decrease of RMB20.02 million, or 7.08%, as compared to the corresponding period in 2023, which was mainly generated by Juva Medical, a subsidiary of the Company. EndyMed Ltd. (“**EndyMed**”), a subsidiary of Juva Medical in Israel, focuses on RF beauty equipment, and Laserconn, a subsidiary of Juva Medical, focuses on laser beauty equipment, with its presence covering domestic and overseas markets.

In March 2022, the NMPA issued the “Announcement on Adjusting Parts of the “Medical Device Classification Catalog” (No. 30, 2022), which upgraded the regulatory category of RF therapeutic device products from Class II to Class III medical devices, and since 1 April 2024, RF therapeutic device and RF skin therapeutic device products which fail to obtain the corresponding registration certificate for the medical device in accordance with the law shall not be manufactured, imported or sold. After the issue of the policy, the sales and promotion of household and cosmetic grade products of the Group’s RF equipment product line in China’s market were materially affected, resulting in a significant decrease in revenue from such product line from 2023. In July 2024, the NMPA subsequently issued the “Announcement on Further Clarifying the Relevant Requirements for Radio Frequency Therapeutic Device” (No. 84, 2024), which extended the period for obtaining the Class III registration certificate for RF therapeutic device and RF skin therapeutic device products from the deadline stated in the above-mentioned “No. 30, 2022” announcement to 1 April 2026. The Group is taking advantage of the valuable time window after the extension by “No. 84, 2024” announcement to accelerate the registration and application of Class III registration certificate of medical devices for the household and cosmetic grade products of “EndyMed Pure”. At the same time, the Group’s medical grade RF equipment product “EndyMed Pro” is one of the few RF products in China that has obtained the registration certificate for Class III medical devices, which is scarce in the domestic market. During the Reporting Period, revenue from “EndyMed Pro” high-frequency skin treatment device and Intensif treatment needle achieved significant growth, partially offsetting the negative impact of decrease in revenue from household and cosmetic grade product line.

## **Ophthalmology products**

Focusing on the leading technologies in the global ophthalmology field, the Group is committed to expediting the localization of China’s ophthalmology industry through independent R&D and investment integration, with the goal of becoming an internationally renowned manufacturer of comprehensive ophthalmology products. During the Reporting Period, the Group’s ophthalmology business covered the therapeutic fields including cataract treatment, myopia prevention and control, refractive correction, and ocular surface, and has owned a number of products under development in the field of fundus disease treatment.

The Group is the largest ophthalmic viscoelastic device (“**OVD**”) product manufacturer in the PRC. According to the research reports of Biaodian Medical, the market share of the Group’s OVD products increased from 44.52% in 2022 to 46.98% in 2023, ranking first in China for the past 17 consecutive years. Meanwhile, the Group is a major supplier in the domestic IOL market. In addition, Contamac Holdings Limited (“**Contamac**”), a subsidiary of the Company, is one of the world’s largest independent manufacturers of ophthalmology and optometry materials, such as providing materials for IOL and Orthokeratology Lens to customers in more than 70 countries worldwide.

During the Reporting Period, the Group's revenue from the sales of ophthalmology products was RMB853.42 million, representing a decrease of RMB71.23 million, or 7.70%, as compared to the corresponding period in 2023. The breakdown of revenue from ophthalmology products by specific products is as follows:

Item	2024		2023		Change %
	RMB'000	%	RMB'000	%	
<b>Cataract product line</b>	<b>418,656</b>	<b>49.05</b>	494,972	53.53	-15.42
IOL products	<b>326,370</b>	<b>38.24</b>	380,164	41.11	-14.15
OVD products	<b>92,286</b>	<b>10.81</b>	114,808	12.42	-19.62
<b>Myopia prevention and control, and refractive correction product line</b>	<b>400,257</b>	<b>46.90</b>	399,452	43.20	0.20
Ophthalmology and optometry materials	<b>203,652</b>	<b>23.86</b>	208,067	22.50	-2.12
Ophthalmology and optometry end products	<b>196,605</b>	<b>23.04</b>	191,385	20.70	2.73
<b>Other ophthalmology products</b>	<b>34,510</b>	<b>4.05</b>	30,226	3.27	14.17
<b>Total</b>	<b>853,423</b>	<b>100.00</b>	924,650	100.00	-7.70

IOL and OVD products are mainly used for cataract surgery. During the Reporting Period, the revenue of the Group from the cataract product line amounted to RMB418.66 million, representing a decrease of RMB76.32 million or 15.42% as compared to the corresponding period in 2023. Specifically, the revenue from IOL products was RMB326.37 million, representing a decrease of RMB53.79 million or 14.15% as compared to the corresponding period in 2023. The revenue of OVD products was RMB92.29 million, representing a decrease of RMB22.52 million or approximately 19.62% as compared to the corresponding period in 2023.

On 30 November 2023, the National Organisation Joint Procurement Office for High-Value Medical Consumables (國家組織高值醫用耗材聯合採購辦公室) issued the "Announcement of the Preliminary Selected Results for the Centralized Volume-Based Procurement of Intraocular Lens and Sports Medicine Medical Consumables (《國家組織人工晶體類及運動醫學類醫用耗材集中帶量採購擬中選結果公示》)" and the Group's 5 IOL products brands and 4 OVD products brands were all selected. The selection results were gradually implemented in 2024. The Group's elected IOL products achieved a certain increase in sales volume, especially with regards to the sales volume of mid-end preinstalled aspherical products and high-end regionally refractive bifocal IOL products which have increased by 137% and 40%, respectively, as compared to the corresponding period in 2023. However, due to the significant decrease in the selected prices of centralized volume-based procurement, the sales revenue of the Group's IOL products during the Reporting Period still showed a year-on-year decrease.

During the Reporting Period, the revenue of the Group from the myopia prevention and control, and refractive correction product line amounted to RMB400.26 million, representing an increase of RMB0.81 million as compared to the corresponding period in 2023. The revenue from the ophthalmology and optometry materials business in the upstream part of the supply chain was RMB203.65 million during the Reporting Period, representing a slight decrease of RMB4.42 million as compared to the corresponding period in 2023. The revenue of the Group from the ophthalmology and optometry end products amounted to RMB196.61 million, representing an increase of RMB5.22 million as compared to the corresponding period in 2023. Ophthalmology and optometry end products cover Orthokeratology Lenses and eye drops used in conjunction, specialty frame glasses, “Yijing” PRL and other products. During the Reporting Period, the sales revenue from Orthokeratology Lens products recorded a slight increase as compared to the corresponding period in 2023. Since the second half of 2023, the domestic consumption market has experienced fatigue, which has also affected the consumption of overall orthokeratology lens category. At the same time, the approval of a number of new orthokeratology lenses in recent years has intensified the internal competition within such category, and the addition of new categories such as functional frame glasses has also created a certain diversion effect on orthokeratology lenses customers. In this environment, during the Reporting Period, “Hiline” Orthokeratology Lens products, as a matured product launched in 2011, was significantly impacted, and its revenue decreased in stages. Meanwhile, the revenue of prescription lens of “Maierkang myOK” and “Optoshare” (童享) Orthokeratology Lens products, which rely on higher gas permeable materials and more advanced design concepts, increased by 31.45% and 234.42%, respectively, as compared to the corresponding period in 2023, thereby offsetting the impact from the decrease in sales volume of earlier products. In addition, during the Reporting Period, the revenue of the Group from eye drops product line increased by RMB5.03 million or approximately 30.20%, mainly attributable to the further improvement in brand awareness and market reputation of eye drops product “Eyesucom”, as well as the steady increase in sales volume of the new product, Moxifloxacin eye drops.

The Group’s other ophthalmology products mainly include injectors, scalpels, suture needles and other products used in various ophthalmic operations. During the Reporting Period, other ophthalmology products recorded a revenue of RMB34.51 million, representing an increase of RMB4.28 million or 14.17% as compared to the corresponding period in 2023, mainly attributable to the increase in sales volume of IOL injector product.

Cataract is the biggest cause of blindness in the PRC. The only effective treatment for cataract is IOL implantation through surgery. In terms of industrial chain construction, the Group currently has initially completed the layout of the entire industrial chain of IOL products. We have opened up the upstream raw material production link of the IOL industrial chain through our subsidiary Contamac, mastered the R&D and production process of hydrophilic and hydrophobic IOL products through our subsidiaries Aaren, Henan Universe, and Henan Simedice and strengthened the downstream sales channels of IOL products through the professional ophthalmology high-value consumables marketing platform of NIMO at the same time. In terms of the layout of product lines, leveraging on its domestic and foreign brands, the Group has covered a full range of products from ordinary spherical monofocal IOL to multifocal IOL. In addition, the Group created synergy among the ophthalmology R&D innovation platforms in the PRC, the USA and the U.K. to promote the R&D activities for high-end multifocal and Extended-depth-of-focus (“EDOF”) IOL products. The Group adopts the one-time injection molding process that is different from the traditional turning and milling process, thus achieving a comprehensive layout of high-end IOL materials, complex optical features, and innovative processing technology. Among them:

- (1) the hydrophobic molded toric aspheric IOL and the preinstalled hydrophobic molded toric aspheric IOL products obtained the registration certificate for Class III medical devices approved by the NMPA in January and February 2025, respectively;
- (2) the hydrophilic aspheric multifocal IOL has completed the clinical trials, and entered the registration application stage in January 2025;
- (3) innovative hydrophobic molded aspheric trifocal IOL has completed the clinical trials, and entered the registration application stage in February 2025. In addition, the project has passed the evaluation by the Center for Medical Device Evaluation of the NMPA and entered the special review “green channel” of innovative medical devices; and
- (4) the hydrophilic EDOF IOL and the hydrophobic molded EDOF IOL entered the clinical trial stage in July 2024.

China is one of the countries with the largest number of blind and visually impaired patients in the world, with cataracts accounting for 32.5% and refractive errors accounting for 44.2% of visual impairment factors, while the prevalence of ophthalmic diseases in the highly myopic population is much higher than that in the normal-vision population. In 2019, the number of myopia patients worldwide was approximately 1.4 billion, among which, the number of myopia patients in China exceeded 600 million, and as a result the capacity of China’s myopia prevention and control and refractive correction market is considerable while the penetration rate is low.

In the field of myopia prevention, control and refractive correction management, developed using the self-developed optical design system, based on the world's leading high oxygen permeability material of Contamac, the self-developed "Optoshare" (童享) series of new Orthokeratology Lens products was approved and registered in China in December 2022, with an oxygen permeability coefficient of 125 DK. At the same time, the Group's "TongLiang" (童靓) series Orthokeratology Lens product made of the same materials obtained the registration certificate for Class III medical devices approved by the NMPA in August 2024. In 2024, the Group started clinical trials for another new type of ultra-high oxygen permeable Orthokeratology Lens product, which is made of high oxygen permeable material "Contamac Infinite" with a DK coefficient of up to 180, which will become one of the Orthokeratology Lens products with the highest oxygen permeability in the world. In addition, the Group has entered into deep cooperation with Brighten Optix Co., Ltd.\* ("**Brighten Optix**"). Through our subsidiaries Shanghai Brighten Vision and Brighten Optix, we have the right to exclusively distribute "Maierkang myOK", a high-end Orthokeratology Lens product, "Hiline", an Orthokeratology Lens product, "Bestivue", a peripheral defocus lens, and rigid gas permeable contact lens of Brighten Optix in China. Through the above layout, the Group will have a differentiated product matrix of Orthokeratology Lens products, which enables more flexible and precise launching of different products to the target market according to market demand and consumption characteristics to meet the needs of various consumers.

In the terminal product line for use with Orthokeratology Lens and other products. the Group's self-developed eye drops product "Eyesucom" is made of exclusively patented ingredients including medical chitosan and sodium hyaluronate and is packaged in an aseptic packaging method without preservatives. The product has the functions of natural antibacterial, moisturizing and lubricating, promoting the repair of corneal epithelial damage and reducing staining, etc. It can comprehensively protect the eye surface health of the wearers of Orthokeratology Lens. Moxifloxacin hydrochloride eye drops used in the treatment of bacterial conjunctivitis belong to the fourth-generation fluoroquinolones and is one of the mainstream drugs used in the treatment of bacterial conjunctivitis. In addition, the sodium hyaluronate eye drops developed by the Group were approved by the NMPA in March 2024. This product can be used for the treatment and relief of endogenous diseases such as dry eye syndrome, as well as conjunctival epithelial damage caused from operations, drugs-induced, trauma, wearing of contact lenses and other exogenous diseases.

In the field of refractive correction, our subsidiary Hangzhou Aijinglun is mainly engaged in the R&D, production and sales of crystalline refractive lenses, and has independent intellectual property rights of its own developed "Yijing" PRL product, which has a refractive correction range of -10.00D~-30.00D and has been approved by the NMPA. Refractive lens surgery with crystalline lens can correct myopia without cutting normal corneal tissues and has the advantages of preserving the adjustment function of the human lens and surgical reversibility, so it is a safe and effective method to correct myopia. Currently, there are only three such products approved for sale in the Chinese market, and "Yijing" PRL is the only choice for patients with severe myopia above 1,800 degrees. In addition, the Group began the process of upgrading its PRL products after the acquisition of Hangzhou Aijinglun, with the second generation of the aqueous humor permeable product conducting clinical trials, which, compared with the first generation, will enable aqueous humor circulation and provide a wider range of vision correction. All clinical observation on subjects is to be completed gradually, and registration is expected to be initiated in 2025.



In March 2024, our subsidiary Shanghai Haohai Medical Technology Development Co., Ltd. signed the “Share Purchase Agreement” with the shareholders of Shanghai Shenhao Eyehealth Technology Development Co., Ltd (“**Shenhao Eyehealth**”), for a consideration of RMB36.2885 million. By the transfer of the original shareholder equity and through capital increase, we were able to obtain 51% equity interests in Shenhao Eyehealth, and completed the above equity acquisition in June 2024. Shenhao Eyehealth is an exclusive distributor of rigid gas permeable scleral contact lens (“**CS Scleral Lenses**”) produced by US Company Valley Contax, Inc. in China (including Hong Kong and Macau Special Administrative Regions). CS Scleral Lenses are one of the few such products certified by the US FDA. It has achieved a leading market position in the US market and has accumulated a lot of clinical application experience. In October 2023, the product obtained the Class III medical device registration certificate approved by the NMPA. Scleral lens is a type of large-diameter rigid breathable contact lens, which can cover the cornea and create a reservoir of tears between the lens and the eye surface, which is especially suitable for the treatment of visual problems caused by irregular corneal shape. For example, patients with keratoconus, dry eye, and visual problems after refractive surgery are all suited for this product. Its visual correction effect is better than conventional lenses such as frame glasses. For severe ocular surface diseases, it can provide a protective effect on the tissues. Also, the comfort of wearing these lenses is better than traditional rigid breathable contact lenses. As the incidence rate for the aforementioned diseases continues to rise, the market demand for clinical scleral lenses will also pick up. Upon completion of the investment, the Group’s myopia and refractive correction product line was further expanded.

Through the above product layout, the Group has been able to provide a variety of myopia solutions from prevention and control to correction for all age groups.

### Orthopedics Products

In the field of orthopedics, the Group is the largest domestic manufacturer of orthopedic intraarticular viscoelastic supplements. According to the research reports of Biaodian Medical, the Group has been ranked the largest manufacturer of orthopedic intra-articular viscoelastic supplements in the PRC for ten consecutive years, with a market share significantly increasing from 46.54% in 2022 to 50.44% in 2023.

During the Reporting Period, the revenue of the Group from orthopedics products was RMB454.28 million in total. The breakdown of the revenue from the orthopedics products by specific products is as follows:

Item	2024		2023		Change %
	RMB'000	%	RMB'000	%	
Sodium hyaluronate injection	<b>290,030</b>	<b>63.84</b>	312,660	65.93	-7.24
Medical chitosan used for intra-articular viscosupplement	<b>164,251</b>	<b>36.16</b>	161,599	34.07	1.64
<b>Total</b>	<b>454,281</b>	<b>100.00</b>	474,259	100.00	-4.21

Orthopedic intra-articular viscoelastic supplements are mainly used in degenerative osteoarthritis. Degenerative osteoarthritis is also a common disease in the senior population. According to statistics, the incidence of osteoarthritis in men over the age of 65 is 58%, and that in women is 65% to 67%; the incidence of people over the age of 75 is as high as 80%. At present, there are more than 100 million osteoarthritis patients in China. The Group is the only manufacturer having sodium hyaluronate injection products with full series of specifications of 2mL, 2.5mL and 3mL in the PRC market. The Group's medical chitosan product (for intra-articular viscosupplement) is the only intra-articular viscoelastic supplement registered as a Class III medical device in the PRC. Such product combined with the sodium hyaluronate injection product has formed unique therapeutic effects and synergic advantages. With a good pricing system, the product portfolio continued to expand its market share.

During the Reporting Period, sodium hyaluronate injection products entered the implementation stage in the provincial centralized volume-based procurement in Zhejiang Province and other regions, resulting in a decrease in product sales prices. The Group stabilized the sales volume of such product by actively completing the agreed supply volume and expanding sales channels. Meanwhile, the Group also actively expanded the contract manufacturing business of sodium hyaluronate injection products, which effectively utilized the existing capacity and further helped the steady development of this product line.

### Anti-adhesion and Hemostasis Products

According to the research report of Biaodian Medical, the Group was the largest supplier of anti-adhesion materials in China, with the share of the anti-adhesion materials market reaching 28.82% in 2023. During the Reporting Period, the Group's anti-adhesion and hemostasis products recorded revenue of RMB144.92 million, representing a decrease of RMB1.00 million, or 0.69%, as compared to the corresponding period in 2023. Among them, revenue from the anti-adhesion material medical chitosan and medical sodium hyaluronate gel products decreased by 4.87% and 4.45%, respectively, as compared to the corresponding period in 2023, which was mainly influenced by policy factors such as cost and volume control of high-value consumables. Collagen sponge product, a new hemostasis material, recorded a revenue of RMB26.70 million in 2024, representing an increase of 21.98% as compared to the corresponding period in 2023, which was mainly due to the fact that the product was successfully selected as the first rank in the centralized volume-based procurement under the "3+N" League of Hebei Province, together with Anhui Province, Guangxi Province, Yunnan Province and other regions. The implementation of such procurement has successfully driven the increase in sales volume and revenue of collagen sponge products. The breakdown of the revenue from the anti-adhesion and hemostasis products by specific products is as follows:

Item	2024		2023		Change
	RMB'000	%	RMB'000	%	
Medical chitosan used for anti-adhesion	64,717	44.66	68,033	46.62	-4.87
Medical sodium hyaluronate gel	53,511	36.92	56,006	38.38	-4.45
Collagen sponge	26,696	18.42	21,885	15.00	21.98
<b>Total</b>	<b>144,924</b>	<b>100.00</b>	<b>145,924</b>	<b>100.00</b>	<b>-0.69</b>

## **DISCUSSION AND ANALYSIS OF FUTURE DEVELOPMENT**

### **Development Strategy**

The Group always aims to continuously improve the health quality of Chinese people and promote the rehabilitation of patients and takes differentiated development as its corporate strategy. The Group will continue to focus on four fast-growing therapeutic areas, including medical aesthetics and wound care, ophthalmology, orthopedics and surgery. The Group will pay attention to scientific research innovation and achievement transformation, and strengthen professional services; continue to maintain its leading position in technology through cooperation with domestic and foreign well-known R&D institutions, independent R&D and technology introduction; continuously optimize and improve management capabilities and improve operational efficiency; continuously expand and improve product lines and integrate the industrial chain through the combination of endogenous growth and mergers and acquisitions; strengthen the Company's brand building and enhance brand value, making the Group a leading domestic and internationally renowned biomedical company in the field of biomedical materials.

### **Business Plan**

In 2025, the Group will continue to deeply promote the deployment of internal resources, and further strengthen the integration of merged and acquired enterprises in all aspects of R&D, production, sales and services, enabling merged and acquired enterprises to quickly integrate into the Group's management system. This aims to maximize synergy, improve operational efficiency, develop innovative technologies, and expand market space, while continuing to enhance core competitiveness.

In the field of medical aesthetics and wound care, in 2025, the Group will take advantage of the efficacy and price positioning of the "Matrifill", "Janlane", "Hyalumatrix" and "Hyalumatrix MoonWhite" series of four generation HA Dermal Filler products to continue to focus on building the brand image of "Hyalumatrix" high-end HA Dermal Filler products, strengthen the market promotion of the new indications of lip filler product "Janlane Lips" under "Janlane" HA Dermal Filler products, assist downstream medical and aesthetic institutions to develop unique injection solutions for the indications, further expand the market penetration, improve the overall market share of the Group's HA Dermal Filler series products and strengthen the leading position of the Group's domestic HA Dermal Filler brand for injection through the extensive online and offline sales network. Meanwhile, the Group will continue to take forward the clinical trials of important R&D projects such as painless cross-linked HA Dermal Filler products etc. In addition, the Group will accelerate the integration of the advantageous resources of Juva Medical to capitalize on the high degree of synergy between the Group and Juva Medical in terms of technology R&D, product layout and marketing. In 2025, the Group will focus on the promotion of EndyMed Microneedling (EndyMed 3Deep phased RF skin therapeutic platform), which has become a popular choice for anti-aging and skin repairing because of its advanced technology, significant effect, good safety profile and comfort. The Group will provide customers with comprehensive assistance through training, marketing, we-media and other measures, to facilitate the rapid increase in sales volume of the product. Under the new industry compliance trend, the Group will continue to adhere to standardized and professional development, take advantage of the combined use of the EndyMed RF skin beauty device and the Group's sodium hyaluronate gel products to achieve the superimposed sales effect of 1+1>2.

In the field of ophthalmology, the Group will continue to adhere to the development strategy of quality improvement and innovation orientation, proactively advance the R&D activities and registration of its high-end products, and promote the improvement and upgrade of its product portfolio. Including the hydrophobic molded toric aspheric IOL which was approved in January 2025, the Group expects that a number of high-end products will be approved in 2025, such as the hydrophilic aspheric multifocal IOL and the hydrophobic molded aspheric trifocal IOL, which will form a robust product portfolio together with its existing products and realize the overall upgrade and improvement of IOL product line. In addition, we will continue to promote clinical trials of important R&D projects such as the second generation of the aqueous humor permeable PRL, new ultra-high oxygen permeable Orthokeratology Lens and ERV IOL. In the field of marketing, the Group will pay close attention to changes in industry policies and environment, especially the subsequent implementation dynamics of the national centralized volume-based procurement of IOL. The Group will leverage on its multiple-brand and full-product line advantage, channel advantage and cost advantage to adjust supply chain and sales strategies in a timely manner and actively respond to the new marketing landscape in the post volume-based procurement era. In the field of myopia prevention and control, the Group will continue to explore the integrated marketing and brand operation of products such as “Maierkang myOK”, “Hiline”, “Optoshare” (童享) and “TongLiang” (童靓) and accelerate the market penetration of the Group’s Orthokeratology Lens product line based on the changes of consumers market, so as to consolidate the market share of the existing brand “Hiline” and increase the market shares of new brands “Maierkang myOK”, “Optoshare” (童享) and “TongLiang” (童靓). In the field of ocular fundus disease treatment, the Group will actively promote the registration and application of innovative bio-gel products for intraocular fillers.

In 2025, the Group will continue to use its own funds effectively, explore the fast-growing therapeutic areas such as medical aesthetics, ophthalmology, orthopedics and surgery, actively seek advanced technologies and excellent products and take the opportunity to introduce technologies or invest in cooperation, so as to increase the product reserve and ensure the long-term sustainable development of the Group.

## FINANCIAL REVIEW

### Revenue, Cost and Gross Profit Margin

During the Reporting Period, the Group recorded an aggregate revenue of approximately RMB2,679.67 million (2023: approximately RMB2,634.91 million), representing an increase of approximately RMB44.76 million or 1.70% as compared with 2023. In 2024, the Group actively responded to the changes and impacts of the internal and external environment, accelerated the building of innovative product lines, improved the quality of products and services, broadened marketing channels and increased market share, which made the Group's overall business development stable and toward a steady pickup, demonstrating resilience to the complicated economic environment. During the Reporting Period, the Group's HA Dermal Filler products remained positive sales trend, resulting in the sustainable increase of the revenue, and driving the Group's revenue of medical aesthetics and wound care products lines to increase by approximately RMB136.42 million, or 12.96%, as compared with 2023. However, with the gradual implementation of the new round of centralized volume-based procurement policy for IOL, OVD and orthopedic sodium hyaluronate injection products, during the Reporting Period, the unit price of the Group's intraocular lens, OVD and orthopedic sodium hyaluronate injection products decreased significantly, which contributed to the decrease in the overall revenue of ophthalmic and orthopedic product lines by approximately RMB91.21 million, or 6.52%, as compared with that of 2023.

During the Reporting Period, the overall gross profit margin of the Group was 69.74%, representing a slight decrease of 0.60 percentage point as compared with 70.34% in 2023. On the one hand, the increase in operating revenue from HA Dermal Filler products with a higher gross profit margin continued to promote the upward increase in the Group's overall gross profit margin. On the other hand, the sales price of products such as IOL, OVD and orthopedic medical sodium hyaluronate injections decreased significantly, completely offsetting the sales growth contribution of HA Dermal Filler products to the overall gross profit margin growth.

### Other Income and Gains

During the Reporting Period, the Group's other income and gains were approximately RMB149.76 million, representing an increase of approximately RMB15.47 million or 11.52% from approximately RMB134.29 million for 2023, primarily due to the fact that the Group recognized a performance compensation amount receivable from minority shareholders of NIMO, a subsidiary of the Company, of approximately RMB26.46 million during the Reporting Period. Meanwhile, with the continuous downward shift of deposit interest rates during the Reporting Period and the decrease in the size of the Group's bank deposits, interest income decreased by approximately RMB3.77 million. In addition, the Group generated a one-off income of approximately RMB2.94 million from commissioned research services and a gain of approximately RMB1.20 million from compensation payment for equity transfer in 2023, which were not available during the Reporting Period.

### R&D Expenses

During the Reporting Period, the R&D expenses of the Group were approximately RMB238.93 million, representing an increase of approximately RMB18.83 million or 8.56% from approximately RMB220.10 million for 2023, primarily due to the continuous increase of R&D investments and the expansion of innovative product lines of ophthalmology and medical aesthetics made by the Group and the fact that a number of products were in the process of registration or on-going clinical trials during the Reporting Period, resulting in an increase in investments in R&D materials and clinical trial fees. During the Reporting Period, the Group's R&D expenses accounted for 8.92% of its revenue (2023: 8.35%), which remained at a relatively high level.

## **Other Expenses**

During the Reporting Period, the Group's other expenses amounted to approximately RMB70.80 million, representing an increase of approximately RMB53.08 million or 299.55% from approximately RMB17.72 million for 2023. In particular, the Group's provision of inventory loss allowance increased by approximately RMB25.50 million during the Reporting Period as compared with 2023. In addition, the Group made provisions of approximately RMB27.60 million for certain litigations.

## **Finance Costs**

During the Reporting Period, the Group's finance costs were approximately RMB18.06 million, representing an increase of approximately RMB10.76 million or 147.40% from approximately RMB7.30 million for 2023, which was mainly attributable to the increase in interest expenses due to the increase in the Group's new bank borrowings for the purpose of its operation.

## **Results of the Year**

During the Reporting Period, the profit attributable to ordinary equity holders of the Company was approximately RMB420.45 million (2023: RMB416.12 million), representing an increase of approximately RMB4.33 million or approximately 1.04% as compared with 2023, primarily due to the increase in net profit resulting from the increase in operating revenue.

Basic earnings per share during the Reporting Period amounted to RMB1.80 (2023: RMB1.75). During the Reporting Period, the Company approved and implemented the proposal to complete the transfer of reserve into share capital, and adjusted the weighted average number of shares for the purpose of basic earnings per share calculation retrospectively.

## **Liquidity and Capital Resources**

As at 31 December 2024, the total current assets of the Group were approximately RMB3,658.27 million, representing a decrease of approximately RMB91.87 million or 2.45% as compared with that as at 31 December 2023. In particular, cash and bank balances at the end of the Reporting Period decreased by approximately RMB110.69 million as compared with that as at 31 December 2023, which was mainly due to the continuous capital expenditure investment by the Group in the International Medical R&D and Industrialization Project by Shanghai Haohai Biological Technology (i.e. the fund raising project for the Company's initial public offering of A shares for listing on the Sci-Tech Innovation Board, hereinafter refer to as "Project 208").

As at 31 December 2024, the total current liabilities of the Group were approximately RMB865.89 million, representing an increase of approximately RMB149.94 million or 20.94% as compared with that as at 31 December 2023. The increase was mainly because the Group raised more bank borrowings according to its operational needs, among which, the balance of current portion of bank and other borrowings increased by approximately RMB89.05 million as compared with the end of 2023. In addition, during the Reporting Period, the Company received asset-related government grants of approximately RMB37.56 million in relation to Project 208, which had not yet been completed and accepted and therefore the Company accounted for the amount received as other payables, resulting in further increase in the balance of current liabilities at the end of 2024.

As at 31 December 2024, the Group's current assets to liabilities ratio was approximately 4.22 (31 December 2023: 5.24), representing a slight decrease as compared with that as at the year end of 2023, but it was still at a relatively high and stable level.

### **Employees and Remuneration Policy**

The Group had 2,156 employees as at 31 December 2024. The breakdown of the total number of employees by function was as follows:

Production	887
R&D	350
Sales and Marketing	633
Finance	75
Administration	211
<b>Total</b>	<b>2,156</b>

During the Reporting Period, the remuneration policy for the Group's employees had no material change, and the employees' remuneration is based on their working experience, daily performance, the operation situation of the Company and external market competition. During the Reporting Period, the total remuneration of the Group's employees amounted to approximately RMB692.94 million, representing an increase of approximately RMB62.86 million as compared to that of 2023, primarily due to the expansion of the Group's medical aesthetics business, the increase in the number of related employees and the increase in sales bonuses for the medical aesthetics product line.

To further perfect the Company's corporate governance structure, establish and improve the Company's long-term incentive mechanism, attract and retain the core management personnel, core technical or operational personnel and fully mobilize their enthusiasm and creativity, effectively strengthen the cohesion of the core team and the competitiveness of the Company, align the interests of the shareholders, the Company and the core staff members and bring their attention to the long-term development of the Company and ensure the achievement of the Company's development strategy and business goals, the Company has implemented the 2021 A Share Restricted Stock Incentive Scheme.

The Group provides various targeted training programs to its employees regularly. During the Reporting Period, there was no material change in the Group's training programs.

### **Treasury Policies**

The Group adopts centralized financing and treasury policies designed to strengthen the control on bank deposits and to ensure the secured and efficient use of the Group's capital. Surplus cash of the Group is generally placed in short-term deposits denominated in RMB, US Dollars and Hong Kong Dollars. It is the Group's policy to enter into principal guaranteed and conservative deposits transactions only and the Group is restricted from investing in high-risk financial products.

### **Asset Pledge**

As at 31 December 2024, the Group had bank deposits of approximately RMB0.90 million (31 December 2023: approximately RMB0.68 million) as guarantee deposits for the issuance of performance guarantee.

## **Gearing Ratio**

As at 31 December 2024, the total liabilities of the Group amounted to approximately RMB1,204.35 million and the gearing ratio (the percentage of total liabilities to total assets) was 16.91%, representing an increase of 1.60 percentage points from 15.31% as at 31 December 2023, which was mainly due to the increase in bank borrowings of the Group during the Reporting Period and the increase in the balance of other payables at the end of the Reporting Period.

## **Cash and Cash Equivalents**

As at 31 December 2024, the Group had cash and cash equivalents of approximately RMB1,112.91 million, representing an increase of approximately RMB543.59 million from that of approximately RMB569.32 million as at 31 December 2023. The increase was primarily due to the fact that the net cash flow generated from operating activities was approximately RMB648.57 million, and the fact that the net cash flow generated from investing activities was approximately RMB282.28 million as a result of the maturity or transfer of certain bank certificates of deposits purchased for the purpose of effective cash management and the recovery of large amount of funds during the Reporting Period, which was partially offset by the net cash flow used in financing activities of approximately RMB390.35 million.

## **Bank Borrowings**

As at 31 December 2024, the Group had total interest-bearing bank borrowings of approximately RMB395.74 million (31 December 2023: approximately RMB350.26 million), of which approximately RMB285.96 million (31 December 2023: approximately RMB194.98 million) of the bank borrowings will expire within one year, and the remaining bank borrowings of approximately RMB109.78 million (31 December 2023: approximately RMB155.28 million) will mature within two to five years.

## **Risk of Exchange Rate Fluctuations**

The sales, costs and expenses of the Group were principally and mostly denominated in RMB. Despite the fact that the Group might be exposed to foreign exchange risk, the Board expects that exchange rate fluctuation of the foreign currencies held by the Group will not have any material adverse impact on the Group in the future. During the Reporting Period and as at 31 December 2024, the Group did not enter into any hedging transactions.

## **Contingent Liabilities**

As of 31 December 2024, EndyMed, a holding subsidiary of the Company, was sued in Brazil for alleged patent infringement. As the case is at an early stage, its final outcome and potential amount of compensation cannot be reliably estimated at present. Therefore, at the end of the Reporting Period, the Group did not make any provision for this matter. The Group will assess its financial impact in a timely manner based on the progress of the litigation and carry out corresponding accounting treatment.

## **Significant Subsequent Event**

Please refer to note 17 to the financial statements in this announcement for the details of significant subsequent events of the Group.



## Future Plans for Material Investments and Capital Assets

Saved as disclosed in this announcement, the Group has no other material investment plans or capital asset plans during the year ended 31 December 2024.

## Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in this announcement, the Group did not have any material acquisitions or disposals related to subsidiaries, associates and joint ventures during the year ended 31 December 2024.

## Purchase, Sales or Redemption of Listed Securities

Details of the H Shares repurchased by the Company on the HKSE during the year ended 31 December 2024 are as follows:

Month of repurchase	No. of Shares repurchased	Highest price paid per Share (HK\$)	Lowest price paid per Share (HK\$)	Aggregate Consideration <sup>(1)</sup> (HK\$)
June	45,500	31.60	30.85	1,423,625.00
July	448,400	33.35	31.70	14,612,795.00
August	382,100	31.50	28.45	11,310,235.00
September	423,600	31.80	30.00	13,094,290.00
October	614,800	31.60	29.80	18,708,550.00
November	354,100	31.90	26.95	10,511,780.00
December	223,600	28.00	26.45	6,047,770.00
<b>Total</b>	<b>2,492,100</b>			<b>75,709,045.00</b>

Note (1): The aggregate consideration excludes transaction fees.

Details of the A Shares repurchased by the Company on the SSE during the year ended 31 December 2024 are as follows:

Month of repurchase	No. of Shares repurchased	Highest price paid per Share (RMB)	Lowest price paid per Share (RMB)	Aggregate Consideration <sup>(1)</sup> (RMB)
January	167,837	93.50	86.58	14,926,936.41
February	89,505	91.67	84.26	8,013,516.89
May	403,646	93.22	86.11	36,644,985.81
July	265,200	62.90	58.45	16,109,053.93
November	138,150	63.58	62.73	8,725,748.33
December	354,596	63.20	60.58	21,850,342.17
<b>Total</b>	<b>1,418,934</b>			<b>106,270,583.54</b>

Note (1): The aggregate consideration excludes transaction fees.

Save as disclosed in this announcement, neither the Company nor its subsidiaries have purchased, sold or redeemed any of the Company's listed securities nor disposed of any of the Company's treasury shares in the market during the Reporting Period. As at the end of the Reporting Period, the Company did not hold any H Shares as treasury shares under the Hong Kong Listing Rules.

### **Profit Distribution Plan and Annual General Meeting**

The Board proposed to distribute a final dividend of RMB0.6 (inclusive of tax) per share for the year ended 31 December 2024. Based on the total number of shares issued by the Company as at the date of this announcement of 233,193,695 Shares and deducting 2,842,381 A Shares held as treasury shares and 312,900 H Shares which have been repurchased but not cancelled by the Company, the proposed final dividend amounts to RMB138,023,048.4 (tax included) in total. Prior to the equity registration date, if there is any change in the total share capital of the Company, the Company will maintain the dividend distribution per share and adjust the total dividend accordingly.

The Board also proposed to the general meeting to authorize the Board to have the right to decide and formulate the Company's interim (including half-year and first three quarters) profit distribution plan for 2025, provided that the Company meets the conditions for and the upper limit of the amount of the dividend distribution.

Both of the above proposals are subject to the approval of the Shareholders at the 2024 annual general meeting of the Company (the "AGM"). The specific arrangements regarding the final dividend and the payment thereof, and the time and arrangement of the closure of register of members of H Shares will be announced separately by the Company in a circular of the AGM. Subject to the approval of the AGM, the final dividend is expected to be paid to the eligible Shareholders no later than two months after the AGM. The Company will separately announce the exact expected dividend payment date.

### **Corporate Governance Code**

The Company has complied with all applicable code provisions under Part 2 of the Corporate Governance Code (the "Corporate Governance Code") as set out in Appendix C1 to the Hong Kong Listing Rules during the Reporting Period. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the code provisions as set out in the Corporate Governance Code.

### **Compliance with the Model Code**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Hong Kong Listing Rules as the code of conduct regarding securities transactions by the directors and supervisors of the Company. Having made specific enquiries to all directors and supervisors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period.

### **Audit Committee**

The Group's audited consolidated financial statements and annual results for the year ended 31 December 2024 had been reviewed by the audit committee of the Board.

## **Publication of the Annual Results and Annual Report**

This results announcement is published on the HKExnews website of the HKSE ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.3healthcare.com](http://www.3healthcare.com)).

The Company's 2024 annual report containing all information required under the Hong Kong Listing Rules will be dispatched to the shareholders of the Company as per the Company's corporate communications arrangement and will be published on the HKExnews website of the HKSE ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.3healthcare.com](http://www.3healthcare.com)) in due course.

By order of the Board  
**Shanghai Haohai Biological Technology Co., Ltd.\***  
**Hou Yongtai**  
*Chairman*

Shanghai, the PRC, 21 March 2025

*As at the date of this announcement, the executive Directors are Dr. Hou Yongtai, Mr. Wu Jianying, Ms. Chen Yiyi and Mr. Tang Minjie; the non-executive Directors are Ms. You Jie and Mr. Huang Ming; and the independent non-executive Directors are Mr. Shen Hongbo, Mr. Jiang Zhihong, Mr. Su Zhi, Mr. Yang Yushe and Mr. Zhao Lei.*

\* *For identification purpose only*