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## **Sinco Pharmaceuticals Holdings Limited**

### **兴科蓉医药控股有限公司**

*(Incorporated under the laws of the Cayman Islands with limited liability)*

**(Stock Code: 6833)**

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

### **FINANCIAL HIGHLIGHTS**

- Revenue of the Group increased by 11.1% or RMB281.2 million to RMB2,821.3 million for the Reporting Period (2023: RMB2,540.1 million), among which revenue from sales of human albumin solution increased by approximately RMB276.5 million, mainly benefited from the increase in sales volume.
- Gross profit of the Group decreased by RMB23.4 million to RMB299.9 million for the Reporting Period (2023: RMB323.3 million), while gross profit margin decreased from 12.7% in 2023 to 10.6% for the Reporting Period. The decrease in gross profit was mainly due to the increase in cost of sales of human albumin was greater than the increase in its sales revenue, which was caused by the increased purchase cost as a result of the further depreciation of the RMB against the US\$.
- Net profit of the Group was amounted to RMB42.0 million for the Reporting Period, which was slightly decreased by RMB0.4 million as compared to the net profit of 2023 amounted to RMB42.4 million.
- During the Reporting Period, net profit attributable to owners of the Company amounted to RMB42.0 million (2023: net profit of RMB42.4 million), representing a slightly decrease of 0.9%.
- Basic and diluted earnings per share amounted to RMB0.02 for the Reporting Period (2023: basic and diluted earnings per share of RMB0.02).
- The Board resolved to declare a final dividend in respect of the year ended 31 December 2024 of HK0.20 cents (2023: final dividend in respect of the year ended 31 December 2023 of HK0.39 cents) per ordinary share, in an aggregate amount of HK\$4,000,000 (2023: HK\$8,000,000). The dividend has been proposed by the Directors of the Company and is subject to approval by the shareholders at the forthcoming general meeting. The final dividend has been calculated by reference to the 2,032,890,585 issued shares outstanding as at the date of this announcement.

The board (the “**Board**”) of directors (the “**Directors**”) of Sinco Pharmaceuticals Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces the audited consolidated results of the Group for the year ended 31 December 2024 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2023, which have been prepared in accordance with the International Financial Reporting Standards (“**IFRSs**”) as below.

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

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
<b>REVENUE</b>	3	<b>2,821,321</b>	2,540,063
Cost of sales		<u>(2,521,380)</u>	<u>(2,216,783)</u>
<b>Gross profit</b>		<b>299,941</b>	323,280
Other income and gains	4	<b>21,363</b>	14,625
Selling and distribution expenses		<b>(63,924)</b>	(93,713)
Administrative expenses		<b>(125,994)</b>	(108,862)
Reversal of (provision for) impairment losses on trade receivables, net		<b>3,922</b>	(4,245)
Other expenses and losses		<b>(14,822)</b>	(13,770)
Changes in fair value of contingent consideration at fair value through profit or loss		<b>(4,922)</b>	(3,000)
Finance costs	5	<u><b>(16,644)</b></u>	<u>(14,434)</u>
<b>PROFIT BEFORE TAX</b>	6	<b>98,920</b>	99,881
Income tax expense	7	<u><b>(56,875)</b></u>	<u>(57,529)</u>
<b>PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>42,045</b></u>	<u>42,352</u>
Attributable to owners of the Company		<u><b>42,045</b></u>	<u>42,352</u>
<b>Earnings per share attributable to owners of the Company:</b>			
Basic			
– For profit for the year (RMB)	8	<u><b>0.02</b></u>	<u>0.02</u>
Diluted			
– For profit for the year (RMB)	8	<u><b>0.02</b></u>	<u>0.02</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

31 December 2024

		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>297,703</b>	279,083
Investment property		<b>5,961</b>	6,139
Right-of-use assets		<b>73,655</b>	75,125
Other intangible assets		<b>41,947</b>	27,109
Goodwill		<b>66,536</b>	66,536
Deferred tax assets		<b>2,422</b>	3,403
<b>Total non-current assets</b>		<b>488,224</b>	457,395
<b>CURRENT ASSETS</b>			
Inventories		<b>352,337</b>	108,026
Trade and bills receivables	9	<b>608,248</b>	540,505
Prepayments, other receivables and other assets		<b>140,237</b>	126,804
Pledged deposits		<b>103,057</b>	220,026
Bank balances and cash		<b>308,320</b>	437,922
<b>Total current assets</b>		<b>1,512,199</b>	1,433,283
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	10	<b>887,968</b>	866,585
Contract liabilities		<b>27,731</b>	40,456
Other payables and accruals		<b>49,368</b>	53,862
Bank borrowings		<b>340,857</b>	240,857
Tax payables		<b>20,589</b>	26,444
Lease liabilities		<b>5,139</b>	3,833
<b>Total current liabilities</b>		<b>1,331,652</b>	1,232,037
<b>NET CURRENT ASSETS</b>		<b>180,547</b>	201,246
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>668,771</b>	658,641

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	<b>50</b>	886
Deferred tax liabilities	<b>1,351</b>	1,800
Contingent consideration at fair value through profit or loss	<b>–</b>	22,078
Lease liabilities	<b>4,491</b>	5,825
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>5,892</b>	30,589
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<b>Net assets</b>	<b>662,879</b>	628,052
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<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Issued capital	<b>164</b>	164
Reserves	<b>662,715</b>	627,888
	<hr/>	<hr/>
<b>Total equity</b>	<b>662,879</b>	628,052
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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

## 1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards which comprise standards and interpretations approved by the International Accounting Standards Board (the “IASB”), and International Accounting Standards (“IASs”) and Standing Interpretations Committee Interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets and financial liabilities at fair value through profit or loss which have been measured at fair value. These consolidated financial statements are presented in Renminbi (“RMB”) which is same as the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

## 2.1 CHANGES IN ACCOUNTING STANDARDS AND DISCLOSURES

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated 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>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Groups’ financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

### New and amendments to IFRS Accounting Standards in issue but not yet effective

The Groups have not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>3</sup>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature – dependent Electricity</i> <sup>3</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>1</sup>
Amendments to IFRS Accounting Standards	<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i> <sup>3</sup>
Amendments to IAS 21	<i>Lack of Exchangeability</i> <sup>2</sup>
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to IFRS Accounting Standards below, the Directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the IFRS 18 is not expected to have material impact on the financial position of the Group. The Directors are in the process of making an assessment of the impact of IFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

### 3. REVENUE AND OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the nature of the services and products sold or provided, the Group has three reportable operating segments as follows:

- (a) the sale of imported pharmaceutical products segment;
- (b) the research and manufacturing of aesthetic medicine segment; and
- (c) the medical beauty services segment.

Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that other income and gains, other expenses and losses, finance costs not related to lease and charges attributable to issue of letters of credit and corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, pledged deposits, bank balances and cash and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude bank borrowings, deferred tax liabilities, tax payable and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

The following tables present revenue and profit (loss) information for the Group's operating segments for the years ended 31 December 2024 and 31 December 2023.

#### Year ended 31 December 2024

Segments	Sale of imported pharmaceutical products <i>RMB'000</i>	Research and manufacturing of aesthetic medicine <i>RMB'000</i>	Medical beauty services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue</b>				
Sales to external customers	2,792,619	–	28,702	<u>2,821,321</u>
<b>Segment results</b>	127,000	(16,401)	10,894	121,493
Reconciliation:				
Corporate and other unallocated expenses				(16,922)
Other income and gains				21,363
Other expenses and losses				(14,822)
Finance costs (other than interest on lease liabilities and finance charges attributable to issue of letters of credit)				<u>(12,192)</u>
Profit before tax				<u>98,920</u>

Year ended 31 December 2023

Segments	Sale of imported pharmaceutical products <i>RMB'000</i>	Research and manufacturing of aesthetic medicine <i>RMB'000</i>	Medical beauty services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue</b>				
Sales to external customers	2,514,137	–	25,926	<u>2,540,063</u>
<b>Segment results</b>	116,779	(6,676)	8,882	118,985
Reconciliation:				
Corporate and other unallocated expenses				(10,604)
Other income and gains				14,625
Other expenses and losses				(13,770)
Finance costs (other than interest on lease liabilities and finance charges attributable to issue of letters of credit)				<u>(9,355)</u>
Profit before tax				<u>99,881</u>

The following table presents information of assets and liabilities of the Group's operating segments as at 31 December 2024 and 31 December 2023.

**As at 31 December 2024**

Segments	Sale of imported pharmaceutical products <i>RMB'000</i>	Research and manufacturing of aesthetic medicine <i>RMB'000</i>	Medical beauty services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment assets</b>	<b>1,419,767</b>	<b>85,628</b>	<b>80,409</b>	<b>1,585,804</b>
Reconciliation:				
Corporate and other unallocated assets				820
Deferred tax assets				2,422
Bank balances and cash				308,320
Pledged deposits				<u>103,057</u>
Total assets				<u>2,000,423</u>
<b>Segment liabilities</b>	<b>937,708</b>	<b>6,078</b>	<b>30,826</b>	<b>974,612</b>
Reconciliation:				
Corporate and other unallocated liabilities				85
Bank borrowings				340,907
Tax payable				20,589
Deferred tax liabilities				<u>1,351</u>
Total liabilities				<u>1,337,544</u>



As at 31 December 2023

Segments	Sale of imported pharmaceutical products <i>RMB'000</i>	Research and manufacturing of aesthetic medicine <i>RMB'000</i>	Medical beauty services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment assets</b>	1,045,836	97,101	85,600	1,228,537
Reconciliation:				
Corporate and other unallocated assets				790
Deferred tax assets				3,403
Bank balances and cash				437,922
Pledged deposits				220,026
Total assets				<u>1,890,678</u>
<b>Segment liabilities</b>	958,563	8,377	25,629	992,569
Reconciliation:				
Corporate and other unallocated liabilities				70
Bank borrowings				241,743
Tax payable				26,444
Deferred tax liabilities				1,800
Total liabilities				<u>1,262,626</u>

For the year ended 31 December 2024

	Sale of imported pharmaceutical products <i>RMB'000</i>	Research and manufacturing of aesthetic medicine <i>RMB'000</i>	Medical beauty services <i>RMB'000</i>	Total <i>RMB'000</i>
Amounts included in the measure of segment profit or loss or segment assets:				
Capital expenditure*	5,392	47,354	329	53,075
Depreciation and amortisation	17,599	3,012	3,884	24,495
Interest on lease liabilities	84	216	56	356
Finance charges attributable to issue of letters of credit	4,096	–	–	4,096
Reversal of impairment losses on trade receivables, net	<u>(3,922)</u>	<u>–</u>	<u>–</u>	<u>(3,922)</u>

For the year ended 31 December 2023

	Sale of imported pharmaceutical products <i>RMB'000</i>	Research and manufacturing of aesthetic medicine <i>RMB'000</i>	Medical beauty services <i>RMB'000</i>	Total <i>RMB'000</i>
Amounts included in the measure of segment profit or loss or segment assets:				
Capital expenditure*	32,515	34,270	704	67,489
Depreciation and amortisation	10,331	2,187	3,801	16,319
Provision for impairment losses on trade receivables, net	4,245	–	–	4,245
Interest on lease liabilities	102	295	56	453
Finance charges attributable to issue of letters of credit	4,626	–	–	4,626

\* Capital expenditure consists of additions to right-of-use assets, other intangible assets and property, plant and equipment

An analysis of revenue is as follows:

#### Revenue from contracts with customers

##### (i) *Disaggregated revenue information for revenue from contracts with customers*

For the year ended 31 December 2024

Segments	Sale of imported pharmaceutical products <i>RMB'000</i>	Medical beauty services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Types of goods or services</b>			
Sale of imported pharmaceutical products, at a point in time	2,792,619	–	2,792,619
Medical beauty services, at a point in time	–	28,702	28,702
Total revenue from contracts with customers	2,792,619	28,702	2,821,321

For the year ended 31 December 2023

Segments	Sale of imported pharmaceutical products <i>RMB'000</i>	Medical beauty services <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Types of goods or services</b>			
Sale of imported pharmaceutical products, at a point in time	2,514,137	–	2,514,137
Medical beauty services, at a point in time	–	25,926	25,926
Total revenue from contracts with customers	<u>2,514,137</u>	<u>25,926</u>	<u>2,540,063</u>
		<b>2024</b> <b><i>RMB'000</i></b>	2023 <i>RMB'000</i>
<b>Types of pharmaceutical products</b>			
Human albumin solution		<b>2,783,513</b>	2,507,058
Antibiotics (Axetine and Medocef)		<b>9,106</b>	7,079
Total revenue from contracts with customers		<u><b>2,792,619</b></u>	<u>2,514,137</u>

*Geographical markets*

All revenue from contracts with customers of the Group during each of the years ended 31 December 2024 and 2023 was attributable to customers located in the Mainland China, the place of domicile of the Group's principal operating entities. Substantially all of the Group's non-current assets are all located in the Mainland China.

*Timing of revenue recognition*

All revenue from contracts with customers of the Group during each of the years ended 31 December 2024 and 2023 was recognised when control of the goods and services were transferred on a point in time basis.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	<b>2024</b> <b><i>RMB'000</i></b>	2023 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Medical beauty services	<b>612</b>	1,941
Sale of imported pharmaceutical products	<u><b>39,844</b></u>	<u>56,804</u>
	<u><b>40,456</b></u>	<u>58,745</u>

#### *Information about major customers*

Revenue from each of the major customer, which amounted to 10% or more of the total revenue, is set out below:

	<b>2024</b> <b>RMB'000</b>	2023 <b>RMB'000</b>
Customer A	<b>574,002</b>	412,547

#### **(ii) Performance obligations**

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

##### *Sale of imported pharmaceutical products*

The performance obligation is satisfied upon delivery of the pharmaceuticals and payment is generally due within 90 to 180 days (2023: 90 to 180 days) from delivery, except for certain customers who make payments in advance prior to delivery of the pharmaceuticals.

##### *Medical beauty services*

Revenue from medical beauty service is recognised at the point in time upon completion of service since the duration of the service provided is normally within one day.

#### **4. OTHER INCOME AND GAINS**

An analysis of other income and gains is as follows:

	<b>2024</b> <b>RMB'000</b>	2023 <b>RMB'000</b>
Bank interest income	<b>5,910</b>	5,961
Interest income from wealth management products classified as financial assets at fair value through profit or loss ( <i>note 6</i> )	<b>205</b>	6
Government grants*	<b>2,767</b>	1,319
Net rental income from investment property ( <i>note 6</i> )	<b>488</b>	390
Distribution service income	<b>10,565</b>	6,889
Gain on disposal of property, plant and equipment	<b>–</b>	36
Others	<b>1,428</b>	24
	<b>21,363</b>	14,625

\* There were no unfulfilled conditions or contingencies relating to the government grants.

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 RMB'000	2023 RMB'000
Interest on bank and other borrowings	12,192	9,355
Interest on lease liabilities	356	453
Finance charges attributable to issue of letters of credit	4,096	4,626
	<u>16,644</u>	<u>14,434</u>

## 6. PROFIT BEFORE TAX

The Group's profit before tax was arrived at after charging/(crediting):

	Note	2024 RMB'000	2023 RMB'000
Cost of inventories sold		2,513,397	2,207,433
Cost of services provided		7,983	9,350
Depreciation of property, plant and equipment		15,401	7,703
Depreciation of right-of-use assets		5,838	5,433
Depreciation of investment property		178	180
Amortisation of other intangible assets (included in administrative expenses)		3,078	3,003
Research and development expenses (included in administrative expenses)		19,000	8,291
Short-term lease payments		920	915
Auditors' remuneration		2,300	2,300
Employee benefit expense (including directors' remuneration):			
Wages and salaries		50,233	46,573
Welfare and other benefits		1,111	1,368
Pension scheme contributions			
– Defined contribution fund		9,146	6,313
Housing fund			
– Defined contribution fund		959	543
Total employee benefit expense		<u>61,449</u>	<u>54,797</u>
Unrealised foreign exchange losses, net		12,600	8,389
Loss (gain) on disposal of property, plant and equipment		1,138	(36)
Interest income from financial assets at fair value through profit or loss	4	(205)	(6)
Net rental income from investment property	4	<u>(488)</u>	<u>(390)</u>

## 7. INCOME TAX EXPENSE

The major components of income tax expense are as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current – Hong Kong		
Overprovision in prior years	–	(103)
Current – Mainland China		
Charge for the year	32,256	46,013
Underprovision in prior years	22,331	10,690
Current – Singapore Charge for the year	1,756	1,781
Deferred tax charge (credit)	532	(852)
	<u>56,875</u>	<u>57,529</u>
Income tax expense for the year		

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit attributable to owners of the Company for the year ended 31 December 2024 of RMB42,045,000 (2023: RMB42,352,000), and number of ordinary shares of 2,032,890,585 (2023: 2,032,890,585) in issue during the year.

No adjustment is made in arriving of diluted earnings per share as there was no potential ordinary shares outstanding in the years ended 31 December 2024 and 2023.

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Earnings		
Profit attributable to owners of the Company	<u>42,045</u>	<u>42,352</u>
	<b>Number of shares</b>	
	2024	2023
Shares		
Number of ordinary shares in issue during the year		
used in the basic and diluted earnings per share calculations	<u>2,032,890,585</u>	<u>2,032,890,585</u>

## 9. TRADE AND BILLS RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables, gross	515,816	549,596
Impairment	<u>(6,160)</u>	<u>(13,561)</u>
Trade receivables, net of loss allowance	509,656	536,035
Bills receivables*	<u>98,592</u>	<u>4,470</u>
	<u>608,248</u>	<u>540,505</u>

\* Bills receivables as at 31 December 2024 and 2023 were classified as financial assets at fair value through profit or loss as they were held for the endorsement or discounting.

The Group granted credit terms ranging from 90 days to 180 days (2023: 90 days to 180 days) to customers after the delivery of goods, except for certain customers who were required to make payments in advance prior to the delivery of goods. The Group seeks to maintain strict control over the settlements of its outstanding receivables and has a credit control department to minimise credit risk. Trade receivables are non-interest-bearing. As at 31 December 2024, trade receivables of RMB390,182,000 (2023: RMB425,629,000) were covered by letters of credit.

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

	<b>2024</b> <b>RMB'000</b>	2023 <b>RMB'000</b>
Within 3 months	<b>501,660</b>	535,928
3 to 12 months	<b>7,996</b>	107
	<b>509,656</b>	536,035

#### 10. TRADE AND BILLS PAYABLES

	<b>2024</b> <b>RMB'000</b>	2023 <b>RMB'000</b>
Trade payables	<b>873,889</b>	813,668
Bills payables	<b>14,079</b>	52,917
	<b>887,968</b>	866,585

An ageing analysis of trade and bills payables as at the end of the reporting period, based on the issuance date of the pharmaceuticals' inspection report, is as follows:

	<b>2024</b> <b>RMB'000</b>	2023 <b>RMB'000</b>
Within 3 months	<b>887,968</b>	866,585

Trade and bills payables of the Group are normally settled within 120 to 180 days (2023: 120 to 180 days).

The Group's bills payables as at 31 December 2024 was secured by the pledge of certain of the Group's deposits amounting to RMB14,079,000 (2023: RMB52,917,000).

#### 11. DIVIDENDS

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of HK0.20 cents (2023: final dividend in respect of the year ended 31 December 2023 of HK0.39 cents) per ordinary share, in an aggregate amount of approximately HK\$4,000,000 (2023: HK\$8,000,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting. The final dividend has been calculated by reference to the 2,032,890,585 issued shares outstanding as at the date of this announcement.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group focuses on three business segments including biologics, medical aesthetic products and biopharmaceutical cold chain and supply chain services. Biologics business provides comprehensive MPCM services that mainly cover imported blood products and other imported anti-infective drugs; medical aesthetic products business is committed to establishing the independent research and development, production and sales of the leading aesthetical medicine with proprietary intellectual properties in China; biopharmaceutical cold chain and supply chain services focus on the cold chain facilities construction and industry chain services of biopharmaceutical products, as well as establishing the supply chain service platform of relevant products.

#### **1. Core Products – Human Albumin Solution**

Since the origination in the 1940s and, after decades of development, the range of blood products has expanded from the initial single human albumin to include over 20 varieties such as immunoglobulins and coagulation factors. Market demand for human albumin solution, as the core product in the Chinese market and the only blood product allowed to be imported to the country, has been growing steadily every year. In 2024, the annual batch release volume of human albumin solution reached 83.2 million bottles (2023: 78.1 million bottles), representing a year-on-year increase of 6.5% as compared with that of 2023.

The human albumin solution produced by Octapharma is used to treat conditions such as shock due to hypovolemia, edema, toxins and neonatal hyperbilirubinemia. According to the 2024 annual batch release volume, Octapharma's human albumin solution held approximately 13.3% of the market share in 2024.

#### **2. Marketing Network Development**

The Group is committed to continuously optimising its marketing network to promote market penetration at multiple levels across the country. In 2024, the Group strengthened its cooperation with medical institutions at the provincial, municipal and county levels across the country, significantly expanding its market coverage. Meanwhile, through strengthening of its internal sales team building and cooperation with third-party promotional service providers, the Group ensured that its products could precisely reach its target customers. In addition, the Group improved its performance management system to allocate sales resources on a scientific basis and promote the extension of sales channels to primary medical institutions, which ultimately increased penetration into the end market.



### **3. Cold Chain Storage Facility**

Cold chain services are the core support for the distribution of the Group's biologics. Occupying an area of 15,000 square meters, the first phase of the Group's cold chain storage facilities in Chengdu, Sichuan Province has commenced full operation, providing high quality storage services for both internal products and external customers. The Phase II expansion project is expected to be completed in 2025 with an additional 18,000 square meters of storage space to meet future demand growth.

Through the introduction of a digital supply chain system, the Group has visualised the entire process from inventory management to distribution, which has not only improved operational efficiency, but also reduced logistics costs.

### **4. Research and Development**

The Group accelerated the pace of research and development for new product and built technical core capabilities. In July 2024, the Girl Needle project has successfully completed enrollment for clinical trials and entered the follow-up phase, and is expected to complete the trials in the fourth quarter of 2025. The Group also continued to expand the Girl Needle project by increasing efforts in the evaluation of expanding the clinical trials for new application of Girl Needle, aiming to fill the current gap of Girl Needle in this field within the domestic market. After an in-depth evaluation of the Secret Needle project, we have continued to advance its research and development. The safety assessment of Class III medical devices developed independently for wrinkle removal was stepped up. The subsequent product pipeline of the Group will be centred on the research and development of three major directions, namely, Girl Needle and its expanded application, fine wrinkles removal and collagen-based products, in a bid to actively provide customers with more, better and compliant new options.

## **FUTURE AND OUTLOOK**

In the coming years, the Group will focus on optimisation of core business and expansion into new markets.

In the field of biologics, the Group will further optimise its marketing layout and supply chain management to satisfy the needs of patients nationwide in a more efficient manner, while deepening its cooperation with major medical institutions to enhance the market coverage of its core product, human albumin. In addition, the Group plans to introduce more innovative biologics to expand the indication scenarios and provide patients with more comprehensive treatment solutions.

In the field of medical aesthetics products, the Group will expedite the commercialisation of its core products such as Girl Needle, in particular, to build up brand advantages in the high-end medical aesthetics market in major domestic cities. Meanwhile, the Group plans to further expand into international markets such as Southeast Asia, so as to capture the fast-growing global demand for medical aesthetics through the establishment of regional sales networks and strategic partnerships. In addition, the research and development team will continue to advance the development of new-generation medical aesthetic fillers and anti-aging technologies to provide strong technical support for future market expansion.

The Group will also continue to promote the construction of cold chain facilities to meet the increasing demand for storage and logistics of biologics and medical aesthetic products. The second phase of the cold chain expansion project is scheduled to commence in 2025. Upon completion, it is expected to add storage capacity of 18,000 square meters, which will provide better cold chain solutions for the Group and third-party customers. In addition, the Group will explore the digital upgrading of its cold chain services to achieve whole-process traceability management through the combination of Internet of Things and artificial intelligence technologies, thereby further enhancing logistics efficiency and customer experience.

In its future business development, the Group will continue to explore emerging areas and strengthen the competitiveness of its existing businesses under its core values of “innovation, integrity and professionalism”. Meanwhile, we will enhance our internal governance and risk management system to ensure the steady development of the company in the long run. The Group will also actively fulfill its corporate social responsibilities by supporting public welfare and contributing to the healthcare industry of society.

## FINANCIAL REVIEW

### Revenue

The Group recorded revenue of RMB2,821.3 million for the Reporting Period, representing an increase of RMB281.2 million, or 11.1% as compared to RMB2,540.1 million in 2023, which could be further analysed as follows:

		2024		2023	
		<i>RMB'000</i>	<i>% of revenue</i>	<i>RMB'000</i>	<i>% of revenue</i>
Human albumin solution	1)	<b>2,783,513</b>	<b>98.7</b>	2,507,058	98.7
Antibiotics		<b>9,106</b>	<b>0.3</b>	7,079	0.3
Medical beauty service	2)	<b>28,702</b>	<b>1.0</b>	25,926	1.0
Total		<b>2,821,321</b>	<b>100.0</b>	2,540,063	100.0

- 1) During the Reporting Period, revenue of human albumin solution stood at RMB2,782.7 million, representing an increase of approximately 11.0% or RMB257.6 million as compared with 2023. Such increase in revenue mainly benefited from the increase in the supply volume and the sales volume of human albumin.
- 2) During the Reporting Period, revenue generated from medical beauty services amounted to RMB28.7 million, representing an increase of approximately 10.8% or RMB2.8 million as compared with 2023.

### Cost of sales

The Group recorded cost of sales of RMB2,521.4 million for the Reporting Period, representing an increase of RMB304.6 million, or 13.7% as compared with RMB2,216.8 million in 2023, which was mainly caused by the increase in purchase cost of the human albumin as a result of the further depreciation of the RMB against the US\$.

### Gross profit and gross profit margin

During the Reporting Period, the Group recorded gross profit of RMB299.9 million, representing a decrease of RMB23.4 million as compared with RMB323.3 million in 2023. Accordingly, the gross profit margin decreased from 12.7% in 2023 to 10.6% for the Reporting Period. The decrease in gross profit was primarily caused by the increase in cost of sales of human albumin was greater than the increase in its sales revenue, which was caused by the increased purchase cost as a result of the further depreciation of the RMB against the US\$.

### Other income and gains

During the Reporting Period, other income and gains of the Group amounted to RMB21.4 million, representing an increase of RMB6.8 million as compared with the 2023, which was mainly caused by the increase in service income from logistics services of RMB3.7 million and government grants of RMB1.5 million.

### **Selling and distribution expenses**

During the Reporting Period, the Group's selling and distribution expenses amounted to approximately RMB63.9 million, representing a decrease of RMB29.8 million as compared with the corresponding period of 2023. The decrease was mainly due to the decrease in marketing and promotion expenses.

### **Administrative expenses**

During the Reporting Period, the Group recorded administrative expenses of RMB126.0 million, representing an increase of RMB17.1 million as compared with the corresponding period of 2023. With the business development in the research and manufacturing of aesthetic medicine segment and the medical beauty segment, the increase of administrative expenses was mainly due to the increase in the research and development expenses of RMB11.0 million, the staff cost of RMB5.2 million and office expenses of RMB2.1 million.

### **Other expenses**

During the Reporting Period, the Group recorded other expenses of RMB14.8 million, representing an increase of RMB1.0 million as compared with the 2023, which was mainly due to the increase in foreign exchange loss.

### **Finance costs**

During the Reporting Period, the Group recorded finance costs of RMB16.6 million, representing an increase of RMB2.2 million as compared with the 2023, which was mainly due to the increase of the interest on bank and other borrowings.

### **Income tax expense**

During the Reporting Period, the income tax expense was amounted to the RMB56.9 million, which only slightly declined RMB0.6 million as compared to the RMB57.5 million in 2023.

### **Profit for the Reporting Period**

As a result of the foregoing, the Group recorded a net profit of RMB42.0 million, which was almost the same as the 2023 (2023 net profit: RMB42.4 million).

### **Inventories**

The inventory balance amounted to RMB352.3 million as of 31 December 2024 (31 December 2023: RMB108.0 million), representing an increase of RMB244.3 million as compared with the year-end balance of 2023. Such increase was mainly due to the increase in the inventory balance of human albumin solution, since there were several batches of human albumin solutions procured at the end of the Reporting Period.

In line with the increase of the inventories, the Group's average inventory turnover days increased by 17 days from 16 days in 2023 to 33 days for the Reporting Period.

### **Trade and bills receivables**

The balance of trade receivables amounted to RMB509.7 million as of 31 December 2024, represented a slightly decrease of RMB26.3 million or 4.9% as compared to the RMB536.0 million in 2023.

The balance of bills receivables as of 31 December 2024 was RMB98.5 million (31 December 2023: RMB4.5 million), representing an increase of RMB94.0 million as compared to the year-end balance of 2023. Such increase was mainly because at the end of the year, most of the customers were required to use bank acceptance for payment and the Company chose to accept bank acceptance in order to reduce accounts receivable.

### **Prepayments, deposits, other receivables and other assets**

As of 31 December 2024, the prepayments, deposits, other receivables and other asset amounted to RMB140.2 million (31 December 2023: RMB126.8 million), representing an increase of RMB13.4 million as compared with the year-end balance of 2023. Such an increase was mainly due to the increase of the prepayment of the value-added tax recoverable amount of RMB20.6 million. The increase was partially offset by the decrease of the prepayment of deposits for issuance of the letter of credit of RMB6.7 million.

### **Trade and bills payables**

As of 31 December 2024, trade and bills payables amounted to RMB888.0 million (31 December 2023: RMB866.6 million), representing an increase of RMB21.4 million as compared with the year-end balance of 2023, which was mainly due to the increase in payables for the purchase of human albumin solution.

### **Other payables and accruals**

As of 31 December 2024, other payables and accruals amounted to RMB49.4 million (31 December 2023: RMB53.9 million), representing a decrease of RMB4.5 million as compared with the year-end balance of 2023. The decrease was mainly due to the decrease of payables in relation to (i) the other payables of RMB18.2 million; (ii) the deposits received from distributors of RMB10.9 million and (iii) the other tax payables of RMB5.1 million. The decrease was partially offset by the increase of (i) the consideration payable to the vendors of RMB27.0 million; and (ii) the payroll and welfare payable of RMB2.1 million.

## Borrowings

As of 31 December 2024, the Group has borrowings of RMB340.9 million in total, with details set out below:

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
Current:		
Bank loans	<u>340,857</u>	<u>240,857</u>
Non-current:		
Bank loans	<u>50</u>	<u>886</u>
Total	<u><b>340,907</b></u>	<u>241,743</u>

## Gearing ratio

At the end of the Reporting Period, the Group's gearing ratio was calculated as follows:

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
Bank borrowings	<b>340,907</b>	241,743
Trade and bills payables	<b>887,968</b>	866,585
Other payables and accruals	<b>49,368</b>	53,862
Lease liabilities	<b>9,630</b>	9,658
Tax payables	<b>20,589</b>	26,444
Financial liabilities at fair value through profit or loss	–	22,078
Less: Bank balances and cash	<b>(308,320)</b>	(437,922)
Less: Pledged deposits	<u><b>(103,057)</b></u>	<u>(220,026)</u>
Net debt <sup>(a)</sup>	<u><b>897,085</b></u>	<u>562,422</u>
Equity	<u><b>662,879</b></u>	<u>628,052</u>
Equity and net debt <sup>(b)</sup>	<u><b>1,559,964</b></u>	<u>1,190,474</u>
Gearing ratio <sup>(a/b)</sup>	<u><b>57.5%</b></u>	<u>47.2%</u>

## Liquidity and capital resources

The following table sets out a condensed summary of the Group's consolidated statement of cash flows during the Reporting Period:

		2024	2023
	Notes	RMB'000	RMB'000
Net cash flows (used in)/generated from operating activities	1)	(232,879)	353,700
Net cash flows used in investing activities	2)	(52,870)	(63,626)
Net cash flows from/(used in) financing activities	3)	154,587	(189,729)
Net (decrease)/increase in cash and cash equivalents		(131,162)	100,345
Effect of foreign exchange rate changes, net		1,560	8,433
Cash and cash equivalents at beginning of the year	4)	437,922	329,144
Cash and cash equivalents at end of the year	4)	308,320	437,922

Notes:

1) Net cash flows used in operating activities

During the Reporting Period, the Group's net cash flows used in operating activities amounted to approximately RMB232.9 million (for the year 2023: net cash inflow of RMB353.7 million), which was mainly due to the increase in inventories of RMB244.3 million and the increase in trade and bills receivables of RMB72.0 million, which were partially offset by the increase in trade and bills payables of RMB55.4 million.

2) Net cash used in investing activities

During the Reporting Period, the Group's net cash used in investing activities amounted to approximately RMB52.9 million (for the year 2023: net cash outflow of RMB63.6 million), which mainly included the investments in purchase of items of property, plant and equipment of RMB35.2 million, and additions to others intangible assets of RMB17.9 million.

3) Net cash from financing activities

During the Reporting Period, the Group's net cash flows from financing activities amounted to approximately RMB154.6 million (for the year 2023: net cash outflow of RMB189.7 million), which was mainly due to the decrease in pledged deposits of RMB117.0 million and net proceeds from bank borrowings of RMB59.2 million, which were partially offset by the interest paid of RMB16.3 million and dividend paid of RMB7.2 million.

4) The following table sets out the Group's cash and cash equivalents at the end of the Reporting Period:

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
Denominated in RMB	<b>353,668</b>	541,812
Denominated in US\$	<b>54,609</b>	110,102
Denominated in HK\$	<b>897</b>	2,355
Denominated in S\$*	<b>2,203</b>	3,679
	<b>411,377</b>	657,948

\* S\$ stands for the Singapore dollar.

### **Treasury policies**

The Group has adopted a prudent financial management approach towards its treasury policies. Substantial amounts of the Group's cash and cash equivalents are held in major financial institutions located in Mainland China. The Group seeks to maintain strict control over its outstanding receivables and the senior management of the Company reviews and assesses the creditworthiness of the Group's existing customers on an ongoing basis. To manage liquidity risk, the Group monitors its exposure to a shortage of funds by considering the maturity of both its financial liabilities and financial assets and projected cash flows from operations. Cash and cash equivalents of the Group is mainly denominated in RMB.

### **Foreign currency risk**

Most of the Group's assets and liabilities are denominated in RMB, except for certain items below:

- Certain bank balances are denominated in US\$, HK\$, S\$; and
- Purchase of products from overseas suppliers and relevant trade and bills payables are denominated in US\$.

The Group manages the potential fluctuation in foreign currencies by foreign currency forward and option contracts, and does not enter into any hedging transactions.

### **Future Plans for Material Investments and Capital Assets**

As at the date of this announcement, the Group does not have any future plans for material capital assets.



## Capital expenditure

The following table sets out the Group's capital expenditure for the periods indicated:

	<b>2024</b> <b><i>RMB'000</i></b>	<b>2023</b> <b><i>RMB'000</i></b>
Purchase of property, plant and equipment	<u><b>35,159</b></u>	<u>29,550</u>
	<u><b>35,159</b></u>	<u>29,550</u>

## Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2024.

## Pledge of assets

As at 31 December 2024, the carrying amounts of the Group's pledged assets were set out as follows:

	<b>31 December</b> <b>2024</b> <b><i>RMB'000</i></b>	<b>31 December</b> <b>2023</b> <b><i>RMB'000</i></b>
For obtaining bank and other borrowings		
– Buildings	<b>72,852</b>	68,489
For issuance of letters of credit, billings and other		
– Bank balances	<u><b>103,057</b></u>	<u>220,026</u>

## SIGNIFICANT FINANCING EVENT AND USE OF PROCEEDS

### 2022 Placing of new Shares under general mandate

In order to capture the market opportunities of medical aesthetic products and to develop its own center to develop, produce and sell medical aesthetic products gradually, the Company entered into a placing agreement (the “**2022 Placing**”) with Silverbricks Securities Company Limited (the “**Placing Agent**”) on 7 December 2021, pursuant to which the Company has conditionally agreed to issue an aggregate of 160,000,000 Shares (the “**Placing Shares**”), and the Placing Agent agreed to procure not less than six independent individuals, institutional or other professional investors (the “**Placees**”) to subscribe for, on a best effort basis, an aggregate of 160,000,000 Placing Shares at the placing price of HK\$1.29 per Placing Share, with an aggregate nominal value of HK\$16,000. The Placing Price of HK\$1.29 per Placing Share represents a discount of approximately 19.38% to the closing price of HK\$1.60 per Share as quoted on the HKSE on 7 December 2021, being the date of the Placing Agreement.

The net proceeds from the 2022 Placing, after deduction of the commission for the placing and other related expenses, amounted to approximately HK\$194.9 million, at a net price (which is calculated by dividing the net proceeds by the number of Placing Shares) of HK\$1.22. The Company intends that as to:

- (a) approximately 40% of the net proceeds of the 2022 Placing (approximately HK\$78.0 million) will be used for relevant costs and expenses incurred for the development of polycaprolactone microsphere facial filler and its materials for injection, including but not limited to development of experimental workshop, research and development equipments and factories construction investment; and
- (b) approximately 60% of the net proceeds of the 2022 Placing (approximately HK\$116.9 million) will be used for the strategic acquisition/development of new projects/products in the field of medical aesthetic including but not limited to acquisition of medical aesthetic organisations or investing in medical aesthetic projects and development of new medical aesthetic products.

All the conditions precedent set out in the Placing Agreement (together with its supplemental agreement entered into between the Company and the Placing Agent on 30 December 2021) have been fulfilled and the completion under the Placing Agreement took place on 3 January 2022. For details, please refer to the announcements of the Company dated 7 December 2021, 30 December 2021 and 3 January 2022.

During the Reporting Period, approximately HK\$10.0 million of net proceeds from the 2022 Placing had been used and the unutilised net proceeds as of 31 December 2024 was amounted to HK\$20.8 million. The details are as follows:

	Approximate % of total net proceeds (%)	Net proceeds from the 2022 Placing HK\$'(million)	Unutilised net proceeds as of 31 December 2023 HK\$'(million)	Net proceeds utilised during the Reporting Period HK\$'(million)	Unutilised net proceeds as of 31 December 2024 HK\$'(million)	Expected timeline for full utilization of the remaining net proceeds
Development of polycaprolactone microsphere facial filler and its materials for injection, including but not limited to development of experimental workshop, research and development equipments and factories construction investment	40	78.0	–	–	–	–
Strategic acquisition/ development of new projects/ products in the field of medical aesthetic, including but not limited to acquisition of medical aesthetic organisations or investing in medical aesthetic projects and development of new medical aesthetic products	60	116.9	30.8	10.0	20.8	6 months
Total	100	194.9	30.8	10.0	20.8	

Save as disclosed above, for the year ended 31 December 2024 and up to date of this announcement, there was no significant financial event affecting the Group.

## EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, the Group had a total of 291 employees. For the Reporting Period, the total staff costs of the Group were RMB61.4 million (2023: RMB54.8 million).

The Group's employee remuneration policy is determined by taking into account factors such as remuneration in respect of the local market, the overall remuneration standard in the industry, the inflation level, corporate operating efficiency and employee performance. The Group conducts performance appraisals once every year for its employees, the results of which are applied in annual salary reviews and promotional assessments. The Group's employees are considered for annual bonuses according to certain performance criteria and appraisals results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve customer service quality. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or suffer from any material labor dispute during the Reporting Period.

In addition, the Company adopted a Share Option Scheme to recognize the contribution by certain employees of the Group, and to provide them with incentives in order to retain them for their continuing support in the operation and development of the Group.

## **RISK MANAGEMENT**

The principal risks and uncertainties identified by the Company which may have material and adverse impact on the Group's performance or operation are summarized below. There may be other principal risks and uncertainties in addition to those set out below which are not known to the Group or which may not be material now but could turn out to be material in the future.

- Failure to maintain relationships with existing suppliers – The Group currently sources all the products in portfolio from limited suppliers, either directly or indirectly through their sales agents.
- Exchange rate fluctuation – The Group's purchase of products from the overseas suppliers is denominated in US\$, and certain items of bank balances, other receivables, bank borrowings and bonds are denominated in US\$ and HK\$.
- Decrease in profit margin due to increase in cost, decrease in selling price and intensified competition.
- Prolonged delays or significant disruptions in the supply of products.

The Company believes that risk management is essential to the Group's efficient and effective operation. The Company's management assists the Board in evaluating material risk exposure to the Group's business, participates in formulating appropriate risk management and internal control measures, and ensures such measures are properly implemented in daily operational management.

## **RELATIONSHIP WITH KEY STAKEHOLDERS**

Human resources are one of the most important assets of the Group. The Group strives to motivate its employees by providing them with a clear career path as well as comprehensive and professional training courses. In addition, the Group also offers competitive remuneration packages to its employees, including basic salary, certain benefits and other performance based incentives.

The Group purchases imported pharmaceutical products from overseas suppliers, either directly or indirectly through their sales agents, and then generates revenue by on-selling them to hospitals and pharmacies through distributors or deliverers. Our suppliers or their sales agents have granted us the exclusive operating rights to market, promote and manage sales channels for their products in China. We maintain a stable and long-term relationship with our suppliers by providing them access to the growing Chinese market with steady sales growth.

The Group sells pharmaceutical products to distributors or deliverers, who on-sell the products to hospitals and pharmacies directly. The Group maintains stable and long-term relationship with its distributors or deliverers by providing them guidance, training and support to carry out more marketing and promotion activities in targeted fields.

## **ENVIRONMENTAL POLICIES AND PERFORMANCE**

The Group is primarily engaged in MPCM for imported pharmaceutical products, a line of business that does not have material impact on the environment. The key environmental impact from the Group's operation is related to electricity, water and paper consumption. The Group is fully aware of the importance of sustainable environmental development, and has implemented the following measures to encourage environmental protection and energy conservation:

- Promoting paperless office
- Encouraging low-carbon commuting
- Ensuring reasonable energy consumption

During the Reporting Period, we did not incur any material cost of compliance with relevant environmental laws and regulations.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

The Group's business and operations are subject to related laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC. During the Reporting Period, the Group have complied with all related laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC, which would have significant impact on the Group.

## **FINAL DIVIDEND**

The Board resolved to declare a final dividend in respect of the year ended 31 December 2024 of HK0.20 cents (2023: final dividend in respect of the year ended 31 December 2023 of HK0.39 cents) per ordinary share, in an aggregate amount of approximately HK\$4,000,000 (2023: HK\$8,000,000). The dividend has been proposed by the Directors of the Company and is subject to approval by the Shareholders in the forthcoming general meeting. The final dividend has been calculated by reference to the 2,032,890,585 issued shares outstanding as at the date of this announcement.

## CONTINUING CONNECTED TRANSACTIONS

On 30 September 2024, the Company entered into the guarantee agreement with Mr. Huang, pursuant to which Mr. Huang agreed to provide guarantees to the Company or any of its designated subsidiaries for their obligations in respect of loan facilities obtained from financial institutions. The guarantee agreement remains in effect from the date of the guarantee agreement to 30 September 2027, with the maximum annual guarantee fee payable to Mr. Huang not exceeding RMB15,000,000.

Mr. Huang is an executive Director and the Chairman of the Company. Mr. Huang is also a substantial shareholder of the Company, beneficially holding approximately 51.65% of the total issued share capital of the Company. Therefore, Mr. Huang is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the provision of guarantee services provided by Mr. Huang to the Group pursuant to the guarantee agreement constitutes financial assistance received by the Group from a connected person. Details are set out in the announcements of the Company dated 30 September 2024 and 15 October 2024. The annual cap of service fee for 2024 was agreed to be RMB3,750,000, and the total actual amount incurred was RMB3,420,000, which did not exceed the annual cap.

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions conducted during the year and confirmed that such transactions (a) were entered into in the ordinary and usual course of business of the Group; (b) were on normal commercial terms or better terms; and that (c) the agreements governing the transactions were entered into in a fair and reasonable manner and in the interests of the shareholders of the Company as a whole, and such transactions have been carried out in accordance with the agreements governing the transactions.

Pursuant to Rule 14A.56 of the Listing Rules, the Board has engaged the auditors of the Company to conduct a proper work on the above continuing connected transactions. The auditors have issued a letter containing their conclusions in respect of the continuing connected transactions of the Group disclosed above and their findings, in their opinion, that there is no non-compliance with the Rule 14A.56 of the Listing Rules. The Board hereby adds that the auditors of the Company confirm that the continuing connected transactions (i) were approved by the Board; (ii) in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group; (iii) were conducted pursuant to the relevant agreements for such transactions; and (iv) did not exceed the caps.

## **ANNUAL GENERAL MEETING**

The AGM will be held on Thursday, 15 May 2025. A notice convening the AGM will be published in the manner required by the Listing Rules on the HKSE in due course.

## **CLOSURE OF THE REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING**

The register of members of the Company will be closed from Monday, 12 May 2025 to Thursday, 15 May 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming AGM to be held on Thursday, 15 May 2025. To be eligible for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's relevant Hong Kong Branch Share Registrar, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 9 May 2025. The record date for determining the identity of the Shareholders who are entitled to attend and vote at the forthcoming AGM is Thursday, 15 May 2025.

## **CLOSURE OF THE REGISTER OF MEMBERS FOR THE ENTITLEMENT TO FINAL DIVIDEND**

The register of members will be closed from Wednesday, 21 May 2025 to Friday, 23 May 2025, both days inclusive, in order to qualify for entitlement to the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Tuesday, 20 May 2025. The record date for determining the entitlement to the final dividend is Friday, 23 May 2025. Subject to the approval of Shareholders of the Company at the forthcoming AGM, the final dividend will be paid on or around Tuesday, 3 June 2025.

## **CORPORATE GOVERNANCE**

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. During the Reporting Period, the Company has complied with all applicable code provisions in force under the CG Code and adopted most of the best practices set out therein.

The Board shall review the structure and composition of the Board from time to time in light of prevailing circumstances, to maintain a high standard of corporate governance practices of the Company.



## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ dealings in the Company’s securities.

## **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) during the Reporting Period. As of 31 December 2024, the Company did not hold any treasury share.

## **SCOPE OF WORK OF CL PARTNERS CPA LIMITED**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group’s auditor, CL Partners CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year. The work performed by CL Partners CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by CL Partners CPA Limited on this preliminary announcement.

## **SUBSEQUENT SIGNIFICANT EVENT AFTER THE REPORTING PERIOD**

Other than the above, the Board is not aware of any material event requiring disclosure has occurred subsequent to 31 December 2024 and up to the date of this announcement.

## **AUDIT COMMITTEE**

The principal duties of the audit committee of the Company (“**Audit Committee**”) include the review and supervision of the Group’s financial reporting system, the preparation of financial statements and internal control procedures. It also acts as an important link between the Board and the external auditor in matters within the scope of the group audit.

The Audit Committee currently comprises four members, namely Mr. Lau Ying Kit (chairman), Mr. Liu Wenfang, Mr. Wang Qing and Mr. Bai Zhizhong, all of them are independent non-executive Directors. The Audit Committee has reviewed the applicable accounting principles, standards and practices adopted by the Group as well as the consolidated financial statements of the Group for the year ended 31 December 2024 and the disclosure in this announcement.

The consolidated financial statements of the Company for the year ended 31 December 2024 have been audited by CL Partners, which will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.



## **PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT**

This annual results announcement is published on the websites of the HKSE ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.sinco-pharm.com>). The annual report of the Company for the year ended 31 December 2024 containing all the information as required by the Listing Rules will be published on the same websites in due course.

By Order of the Board  
**Sinco Pharmaceuticals Holdings Limited**  
**Huang Xiangbin**  
*Chairman and Executive Director*

Hong Kong, 28 March 2025

*As at the date of this announcement, the executive Directors are Mr. Huang Xiangbin, Mr. Lei Shifeng and Mr. Huang Zhijian; the non-executive Director is Ms. Jing Huan; and the independent non-executive Directors are Mr. Lau Ying Kit, Mr. Wang Qing, Mr. Liu Wenfang and Mr. Bai Zhizhong.*

## DEFINITIONS

“AGM”	annual general meeting of the Company
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended and supplemented from time to time
“Chairman”	the chairman of the Board
“China” or “the PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“Company” or “our Company” or “the Company”	Sinco Pharmaceuticals Holdings Limited (興科蓉醫藥控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 16 March 2015
“Director(s)”	the director(s) of the Company
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	our Company and our subsidiaries and, in respect of the period before we became the holding company of our present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HKSE”	The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Branch Share Registrar”	Computershare Hong Kong Investor Services Limited
“human albumin solution”	Octapharma’s human albumin solution 20% (containing 200 grammes of total protein per litre) and human albumin solution 25% (containing 250 grammes of total protein per litre). The term human albumin solution refers to both products or either one of them as the context requires
“Listing Rules”	the Rules Governing the Listing of Securities on the HKSE, as amended or supplemented from time to time
“Main Board”	Main Board of the HKSE

“MPCM”	marketing, promotion and channel management for the sale and promotion of pharmaceutical products for pharmaceutical manufacturers
“Mr. Huang”	Mr. Huang Xiangbin (黃祥彬), the Chairman, Executive Director, and one of our controlling shareholders
“Octapharma”	Octapharma AG, a corporation limited by shares incorporated in the Swiss Confederation
“PRC”	the People’s Republic of China
“Reporting Period”	the financial year ended 31 December 2024
“RMB”	Renminbi Yuan, the lawful currency of China
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of HK\$0.0001 each
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on 1 February 2016, the principal terms of which are summarised in “Statutory and General Information – D. Other Information – 1 Share Option Scheme” in Appendix VII to the Prospectus
“Shareholder(s)”	holder(s) of Shares
“U.S. dollars” or “US\$”	U.S. dollars, the lawful currency of the United States of America

*In this announcement, the terms “associate”, “close associate”, “connected person”, “connected transaction”, “controlling shareholder”, “core connected person”, “subsidiary” and “substantial shareholder” shall have the meanings given thereto in the Listing Rules, unless the context otherwise requires.*

*The English translation of the PRC entities, enterprises, nationals, facilities, regulations in Chinese are translations of the Chinese names. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail.*