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## **GOLDEN THROAT HOLDINGS GROUP COMPANY LIMITED**

### **金嚨子控股集團有限公司**

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

**(Stock Code: 6896)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024 AND FURTHER CHANGE IN USE OF PROCEEDS**

#### **FINANCIAL HIGHLIGHTS FOR 2024**

- The Group's revenue increased by approximately RMB223.6 million or 23.3% to approximately RMB1,185.0 million, as compared to the year ended 31 December 2023.
- The Group's gross profit increased by approximately RMB196.5 million or 28.2% to approximately RMB894.2 million, as compared to the year ended 31 December 2023.
- The Group's earnings before interest, taxes, depreciation and amortisation increased by approximately RMB78.3 million or 19.1% to approximately RMB489.1 million, as compared to the year ended 31 December 2023.
- Profit attributable to equity holders of the Company increased by approximately RMB68.4 million or 27.3% to approximately RMB318.6 million, as compared to the year ended 31 December 2023.
- The Board recommends the payment of a final dividend of HK\$0.5 per share for the year ended 31 December 2024 to the shareholders of the Company. The final dividend is subject to the approval of shareholders of the Company at the forthcoming annual general meeting and, if approved, is expected to be paid around 26 June 2025.

## RESULTS

The Board of Directors of Golden Throat Holdings Group Company Limited is pleased to announce the audited consolidated annual results of the Group for the year ended 31 December 2024, together with the audited comparative figures for the previous year as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Year ended 31 December 2024*

		<b>2024</b>	2023
	<i>Notes</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>REVENUE</b>	5	<b>1,185,004</b>	961,377
Cost of sales		<u>(290,820)</u>	<u>(263,658)</u>
Gross profit		<b>894,184</b>	697,719
Other income and gains	5	<b>40,170</b>	39,291
Selling and distribution expenses		<b>(355,933)</b>	(266,401)
Administrative expenses		<b>(117,105)</b>	(94,579)
Other expenses		<b>(8,675)</b>	(4,310)
Finance costs	7	<u><b>(15,363)</b></u>	<u>(10,699)</u>
<b>PROFIT BEFORE TAX</b>	6	<b>437,278</b>	361,021
Income tax expense	8	<u><b>(118,647)</b></u>	<u>(110,859)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>318,631</b></u>	<u>250,162</u>
Attributable to:			
Owners of the parent		<u><b>318,631</b></u>	<u>250,162</u>
<b>EARNINGS PER SHARE</b>			
<b>ATTRIBUTABLE TO ORDINARY</b>			
<b>EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted	10	<u><b>RMB43.10 cents</b></u>	<u>RMB33.84 cents</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
<b>PROFIT FOR THE YEAR</b>	<b><u>318,631</u></b>	<b><u>250,162</u></b>
<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>(15,996)</u>	<u>4,619</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements into presentation currency	<u>16,732</u>	<u>–</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b><u>736</u></b>	<b><u>4,619</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>319,367</u></b>	<b><u>254,781</u></b>
Attributable to:		
Owners of the parent	<b><u>319,367</u></b>	<b><u>254,781</u></b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

		2024	2023
	Notes	RMB'000	RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		429,483	412,437
Investment properties		12,627	12,426
Advance payments for property, plant and equipment		1,216	1,555
Right-of-use assets		30,723	33,833
Deferred tax assets		20,939	21,155
		<u>494,988</u>	<u>481,406</u>
Total non-current assets			
<b>CURRENT ASSETS</b>			
Inventories		65,210	63,209
Trade and bills receivables	11	420,609	419,662
Prepayments, other receivables and other assets		86,191	165,018
Due from related parties		528	517
Financial assets at fair value through profit or loss		10,000	40,000
Pledged deposits		43,012	97,025
Cash and cash equivalents		1,130,628	1,032,200
		<u>1,756,178</u>	<u>1,817,631</u>
Total current assets			
<b>CURRENT LIABILITIES</b>			
Trade payables	12	24,987	17,527
Other payables and accruals		243,919	227,198
Interest-bearing bank and other borrowings	13	381,936	412,340
Due to a director		245	240
Due to related parties		871	869
Tax payable		48,515	48,641
Government grants		—	75
		<u>700,473</u>	<u>706,890</u>
Total current liabilities			
<b>NET CURRENT ASSETS</b>		<u>1,055,705</u>	<u>1,110,741</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,550,693</u>	<u>1,592,147</u>

		2024	2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b><u>1,550,693</u></b>	<b><u>1,592,147</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Other payables and accruals		514	609
Interest-bearing bank and other borrowings	13	44,980	—
Deferred tax liabilities		<u>38,898</u>	<u>40,839</u>
Total non-current liabilities		<u>84,392</u>	<u>41,448</u>
Net assets		<u><b>1,466,301</b></u>	<u><b>1,550,699</b></u>
<b>EQUITY</b>			
Equity attributable to owners of the parent			
Share capital		113	113
Share premium		675,410	675,410
Reserves		<u>790,778</u>	<u>875,176</u>
Total equity		<u><b>1,466,301</b></u>	<u><b>1,550,699</b></u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2024

### 1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 2 September 2014. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

During the year, the Group was principally involved in the manufacture and sale of pharmaceutical, healthcare food and other products.

In the opinion of the directors, the holding company of the Company is Golden Throat International Holdings Limited, which is incorporated in the British Virgin Islands.

### 2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss 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.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

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

- (a) Amendments to HKFRS 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 HKFRS 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 HKAS 7 and HKFRS 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.

#### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

##### Geographical information

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

	2024 RMB'000	2023 RMB'000
Mainland China	1,178,108	951,639
Other countries/regions	<u>6,896</u>	<u>9,738</u>
Total revenue	<u><u>1,185,004</u></u>	<u><u>961,377</u></u>

The revenue information is based on the locations of the customers.

**(b) Non-current assets**

	<b>2024</b> <b>RMB'000</b>	<b>2023</b> <b>RMB'000</b>
Mainland China	<b>471,067</b>	454,832
Hong Kong	<b>2,982</b>	5,419
Total non-current assets	<b>474,049</b>	460,251

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

**Information about a major customer**

Revenue from a major customer which accounted for 10% or more of the Group's revenue during the year is set out below:

	<b>2024</b> <b>RMB'000</b>	<b>2023</b> <b>RMB'000</b>
Customer A	<b>148,375</b>	128,285

**5. REVENUE, OTHER INCOME AND GAINS**

An analysis of revenue is as follows:

	<b>2024</b> <b>RMB'000</b>	<b>2023</b> <b>RMB'000</b>
Revenue from contracts with customers	<b>1,185,004</b>	961,377



## Revenue from contracts with customers

### (a) Disaggregated revenue information

	2024 RMB'000	2023 RMB'000
<b>Geographical markets</b>		
Mainland China	1,178,108	951,639
Other countries/regions	<u>6,896</u>	<u>9,738</u>
Total	<u><u>1,185,004</u></u>	<u><u>961,377</u></u>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	<u><u>1,185,004</u></u>	<u><u>961,377</u></u>

The following table shows the amount of revenue recognised during the year that was included in the contract liabilities at the beginning of the year:

	2024 RMB'000	2023 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the year:		
Sale of products	<u><u>16,537</u></u>	<u><u>87,135</u></u>

### (b) Performance obligations

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

#### *Sale of products*

The performance obligation is satisfied upon acceptance of the goods and payment is generally due within three months, extending up to six months for certain customers.

	2024 RMB'000	2023 RMB'000
<b>Other income and gains</b>		
Government grants*	7,974	12,755
Bank interest income	25,249	24,126
Gross rental income from investment properties operating leases:		
Lease payments, including fixed payments	4,955	1,450
Investment income from financial assets at fair value through profit or loss	1,536	847
Others	<u>456</u>	<u>113</u>
Total other income and gains	<u><u>40,170</u></u>	<u><u>39,291</u></u>

\* The government grants mainly represent subsidies received from the local government for the purposes of compensation for value-added tax paid and capital expenditure incurred on certain projects.

## 6. PROFIT BEFORE TAX

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of inventories sold*	290,820	263,658
Depreciation of property, plant and equipment	32,969	35,381
Depreciation of investment properties	445	120
Depreciation of right-of-use assets	3,013	3,532
Research and development costs	32,418	17,073
Lease payments not included in the measurement of lease liabilities	804	952
Auditor's remuneration	3,500	3,565
Government grants	(7,975)	(12,755)
Bank interest income	(25,249)	(24,126)
Investment income from financial assets at fair value through profit or loss	(1,536)	(847)
Foreign exchange differences, net	7,345	3,339
(Gain)/loss on disposal of items of property, plant and equipment and leasehold land	(27)	12
Write-down of inventories to net realisable value	(64)	2,914
Impairment of trade receivables, net	1,216	1,103
Impairment of other receivables, net	567	(2)
Employee benefit expense (excluding directors' remuneration):		
Wages and salaries	66,835	66,492
Pension scheme contributions**	10,344	10,210
Staff welfare expenses	20,596	21,191
Total	<u>97,775</u>	<u>97,893</u>

\* The cost of inventories sold includes the following expenses which are also included in the respective total amounts of the items disclosed above:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Depreciation of property, plant and equipment	27,661	24,919
Employee benefit expense	56,154	50,641
Write-down of inventories to net realisable value	<u>(64)</u>	<u>2,914</u>

\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 7. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank loans	11,912	7,444
Interest on discounted bills receivable	<u>3,451</u>	<u>3,255</u>
Total	<u><b>15,363</b></u>	<u><b>10,699</b></u>

## 8. INCOME TAX

The income tax expense of the Group during the year is analysed as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax:		
Charge for the year	73,372	56,822
Deferred tax	<u>45,275</u>	<u>54,037</u>
Total tax charge for the year	<u><b>118,647</b></u>	<u><b>110,859</b></u>

## 9. DIVIDENDS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Proposed final – HK50 cents (2023: HK60 cents) per ordinary share	<u><b>342,312</b></u>	<u><b>401,982</b></u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of the basic earnings per share amounts 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 739,302,000 (2023: 739,302,000) outstanding during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

## 11. TRADE AND BILLS RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	32,318	55,721
Bills receivable	<u>391,451</u>	<u>366,623</u>
	423,769	422,344
Impairment	<u>(3,160)</u>	<u>(2,682)</u>
Net carrying amount	<u><u>420,609</u></u>	<u><u>419,662</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 three months, extending up to six months for certain customers. The Group seeks to maintain strict control over its outstanding receivables and 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. The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade 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 3 months	20,715	47,419
3 to 6 months	2,642	2,387
6 to 12 months	4,620	2,376
1 to 2 years	1,124	729
Over 2 years	<u>57</u>	<u>128</u>
Total	<u><u>29,158</u></u>	<u><u>53,039</u></u>

## 12. TRADE PAYABLES

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>
Less than 3 months	21,422	14,446
3 to 6 months	17	774
6 to 12 months	1,189	566
1 to 2 years	618	545
Over 2 years	<u>1,741</u>	<u>1,196</u>
Total	<u><u>24,987</u></u>	<u><u>17,527</u></u>

Included in the Group's trade payables are payables of RMB17,000 (2023: Nil) due to a related party controlled by a director of the Company, which are repayable within 15 days, which represents credit terms similar to those offered by the related party to their major customers.

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

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

		<u>31 December 2024</u>		<u>31 December 2023</u>	
		Effective		Effective	
		interest		interest	
		rate		rate	
	Maturity	(%)	RMB'000	(%)	RMB'000
<b>Current</b>					
Bank loans – secured	Within 1 year	1.23-3.70	60,033	1.65-3.65	98,900
Bank loans – unsecured	Within 1 year	2.88-3.60	187,762	1.30-4.10	270,000
Current portion of long term bank loans – unsecured	Within 1 year	1.10-3.20	54,900	–	–
Discounted bills receivable	Within 1 year	1.00-1.20	79,241	1.25-2.30	43,440
Total – current			<u>381,936</u>		<u>412,340</u>
<b>Non-current</b>					
Bank loans – unsecured	2026	1.10-3.10	44,980	–	–
Total			<u>426,916</u>		<u>412,340</u>
Analysed into:					
Bank loans repayable:					
Within one year or on demand					
			381,936	412,340	
In the second year			<u>44,980</u>	<u>–</u>	
Total			<u>426,916</u>		<u>412,340</u>

Notes:

Certain of the Group's bank loans are secured by:

- (i) the pledge of certain of the Group's bills receivable amounting to RMB20,462,000 (2023: RMB8,821,000); and
- (ii) the pledge of certain of the Group's deposits amounting to RMB43,012,000 (2023: RMB97,025,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

“ASEAN”	Association of Southeast Asian Nations
“Audit Committee”	the audit committee of the Board established on 13 February 2015
“Board”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Company”	Golden Throat Holdings Group Company Limited (金嗓子控股集團有限公司), an exempted company incorporated with limited liability in the Cayman Islands on 2 September 2014
“Director(s)”	director(s) of the Company
“Golden Throat Lozenges (OTC)”	Golden Throat Lozenges (金嗓子喉片), one of the Group’s key products and approved as a type of over-the-counter medicine
“Golden Throat Lozenge Series Products”	Golden Throat Lozenge Series Products (金嗓子喉寶系列產品), one of the Group’s key products and approved as food products
“Group”	the Company and its subsidiaries
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IPO Proceeds”	the net proceeds from the listing of the Shares on the Stock Exchange
“Listing Date”	15 July 2015
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“NMPA”	China National Medical Products Administration (中國國家藥品監督管理局), formerly known as China Food and Drug Administration (中國國家食品藥品監督管理總局)

“OTC”	pharmaceutical products which may, upon receiving the NMPA’s approval, be sold over the counter in China at dispensers, pharmacies or retail outlets without requiring a prescription by a medical practitioner
“PRC” or “China”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus of the Company dated 30 June 2015 in respect of the global offering of the Shares
“Reporting Period”	the year ended 31 December 2024
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares in the capital of the Company with a nominal value of US\$0.000025 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America, its territories, its possessions and all its jurisdiction
“US\$” or “USD”	United States dollars, the lawful currency of the United States

Unless otherwise specified, all numerical figures in the management discussion and analysis section of this announcement are rounded to one decimal place.

## BUSINESS REVIEW

The Group is a leading manufacturer of lozenges in China. In December 2024, the Group's flagship product, Golden Throat Lozenges (OTC), was awarded the honor of Golden Single Product under the category of Chinese traditional medicines in the 2024 China Nonprescription Drug Evaluation by China Nonprescription Medicines Association, and in the 2024 overall statistical ranking of China nonprescription medicines enterprises and product brands, Golden Throat Lozenges (OTC) stood out amongst many products and was awarded No. 1 amongst Chinese traditional medicines (throat) by China Nonprescription Medicines Association. In July 2024, the Group won two prestigious honors in the selection of 2024 China Financing Awards, namely the "Most Promising Listed Company Award (最具潛力上市公司獎)" and the "Annual Most Innovative Product Award (年度最具創新產品獎)", by virtue of its good performance as well as outstanding product innovation capabilities. In February 2024, "Dule" brand, the main product of the Group, was awarded one of the third batch of China time-honored brands. Currently, the Group has developed into a modern integrated group mainly engaging in the production and sale of lozenges, other pharmaceuticals and biotech foods.

### Key Products

The Group reports its revenue by three product categories, which include Golden Throat Lozenges (OTC), Golden Throat Lozenge Series Products and other products.

#### *Golden Throat Lozenges (OTC) – over-the-counter medicine*

The Group's flagship product is Golden Throat Lozenges (OTC), which was launched in 1994. It is a type of lozenge mainly designed to relieve symptoms of sore and dry throat and hoarse voice caused by acute pharyngitis. Golden Throat Lozenges (OTC) was approved as over-the-counter medicine by the NMPA, as such they can be purchased by the public in pharmacies without requiring the prescription of a qualified medical professional.

For the year ended 31 December 2024, the Group's revenue of Golden Throat Lozenges (OTC) accounted for approximately 92.4% of its total revenue.



## ***Golden Throat Lozenge Series Products – Food***

The Group's other key products are Golden Throat Lozenge Series Products, which include seven products comprising of Dule Lozenges (都樂含片), sugar-free Dule Lozenges and five other sugar-free flavours of this series, namely orange (香橙), fructus momordicae (羅漢果), chrysanthemum (桑菊), American ginseng (西洋參) and hawthorn (山楂). In 2018, the Group established Golden Throat Lozenge Series Products flagship store on online platform Taobao Tmall, with the addition of online exclusive Golden Throat Lozenge Series Products, which include six products comprising of Golden Throat Lozenge Dule Lozenges and five other flavours (including mint, chrysanthemum, red tangerine (桔紅), fructus momordicae and American ginseng) and various fruit candies.

A major difference between Golden Throat Lozenges (OTC) and Golden Throat Lozenge Series Products is that the former is approved as over-the-counter medicine, whereas the latter is approved as food products. The sugar-free series of Golden Throat Lozenge Series Products was launched in 2013, which supplements the Group's original sales channel and provides consumers with more diversified choices in response to consumer differentiation.

For the year ended 31 December 2024, the Group's revenue of Golden Throat Lozenges Series Products accounted for approximately 7.3% of its total revenue.

## **Other Products**

For the year ended 31 December 2024, the Group's revenue of other products accounted for approximately 0.3% of its total revenue. One of the Group's other products is Yinxingye Tablet (銀杏葉片). Yinxingye Tablet is mainly designed to facilitate blood circulation, remove blood stasis and dredge energy channels and was approved as a prescription medicine by the NMPA.

Another one of the Group's other products is the Group's new product, Golden Throat Intestinal Series, which is an exclusive nutrition for probiotics, also known as prebiotics. It uses the targeting properties of prebiotics to deliver exclusive nutrition favored by probiotics to specific parts of the probiotic-rich intestine. This results in a significant increase in intestinal probiotics, especially the number and proportion of bifidobacteria. It also increases intestinal probiotics to promote intestinal health.

In March 2024, Golden Throat Intestinal Series (prebiotics) passed the test of relevant authorities in Hong Kong, and have entered into the Hong Kong market.

The Group launched a new product, Golden Throat Compound Probiotic Lozenges, a brand-new type of compound probiotic lozenge. Golden Throat Compound Probiotic Lozenges was developed by the Group and the scientific research team of "Food Microbial Function Development" of Beijing Agricultural College, specially targeted at probiotics that are lacking independent intellectual property rights in China. The new product is an active probiotic developed independently in China and has obtained six patents. It adopts the leading international technologies such as three-layer embedding technology and 360-degree thermal radiation freeze-drying technology to ensure the active quality of probiotics, and is committed to using "Chinese bacteria" to improve the physique of Chinese people.

## **Research and Development**

The Group's business has significantly benefited from its strong track record in research and development. Since 1994, the Group has successfully developed 32 new products for which it has obtained manufacturing permits, amongst which, 8 are pharmaceutical products (including Jinyin Sanqi Capsule (金銀三七膠囊)), 22 are food products, 1 is a health supplement and 1 is a medical apparatus product.

The Group's research and development activities are conducted both in-house and through collaborations with external research institutions, such as hospitals, institutes for drug research and other companies.

The Group has undertaken the development of a number of classic famous prescriptions, and two of them have entered the pilot stage of drug development.

## **Sales, Marketing and Distribution**

### ***Branding***

The Group believes that strong brand recognition and customer loyalty are key to the recognition of the "Golden Throat (金嗓子)" brand. In February 2024, "Dule" brand, the main product of the Group, was awarded one of the third batch of China time-honored brands. In December 2024, the Group's flagship product, Golden Throat Lozenges (OTC), was awarded the honor of Golden Single Product under the category of Chinese traditional medicines in the 2024 China Nonprescription Drug Evaluation by China Nonprescription Medicines Association, and in the 2024 overall statistical ranking of China nonprescription medicines enterprises and product brands, Golden Throat Lozenges (OTC) stood out amongst many products and was awarded No. 1 amongst Chinese traditional medicines (throat) by China Nonprescription Medicines Association.

The Group started to employ its international communication strategy in 2023 by launching Golden Throat YouTube channel, inviting bloggers from Indonesia, Thailand, Singapore and other countries to cooperate on the overseas TikTok platform, and planning and producing a variety of short videos with different styles according to their respective characteristics, so as to promote Golden Throat to overseas users through a series of digital communication technologies. After completing the trial in the Southeast Asian market, Golden Throat strengthened its promotion in the European and American markets by making full use of the resources of overseas distributors to produce short videos of Golden Throat brand locally and focus on promotion on the YouTube platform. As of the date of this announcement, the total display volume of Golden Throat YouTube channel is nearly 100 million times, and the video viewing volume is over 4.5 million times. In 2024, the Group opened official accounts on overseas social platforms such as Facebook, X (formerly known as Twitter), and Instagram.

Golden Throat Lozenge Series Products have been exported to 23 countries and regions as of 31 December 2024, with India in early 2024. In 2025, South Korea was added as a new export country. The news that the Group's products officially entered the South Korea market was reported by 123 local South Korea Internet media.

## ***Distribution Network***

The Group has established an extensive and structured sales and distribution network throughout China for its (i) over-the-counter medicines, (ii) food products and (iii) prescription medicines. As of 31 December 2024, substantially all of the Group's revenue was generated from sales to distributors.

As at 31 December 2024, the Group's distribution network covers all provinces, autonomous regions and municipalities directly under the jurisdiction of the PRC. In 2024, the Group will continue to expand into new markets as it further strengthens its partnerships with its top distributors and pharmacy chains following the consolidation of its distributor channel. In addition, the Group has further streamlined the procurement process for distributors by supplying primary pharmacies and clinics through an online drug procurement platform.

The Group also has a presence in various overseas markets for its products, including the United States, Canada, Japan, the European Union, Australia, Southeast Asia, Middle East, Mexico and Africa, with exports covering a total of over 60 countries and regions across five continents of the world. The Group's Golden Throat Lozenge Series Products were further expanded to Luxembourg, Croatia and Estonia in 2023, and were exported to India in early 2024.

The Group has actively responded to China's top-level strategy – the national “Belt and Road” initiative, of which 10 ASEAN countries play a vital role in its strategy. As of the date of this announcement, the Company has successfully entered into agency agreements with all of the 10 ASEAN countries, and its products have exported to nine countries, except Laos.

In October 2018, the Group established Golden Throat Lozenge Series Products flagship store on online platform Taobao Tmall, with the addition of online exclusive Golden Throat Lozenge Series Products, which include six products comprising of Golden Throat Lozenge Dule Lozenges and five other flavours (including mint, chrysanthemum, red tangerine (桔紅), fructus momordicae and American ginseng) and various fruit candies.

Nowadays, the dual development of retail pharmacies and online sales has contributed to an efficient and comprehensive distribution system.

## ***Promoters***

As of 31 December 2024, the Group has entered into certain products promotion cooperation agreements with 11 promoters. The primary reasons for engaging the promoters in certain regions are: (i) their knowledge of local markets and substantial experience in promoting products; and (ii) their familiarity with local municipal level agents and that the Group can benefit from their facilitation and ongoing feedback of such local markets.

## Market Review

In recent years, as the global pharmaceutical market grows steadily with the growth of global population and the increasing level of ageing population, the demand for and the types of medical services and medicines have been rising. Besides, the rising living standard gives rise to the increasing awareness of health management among the citizens, which has fostered the steady development of the global pharmaceutical market, while the attention of consumers to throat health issues has increased significantly.

Given that the particulate matter 2.5 (PM2.5) has been at an unhealthy level in most of the major cities in China for a long time in recent years, air pollution is one of the main causes of respiratory infections, especially pharyngitis. Although the popularity of wearing masks has reduced the spread of some respiratory diseases, on the other hand, throat discomfort caused by dry environment, respiratory viruses and excessive use of voice (such as broadcasters in live broadcasting industry, singers, actors and teachers in the professional groups) persists. Throat diseases are common and are frequently triggered, and the public's demand for upper respiratory tract health is also showing diverse and personalized characteristics. More and more consumers are more inclined to choose products with affordable price, strong convenience, and equal emphasis on efficacy and safety to solve throat problems.

Consumers are more concerned about protecting their throats, and the pharmaceutical and lozenge market in China is expected to grow continuously. Furthermore, young people these days also pay attention to throat products that can effectively remove oral odor that cool the throat and refresh the mind. The flagship products of the Group, Golden Throat Lozenges (OTC) and Golden Throat Lozenge Series Products, cover a wide range of pharmacies and supermarkets to provide consumers with purchasing channels that are more convenient.

Recently, Golden Throat Compound Probiotic Lozenges jointly developed by Golden Throat Group and the scientific research team of "Food Microbial Function Development" of Beijing Agricultural College was launched to market. The new product is an active probiotic that has obtained six patents by using strains with independent intellectual property rights. It adopts the leading international technologies such as three-layer embedding technology and 360-degree thermal radiation freeze-drying technology to ensure the active quality of probiotics.

PRC consumers' health awareness has been increasing year by year, which resulted in higher spending on health related products including, amongst others, health food and medicines. Consumers nowadays care more about life quality and health than before, and are getting more familiar with many brands of OTC medicines. In addition, the inconvenience and time needed for seeing doctors due to shortage of medical resources also drive consumers to treat themselves at home by purchasing OTC medicines when they encounter common ailments or chronic diseases.

In the post-COVID-19 era, the Group believes that two major health issues, namely immunity and gastrointestinal health, are receiving more attention from all age groups, which give rise to the health awareness in the probiotic and further enhanced the market's reception of probiotic products. At present, the probiotic industry has high technical barriers and domestic raw materials are mainly dominated by imported brands. The Group believes that it is only possible to create a competitive brand in the market by possessing core technologies and the Group will continue to conduct research and development of its products in future.

At the end of 2022, the Beijing Municipal Health Commission organized pharmaceutical, clinical and traditional Chinese medicine experts to formulate the Catalogue of Medicines for People Infected with COVID-19 (First Edition) (《新冠病毒感染者用藥目錄(第一版)》) with reference to the actual practice of medication treatment, in which our Golden Throat Lozenge (OTC) were specifically recommended for pharyngeal symptoms such as sore throat and dry throat.

## **Future Expansion and Upgrading Plan**

In the future, the Group will remain committed to consumers' demand, continue to optimise and enrich its product portfolio, persistently strengthen its organisational capabilities, allocate resources to focus on customer-centric operation and digital marketing, thereby promoting the enhancement of its organisational capabilities and forming a new growth logic of the Group's products so as to realise positive and healthy development of the Group, continue to strengthen its leading position in the lozenge market and continue to expand its market share in the PRC pharmaceutical and food products markets.

Over the past few years, there has been a profound impact on economic development, industry patterns and lifestyles due to the impact of the COVID-19 pandemic. Despite the short-term turbulence, people have become more concerned about their physical and mental health, and the opportunities in the industry have increased, and the market is still full of momentum and hope. In view of this, the Group continued to strengthen its "single brand, multi-category, multi-channel" development strategy, focusing on product, channel and retail operation capabilities and supply chain management, continuing to attract consumers' attention through creative features, exclusive product sales and innovative diversified channel development to enrich the brand image and influence. Under the market trend of consumption upgrading, the Group will continue to innovate in promoting the development of new products such as genetic medicines, traditional Chinese medicine prescriptions and specialty health foods, and is committed to promoting the development of China's mass health industry.

Nowadays, people mainly rely on online purchasing while E-commerce and new retails continue to develop. In October 2018, the Group established Golden Throat Lozenge Series Products flagship store on online platform Taobao Tmall. The Group's Golden Throat WeChat Mini Program Mall was launched in early 2020. We will continue to expand online sales channel in 2025, and we believe there would be breakthroughs in our online business in the future.

To further enhance the popularity of its products and awareness of its brand and image in China, the Group will continue to maintain and promote its "Golden Throat (金嗓子)" brand with the goal of establishing it as a well-known household brand recognised for effective, safe and curative lozenge products in China. The Group plans to expand and enhance its media marketing and promotion efforts, by increasingly advertising via internet media that has a broader coverage. The Group's dedicated marketing team will continue to work closely with its distributors to design and carry out effective and targeted marketing campaigns and promotional activities.

The Group also intends to increase its production capacity by constructing a new production base to meet the market demand for its Golden Throat Lozenges (OTC). Plants and office buildings of a new medicine production and research and development base of the Group located at Luowei Industrial Concentration Area, Liuzhou, Guangxi Zhuang Autonomous Region and the commissioning of product line and trial production were completed. The new production base covers a usable area of about 60,000 square meters, including research and development centers, production plants, warehouses and administrative office buildings. The fully automated production line in the production plant will improve the efficiency of the production process. A brand-new modern production enterprise will be formed with the new production and research and development base, new factories, new workflow and new production lines, which will completely upgrade the management platform and manufacturing platform of the factories, comprehensively improving the manufacturing quality and technology content of the products, enhancing the comprehensive competitiveness of the Company, and will lay a solid foundation for expanding and strengthening the Company.

In 2021, the Group selected a land of 48 mu (亩) located in the south of our new medicine production and research and development base as the new site for the second phase of our production base of Golden Throat, with the expected usable area of about 50,000 square meters when the construction is completed. According to our plan, a production plant for mass health industry and a research and development center for mass health industry will be built. Upon completion, a high-tech development and research team as well as smart production and smart sales will be deployed to develop more great health products. As of 31 December 2024, the Group's second phase construction has completed most of the above-ground building structure and is ready to proceed to the internal decoration stage.

The Golden Throat's second phase construction will help to establish the core leading position of the technical platform of Golden Throat Doctoral Workstation, Golden Throat Professorial Workstation, Golden Throat Throat Research Institute, Golden Throat Gastrointestinal Research Institute and Golden Throat Heart and Brain Research Institute; develop new products such as genetic drugs, traditional Chinese medicine formulas, special medical devices, special nutritional food and special health food; and promote the implementation of the second phase of the Golden Throat base to create a continuous innovation to drive the development of the Golden Throat great health industry.



## FINANCIAL REVIEW

### Revenue

For the year ended 31 December 2024, the Group's revenue increased by approximately RMB223.6 million or 23.3% to approximately RMB1,185.0 million, as compared to approximately RMB961.4 million for the year ended 31 December 2023, which was mainly due to the significant increase in the sales volume of Golden Throat Lozenges (OTC) in 2024.

For the year ended 31 December 2024, the Group's revenue generated from sales of Golden Throat Lozenges (OTC) was approximately RMB1,095.3 million, representing an increase of approximately RMB230.4 million or 26.6% as compared to approximately RMB864.9 million for the year ended 31 December 2023, which was mainly due to the Group's increased advertising and promotional activities in 2024, which contributed to a significant increase in full-year sales of Golden Throat Lozenges (OTC).

For the year ended 31 December 2024, the Group's revenue from the sales of the Golden Throat Lozenge Series Products amounted to approximately RMB86.7 million as compared to approximately RMB91.6 million for the year ended 31 December 2023, representing a decrease of approximately RMB4.9 million or 5.3%.

For the year ended 31 December 2024, the Group's revenue from sales of other products amounted to approximately RMB3.0 million, representing a decrease of approximately RMB1.9 million as compared to approximately RMB4.9 million for the year ended 31 December 2023.

The table below sets forth, for the periods indicated, the sales volume, revenue, cost, gross margin, unit price and unit cost of the Group's key products.

	Year ended 31 December 2024					
	Sales <i>boxes'000</i>	Revenue <i>RMB'000</i>	Cost <i>RMB'000</i>	Gross margin %	Unit price <i>RMB'000</i>	Unit cost <i>RMB'000</i>
Golden Throat Lozenges (OTC)	145,560	1,095,266	256,839	76.6	7.5	1.8
Golden Throat Lozenge Series Products	15,040	86,685	30,900	64.4	5.8	2.1
	Year ended 31 December 2023					
	Sales <i>boxes'000</i>	Revenue <i>RMB'000</i>	Cost <i>RMB'000</i>	Gross margin %	Unit price <i>RMB'000</i>	Unit cost <i>RMB'000</i>
Golden Throat Lozenges (OTC)	118,133	864,947	217,698	74.8	7.3	1.8
Golden Throat Lozenge Series Products	15,254	91,559	33,339	63.6	6.0	2.2

## Cost of Sales

The Group's cost of sales consists primarily of cost of materials, labor costs, depreciation and other costs relating to Golden Throat Lozenges (OTC), Golden Throat Lozenge Series Products and other products.

The Group's cost of sales increased from approximately RMB263.7 million for the year ended 31 December 2023 to approximately RMB290.8 million for the year ended 31 December 2024. The increase in cost of sales was mainly due to the increase in sales volume of Golden Throat Lozenges (OTC).

The table below sets forth, for the periods indicated, the components of the cost of inventories sold and each component as a percentage of total cost of inventories sold.

	Year ended 31 December 2024		Year ended 31 December 2023	
	<i><b>RMB'000</b></i>	<i><b>% of total</b></i>	<i><b>RMB'000</b></i>	<i><b>% of total</b></i>
Materials	<b>193,505</b>	<b>66.5%</b>	169,718	64.3%
Labor costs	<b>56,154</b>	<b>19.3%</b>	50,641	19.2%
Depreciation	<b>27,661</b>	<b>9.5%</b>	24,919	9.5%
Other costs	<b>13,500</b>	<b>4.7%</b>	18,380	7.0%
Total	<b><u>290,820</u></b>	<b><u>100%</u></b>	<b><u>263,658</u></b>	<b><u>100.0%</u></b>

## Gross Profit

Gross profit represents the excess of revenue over cost of sales.

The Group's gross profit for the year ended 31 December 2024 was approximately RMB894.2 million, as compared to approximately RMB697.7 million for the year ended 31 December 2023, representing an increase of approximately RMB196.5 million or 28.2%. The increase in gross profit was mainly due to the increase in the Group's revenue. For the year ended 31 December 2024, the Group's gross profit margin was 75.5% as compared to 72.6% for the corresponding period in 2023.



## **Other Income and Gains**

For the year ended 31 December 2024, the Group's other income and gains increased to approximately RMB40.2 million, as compared to approximately RMB39.3 million for the year ended 31 December 2023, representing an increase of approximately RMB0.9 million. The change in amount was not material as compared with the corresponding period of the previous year.

## **Selling and Distribution Expenses**

The Group's selling and distribution expenses primarily consisted of (i) advertising expenses, (ii) marketing expenses, (iii) employee benefit expenses, and (iv) other miscellaneous expenses. For the year ended 31 December 2024, the Group's selling and distribution expenses amounted to approximately RMB355.9 million, as compared to approximately RMB266.4 million for the year ended 31 December 2023, representing an increase of approximately RMB89.5 million or 33.6%. The increase was mainly due to the increase in promotion expenses incurred by the Group to promote sales during the Reporting Period.

## **Administrative Expenses**

The Group's administrative expenses primarily consisted of (i) salaries and staff welfare expenses for management and administrative personnel, (ii) travel and office expenses, (iii) research and development costs, (iv) depreciation and amortisation costs, (v) amortisation of right-of-use assets, (vi) professional services fees, and (vii) other miscellaneous expenses. For the year ended 31 December 2024, the Group's administrative expenses amounted to approximately RMB117.1 million, as compared to approximately RMB94.6 million for the year ended 31 December 2023, representing an increase of approximately RMB22.5 million or 23.8%. The increase was mainly due to the Group increased investment in research and development activities.

## **Other Expenses**

Other expenses of the Group mainly consist of donation expense. For the year ended 31 December 2024, the Group's other expenses amounted to approximately RMB8.7 million, as compared to approximately RMB4.3 million for the year ended 31 December 2023, representing an increase of approximately RMB4.4 million. The increase was mainly due to the increase in exchange losses as compared with the corresponding period of the previous year.

## **Finance Costs**

For the year ended 31 December 2024, the Group's finance costs amounted to approximately RMB15.4 million, as compared to approximately RMB10.7 million for the year ended 31 December 2023, representing an increase of approximately RMB4.7 million or 43.9%. The increase was mainly due to the increase in interest on borrowings as compared with the corresponding period of the previous year.

## **Income Tax Expense**

For the year ended 31 December 2024, the Group's income tax expense amounted to approximately RMB118.6 million, as compared to approximately RMB110.9 million for the year ended 31 December 2023, representing an increase of approximately RMB7.7 million or 6.9%.

## **Net Profit**

For the year ended 31 December 2024, the Group's net profit amounted to approximately RMB318.6 million, as compared to approximately RMB250.2 million for the year ended 31 December 2023, representing an increase of approximately RMB68.4 million or 27.3%. The increase in the Group's net profit was mainly attributable to the increase in revenue. For the reasons of increase in the Group's revenue, please refer to the section headed "Revenue" above.

## **LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES**

### **Net Current Assets**

As of 31 December 2024, the Group had net current assets of approximately RMB1,055.7 million, as compared to approximately RMB1,110.7 million as of 31 December 2023. The current ratio of the Group was 2.6 as at 31 December 2023 and 2.5 as at 31 December 2024.

### **Borrowings and the Pledge of Assets**

As of 31 December 2024, the Group had an aggregate interest-bearing bank and other borrowings of approximately RMB426.9 million, of which RMB381.9 million is repayable within one year, while the remaining balance constitutes long-term bank borrowings scheduled for repayment in 2026. There is an increase of RMB14.6 million as compared with total interest-bearing bank and other borrowings of approximately RMB412.3 million as at 31 December 2023.

As of 31 December 2024, all of the Group's bank borrowings were at fixed interest rates. For details of such borrowings, please refer to Note 13 of the Group's consolidated financial statements above.

The Group continues to manage its financial position and capital structure with a solid equity base, adequate working capital and credit facilities. The Group has various policies governing accounting control, as well as credit and foreign exchange risks and treasury management. The Group has also been paying close attention to asset and liability management, including liquidity risks and currency risks.

As at 31 December 2024, certain of the Group's bank loans are secured by:

- (i) the pledge of certain of the Group's bills receivable amounting to RMB20,462,000 (2023: RMB8,821,000); and
- (ii) the pledge of certain of the Group's deposits amounting to RMB43,012,000 (2023: RMB97,025,000).

### **Gearing Ratio**

As at 31 December 2024, the gearing ratio of the Group, which is calculated by dividing total borrowings by total equity, increased to approximately 29.1% from approximately 26.6% as at 31 December 2023.

### **Contingent Liabilities**

As at 31 December 2024, the Group did not have any significant contingent liabilities.

### **Foreign Exchange Risk**

The Group's transactions are mainly denominated and settled in RMB. The Group had certain amounts of deposits in HKD and USD, amounting to approximately HK\$23.8 million and US\$11.2 million as of 31 December 2024, respectively. The Group has exposure to foreign exchange risk that arises from fluctuations in the exchange rates of HKD to RMB and USD to RMB. The management of the Group will monitor the foreign exchange risk on an ongoing basis, and the Board expects that fluctuations in HKD and USD will not have a significant impact on the Group.

As at 31 December 2024, the Group did not use any financial instruments to hedge its foreign exchange risk.

## **EMPLOYEES AND EMOLUMENTS POLICY**

As at 31 December 2024, the Group employed a total of 874 full-time employees, as compared to a total of 869 full-time employees as at 31 December 2023. The staff costs, including Directors' emoluments but excluding any contributions to pension scheme, were approximately RMB90.2 million for the year ended 31 December 2024 as compared to approximately RMB82.5 million for the corresponding period in 2023. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employees. In addition to a basic salary, year-end bonuses are offered to those staffs with outstanding performances to attract and retain capable employees of the Group.

The Group adheres to the concept of “benefiting mankind and repaying society”, and currently employs more than 100 disabled employees. In August 2020, the Group provided employees with Baojun new energy electric vehicles produced by Liuzhou SGMW (柳州上汽通用五菱) for employees commuting to work. The Group ordered over 700 new energy electric vehicles from SGMW, which would not only solve the transportation problem of employees with long commuting distance, but also effectively stimulate domestic demand and help economic growth and recovery.

With respect to trainings, the Company proactively arranges its employees to study the newly-promulgated laws and regulations in the PRC so as to ensure that products produced by the Group are in compliance with the laws and regulations. The Group also organises various training programmes targeting employees from different business departments and functions. For example, there are training programmes in relation to knowledge of Chinese medicinal herbs and Chinese medicine decoction pieces as well as the trainings in relation to production quality standard of pharmaceutical products, equipment maintenance and repair and so forth. All of these are designed to provide support to the technological development and team building of the Group.

## **SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES**

As at 31 December 2024, the Group did not hold any significant investments or make any material acquisitions or disposals of subsidiaries, associates or joint ventures.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

As at 31 December 2024, the Group has committed to a primary investment plan of approximately RMB53.2 million to build the Phase II of a new medicine production and research and development base located at Luowei Industrial Concentration Area, Liuzhou, Guangxi Zhuang Autonomous Region. Saved as disclosed above, the Group did not have any specific plan for material investments or acquisitions of capital assets.

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

As of the date of this announcement, the Group does not have any significant subsequent events after the Reporting Period.

## **PROSPECTS**

As a national brand, Golden Throat had experienced the challenge from the market and a vast range of consumers. At present, against the market trend of upgraded consumption, the original aspiration of the Group, to provide service for the health of a vast range of consumers will not be changed. Currently, the Company is committed to building a new base as the health industrial park of Golden Throat. In the coming ten years, the focus of the Golden Throat great health development plan will be on enhancing the core competitiveness of the Group.

The Group will continue to seek to strengthen its leading position in the lozenge market and continue to expand its market share in the PRC pharmaceutical and food markets in 2025. Moreover, the Group will aim to increase its production capacities, expand its product portfolio and strengthen its research and development capabilities. It will enhance its food and other pharmaceutical businesses and promote synergies across different product segments. The Group will aim to enhance its brand recognition through effective and targeted marketing efforts, and will continue to expand its distribution network, to refine associated infrastructure and to leverage on its existing distribution network to promote different products.

In 2025, the Group will continue to optimise and enrich its product portfolio based on consumer demand. It will also continue to strengthen its organisational capabilities, allocate resources based on customer-focused operations and digital marketing, promote organisational capability enhancement and establish a new logic for the Group's product growth, with a view to achieving sound and healthy development of the Group in future.

## **USE OF NET PROCEEDS FROM LISTING AND FURTHER CHANGE IN USE OF PROCEEDS**

The IPO Proceeds (including those shares issued pursuant to the partial exercise of the over-allotment options), after deducting underwriting fees and related expenses, amounted to approximately HK\$909.6 million. Details of the use of the IPO Proceeds are set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

On 30 March 2022, the Board resolved to change part of the unutilized use of net IPO Proceeds originally intended to be used for conversion of headquarters into a food production plant and food research centre to construction of food production plant and food research center. For details of the change in the use of the IPO proceeds, please refer to the Company's announcement dated 30 March 2022.

From the Listing Date to 31 December 2024, the Group had utilized approximately HK\$731.3 million, representing approximately 80.4% of the IPO Proceeds. On 28 March 2025, the Board resolved to further change the use of the unutilized net IPO Proceeds. Set out below is a summary of the utilization and unutilization and further revised use of IPO Proceeds:

		Amounts			Allocation of unutilised
	Allocation of IPO Proceeds revised on 30 March 2022 <i>HK'000</i>	Balance unutilised as at 1 January 2024 <i>HK'000</i>	utilised during the year ended 31 December 2024 <i>HK'000</i>	Balance unutilised as at 31 December 2024 <i>HK'000</i>	balance of IPO Proceeds revised on 28 March 2025 <i>HK'000</i>
Revised use of IPO Proceeds					
Construction in Luowei Industrial Concentration Area	208,982	–	–	–	–
Construction of food production plant and food research center	189,984	186,621	47,191	139,430	177,427
Market expansion	286,685	–	–	–	–
Product development	82,326	–	–	–	–
Establishment of Chinese herbs processing base	37,997	37,997	–	37,997	–
Refinement and upgrade of electronic code system	12,666	1,365	516	849	849
General working capital	90,960	–	–	–	–
Total	<u>909,600</u>	<u>225,983</u>	<u>47,707</u>	<u>178,276</u>	<u>178,276</u>

As of 31 December 2024, the Group's project for the construction of food production plant and food research center has completed most of the above-ground building structure and is ready to proceed to the internal decoration stage. In addition, approximately HK\$37,997,000 (or approximately 4% of the IPO proceeds) was originally planned to be used for the establishment of a Chinese herbs processing base on the Company's current site in Laibin, Guangxi Zhuang Autonomous Region. In line with the Company's strategic development plan and the need for capacity optimization, after consideration and approval by the Board on 28 March 2025, the proceeds amounting to approximately HK\$37,997,000 originally designated for the establishment of the Chinese herbs processing base project have been reallocated to the construction of food production plant and food research center. This adjustment is based on the following important considerations:

- (i) The food production plant and food research center under construction will form surplus production capacity after completion. At the same time, the Group will also introduce advanced automated extraction equipment, which is expected to increase the production capacity of Chinese herbal medicine extraction through technological upgrading to fully meet the future business development needs and achieve centralized utilization of resources.
- (ii) In addition, with consumers' current preference for natural medicines and the trend towards modernization and internationalization of Chinese herbal medicines, the Group will simultaneously increase its research and development department for Chinese medicines in the food production plant and food research center in order to develop Chinese medicine products that meet modern standards. This approach negates the need to allocate proceeds for setting up a separate Chinese herbs processing base, allowing the Group to optimize the use of resources while aligning with modern standards.

The Board has considered the impact of the proposed further change in the use of the IPO proceeds on the business of the Group and believes that in view of the Group's operation and business development, the aforementioned change will be conducive to the realization of the Group's plan for the construction of the food production plant and food research center and is in the interests of the Company and its shareholders as a whole. The Board will continue to evaluate the plan for the utilization of the net proceeds in order to cope with the changing market conditions and to strive for better performance of the Group.

The unutilised amount of IPO Proceeds is expected to be fully utilized by 2028.

## **FINAL DIVIDEND**

The Board recommends the payment of a final dividend of HK\$0.5 per share for the year ended 31 December 2024 to the shareholders of the Company. The final dividend is subject to the approval of shareholders of the Company at the forthcoming annual general meeting and, if approved, is expected to be paid around 26 June 2025.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. Save as disclosed below, the Company complied with all the applicable code provisions set out in the CG Code for the year ended 31 December 2024.

Under code provision C.1.8 of the CG Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. According to the CG Code, where an issuer considers that the code provisions of the CG code can be dispensed while applying the principles of good corporate governance, the issuer may choose to deviate from the code provisions (i.e. adopt action(s) or step(s) other than those set out in the code provisions). The Company did not arrange the above-mentioned insurance cover. The Board believes that with regular and timely communications among the Directors and the management of the Group, potential claims and legal actions against the Directors can be handled effectively without the need for insurance to be maintained. The Board will regularly review the procedures in handling potential claims and legal actions and take into account the requirements of the Directors and will monitor the need for making such an arrangement.

## **CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. After having made specific enquiry to all Directors, the Company confirmed that all of the Directors complied with the required standards set out in the Model Code for the year ended 31 December 2024.

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

There was no purchase, sale or redemption of any listed securities (including sale of treasury shares) of the Company by the Company or any of its subsidiaries for the year ended 31 December 2024.

As at 31 December 2024, the Company did not hold any treasury shares.



## AUDIT COMMITTEE

The Audit Committee has reviewed together with the Board the accounting principles and policies adopted by the Group, the annual results and the audited consolidated financial statements of the Group for the year ended 31 December 2024. The Audit Committee has also reviewed the effectiveness of the Group's risk management and internal control systems and considered such systems in place to be effective and adequate.

## PUBLICATION OF THE AUDITED ANNUAL RESULTS AND 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.goldenthroat.com](http://www.goldenthroat.com)), and the annual report for the year ended 31 December 2024 will be published on the above websites of the Stock Exchange and the Company in due course.

By order of the Board  
**Golden Throat Holdings Group Company Limited**  
**JIANG Peizhen**  
*Chairman*

Guangxi, the PRC, 28 March 2025

*As at the date of this announcement, the Board consists of Ms. JIANG Peizhen as non-executive Director, Mr. ZENG Yong, Mr. HUANG Jianping, Mr. ZENG Kexiong and Mr. HE Jinqiang as executive Directors, and Mr. LI Hua, Mr. ZHU Jierong, Mr. CHENG Yiqun and Mr. QIN Jiesheng as independent non-executive Directors.*