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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 2025

FINANCIAL HIGHLIGHTS

- Revenue of the Group decreased by 26.1% or RMB736.7 million to RMB2,084.6 million for the Reporting Period (2024: RMB2,821.3 million), among which revenue from sales of human albumin solution decreased by approximately RMB720.0 million, mainly due to the decrease in sales volume.
- Gross profit of the Group decreased by RMB77.8 million to RMB222.1 million for the Reporting Period (2024: RMB299.9 million). The gross profit margin was 10.7% (2024: 10.6%) for the Reporting Period. The decrease in gross profit was in line with the decrease of the sales.
- Net profit of the Group was amounted to RMB34.9 million for the Reporting Period, which decreased by RMB7.1 million as compared to the net profit of 2024 amounted to RMB42.0 million.
- During the Reporting Period, net profit attributable to owners of the Company amounted to RMB34.9 million (2024: net profit of RMB42.0 million), representing a decrease of 16.9%.
- Basic and diluted earnings per share amounted to RMB0.017 for the Reporting Period (2024: basic and diluted earnings per share of RMB0.021).
- The Board resolved to declare a final dividend in respect of the year ended 31 December 2025 of HK0.167 cents (2024: final dividend in respect of the year ended 31 December 2024 of HK0.2 cents) per ordinary share, in an aggregate amount of HK\$3,400,000 (2024: HK\$4,000,000). 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 2025 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2024, which have been prepared in accordance with the IFRS Accounting Standards (“**IFRSs**”) as below.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
REVENUE	3	2,084,573	2,821,321
Cost of sales		<u>(1,862,483)</u>	<u>(2,521,380)</u>
Gross profit		222,090	299,941
Other income and gains	4	18,678	21,363
Selling and distribution expenses		(57,569)	(63,924)
Administrative expenses		(82,748)	(125,994)
(Provision for) reversal of impairment losses on trade receivables, net		(7,098)	3,922
Other expenses and losses		(11,155)	(14,822)
Changes in fair value of contingent consideration at fair value through profit or loss		–	(4,922)
Finance costs	5	<u>(33,939)</u>	<u>(16,644)</u>
PROFIT BEFORE TAX	6	48,259	98,920
Income tax expense	7	<u>(13,407)</u>	<u>(56,875)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>34,852</u>	<u>42,045</u>
Attributable to owners of the Company		<u>34,852</u>	<u>42,045</u>
Earnings per share attributable to owners of the Company:			
Basic			
– For profit for the year (RMB)	8	<u>0.017</u>	<u>0.021</u>
Diluted			
– For profit for the year (RMB)	8	<u>0.017</u>	<u>0.021</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*31 December 2025*

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		292,126	297,703
Investment property		5,783	5,961
Right-of-use assets		66,969	73,655
Other intangible assets		56,653	41,947
Goodwill		66,536	66,536
Deferred tax assets		4,198	2,422
Total non-current assets		492,265	488,224
CURRENT ASSETS			
Inventories		259,562	352,337
Trade and bills receivables	9	591,569	608,248
Prepayments, other receivables and other assets		129,162	140,237
Pledged deposits		125,175	103,057
Bank balances and cash		249,199	308,320
Total current assets		1,354,667	1,512,199
CURRENT LIABILITIES			
Trade and bills payables	10	912,218	887,968
Contract liabilities		18,850	27,731
Other payables and accruals		20,383	49,368
Bank borrowings		179,715	340,857
Tax payables		17,130	20,589
Lease liabilities		3,189	5,139
Total current liabilities		1,151,485	1,331,652
NET CURRENT ASSETS		203,182	180,547
TOTAL ASSETS LESS CURRENT LIABILITIES		695,447	668,771

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES		
Bank borrowings	–	50
Deferred tax liabilities	901	1,351
Lease liabilities	485	4,491
	<hr/>	<hr/>
Total non-current liabilities	1,386	5,892
	<hr/>	<hr/>
Net assets	694,061	662,879
	<hr/>	<hr/>
EQUITY		
Equity attributable to owners of the Company		
Issued capital	164	164
Reserves	693,897	662,715
	<hr/>	<hr/>
Total equity	694,061	662,879
	<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets 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. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1 CHANGES IN ACCOUNTING STANDARDS AND DISCLOSURES

Amendment to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21 *Lack of Exchangeability*

The application of the amendments to an IFRS Accounting Standard 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 Group has 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> ²
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referring Nature-dependent Electricity</i> ²
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
Amendments to IFRS Accounting Standards	<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i> ²
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
Amendments to IAS21	<i>Translation to a Hyperinflationary Presentation Currency</i> ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to IFRS Accounting Standards mentioned 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 *Presentation and Disclosure in Financial Statements*, which 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 (MPMs) 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 *Accounting Policies, Changes in Accounting Estimates and Errors* and IFRS 7 *Financial Instruments: Disclosures*. 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. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

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 payables 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 2025 and 31 December 2024.

Year ended 31 December 2025

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>
Segment revenue				
Sales to external customers	2,063,541	–	21,032	<u>2,084,573</u>
Segment results	82,981	(9,372)	5,748	79,357
Reconciliation:				
Corporate and other unallocated expenses				(10,604)
Other income and gains				18,678
Other expenses and losses				(11,155)
Finance costs (other than interest on lease liabilities and finance charges attributable to issue of letters of credit)				<u>(28,017)</u>
Profit before tax				<u>48,259</u>

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>
Segment revenue				
Sales to external customers	2,792,619	–	28,702	<u>2,821,321</u>
Segment results	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>

The following table presents information of assets and liabilities of the Group's operating segments as at 31 December 2025 and 31 December 2024.

As at 31 December 2025

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>
Segment assets	1,291,497	89,089	86,984	1,467,570
Reconciliation:				
Corporate and other unallocated assets				790
Deferred tax assets				4,198
Bank balances and cash				249,199
Pledged deposits				<u>125,175</u>
Total assets				<u>1,846,932</u>
Segment liabilities	948,376	4,170	2,509	955,055
Reconciliation:				
Corporate and other unallocated liabilities				70
Bank borrowings				179,715
Tax payables				17,130
Deferred tax liabilities				<u>901</u>
Total liabilities				<u>1,152,871</u>

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>
Segment assets	1,419,767	85,628	80,409	1,585,804
Reconciliation:				
Corporate and other unallocated assets				820
Deferred tax assets				2,422
Bank balances and cash				308,320
Pledged deposits				103,057
Total assets				<u>2,000,423</u>
Segment liabilities	937,708	6,078	30,826	974,612
Reconciliation:				
Corporate and other unallocated liabilities				85
Bank borrowings				340,907
Tax payables				20,589
Deferred tax liabilities				1,351
Total liabilities				<u>1,337,544</u>

For the year ended 31 December 2025

	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*	1,650	26,099	67	27,816
Depreciation and amortisation	15,177	5,816	4,588	25,581
Interest on lease liabilities	84	202	56	342
Finance charges attributable to issue of letters of credit	5,580	–	–	5,580
Provision for impairment losses on trade receivables, net	7,098	–	–	7,098
	<u>7,098</u>	<u>–</u>	<u>–</u>	<u>7,098</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	(3,922)	–	–	(3,922)

* Capital expenditure consists of additions to 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 2025

Segments	Sale of imported pharmaceutical products <i>RMB'000</i>	Medical beauty services <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services			
Sale of imported pharmaceutical products, at a point in time	2,063,541	–	2,063,541
Medical beauty services, at a point in time	–	21,032	21,032
Total revenue from contracts with customers	2,063,541	21,032	2,084,573

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>
Types of goods or services			
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	<u>2,792,619</u>	<u>28,702</u>	<u>2,821,321</u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Types of pharmaceutical products		
Human albumin solution	2,063,541	2,783,513
Antibiotics (Axetine and Medocef)	–	9,106
Total revenue from contracts with customers	<u>2,063,541</u>	<u>2,792,619</u>

Geographical markets

All revenue from contracts with customers of the Group during each of the years ended 31 December 2025 and 2024 was attributable to customers located in the PRC, the location of external customers. Substantially all of the Group's non-current assets are all located in the PRC.

Timing of revenue recognition

All revenue from contracts with customers of the Group during each of the years ended 31 December 2025 and 2024 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Medical beauty services	657	612
Sale of imported pharmaceutical products	<u>27,074</u>	<u>39,844</u>
	<u>27,731</u>	<u>40,456</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:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Customer A	343,594	574,002
Customer B	386,253	N/A*
Customer C	327,835	N/A*

* Revenue from the customer is less than 10% of the Group's total revenue in the respective year.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 as all its sale contracts are for periods of one year or less such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations.

(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 with the pharmaceutical inspection report and payment is generally due within 90 to 180 days (2024: 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:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	4,024	5,910
Interest income from wealth management products classified as financial assets at fair value through profit or loss	–	205
Government grants*	2,685	2,767
Net rental income from investment property	304	488
Distribution service income	11,617	10,565
Others	48	1,428
	<u>18,678</u>	<u>21,363</u>

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

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank borrowings	15,026	12,192
Interest on lease liabilities	342	356
Finance charges attributable to issue of letters of credit	5,580	4,096
Guarantee fee to Mr. Huang (a)	12,991	–
	<u>33,939</u>	<u>16,644</u>

Note:

- (a) On 30 September 2024, the Company entered into a Guarantee Agreement with Mr. Huang, the executive director and chairman of the Company, 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 Guarantees Agreement to 30 September 2027, with the maximum annual guarantee fee payable to Mr. Huang not exceeding RMB15,000,000.

6. PROFIT BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold	1,854,846	2,513,397
Cost of services provided	7,637	7,983
Depreciation of property, plant and equipment	15,600	15,401
Depreciation of right-of-use assets	6,725	5,838
Depreciation of investment property	178	178
Amortisation of other intangible assets (included in administrative expenses)	3,078	3,078
Research and development expenses (included in administrative expenses)	2,679	19,000
Short-term lease payments	910	920
Auditors' remuneration	2,000	2,300
Employee benefit expense (including directors' remuneration):		
Wages and salaries	29,134	50,233
Welfare and other benefits	530	1,111
Pension scheme contributions		
– Defined contribution fund	5,140	9,146
Housing fund		
– Defined contribution fund	470	959
Total employee benefit expense	<u>35,274</u>	<u>61,449</u>
Unrealised foreign exchange losses, net*	11,150	12,600
Loss on disposal of property, plant and equipment*	–	1,138

* Those items included in “Other expenses and losses”.

7. INCOME TAX EXPENSE

The major components of income tax expense are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current – PRC		
Charge for the year	11,934	32,256
Underprovision in prior years	–	22,331
Current – Singapore		
Charge for the year	3,699	1,756
Deferred tax (credit) charge	<u>(2,226)</u>	<u>532</u>
Income tax expense for the year	<u>13,407</u>	<u>56,875</u>

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 2025 of approximately RMB34,852,000 (2024: RMB42,045,000), and number of ordinary shares of 2,032,890,585 (2024: 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 for the years ended 31 December 2025 and 2024.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings		
Profit attributable to owners of the Company	<u>34,852</u>	<u>42,045</u>
	Number of shares	
	2025	2024
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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables, gross	492,968	515,816
Impairment	<u>(13,194)</u>	<u>(6,160)</u>
Trade receivables, net of loss allowance	479,774	509,656
Bills receivables*	<u>111,795</u>	<u>98,592</u>
	<u>591,569</u>	<u>608,248</u>

* Bills receivables as at 31 December 2025 and 2024 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 (2024: 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 2025, trade receivables of RMB340,686,000 (2024: RMB390,182,000) 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:

	2025 RMB'000	2024 RMB'000
Within 3 months	479,774	501,660
3 to 12 months	–	7,996
	<u>479,774</u>	<u>509,656</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	6,160	13,561
Written off	(64)	(3,479)
Provision for/(reversal of) impairment loss	7,098	(3,922)
At end of year	<u>13,194</u>	<u>6,160</u>

10. TRADE AND BILLS PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	658,055	873,889
Bills payables	254,163	14,079
	<u>912,218</u>	<u>887,968</u>

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:

	2025 RMB'000	2024 RMB'000
Within 3 months	<u>912,218</u>	<u>887,968</u>

Trade and bills payables of the Group are normally settled within 120 to 180 days (2024: 120 to 180 days).

The Group's bills payables as at 31 December 2025 was secured by the pledge of certain of the Group's bank deposits amounting to approximately RMB125,175,000 (2024: RMB14,079,000).

11. RELATED PARTY TRANSACTIONS

(a) During the year, the Group had the following material transactions with related parties:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Guaranteed by Mr. Huang		
Interest-bearing bank borrowings	179,715	340,907
Guarantee fee paid to Mr. Huang	<u>12,991</u>	<u>3,420</u>

(b) Compensation of key management personnel of the Group

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Short-term employee benefits	9,773	10,373
Pension scheme contributions	<u>162</u>	<u>355</u>
Total compensation paid to key management personnel	<u>9,935</u>	<u>10,728</u>

12. DIVIDENDS

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of HK0.167 cents (2024: final dividend in respect of the year ended 31 December 2024 of HK0.20 cents) per ordinary share, in an aggregate amount of approximately HK\$3,400,000 (2024: HK\$4,000,000), 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

In 2025, the overall pharmaceutical industry in China underwent adjustment. On the one hand, changes in the population structure and the long-term persistence of demand for medical services have provided fundamental support for the industry development; on the other hand, against the backdrop of continuous advancement of cost control over medical insurance, tightening medical insurance expenditure structure, and the normalisation of centralised procurement policies, medical institutions have become more prudent in managing the use of drugs that weakened the momentum in the overall growth of the industry. In this context, the blood products industry is facing a dual situation of capacity expansion in supply and a slowdown in the release of demand. Market competition is gradually shifting from incremental competition to inventory competition, leading to a decline in overall business climate in the industry compared to the previous year.

The Group focuses on three business segments including biologics, medical aesthetic products and biopharmaceutical cold chain and supply chain services. Biologics business provides comprehensive marketing, promotion and channel management (“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 aesthetic 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, the range of blood products has expanded from single human albumin to include immunoglobulins, coagulation factors and other products. Among which, human albumin solution, as the only blood product allowed to be imported in the Chinese market, remains as the core product in the blood product market.

In 2025, the annual batch release volume of human albumin solution across the country was approximately 5,212 batches (2024: approximately 5,511 batches), representing a year-on-year decrease. Among which, the batch release volume of domestically produced albumin was approximately 1,850 batches (2024: approximately 1,722 batches), and the imported albumin was approximately 3,362 batches (2024: approximately 3,789 batches). The overall decline in batch release volume, apart from the effect of a high base, also reflected a slowdown in the release of end demand and a corresponding lengthening of the inventory turnover cycle against the backdrop of the continuous advancement in cost control over medical insurance and clinical drug structure adjustments.

2. Marketing Network Development

During the Reporting Period, in the face of intensified market competition and increasing price pressure, the Group continued to optimise its marketing strategies and increased its participation in volume-based procurement projects and centralised procurement projects with alliance. By actively participating in regional and cross-regional centralised procurement projects at all levels, the Group further expanded its coverage in hospitals and increased the penetration rate of its products in end medical institutions.

Meanwhile, the Group continued to strengthen the coordination and allocation of marketing resources, and implemented refined management around key regions, key products, and key hospitals, striving to stabilise sales volume and improve channel efficiency while controlling sales costs. Through multi-level collaboration with medical institutions and business partners, the Group has maintained a relatively stable market foundation in a complex market environment.

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 and transportation services for both internal products and external customers.

Through the introduction of a digital supply chain system, the Group has initially built a cold chain with full traceability and intelligent early-warning capabilities, and has visualised the entire process from inventory management to distribution.

4. Research and Development

The Group adopts a combination of commissioned and independent research and development. The Group cooperates with Beijing Nuokangda to develop the polycaprolactone fillers for injection, namely Girl Needle, which is indicated for superficial and deep subcutaneous injection filling to correct moderate-to-severe wrinkles of the nasolabial folds. The clinical trial summary report of the Girl Needle Type S has been completed and an application for launch and registration was submitted to the National Medical Products Administration in December 2025, making it the Group's first medical aesthetic product submitted for launch approval. The Group is collaborating with Beijing Nuokangda in the development of secret needle and secret needle polycaprolactone filling materials, and works plans are under evaluation for the next step. The exploration trial for expanding the use of the Girl Needle is progressing well, with preliminary statistics showing a 100% efficacy rate and good safety after 6-month observation on the subjects.

In terms of independent research and development, the Class III medical aesthetic devices use polycaprolactone copolymer as the core material, break through key technologies by adopting terminal sterilisation for fine wrinkle improvement. In the safety evaluation phase, the Group will determine the next work plan based on market data. The project of methoxy polyethylene glycolpolycaprolactone material, which is the core component of soluble (liquid) polycaprolactone filler, has been verified for product safety and has completed the registration of the main document with the National Medical Products Administration. It will become the Group's first degradable biomaterial launched to the market in medical beauty.

FUTURE AND OUTLOOK

Looking ahead, the pharmaceutical industry will continue to be in a stage of development characterised by simultaneous structural adjustment and intensified competition. Clinical demand fundamentals remain stable for the blood products sector in the medium and long term. However, in the context of sustained supply capacity release and increased pressure on pricing system, industry competition will focus more on comprehensive capabilities such as scale, channels, and operational efficiency.

In terms of biologics business, the Group will continue to center around core products, steadily advance market layout optimisation, actively participate in volume-based procurement projects and centralised procurement projects with alliance, expand its coverage in hospitals for so long the compliance is met, and increase market share of products in key medical institutions. Simultaneously, the Group will keep monitoring the market changes and address the impact of price fluctuations on profitability with due consideration.

In the field of medical beauty products and related business, the Group will adhere to the principle of steady advancement. It will constantly evaluate market conditions and commercialisation pace and reasonably allocating resources while ensuring R&D compliance and project quality.

In terms of biopharmaceutical cold chain and supply chain services, the Group will continue to strengthen its foundational capabilities, improve operational efficiency and service levels, providing robust support for the Group's medium and long-term business development.

Overall, the Group will continue to adhere to an operating strategy that emphasises both steady operations and risk control. Amidst a complex and ever-changing market environment, the Group will maintain strategic focus, gradually increase its risk resilience and core competitiveness, and strive to achieve long-term and sustainable development goals.

FINANCIAL REVIEW

Revenue

The Group recorded revenue of RMB2,084.6 million for the Reporting Period, representing a decrease of RMB736.7 million, or 26.1% as compared to RMB2,821.3 million in 2024, which could be further analysed as follows:

		2025		2024	
		RMB'000	% of revenue	RMB'000	% of revenue
Human albumin solution	1)	2,063,541	99.0	2,783,513	98.7
Antibiotics		–	–	9,106	0.3
Medical beauty service	2)	21,032	1.0	28,702	1.0
Total		2,084,573	100.0	2,821,321	100.0

1) During the Reporting Period, revenue of human albumin solution declined from RMB2,783.5 million in 2024 to RMB2,063.5 million, which was mainly due to the deceased sales volume.

2) During the Reporting Period, revenue generated from medical beauty services amounted to RMB21.0 million, representing a decrease of approximately 26.8% or RMB7.7 million as compared with 2024. In 2025, the heightened economic uncertainty led customers to increasingly favor lower-priced products and services, resulting in an overall decline in revenue.

Cost of sales

The Group recorded cost of sales of RMB1,862.5 million for the Reporting Period, representing a decrease of RMB658.9 million, or 26.1% as compared with RMB2,521.4 million in 2024, which was mainly due to the decrease of sales volume.

Gross profit and gross profit margin

During the Reporting Period, the Group recorded gross profit of RMB222.1 million, representing a decrease of RMB77.8 million as compared with RMB299.9 million in 2024, which was mainly caused by the decrease of profit margin of human albumin as its sales volume decreased. The gross profit margin was 10.7% for the Reporting period, which remained stable as compared to the 10.6% in 2024.

Other income and gains

During the Reporting Period, other income and gains of the Group amounted to RMB18.7 million, representing a decrease of RMB2.7 million as compared with the 2024, which was mainly caused by the decrease in the bank interest income of RMB1.9 million.

Selling and distribution expenses

During the Reporting Period, the Group's selling and distribution expenses amounted to approximately RMB57.6 million, representing a decrease of RMB6.3 million as compared with the corresponding period of 2024. 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 RMB82.7 million, representing a decrease of RMB43.3 million as compared with the corresponding period of 2024. The decrease was mainly due to the decrease in the research and development expenses of RMB17.1 million, staff cost of RMB14.0 million, intermediary service fee of RMB5.0 million and the tax expenses of RMB2.6 million.

Other expenses

During the Reporting Period, the Group recorded other expenses of RMB11.2 million, representing a decrease of RMB3.6 million as compared with 2024, which was mainly due to the decrease in bank acceptance fee and bank charges.

Finance costs

During the Reporting Period, the Group recorded finance costs of RMB33.9 million, representing an increase of RMB17.3 million as compared with 2024, which was mainly due to the increase of the guarantee fee of RMB13.0 million, the interest on bank borrowings of RMB2.8 million and the finance charges attributable to issue of letter credits of RMB1.5 million.

Income tax expense

During the Reporting Period, the income tax expense amounted to RMB13.4 million, representing a decrease of RMB43.5 million as compared to 2024. The decrease was mainly due to the decrease in the current tax charges of RMB20.4 million and the tax adjustment for prior years of RMB22.3 million.

Profit for the Reporting Period

As a result of the foregoing, the Group recorded a net profit of RMB34.9 million, representing a decrease of RMB7.1 million as compared to the 2024 (2024 net profit: RMB42.0 million).

Inventories

The inventory balance amounted to RMB259.6 million as of 31 December 2025 (31 December 2024: RMB352.3 million), representing a decrease of RMB92.7 million as compared with the year-end balance of 2024. The decrease was mainly due to the decrease in the inventory of human albumin solution.

The Group's average inventory turnover days increased by 27 days from 33 days in 2024 to 60 days for the Reporting Period which was mainly caused by the decreased sales volume.

Trade and bills receivables

The balance of trade receivables amounted to RMB479.8 million as of 31 December 2025, represented a slight decrease of RMB29.9 million or 5.9% as compared to RMB509.7 million in 2024.

The balance of bills receivables as of 31 December 2025 was RMB111.8 million (31 December 2024: RMB98.5 million), representing an increase of RMB13.3 million as compared to the year-end balance of 2024. 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 trade receivables.

Prepayments, deposits, other receivables and other assets

As of 31 December 2025, the prepayments, deposits, other receivables and other asset amounted to RMB129.2 million (31 December 2024: RMB140.2 million), representing a decrease of RMB11.0 million as compared with the year-end balance of 2024. Such decrease was mainly due to the decrease of the prepayment of the value-added tax recoverable of RMB19.3 million, which was partially offset by the increase of the prepayment of deposits for issuance of the letter of credit of RMB9.3 million.

Trade and bills payables

As of 31 December 2025, trade and bills payables amounted to RMB912.2 million (31 December 2024: RMB888.0 million), representing an increase of RMB24.2 million as compared with the year-end balance of 2024, which was mainly due to the increase in payables for the purchase of human albumin solution.

Other payables and accruals

As of 31 December 2025, other payables and accruals amounted to RMB20.4 million (31 December 2024: RMB49.4 million), representing a decrease of RMB29.0 million as compared with the year-end balance of 2024. The decrease was mainly due to the decrease of the consideration payable to the vendors of RMB27.0 million.

Borrowings

As of 31 December 2025, the Group has borrowings of RMB179.7 million in total, with details set out below:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current:		
Bank loans	<u>179,715</u>	<u>340,857</u>
Non-current:		
Bank loans	<u>–</u>	<u>50</u>
Total	<u>179,715</u>	<u>340,907</u>

Gearing ratio

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank borrowings	179,715	340,907
Trade and bills payables	912,218	887,968
Other payables and accruals	20,383	49,368
Lease liabilities	3,674	9,630
Tax payables	17,130	20,589
Less: Bank balances and cash	(249,199)	(308,320)
Less: Pledged deposits	<u>(125,175)</u>	<u>(103,057)</u>
Net debt ^(a)	<u>758,746</u>	<u>897,085</u>
Equity	<u>694,061</u>	<u>662,879</u>
Equity and net debt ^(b)	<u>1,452,807</u>	<u>1,559,964</u>
Gearing ratio ^(a/b)	<u>52.2%</u>	<u>57.5%</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:

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Net cash flows generated from/(used in)			
operating activities	<i>1)</i>	207,586	(232,879)
Net cash flows used in investing activities	<i>2)</i>	(27,807)	(52,870)
Net cash flows (used in)/from financing activities	<i>3)</i>	(236,081)	154,587
Net decrease in cash and cash equivalents		(56,302)	(131,162)
Effect of foreign exchange rate changes, net		(2,819)	1,560
Cash and cash equivalents at beginning of the year	<i>4)</i>	308,320	437,922
 		<hr/>	<hr/>
Cash and cash equivalents at end of the year	<i>4)</i>	249,199	308,320
		<hr/>	<hr/>

Notes:

1) Net cash flows generated from operating activities

During the Reporting Period, the Group's net cash flows generated from operating activities amounted to approximately RMB207.6 million (for the year 2024: net cash outflow of RMB232.9 million), in which the cash generated from operations amounted to RMB222.7 million and interest received amounted to RMB4.0 million, which were partially offset by the tax payment of RMB19.1 million.

2) Net cash used in investing activities

During the Reporting Period, the Group's net cash used in investing activities amounted to approximately RMB27.8 million (for the year 2024: net cash outflow of RMB52.9 million), which mainly included the investments in purchase of items of property, plant and equipment of RMB10.0 million, and additions to others intangible assets of RMB17.8 million.

3) Net cash used in financing activities

During the Reporting Period, the Group's net cash flows used in financing activities amounted to approximately RMB236.1 million (for the year 2024: net cash inflow of RMB154.6 million), which was mainly due to the net repayment of bank borrowings of RMB161.2 million, interests payment of RMB33.6 million, the increase in pledged deposits of RMB22.1 million, the increase in prepayments, other receivables and other assets of RMB9.2 million and the principal portion of lease payments of RMB5.9 million.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Denominated in RMB	303,314	353,668
Denominated in US\$	65,597	54,609
Denominated in HK\$	691	897
Denominated in S\$*	4,772	2,203
	<hr/> 374,374 <hr/>	<hr/> 411,377 <hr/>

* 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 are 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Purchase of property, plant and equipment	10,032	35,159

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2025.

Pledge of assets

As at 31 December 2025, the carrying amounts of the Group's pledged assets were set out as follows:

	31 December 2025 <i>RMB'000</i>	31 December 2024 <i>RMB'000</i>
For obtaining bank and other borrowings		
– Buildings	67,485	72,852
For issuance of letters of credit, billings and other		
– Bank balances	125,175	103,057

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 centre 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\$20.8 million of net proceeds from the 2022 Placing had been used in accordance with the intended use. As of 31 December 2025, all of the net proceeds from the Placing had been utilised. 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 2024 HK\$(million)	Utilised net proceeds during the Reporting Period HK\$(million)	Fully utilised net proceeds as of 31 December 2025 HK\$(million)
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	20.8	20.8	–
Total	100	194.9	20.8	20.8	–

Save as disclosed above, for the year ended 31 December 2025 and up to date of this announcement, there was no significant financial event affecting the Group.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2025, the Group had a total of 261 employees. For the Reporting Period, the total staff costs of the Group were RMB41.3 million (2024: RMB61.4 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 labour dispute during the Reporting Period.

In addition, the Company adopted a Share Option Scheme to recognise 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 summarised 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\$, HK\$ and S\$.
- 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 2025 of HK0.167 cents (2024: final dividend in respect of the year ended 31 December 2024 of HK0.20 cents) per ordinary share, in an aggregate amount of approximately HK\$3,400,000 (2024: HK\$4,000,000). 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 2025 was agreed to be RMB15,000,000, and the total actual amount incurred was approximately RMB12,991,000, 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 auditor of the Company to conduct a proper work on the above continuing connected transactions. The auditors have issued a letter containing its conclusions in respect of the continuing connected transactions of the Group disclosed above and its findings, in its opinion, that there is no non-compliance with the Rule 14A.56 of the Listing Rules. The Board hereby adds that the auditor of the Company confirmed 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.

Save as disclosed, the Company did not have any connected transactions or continuing connected transactions which were subject to the reporting requirements under Chapter 14A of the Listing Rules for the year ended 31 December 2025.

ANNUAL GENERAL MEETING

The AGM will be held on Friday, 15 May 2026. 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 Tuesday, 12 May 2026 to Friday, 15 May 2026, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming AGM to be held on Friday, 15 May 2026. 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, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, 11 May 2026. The record date for determining the identity of the Shareholders who are entitled to attend and vote at the forthcoming AGM is Friday, 15 May 2026.

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

The register of members will be closed from Thursday, 21 May 2026 to Tuesday, 26 May 2026, 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, Computershare Hong Kong Investor Services Limited, at Shops 1712 -1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Wednesday, 20 May 2026. The record date for determining the entitlement to the final dividend is Tuesday, 26 May 2026. Subject to the approval of Shareholders of the Company at the forthcoming AGM, the final dividend will be paid on or around Thursday, 4 June 2026.

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. Having made specific enquiries, all Directors confirmed that they have complied with the required standards set out in the Model Code during the Reporting Period.

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 2025, the Company did not hold any treasury share.

SCOPE OF WORK OF RONGCHENG (HONG KONG) 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 2025 as set out in this preliminary announcement have been agreed by the Group's auditor, Rongcheng (Hong Kong) CPA Limited (formerly known as 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 Rongcheng (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Rongcheng (Hong Kong) 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 2025 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 2025 and the disclosure in this announcement.

The consolidated financial statements of the Company for the year ended 31 December 2025 have been audited by Rongcheng (Hong Kong) CPA Limited, which will retire and, being eligible, offer itself for re-appointment at the forthcoming AGM.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT

This annual results announcement is published on the websites of the HKSE (www.hkexnews.hk) and the Company (<http://www.sinco-pharm.com>). The annual report of the Company for the year ended 31 December 2025 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 Zhijian
Vice Chairman and Executive Director

Hong Kong, 26 March 2026

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 2025
“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.