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# 上海先鋒控股有限公司 Shanghai Pioneer Holding Ltd

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 01345)**

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

### FINANCIAL HIGHLIGHTS

- Revenue of the Group decreased by 16.2% to RMB1,283.4 million in 2025 from RMB1,531.1 million in 2024.
- Gross profit of the Group decreased by 8.2% to RMB627.1 million in 2025 from RMB683.2 million in 2024.
- Net profit of the Group decreased by 27.7% to RMB105.1 million in 2025 from RMB145.4 million in 2024.
- Basic earnings per share of the Company were RMB0.1 in 2025, which represents a 23.1% decrease compared to RMB0.13 in 2024.

### RESULT

The board (the “**Board**”) of directors (the “**Director(s)**”) of Shanghai Pioneer Holding Ltd (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”) together with the comparative figures for the year ended 31 December 2024 as follows:

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

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	3	1,283,425	1,531,050
Cost of sales		<u>(656,284)</u>	<u>(847,844)</u>
Gross profit		627,141	683,206
Other income	4	14,988	44,697
Other gains and losses, net	5	(4,642)	(12,701)
Finance costs	6	(2,450)	(2,424)
Reversal of impairment losses under expected credit loss model, net	7	259	252
Distribution and selling expenses		(349,388)	(363,228)
Administrative expenses		(137,585)	(133,814)
Share of results of associates		<u>(31)</u>	<u>(2,866)</u>
Profit before tax		148,292	213,122
Income tax expense	8	<u>(43,203)</u>	<u>(67,714)</u>
Profit for the year	9	<u>105,089</u>	145,408
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
– Fair value (losses)/gain on investments in financial assets at fair value through other comprehensive income (“FVTOCI”), net of income tax		(46,637)	62,897
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of foreign operations		(327)	(3,731)
– Exchange difference of interests in associates		<u>(103)</u>	<u>(792)</u>
Other comprehensive income for the year		<u>(47,067)</u>	58,374
Total comprehensive income for the year		<u>58,022</u>	<u>203,782</u>
Profit for the year attributable to:			
Owners of the Company		114,383	151,618
Non-controlling interests		<u>(9,294)</u>	<u>(6,210)</u>
		<u>105,089</u>	<u>145,408</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		67,316	209,992
Non-controlling interests		<u>(9,294)</u>	<u>(6,210)</u>
		<u>58,022</u>	<u>203,782</u>
Earnings per share	10		
– Basic (RMB yuan)		0.10	0.13
– Diluted (RMB yuan)		<u>0.10</u>	<u>0.13</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31 DECEMBER 2025*

		<b>31 December 2025</b>	31 December 2024
	<i>Notes</i>	<b>RMB'000</b>	<i>RMB'000</i>
<b>Non-current Assets</b>			
Property, plant and equipment		<b>163,772</b>	187,867
Right-of-use assets		<b>21,082</b>	30,784
Intangible assets		<b>16,434</b>	20,391
Interests in associates		<b>55,057</b>	47,719
Financial assets at FVTOCI	<i>12</i>	<b>71,002</b>	110,391
Financial assets at fair value through profit or loss ("FVTPL")	<i>13</i>	<b>57,412</b>	42,668
Prepayments for technique know-hows	<i>14</i>	<b>76,594</b>	76,405
Amount due from a related party	<i>14</i>	<b>40,649</b>	–
Deferred tax assets		<b>11,586</b>	7,989
Goodwill		–	–
		<hr/> <b>513,588</b>	<hr/> 524,214
<b>Current Assets</b>			
Inventories	<i>15</i>	<b>297,114</b>	321,172
Trade and other receivables	<i>14</i>	<b>449,953</b>	502,325
Tax recoverable		<b>18,191</b>	344
Financial assets at FVTPL	<i>13</i>	<b>20,000</b>	–
Pledged bank deposits		<b>24,043</b>	6,451
Cash and cash equivalents		<b>166,606</b>	103,573
		<hr/> <b>975,907</b>	<hr/> 933,865
<b>Current Liabilities</b>			
Trade and other payables	<i>16</i>	<b>216,170</b>	171,159
Amounts due to related parties		<b>736</b>	4,505
Tax liabilities		<b>25,030</b>	32,750
Bank borrowings	<i>17</i>	<b>56,600</b>	62,359
Lease liabilities		<b>2,345</b>	1,399
Contract liabilities		<b>2,246</b>	3,246
		<hr/> <b>303,127</b>	<hr/> 275,418
<b>Net Current Assets</b>		<hr/> <b>672,780</b>	<hr/> 658,447
<b>Total Assets less Current Liabilities</b>		<hr/> <b>1,186,368</b>	<hr/> 1,182,661

	<b>31 December 2025</b>	31 December 2024
<i>Note</i>	<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>Capital and Reserves</b>		
Share capital	<b>77,399</b>	77,399
Reserves	<b>971,996</b>	1,033,049
	<hr/>	<hr/>
Equity attributable to owners of the Company	<b>1,049,395</b>	1,110,448
Non-controlling interests	<b>(4,180)</b>	5,114
	<hr/>	<hr/>
<b>Total Equity</b>	<b>1,045,215</b>	1,115,562
	<hr/>	<hr/>
<b>Non-current liabilities</b>		
Deferred tax liabilities	<b>21,649</b>	16,396
Bank borrowings	<b>58,001</b>	–
Lease liabilities	<b>4,443</b>	11,463
Financial liabilities at FVTPL	<b>20,000</b>	–
Deferred income	<b>37,060</b>	39,240
	<hr/>	<hr/>
	<b>141,153</b>	67,099
	<hr/>	<hr/>
	<b>1,186,368</b>	1,182,661
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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

### 1. GENERAL

Shanghai Pioneer Holding Ltd (the “**Company**”) is incorporated as an exempted company with limited liability in the Cayman Islands on 5 February 2013. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (“the **Stock Exchange**”) since 5 November 2013. The registered office of the Company was at 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands. Pursuant to the resolution dated on 25 September 2023, the registered office of the Company have been changed to One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands and the principal place of business of the Company remains at No. 15, Lane 88 Wuwei Road, Putuo District, Shanghai, the PRC.

The Company’s immediate and ultimate holding company is Pioneer Pharma (BVI) Co., Ltd. (“**Pioneer BVI**”) and Tian Tian Limited, respectively. Both companies are incorporated in the British Virgin Islands and are controlled by Mr. Li Xinzhou (“**Mr. Li**”) and Ms. Wu Qian, the spouse of Mr. Li.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (the “**Group**”) are the marketing, promotion and sale of pharmaceutical products and medical equipment and supplies.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

### 2. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“**IFRSS**”)

#### (a) Adoption of new or amended IFRSs – effective 1 January 2025

The Group has adopted the following new and revised IFRSs for the current year’s consolidated financial statements:

Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates	Lack of Exchangeability
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None of these new or amended IFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended IFRSs that is not yet effective for the current accounting period.

**(b) New or amended IFRSs that have been issued but are not yet effective**

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these consolidated financial statements.

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

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

The Group is in the process of making an assessment of the impact of these new or revised IFRSs upon initial application.

Except for the new IFRS Accounting Standard mentioned below, the Trustee-Manager and the Directors anticipate that the application of all other 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 in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Groups are in the process of assessing the detailed impact of IFRS 18 on the Groups’ consolidated financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising from sales of pharmaceutical products and medical devices in the PRC. An analysis of the Group's revenue by category is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Sales of pharmaceutical products	492,570	735,625
Sales of medical equipment and supplies	790,855	795,425
	<u>1,283,425</u>	<u>1,531,050</u>

Revenue from sales of pharmaceutical products and medical equipment and supplies is recognised at a point of time when the customer obtains control of the distinct goods upon its customers accepting the goods for use.

The sales contract terms do not allow rebates, discount, warranties and return on revenue. During the years ended 31 December 2025 and 2024, there were no rebate, and discount, warranties and return of goods.

The advance from customer received by the Group is recognised as a contract liability until the customer obtains control of the distinct goods.

All contracts from sales of pharmaceutical products and medical equipment and supplies are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Information reported to the executive directors, being the chief operating decision maker (“CODM”) for the purpose of resource allocation and assessment of segment performance focuses on types of goods delivered. Segment profit represents the profit earned by each segment without allocation of central administrative expenses, distribution and selling expenses, finance costs, impairment losses under expected credit loss model, net of reversal, share of results of associates, other income and other gains and losses.

Specifically, the Group's reportable and operating segments under IFRS 8 are as follows:

- (a) Ophthalmic pharmaceutical products – sales of the Group's ophthalmic pharmaceutical products to the customers under the channel management arrangement (“**Products sold via the provision of channel management services**”). Products sold via the provision of channel management services related solely to sale arrangements with Alcon Pharmaceuticals Ltd. (“**Alcon**”).

In August 2024, Alcon entered into an agreement with Ocumension Therapeutics, an ophthalmic pharmaceutical platform company in the PRC, to which Alcon will transfer the market interests in China in eight of Alcon ophthalmic products (four marketed medicines for dry eye, one topical ophthalmic anesthetic, one funduscopy contrast agent, one mydriatic, and one pipeline product for dry eye). Accordingly, no new agreement was renewed between the Group and Alcon in relation to the importation, warehousing, distribution and sale of the relevant products. The sales revenue of this product category during the year ended 31 December 2025 came from the digestion of inventory purchased during the previous agreement period.

- (b) Sales of all of the Group's pharmaceutical products and medical equipment and supplies except for ophthalmic pharmaceutical products to the customers under the comprehensive marketing, promotion and channel management arrangement (“**Products sold via the provision of comprehensive marketing, promotion and channel management services**”).

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

## Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

### For the year ended 31 December 2025

	Products sold via the provision of channel management services <i>RMB'000</i>	Products sold via the provision of comprehensive marketing, promotion and channel management services <i>RMB'000</i>	Consolidated <i>RMB'000</i>
<b>Segment revenue</b>	<b>61,549</b>	<b>1,221,876</b>	<b>1,283,425</b>
<b>Segment result</b>	<b>3,808</b>	<b>623,333</b>	<b>627,141</b>
Other income			14,988
Other gains and losses			(4,642)
Reversal of impairment losses under expected credit loss model, net			259
Distribution and selling expenses			(349,388)
Administrative expenses			(137,585)
Finance costs			(2,450)
Share of results of associates			(31)
<b>Profit before tax</b>			<b>148,292</b>

### For the year ended 31 December 2024

	Products sold via the provision of channel management services <i>RMB'000</i>	Products sold via the provision of comprehensive marketing, promotion and channel management services <i>RMB'000</i>	Consolidated <i>RMB'000</i>
<b>Segment revenue</b>	<b>290,632</b>	<b>1,240,418</b>	<b>1,531,050</b>
<b>Segment result</b>	<b>18,117</b>	<b>665,089</b>	<b>683,206</b>
Other income			44,697
Other gains and losses			(12,701)
Reversal of impairment losses under expected credit loss model, net			252
Distribution and selling expenses			(363,228)
Administrative expenses			(133,814)
Finance costs			(2,424)
Share of results of associates			(2,866)
<b>Profit before tax</b>			<b>213,122</b>

## Disaggregation of revenue from contracts with customers by major products

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Products sold via the provision of channel management services:		
Alcon	<u>61,549</u>	<u>290,632</u>
Products sold via the provision of comprehensive marketing, promotion and channel management services:		
Pharmaceutical products	431,021	444,993
Medical equipment and supplies	<u>790,855</u>	<u>795,425</u>
	<u>1,221,876</u>	<u>1,240,418</u>
	<u>1,283,425</u>	<u>1,531,050</u>

## Geographical information

The Group principally operates in the PRC (country of domicile of major operating subsidiaries). 2025: 98% (2024: 98%) of non-current assets excluding financial assets at FVTOCI and deferred tax assets, are located in the PRC, and the remaining 2025: 2% (2024: 2%) are located in Republic of Korea in relation to the interests in associates. All of the Group's revenue from external customers is attributed to the group entities' country of domicile (i.e. the PRC).

## Information about major customers

No individual customer of the Group contributed 10% or more of the Group's revenue for both years.

## 4. OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants ( <i>Note</i> )	4,887	36,991
Interest income on bank deposits	299	673
Loan interests from other loans	5,242	3,152
Metal finishing service income	4,048	687
Others	<u>512</u>	<u>3,194</u>
	<u>14,988</u>	<u>44,697</u>

*Note:* Government grants amounting to RMB2,180,000 (2024: RMB2,180,000) represented the amount of deferred income released to profit or loss for the year ended 31 December 2025. The remaining amounts of government grants represented cash received from unconditional grants by the local government to encourage the business operations in the PRC which are recognised in profit or loss when received during both years.

**5. OTHER GAINS AND LOSSES, NET**

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Impairment loss recognised in respect of		
– goodwill	–	(6,213)
– property, plant and equipment	(22,715)	–
– right-of-use assets	(5,679)	–
Net foreign exchange gains/(losses)	3,523	(1,175)
Gain on fair value change of financial assets at FVTPL	20,994	1,568
Loss on de-registration of subsidiaries	(499)	–
Gain on early termination of lease	672	–
Loss on write-off of intangible assets	–	(2,396)
Loss on disposal of property, plant and equipment	(938)	(4,485)
	<u>(4,642)</u>	<u>(12,701)</u>

**6. FINANCE COSTS**

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Interest on bank borrowings	2,319	2,097
Interest on lease liabilities	131	327
	<u>2,450</u>	<u>2,424</u>

**7. REVERSAL OF IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET**

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Reversal of impairment losses on trade receivables, net	<u>259</u>	<u>252</u>

**8. INCOME TAX EXPENSE**

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Current tax		
PRC Enterprise Income Tax (“EIT”)	42,091	62,102
PRC withholding tax on dividends	3,328	–
	<u>45,419</u>	<u>62,102</u>
Under/(over)-provision in prior year		
PRC EIT	<u>170</u>	<u>(129)</u>
Deferred tax		
Current year	<u>(2,386)</u>	<u>5,741</u>
	<u>43,203</u>	<u>67,714</u>

The Company is tax exempted under the laws of the Cayman Islands. Pioneer Pharma (Hong Kong) Co., Limited (“**Pioneer HK**”) is incorporated in Hong Kong. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the People’s Republic of China on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% except for those described below.

According to Circular 2020 No. 23 of the Ministry of Finance, the period of reduced EIT rate of 15% for enterprises located in Tibet is from 1 January 2021 to 31 December 2030. Xizang Rongbo Medical Technology Co., Ltd (“**Xizang Rongbo**”), Naqu Area Pioneer Pharma Co., Ltd (“**Naqu Pioneer**”), which is located in Naqu, Tibet, is subject to a reduced EIT tax rate of 15% from 2021 to 2030.

Chongqing Qianfeng Pharmaceutical Co., Ltd. (“**Chongqing Qianfeng**”) is qualified as advanced technology enterprises and have obtained approvals from the relevant tax authorities for the applicable tax rate reduced to 15% for a period of 3 years up to 2025.

Under the Enterprise Income Tax Law of the PRC, dividends declared by PRC subsidiaries in respect of profits earned from 1 January 2008 onwards are subject to withholding tax when remitted to non-PRC resident investors. The Group accrues for withholding taxes arising from the distribution of dividends from PRC subsidiaries in accordance with the relevant tax jurisdictions.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	<b>2025</b> <i>RMB’000</i>	2024 <i>RMB’000</i>
Profit before tax	<b>148,292</b>	213,122
Tax at the applicable income tax rate of 25%	<b>37,073</b>	53,281
Tax effect of expenses not deductible for tax purpose	<b>9,509</b>	6,295
Tax effect of income not taxable for tax purpose	<b>(667)</b>	(140)
Tax effect of tax losses not recognised	<b>8,342</b>	10,336
Utilisation of tax losses previously not recognised	<b>(882)</b>	(1,984)
Income tax on concessionary tax rate	<b>(13,670)</b>	(3,214)
Under/(over)-provision in prior year	<b>170</b>	(129)
PRC withholding tax on dividends	<b>3,328</b>	3,269
	<b>43,203</b>	67,714

## 9. PROFIT FOR THE YEAR

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year has been arrived at after charging:		
Directors' remuneration	5,118	5,133
Other staff's retirement benefits scheme contributions	10,933	12,704
Other staff costs	<u>82,677</u>	<u>61,929</u>
Total staff costs	<u>98,728</u>	<u>79,766</u>
Auditor's remuneration	2,258	2,208
Depreciation for property, plant and equipment	25,153	21,232
Depreciation of right-of-use assets	1,459	2,074
Amortisation of intangible assets	6,797	7,626
Loss on write-off of intangible assets	–	2,396
Cost of inventories recognised as an expense (including write-down of inventories amounting to RMB16,101,000 (2024: RMB4,659,000))	<u>656,284</u>	<u>847,844</u>

## 10. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	2025	2024
Earnings:		
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to owners of the Company)	<u>RMB114,383,000</u>	<u>RMB151,618,000</u>
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>1,152,643,699</u>	<u>1,164,169,169</u>

For the years ended 31 December 2025 and 2024, the weighted average number of ordinary shares for the purpose of calculating basic earnings per share has taken into account the ordinary shares purchased by the Trustee from the market pursuant to the Scheme and the ordinary shares repurchased and cancelled by the Company.

No diluted earnings per share for both 2025 and 2024 were presented as there were no potential ordinary shares in issue for both 2025 and 2024.

## 11. DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2024 Final – RMB0.052 per share	59,708	–
2025 Interim – RMB0.059 per share	67,765	–
2023 Final – RMB0.022 per share	–	26,264
2024 Interim – RMB0.044 per share	–	51,672
	<u>127,473</u>	<u>77,936</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of HKD0.054 (equivalent to RMB0.048) (2024: HKD0.056 (equivalent to RMB0.052)) per share of final dividend in respect of the year ended 31 December 2024) per share, in an aggregate amount of approximately HKD67,902,000 (equivalent to RMB60,357,000) (2024: HKD70,417,000 (equivalent to RMB65,387,000)), has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

## 12. FINANCIAL ASSETS AT FVTOCI

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Listed investment:		
– Equity securities listed in Australia ( <i>Note 1</i> )	29,036	81,234
Unlisted investments:		
– Ke Rui Si ( <i>Note 2</i> )	28,304	29,157
– SuisHealth ( <i>Note 3</i> )	13,662	–
	<u>71,002</u>	<u>110,391</u>

*Note 1:* The amount represents equity investment in 1.74% (FY2024: 2.27%) ordinary shares of Paragon Care Limited (“**Paragon**”).

As at 31 December 2025, the fair value of the Group’s interest in Paragon, of which its shares are listed on the Australian Securities Exchange, was Australian Dollars (“**AUD**”) 6,192,000 (equivalent to RMB29,036,000) based on the quoted market price available on the Australian Securities Exchange.

As at 31 December 2024, the fair value of the Group’s interest in Paragon, of which its shares are listed on the Australian Securities Exchange, was AUD18,024,000 (equivalent to RMB81,234,000) based on the quoted market price available on the Australian Securities Exchange.

*Note 2:* The amount represents equity investment in 10% (FY2024: 10%) equity shares of Ke Rui Si Medical Technology (Shanghai) Co., Ltd (“**Ke Rui Si**”), a private company that engaged in medical technology production.

*Note 3:* The amount represents equity investment in 30% (FY2024: nil) equity shares SuisHealth Biotech AG (“**SuisHealth**”), a private company that engaged in development, manufacture, sale, and marketing of cosmetics, skincare products, personal care products, nutritional supplements.

The Directors had elected to designate the above investments in financial assets at FVTOCI as they believed that recognising short-term fluctuations in these investments’ fair value in profit or loss would be inconsistent with the Group’s strategy of holding these investments for long-term purpose and realising their performance potential in the long run.

### 13. FINANCIAL ASSETS AT FVTPL

	2025 RMB'000	2024 RMB'000
Financial assets:		
Unlisted investments:		
– Structured bank deposits ( <i>Note 1</i> )	<u>20,000</u>	–
Current portion	<u>20,000</u>	–
– Unlisted debt instruments		
– Investment in Shanghai Yuhan fund ( <i>Note 2</i> )	37,655	30,486
– Investment in Jiaxing Yuhan fund ( <i>Note 3</i> )	<u>19,757</u>	<u>12,182</u>
Non-current portion	<u>57,412</u>	42,668

*Note 1:* As at 31 December 2025, the structured bank deposits carry interest rates ranging from 1.20% to 2.20% per annum. The structured bank deposits pledged to banks to secure issue of letter of credit which are therefore classified as current assets. The deposits were released upon the settlement of relevant bank borrowings on 5 January 2026.

*Note 2:* The amount represents the investment in Shanghai Yuhan fund (limited partnership) (上海譽瀚股權投資基金合夥企業(有限合夥), the “**Shanghai Yuhan Fund**”), which is incorporated in the PRC. The Shanghai Yuhan Fund specialises in making investment in various targets within the pharmaceutical industry. As at 31 December 2025, the Shanghai Yuhan Fund received contributions from its partners of approximately RMB86.5 million (2024: RMB149 million), among which the Group injected approximately RMB8.65 million (2024: RMB14.9 million) which accounted for 10% (2024: 10%) of the partners’ capital of the Shanghai Yuhan Fund. The Shanghai Yuhan Fund invests in unlisted private entities and structured bank deposit. Fair value gain of approximately RMB13,419,000 (FY2024: Fair value loss of approximately RMB2,614,000) was recognised in profit or loss during the year ended 31 December 2025.

*Note 3:* The amount represents an investment in Jiaxing Yuhan fund (limited partnership) (嘉興譽瀚股權投資合夥企業(有限合夥), the “**Jiaxing Yuhan Fund**”), which is incorporated in the PRC. The Jiangxi Yuhan Fund specialises in making investments in various targets within the pharmaceutical industry. As at 31 December 2025 and 31 December 2024, the Jiaxing Yuhan Fund received contributions from its partners of approximately RMB151 million (2024: RMB151 million), among which the Group injected approximately RMB10 million (2024: RMB 10 million) which accounted for 6.62% (31 December 2024: 6.62%) of the partners’ capital of the Jiaxing Yuhan Fund. The Jiaxing Yuhan Fund invests in unlisted private entities and structured deposits. Fair value gain of approximately RMB7,575,000 (FY2024: Fair value gain of approximately RMB4,182,000) was recognised in profit or loss during the year ended 31 December 2025.

#### 14. TRADE AND OTHER RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Prepayments for technique know-hows ( <i>Note 1</i> )	76,594	76,405
Amount due from a related party ( <i>Note 2</i> )	40,649	–
	<u>117,243</u>	<u>76,405</u>
Non-current portion		
Trade and bills receivables ( <i>Note 3</i> )	281,138	339,099
Less: Allowance for credit losses	(1,434)	(2,032)
	<u>279,704</u>	337,067
Other receivables ( <i>Note 4</i> )	7,065	38,151
Amount due from a related party ( <i>Note 5</i> )	34,528	18,550
Staff advance	42,750	17,115
Deposits	1,964	21,381
	<u>366,011</u>	432,264
Advance payment to suppliers ( <i>Note 6</i> )	44,583	38,543
Other tax recoverable	39,359	31,518
	<u>449,953</u>	<u>502,325</u>
Current portion		

*Note 1:* During the year ended 31 December 2024, the Company's wholly owned subsidiary, Chongqing Pioneer Pharma Co, Ltd (“**Chongqing Pioneer**”) that incorporated in the PRC entered into an transfer agreement (“**Transfer Agreement**”) with a related party, Q3 Medical Devices Limited (“**Q3 Medical**”). Pursuant to the terms of the Transfer Agreement, Chongqing Pioneer acquired the intellectual rights from Q3 Medical at a fixed consideration of EUR9,000,000. The amount was fully settled by the Group as at 31 December 2025 and no additional consideration or payment is required in accordance to the terms in the Transfer Agreement. As at 31 December 2025, the Group has obtained and registered 5 out of 8 patents in Chinese Mainland under its subsidiary. There are no other non-cash transactions and capital commitment relating to this acquisition and Transfer Agreement as at 31 December 2025.

The amount is recognised by the Group as a prepayment because the Group has yet to obtain control in the intellectual property rights according to IAS 38 Intangible Assets taking into consideration that pursuant to the transfer agreement, Q3 Medical has the right to exercise its buyback rights on the intellectual property rights within three years. In such case, Q3 Medical shall refund all costs paid by the Company and plus a premium ranged from 30%-80%. The consideration for the acquisition of intellectual property rights is referenced to the valuation prepared by the independent third-party valuer. The Company planned to utilise its existing factories in the PRC and to purchase equipment necessary to produce and sell the products under this intellectual property rights. Up to the date of this announcement, Q3 Medical do not exercise their buyback rights to acquire the intellectual property rights.

*Note 2:* Amount due from a related party, Q3 Medical of RMB40,649,000 at 31 December 2025 (FY2024: RMB nil), is unsecured, bearing interest at 6% per annum with contractual maturity date in December 2027.

Q3 Medical's innovative medical device products have gained widespread recognition among physicians across European, Latin American and Southeast Asian markets demonstrating outstanding clinical value and significant market potential. At the time of the loans, the products were in their sales ramp-up phase and required financial support.

An impairment assessment for the loan commitment is performed at each reporting date by considering the probability of default and expected credit losses are estimated by reference to the market yield of relevant debt securities. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The financial assets included in the balances were categorized in stage 1 at the end of the reporting period.

The directors of the Company considered the impairment of the amount due from the related party is immaterial.

*Note 3:* In relation to the sales of pharmaceutical products, the Group allows a credit period from 30 days to 180 days to its trade customers.

For sales of medical equipment and supplies, the Group allows a credit period from 120 days to 180 days to its trade customers.

There is a certain concentration of credit risk. The business model of the Group related to the bills receivable is "hold to collect".

*Note 4:* Included in other receivables of approximately RMB nil at 31 December 2025 (FY2024: RMB37,418,000) was loans to independent third parties which are unsecured, bearing interest at 0% (FY2024: 5.8%) per annum with contractual maturity date not exceeding 12 months after the reporting period. An impairment assessment for the loan commitment is performed at each reporting date by considering the probability of default and expected credit losses are estimated by reference to the market yield of relevant healthcare & pharmaceuticals debt securities. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The financial assets included in the balances were categorized in stage 1 at the end of the reporting period. The directors of the Company considered the impairment of the loans are immaterial.

*Note 5:* Amount due from a related party, Shenzhen Terra Maestro Technology Co., Ltd ("**Terra Maestro**") of approximately RMB34,528,000 at 31 December 2025 (FY2024: RMB18,550,000), is unsecured, bearing interest at 12% per annum with contractual maturity date not exceeding 12 months after the reporting period. Mr. Li Xinzhou is a director in the related company.

Terra Maestro has been developing plasma electric fire technology, with a "pure electric to open flame" core concept and multiple domestic and international patents. The company plans to strengthen its global patent portfolio in 2025. At the time of the loans, the products were in their sales ramp-up phase and required financial support.

An impairment assessment for the loan commitment is performed at each reporting date by considering the probability of default and expected credit losses are estimated by reference to the market yield of relevant debt securities. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The financial assets included in the balances were categorized in stage 1 at the end of the reporting period.

The directors of the Company considered the impairment of the advance is immaterial.

*Note 6:* Included in advance payment to suppliers balance is RMB11,605,000 due from related party Terra Maestro, representing advance payments for purchase of goods. The balances are of trade nature.

Included in trade and bills receivables are trade debtors (net of impairment losses) with the following ageing analysis, based on invoice dates, as of the end of reporting period, which approximated the respective revenue recognition dates:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
0 to 60 days	<b>145,730</b>	171,708
61 days to 180 days	<b>112,399</b>	122,118
181 days to 1 year	<b>13,496</b>	34,119
More than 1 year	<b>8,079</b>	9,122
	<b>279,704</b>	337,067

As at 31 December 2025, total bills received amounting to RMB12,020,000 (31 December 2024: RMB13,920,000) are held by the Group for future settlement of trade receivables. The Group continues to recognise their full carrying amounts at the end of the reporting period. All bills received by the Group are with a maturity period of less than one year.

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB15,115,000 (2024: RMB20,031,000) which are past due as at the reporting date. Out of the past due balances, RMB6,525,000 (2024: RMB947,000) has been past due 90 days or more and is not considered as in default because there had not been significant change in credit quality and the amounts are still considered recoverable. Other than bills received amounting to RMB12,020,000 (2024: RMB13,920,000), the Group does not hold any collateral over these balances.

## 15. INVENTORIES

All inventories represented finished goods of pharmaceutical products and medical devices. As at 31 December 2025, inventories included goods in transit of RMB71,362,000 (2024: RMB62,930,000).

During the year ended 31 December 2025, the management estimates the net realisable value for such items based primarily on the estimated costs necessary to make the sale, latest invoice prices and current market conditions, such as market demand. The Group carries out an inventory review on a product-by-product basis at the end of the reporting period and writes down for obsolete and slow-moving items. The write-down of inventories of RMB16,101,000 (2024: write-down of RMB4,659,000) has been recognised by the Group and included in cost of sales.

## 16. TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	167,780	120,479
Payroll and welfare payables	6,364	6,809
Other tax payables	5,268	1,534
Accrued marketing service fee	8,005	14,561
Deposits received from distributors	8,675	6,423
Other payables and accrued charges	20,078	21,353
	<u>216,170</u>	<u>171,159</u>

*Note:* The Group typically receives credit periods on its purchases of goods from 30 days to 180 days.

The following is an aged analysis of trade payables presented based on the delivery date at the end of the reporting dates:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 90 days	123,816	111,253
91 to 180 days	1,198	3,184
181 to 365 days	41,323	893
Over 365 days	1,443	5,149
	<u>167,780</u>	<u>120,479</u>

## 17. BANK BORROWINGS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount of bank borrowings repayable within one year and shown under current portion	<u>56,600</u>	<u>62,359</u>
Analysed as:		
Secured ( <i>Notes 1,2</i> )	27,000	58,159
Unsecured ( <i>Note 2</i> )	<u>29,600</u>	<u>4,200</u>
	<u>56,600</u>	<u>62,359</u>
Carrying amount of bank borrowings repayable over one year and shown under non-current portion	<u>58,001</u>	<u>–</u>
Analysed as:		
Secured ( <i>Notes 1,2</i> )	<u>58,001</u>	<u>–</u>

The effective interest rate on the Group's fixed rate borrowings are ranging from 1.30% to 3.00% per annum (2024: the fixed rate borrowings is 1.78% to 4.10% per annum).

### *Note 1:*

As at 31 December 2025, bank borrowing totalling RMB85,001,000 (FY2024: RMB58,159,000) of the Group were secured by the following assets.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Pledge of assets		
Trade receivables	92,848	–
Pledged bank deposits	24,043	6,451
Structured bank deposits	20,000	–
Property, plant and equipment	<u>58,688</u>	<u>17,801</u>
	<u>195,579</u>	<u>24,252</u>

### *Note 2:*

As at 31 December 2025, all bank borrowing of the Group are guaranteed by the Company.

### *Note 3:*

None of the Group's banking facilities (including bank borrowings) are subject to the fulfillment of financial covenants as at 31 December 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATIONAL REVIEW

In 2025, China's economy generally maintained a smooth operation. Gross domestic product (GDP) reached RMB140,187.9 billion, representing a 5.0% year-on-year increase, maintaining China's standing as the world's second-largest economy. Per capita disposable income and per capita consumption expenditure in China throughout the year steadily rose by 5.0% and 4.4%, respectively. As for healthcare sector, per capita consumption expenditures for the year amounted to RMB2,573, representing a 1.0% year-on-year increase, a relatively moderate growth rate, accounting for 8.7% of total per capita consumption expenditures, as the people's demand for healthcare continues to grow.

Driven by the awakening of national health awareness and the accelerated aging of the population, China's healthcare demand is shifting from a disease-centered treatment model toward a diversified health management system that covers the entire life cycle and the whole population. At the policy level, the strategies of "Healthy China" and "Sports Superpower" are accelerating their implementation. The reform of the "Three-Medicine Linkage (三醫聯動)" is deepened. A series of intensive policy measures have been introduced to promote the coordinated development of healthcare services, medical insurance, and the pharmaceutical sector, thereby establishing a stricter regulatory system for the whole life cycle of drugs from development, production and distribution to end services, which has promoted the rational allocation and fair distribution of medical resources. At the same time, driven by a combination of policies, including the Implementation Plan for the Intelligent Transformation of the Pharmaceutical Industry (2025-2030) (《醫藥工業數智化轉型實施方案(2025-2030年)》), the pharmaceutical and healthcare industry has accelerated the integration of cutting-edge technologies such as artificial intelligence, promoting the iterative upgrading of the industrial chain towards the direction of precision and intelligence, and injecting new kinetic energy into the industry's high-quality development. From a comprehensive perspective, under the synergistic effect of multiple factors, China's healthcare demand is growing steadily with new business formats and modes keeping emerging. This trend is gradually breaking through the limitations of traditional pharmaceutical models, fostering stronger resource integration and technological innovation across various components of the industry chain to better meet the increasingly diversified healthcare needs of residents.

Specifically, in the area of pharmaceutical distribution, centralized drug procurement and unified national drug listing rules have entered a normalized and institutionalized stage. The adoption of price comparison systems to force downward adjustments in offline prices and upstream listing price adjustments, further compressed the traditional profit space of drug circulation, profoundly reshaped the procurement and circulation pattern of the market, prompted the pharmaceutical distribution enterprises to improve the operational efficiency, and drove the industry to transform from rough distribution to refined services. Meanwhile, new growth opportunities are emerging, the State has gradually enhanced the support to primary healthcare institutions by accelerating the establishment of the "15-minute basic medical and health service circle" and promoting the deep extension of medical consortium construction to the county-level. The continuously expanded primary healthcare market has boosted new growth opportunities for the pharmaceutical distribution enterprises. As policies and regulations become increasingly stringent, especially with the implementation of the full-

volume collection of medical insurance code traceability and the revised Regulations for Implementation of the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法實施條例》), distribution enterprises need to adapt to regulatory changes more efficiently and shift compliance management from “reactive response” to “proactive governance”, to ensure the transparency and standardization of the supply chain and reduce the market risks caused by uncertainty.

In addition, continued evolution in regulatory policies is speeding up the dual internal and external opening of China's pharmaceutical distribution industry and driving a reshaping of the market structure. On the domestic access front, the implementation of the Negative List for Market Access (2025 Edition) (《市場准入負面清單(2025年版)》) follows the principle of “lenient entry and strict management”, canceling relevant establishment approvals and regulating online sales, thereby effectively stimulating micro-market vitality. Internationally, with the accelerated implementation of review and approval reforms, the market access threshold for imported pharmaceutical products has been further lowered and especially, review channels for innovative drugs and medical devices in the field of urgent clinical need and rare diseases have been further smoothed, leading to a significantly quicker circulation of innovative and high-end medicines, complementing local products and unleashing multi-level healthcare demands. At the same time, the pharmaceutical regulatory system is constantly in line with international standards, making market access more standardized and transparent, which is not only conducive to shortening the launch cycle of imported new drugs in China and enhancing market accessibility, but also beneficial to enhancing the participation and competitive advantages of local enterprises in the global supply chain. With favorable policies, the pharmaceutical distribution industry is moving towards a more open and efficient stage of development.

For the Group, the dual driving force of the high-quality development of the pharmaceutical and healthcare industry and the policy for pharmaceutical innovation is presenting strategic development opportunities. The Group has taken full advantage of its global partner network, capitalized on the lowered barriers to market entry, and continued to introduce internationally advanced pharmaceutical products and medical devices to provide domestic patients with better healthcare solutions. In the synergistic evolution of policies and market, and in response to the normalization of centralized procurement and the upgrading of compliance requirements, the Group has increased its investment in sales network and supply chain management to propel more quality products to reach the market efficiently and compliantly. By continuously optimizing the marketing strategies, improving the sales network layout and enhancing the brand influence, the Group has achieved high-quality business expansion while consolidating its market share, contributing to the high-quality and sustainable development of the healthcare industry.

For the Reporting Period, the Group's revenue decreased by 16.2% to RMB1,283.4 million (2024: RMB1,531.1 million), gross profit decreased by 8.2% to RMB627.1 million (2024: RMB683.2 million) and net profit for the year decreased by 27.7% to RMB105.1 million (2024: RMB145.4 million).

## 1. Product Development

As of 31 December 2025, the Group had a product portfolio of pharmaceutical products (mostly being prescription products) covering ophthalmology, pain management, cardiovascular diseases, immunology, gynecology, gastroenterology and other therapeutic areas; and medical devices covering several medical specialties including ophthalmology, odontology, cardiology and wound care products.

### 1.1 Products Sold via the Provision of Comprehensive Marketing, Promotion and Channel Management Services

Category	2025 RMB'000	Percentage of the Group's total revenue/ gross profit (%)	2024 RMB'000	Percentage of the Group's total revenue/ gross profit (%)
Revenue:				
Pharmaceutical Products	431,021	33.6	444,993	29.1
Medical equipment and supplies	790,855	61.6	795,425	52.0
Gross Profit:				
Pharmaceutical Products	301,657	48.1	297,486	43.5
Medical equipment and supplies	321,676	51.3	367,603	53.8

During the Reporting Period, revenue generated from pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services decreased by 3.1% compared to last year to RMB431.0 million, representing 33.6% of the Group's revenue for the Reporting Period. Gross profit increased by 1.4% compared to last year to RMB301.7 million, representing 48.1% of the Group's gross profit for the Reporting Period.

During the Reporting Period, the Group actively promoted various marketing efforts, and expanded brand influence through in-depth exploration of the product's unique features, strict implementation of professional academic promotion strategies, active expansion and deepening of the network of clinical experts. The revenue generated from pharmaceutical products remained stable on the strong growth basis in 2024. For the Group's key product, Difene and cardiovascular product, Zanidip, the Group focused on exploring a broader market space, providing in-depth services and enhancing the professional capabilities of terminal channels through professional academic empowerment and marketing initiatives, thus ensuring its sustainable growth on a systematical basis. During the Reporting Period, the sales volume of Difene and Zanidip remained stable on the strong growth basis in the same period of 2024.

For the Reporting Period, the Group’s revenue generated from medical devices sold via the provision of comprehensive marketing, promotion and channel management services decreased by 0.6% compared to last year to RMB790.9 million, representing 61.6% of the Group’s revenue for the Reporting Period. Gross profit decreased by 12.5% compared to last year to RMB321.7 million, representing 51.3% of the Group’s gross profit for the Reporting Period. The Group’s several dental medical device products such as Zenostar® systems, and several medical device products in cardiology, and NeutroPhase (a wound cleanser) all maintained a steady growth momentum. The Group believes that a medical device distribution enterprise with extensive market coverage, efficient management capabilities and high quality services will benefit from the development trend of centralization and flattening of the industry, further consolidate its pivotal position in the industry chain, and utilize its scale and management advantages to reduce the overall operating costs of the industry chain and enhance operational efficiency. The Group will continue to improve the market layout of its medical device products and strengthen its promotional efforts in order to continuously enhance the business segment’s revenue contributions to the Group.

In April 2025, the clinical team led by Jiang Tiemin (蔣鐵民), the Director of the Department of Hepatobiliary Hydatid Disease Surgery at the First Affiliated Hospital of Xinjiang Medical University, completed the first implantation of the “Archimedes Biodegradable Biliary and Pancreatic Stent” (“**Archimedes Stent**”) (the slow-degrading version) as part of the pre-market clinical trial in Mainland China. This breakthrough not only marked the official entry of innovative medical device products of Q3 Medical into the clinical validation stage, but also signified a new era in the treatment of liver, gallbladder, and pancreatic diseases with the possibility of “stent retrieval-free”. The Archimedes Stent is the first innovative product (a registration application has been submitted for the fast-degrading version) that the Group has applied for registration in Mainland China since the acquisition of all rights and interests in Mainland China of all the products owned by Q3 Medical Devices Limited (“**Q3 Medical**”) (please refer to the announcement of the Company published on 27 December 2023 for details). The Group is currently pressing ahead with the clinical registration and localisation of series of innovative medical device products of Q3 Medical.

Additionally, on 6 August 2025, Chongqing Rongchang production base (“**Rongchang Production Base**”) held a ribbon-cutting ceremony for the commencement of operation of its first project, the import and repackaging project of Difene® diclofenac sodium dual-release enteric-coated capsules, which is a pharmaceutical (capsule) repackaging line with a designed annual production capacity of 30 million boxes, and passed the GMP compliance inspection in China as well as the EU-GMP audit in July 2025. This project is of strategic importance to the Group as it was the first project put into operation at the Rongchang Production Base, marking a new chapter with our international partners.

## 1.2 Products Sold via the Provision of Co-Promotion and Channel Management Services

Category	2025 RMB'000	Percentage of the Group's total revenue/ gross profit (%)	2024 RMB'000	Percentage of the Group's total revenue/ gross profit (%)
Revenue:				
Alcon series ophthalmic pharmaceutical products	61,549	4.8	290,632	18.9
Gross Profit:				
Alcon series ophthalmic pharmaceutical products	<u>3,808</u>	<u>0.6</u>	<u>18,117</u>	<u>2.7</u>

For the Reporting Period, the Group's revenue generated from this segment was RMB61.5 million, representing 4.8% of the Group's revenue for the Reporting Period. Gross profit was RMB3.8 million, representing 0.6% of the Group's gross profit for the Reporting Period.

As stated in the Company's 2024 annual report, in August 2024, Alcon entered into an agreement with Ocumension Therapeutics, an ophthalmic pharmaceutical platform company in the PRC, to which Alcon will transfer the market interests in China in eight of Alcon ophthalmic products (four marketed medicines for dry eye, one topical ophthalmic anesthetic, one funduscopy contrast agent, one mydriatic, and one pipeline product for dry eye). Accordingly, no new agreement was renewed between the Group and Alcon in relation to the importation, warehousing, distribution and sale of the relevant products. The sales revenue of this product category during the Reporting Period came from the digestion of inventory purchased during the previous agreement period.

### **1.3 Product Pipeline**

As China's medicines and medical device approval policy reform continues to deepen, it gradually builds a multi-level policy support system. With the approval of the latest revised Regulations for Implementation of the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法實施條例》), it has made a major breakthrough in the regulatory policy system in this field, laying a solid jurisprudential foundation for the high quality development of the whole industry chain. At the mechanism reform level, the State accelerated the latest deployment of the launch of urgently needed clinical medicines and equipment, proposed to improve the quality and efficiency of the review and approval, and reduced or eliminated the clinical trials for qualified innovative medicines and medical devices for rare diseases, which helped shorten the time to market of the relevant products. At the policy innovation level, the "Zero-tariff" policy of Hainan Free Trade Port and the dynamic adjustment mechanism of medical insurance catalogue of many places have formed a strong policy combination, coupled with the reduction in institutional transaction costs brought about by the Negative List for Market Access (2025 Edition) (《市場准入負面清單(2025年版)》), significantly lowering the threshold of market transformation of innovative products. The Group closely follows these policy changes and actively cooperates with overseas pharmaceutical and medical device companies to promote the rapid launch and promotion of innovative products with market potential in the PRC, stimulate micro vitality, and comprehensively enhance market competitiveness.

## **2. Marketing Network Development**

As the sole importer of overseas medical products served by the Group in China, during the Reporting Period, in line with industry trends toward price regulation and channel flattening, the Group has continually refined the network of distributors and consolidated product distribution channels to meet the requirements of "Two-Invoice System". Meanwhile, it also significantly enhanced the Group's operational efficiency and strengthened its "proactive governance" compliance framework to prevent operational risk.

The Group's marketing and promotion model involves both in-house teams and third-party promotion partners. To maintain the efficiency and stability of the marketing network, the Group has established an in-house sales and product academic support team for each product business unit, to manage and support their third-party promotion partners. The Group's marketing and promotional activities are carried out by the in-house teams and third-party promotion partners. The in-house teams are primarily responsible for formulating marketing and promotion strategies, conducting pilot marketing programmes, and appointing, training and supervising third-party promotion partners. Third-party promotion partners are responsible for most of the day-to-day marketing and promotional activities for the Group's products.

During the Reporting Period, the Group continued to implement the operational mechanism of product business unit divided by products or product series, and conduct products' promotion and sales work. The Group has established an in-house sales and product academic support team for each product business unit, to manage and support their third-party promotion partners. In the environment of complex pharmaceutical industry policies and fierce market competition, the Group constantly adjusted and optimized all components within the marketing network, with the aim of strengthening rapid market responsiveness, as well as effective and professional product promotion activities. During the Reporting Period, with the more attention paid by the Group to the academic training of the in-house marketing team, the Group strengthened the frequency and depth of direct involvement by its internal marketing team in the marketing activities such as product academic promotion, so as to raise the internal core driving force for the product promotion. According to the market situation, the Group has also increased its efforts in optimizing the network structure of the third-party promotion partners, and improved their professional knowledge of the products by providing further large-scale and normalized training system, and assisting them in providing doctors with clinical solutions related to the products. Through the close collaboration between in-house teams and third-party promotion partners, the Group shared the pharmaceutical policies and market information all over the country, and improved the communication mechanism and platform with third-party promotion partners so as to improve the operation efficiency and continuously drive the development of the Group's products. During the Reporting Period, the development of the Group's marketing network led to significant improvement to its market coverage. In the constantly changing pharmaceutical sector, having a well-developed and robust marketing network is fundamental to the Group's operation.

### **3. Significant Investment**

The Group did not have any investment in an investee company with a value of 5% or more of the Group's total assets as at 31 December 2025.

#### ***3.1 Investment in DMAX Co., Ltd.***

In January 2020, the Group, via Pioneer Pharma (Hong Kong) Co., Limited, a subsidiary of the Company, made an investment of US\$3 million in DMAX Co., Ltd. ("**DMAX Co**"), a company established in the Republic of Korea ("**Korea**").

Pursuant to the subscription agreement entered into by the parties, DMAX Co shall issue 8,906 shares to Pioneer Pharma (Hong Kong) Co., Limited at a consideration of US\$3 million. Upon the completion of the issuance, the Company, through its subsidiary, held 25% of the issued share capital of DMAX Co, and has the right to appoint a person as a director of DMAX Co.

DMAX Co is a reputable manufacturer of zirconia products in Korea and is primarily engaged in producing zirconia-related dental products, including veneers, crowns and implants, etc. Since the Company became the exclusive agent of the products of DMAX Co in China (excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) from 2018, both parties have together dedicated themselves to the promotion of the products of DMAX Co in China. The zirconia-related dental products of DMAX Co have found popularity with its unique medical aesthetics techniques since the entry into the China market. The investment will further facilitate both parties to deepen cooperation and consolidate partnership in exploration of the market share of the products of DMAX Co in China.

### ***3.2 Investment in Shanghai Yuhan fund (limited partnership) and Jiaxing Yuhan fund (limited partnership)***

As of 31 December 2025, the Group's investment in Shanghai Yuhan fund (limited partnership) (上海譽瀚股權投資基金合夥企業(有限合夥), "**Shanghai Yuhan**") was recognized as a financial assets at FVTPL, representing an amount of RMB37.7 million. Shanghai Yuhan, incorporated in the PRC, specializes in making equity investment in various target enterprises within the pharmaceutical industry. As at 31 December 2025, the Group held 10% of the equity interest of Shanghai Yuhan. Shanghai Yuhan mainly engages in the investment in unlisted private entities and structured bank deposits. For the 12 months ended 31 December 2025, the Group recorded an unrealized gain RMB13.4 million of its investment in the fund. As of 31 December 2025, the Group's investment in Jiaxing Yuhan Fund (limited partnership) (嘉興譽瀚股權投資合夥企業(有限合夥), "**Jiaxing Yuhan**") which amounted to RMB19.8 million, has been recognized as a financial assets at FVTPL. As at 31 December 2025, the Group held 6.62% of the equity interest in Jiaxing Yuhan. Jiaxing Yuhan was incorporated in the PRC and specializes in making equity investment in various target enterprises within the pharmaceutical industry. For the 12 months ended 31 December 2025, the Group recorded an unrealized gain of RMB7.6 million of its investment in the fund. The Group's strategy of this investment is for long-term holding. The Group has no intention of realizing its interests in the fund or speculating on its market performance in any short run, and intends to leverage its role in the fund, explore and ascertain targets of growth potential in the pharmaceutical industry to identify business partnering and investment opportunities, and to achieve development goals in the long run.

### **3.3 Investment in Rongchang Production Base**

In 2019, the Group, through a wholly-owned subsidiary, Chongqing Qianfeng Pharmaceutical Co., Ltd. (“**Chongqing Qianfeng**”), obtained the state-owned construction land use right of land numbered 2019-RC-1-03 transferred from Rongchang District Government of Chongqing Municipality. The land covers an area of 38,972 m<sup>2</sup> at the transfer price of RMB5,581,000. In March 2019, Chongqing Qianfeng and the local government entered into a transfer agreement of land use right and obtained the right to use the state-owned construction land. In June 2019, the construction of Rongchang Production Base began. The planned construction area of this production base in the project is over 40,000 m<sup>2</sup>.

On 6 August 2025, Rongchang Production Base held a ribbon-cutting ceremony for the commencement of operation of its first project, the import and repackaging project of Difene<sup>®</sup> diclofenac sodium dual-release enteric-coated capsules, which is a pharmaceutical (capsule) repackaging line with a designed annual production capacity of 30 million boxes, and passed the GMP compliance inspection in China as well as the EU-GMP audit in July 2025. In this regard, Chongqing Qianfeng will commence the import and repackaging business of Difene<sup>®</sup>.

This project is a significant strategic plan for the Group to move from a sales-oriented company to a comprehensive pharmaceutical company integrating research and development, production and sales. Through such a series of measures, the Group hopes to ride on the policy of national industry development and make Rongchang Production Base an open technology platform, introduce new technologies and new products, realize the localization of high-quality imported products, and fully exercise the comprehensive advantage of manufacturing and sales integration of the Group, so as to constantly improve the market competitiveness of products and profitability of the Group.

#### **4. Future and Outlook**

In the context of the continued deepening of China's healthcare system reform, the pharmaceutical industry is undergoing a period of profound change in terms of regulatory upgrades and demand iteration. Thanks to the policy benefits of dual internal and external opening, the accessibility of imported pharmaceutical products and medical devices continues to improve. The traditional system of medicine research and development, review and approval, and pricing is facing optimisation and reshaping. In particular, the optimisation of the multi-tier market access policies and the regular implementation of centralized volume-based procurement and comprehensive price governance are expected to promote the popularity of more high-quality medicines and medical devices in the long term. In this process, the structural adjustment of the medicine and medical device market will inevitably accelerate the reconstruction of the industry ecology, bringing new market opportunities and compelling companies to transform towards comprehensive compliance and refined operations.

Looking ahead, the internal differentiation of China's pharmaceutical industry will become an irreversible trend in the long term, and innovative therapeutic products that can accurately meet clinical needs and have clear clinical value will usher in a broader market space. The Group will closely monitor the changes in policies and market dynamics of the pharmaceutical industry and keep pace with high-quality development pulse of the industry. On this basis, we will continue to strengthen the development and introduction of products and explore in-depth the market potential of various types of innovative products, as well as enhance our marketing capabilities to facilitate the targeted delivery of high-quality medical resources to underserved markets and expand the market coverage of our products by relying on precise market positioning and comprehensive marketing strategies.

In addition, as the global industrial chain matures, the Group also hopes to seize quality merger and integration opportunities as they arise along the upstream and downstream of the industrial chain through strategic means such as mergers and acquisitions. This will further expand our business moat, secure a more favourable market position in the tide of transformation and upgrading of the industry and support our sustained innovative development in the future. In the competition in the future, the Group will maintain its keen market insights, actively respond to market challenges and move forward with determination amidst the sweeping changes of the times to promote comprehensively the realization of its strategic blueprint.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue decreased by 16.2% from RMB1,531.1 million in 2024 to RMB1,283.4 million in 2025, primarily due to the decrease in revenue generated from products sold via the provision of co-promotion and channel management services during the Reporting Period. Revenue generated from pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services decreased by 3.1% from RMB445.0 million in 2024 to RMB431.0 million in 2025. Revenue generated from medical devices sold via the provision of comprehensive marketing, promotion and channel management services decreased by 0.6% from RMB795.4 million in 2024 to RMB790.9 million in 2025. Revenue generated from products sold via the provision of co-promotion and channel management services decreased by 78.8% from RMB290.6 million in 2024 to RMB61.5 million in 2025.

### **Cost of sales**

Cost of sales decreased by 22.6% from RMB847.8 million in 2024 to RMB656.3 million in 2025, primarily due to the corresponding decrease in cost of sales resulting from the decrease in revenue generated from products sold via the provision of co-promotion and channel management services during the Reporting Period. Cost of sales for pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services decreased by 12.3% from RMB147.5 million in 2024 to RMB129.4 million in 2025. Cost of sales for medical devices sold via the provision of comprehensive marketing, promotion and channel management services increased by 9.7% from RMB427.8 million in 2024 to RMB469.2 million in 2025. Cost of sales for products sold via the provision of co-promotion and channel management services decreased by 78.8% from RMB272.5 million in 2024 to RMB57.7 million in 2025.

### **Gross profit and gross profit margin**

Gross profit decreased by 8.2% from RMB683.2 million in 2024 to RMB627.1 million in 2025. The Group's average gross profit margin increased from 44.6% in 2024 to 48.9% in 2025. The Group's gross profit margin for pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services increased from 66.9% in 2024 to 70.0% in 2025. Compared with the same period of last year, the Group's gross profit margin increased slightly during the Reporting Period. The Group's gross profit margin for medical equipment and supplies sold via the provision of comprehensive marketing, promotion and channel management services decreased from 46.2% in 2024 to 40.7% in 2025. The Group's gross profit margin for products sold via the provision of co-promotion and provision of channel management services in 2025 is 6.2% that is same with in 2024.

### **Other income**

Other income decreased by 66.5% from RMB44.7 million in 2024 to RMB15.0 million in 2025, primarily due to the decrease in government subsidies during the Reporting Period.

## **Distribution and selling expenses**

Distribution and selling expenses decreased by 3.8% from RMB363.2 million in 2024 to RMB349.4 million in 2025, mainly due to the fact that the Group strengthened the efficiency control of its marketing activities and expenses during the Reporting Period, as well as reduced part of the investment in marketing expenses after the initial investment had achieved certain results. Distribution and selling expenses as a percentage of revenue increased from 23.7% in 2024 to 27.2% in 2025.

## **Administrative expenses**

Administrative expenses increased by 2.8% from RMB133.8 million in 2024 to RMB137.6 million in 2025, mainly due to the increase in asset depreciation and amortization as well as research and development expenses during the Reporting Period. Administrative expenses as a percentage of revenue increased from 8.7% in 2024 to 10.7% in 2025.

## **Finance costs**

Finance costs increased by 1.1% from RMB2.4 million in 2024 to RMB2.5 million in 2025.

## **Other gains and losses**

The Group's other gains and losses decreased from loss of RMB12.7 million in 2024 to loss of RMB4.6 million in 2025.

## **Income tax expense**

Income tax expense decreased by 36.2% from RMB67.7 million in 2024 to RMB43.2 million in 2025, primarily due to the decrease in profit during the Reporting Period. The Group's effective income tax rate in 2025 and 2024 were 29.1% and 31.7%, respectively. During the Reporting Period, the Group has been conducting business primarily through Tibet RongBo Medical Technology Co., Ltd (西藏榮博醫療科技有限公司) (“**Tibet RongBo**”) and Chongqing Pioneer Pharma Co. Ltd (重慶先鋒醫藥有限公司) (“**Chongqing Pioneer**”), of which Tibet RongBo was subject to Enterprise Income Tax rate of 15%, and Chongqing Pioneer was subject to Enterprise Income Tax rate of 25%.

## **Profit for the year**

As a result of the above factors, the Group's profit decreased by 27.7% from RMB145.4 million in 2024 to RMB105.1 million in 2025, primarily due to the significant decrease in government grants received by the Group during the Reporting Period as compared to that of the same period last year (a decrease of over RMB30.0 million). The Group's net profit margin decreased from 9.5% in 2024 to 8.2% in 2025.

## LIQUIDITY AND CAPITAL RESOURCES

### Cash Position

The Group has historically met its working capital and other capital requirements principally from net cash flow supplemented by bank borrowings. The Group's cash and cash equivalents increased from RMB103.6 million as of 31 December 2024 to RMB166.6 million as of 31 December 2025.

The following table is a condensed summary of combined statements of cash flows for the year ended 31 December 2025:

	For the year ended 31 December	
	2025 RMB'000	2024 RMB'000
Net cash from operating activities	209,332	214,831
Net cash used in investing activities	(83,434)	(99,761)
Net cash used in financing activities	(62,865)	(125,924)
Net increase/(decrease) in cash and cash equivalents	63,033	(10,854)
Cash and cash equivalents at beginning of the year	103,573	114,427
Cash and cash equivalents at end of the year	<u>166,606</u>	<u>103,573</u>

#### *Net cash from operating activities*

In 2025, the Group's net cash from operating activities was RMB209.3 million compared to net cash from operating activities of RMB214.8 million in 2024. This was mainly due to the decrease in revenue during the Reporting Period.

#### *Net cash used in investing activities*

In 2025, the Group's net cash used in investing activities was RMB83.4 million compared to net cash used in investing activities of RMB99.8 million in 2024. This was mainly due to the decrease in financial assets at FVTOCI during the Reporting Period.

#### *Net cash used in financing activities*

In 2025, the Group's net cash used in financing activities was RMB62.8 million compared to net cash used in financing activities of RMB125.9 million in 2024. This was mainly due to the year-on-year increase in new bank borrowings during the Reporting Period.

### ***Bank borrowings and gearing ratio***

The Group had total bank borrowings of RMB114.6 million as at 31 December 2025 compared to RMB62.4 million as at 31 December 2024. On 31 December 2025, the effective interest rate of the Group's bank borrowings was between 1.3% to 3.0%. The Group's gearing ratio, calculated as bank borrowings divided by total assets, was 7.7% as at 31 December 2025 compared to 4.3% as at 31 December 2024.

### **Net Current Assets**

	<b>As at 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current Assets</b>		
Inventories	<b>297,114</b>	321,172
Trade and other receivables	<b>449,953</b>	502,325
Tax recoverable	<b>18,191</b>	344
Financial asset at fair value through profit or loss	<b>20,000</b>	–
Pledged bank deposits	<b>24,043</b>	6,451
Bank balances and cash	<b>166,606</b>	103,573
	<b>975,907</b>	933,865
<b>Current Liabilities</b>		
Trade and other payables	<b>216,170</b>	171,159
Amount due to a related party	<b>736</b>	4,505
Tax liabilities	<b>25,030</b>	32,750
Bank borrowings	<b>56,600</b>	62,359
Lease liabilities	<b>2,345</b>	1,399
Contract liabilities	<b>2,246</b>	3,246
	<b>303,127</b>	275,418
Net Current Assets	<b>672,780</b>	658,447

As of 31 December 2025, the Group has sufficient working capital and financial resources for daily operations.

### **Inventories**

The Group's inventory balances decreased by 7.5% from RMB321.2 million as at 31 December 2024 to RMB297.1 million as at 31 December 2025, mainly due to the decrease in sales of inventories reserved in the prior period during the Reporting Period.

### **Trade and other receivables**

The Group's trade and other receivables decreased by 10.4% from RMB502.3 million as at 31 December 2024 to RMB450 million as at 31 December 2025. Trade receivables average turnover days decreased from 94.1 days as at 31 December 2024 to 135.4 days as at 31 December 2025.

## Trade and other payables

The Group's trade and other payables increased by 26.3% from RMB171.2 million as at 31 December 2024 to RMB216.2 million as at 31 December 2025, primarily due to the increase in procurement from certain suppliers during the Reporting Period. The Group's trade payables average turnover days decreased from 87.3 days as at 31 December 2024 to 80.2 days as at 31 December 2025.

## Capital Expenditure

The following table sets out our capital expenditure for the periods indicated:

	For the year ended 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Purchases of property, plant and equipment	27,241	6,822
Prepayments and deposit paid for acquisition of property, plant and equipment, intangible assets, and technique know-hows	–	55,279
Purchases of intangible assets	2,840	222
Total	<b>30,081</b>	<b>62,323</b>

## Indebtedness

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities as of the dates indicated:

	Less than 1 year <i>RMB'000</i>	Over 1 year <i>RMB'000</i>	Total <i>RMB'000</i>
<b>As of 31 December 2025</b>			
Bank borrowings	56,600	58,001	114,601
Trade payables	166,337	1,443	167,780
Amount due to a related party	736	–	736
Lease liabilities	2,345	4,443	6,788
<b>As of 31 December 2024</b>			
Bank borrowings	62,359	–	62,359
Trade payables	120,479	–	120,479
Amounts due to related parties	4,505	–	4,505
Lease liabilities	1,399	11,463	12,862

## Contingent Liabilities

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

## **Market Risks**

The Group is exposed to various types of market risks, including interest rate fluctuation risk, foreign exchange risk and credit risk in the normal course of business. The Group's sales are denominated in Renminbi, while the Group's purchases, expenses and foreign investments are denominated in Renminbi, Hong Kong dollars, Australian dollars, Euro and U.S. dollars. The Group currently does not have any foreign currency hedging policy, but the management continues to monitor foreign exchange exposure of the Group and will consider hedging significant foreign currency exposure should the need arises.

## **Dividend**

For the dividends paid during the year ended 31 December 2025, the final dividend of the year ended 31 December 2024 and the interim dividend for the six months ended 30 June 2025 was HKD0.056 per share and HKD0.064 per share respectively. The Board proposes a final dividend of HKD0.054, amounting to a total of HKD67,902,000 for the year ended 31 December 2025. The expected payment date of the final dividend for the year ended 31 December 2025 is 18 June 2026.

## **EMPLOYEE AND REMUNERATION POLICY**

As of 31 December 2025, the Group had a total of 364 employees. For the year ended 31 December 2025, the staff cost of the Group was RMB98.7 million as compared to RMB79.8 million for the year ended 31 December 2024.

The Group's employee remuneration policy is determined by taking into account factors such as remuneration in 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 appraisal 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 the quality of service. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or suffer from any material labor dispute for the Reporting Period.

In addition, the Company adopted a share award scheme to recognize the contribution by certain employees including the Directors and senior management of the Group, and to provide them with incentives in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the “**AGM**”) will be held on Friday, 22 May 2026. A notice convening the AGM will be published on the websites of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (<http://www.hkexnews.hk>) and the Company (<http://www.pioneer-pharma.com/>) in the manner required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) in due course.

## **CLOSURE OF THE REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 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, 22 May 2026. Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 19 May 2026 (Hong Kong time) are eligible to attend the AGM. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar in Hong Kong, 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, 18 May 2026.

The register of members of the Company will also be closed from Friday, 5 June 2026 to Tuesday, 9 June 2026, in order to determine the entitlement of the shareholders to the final dividend (if approved by the shareholders). A final dividend will be paid by the Company to shareholders whose names appear on the register of members of the Company at the close of business on Friday, 5 June 2026 (Hong Kong time). All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar in Hong Kong, 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 Thursday, 4 June 2026.

## **CORPORATE GOVERNANCE PRACTICES**

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 Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules. The Company has complied with the code provisions as set out in the CG Code for the year ended 31 December 2025. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

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

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules. Specific enquiry has been made to all the Directors and the Directors have confirmed that they had complied with such code of conduct for the year ended 31 December 2025.

## **DIVIDEND POLICY**

The Board has approved and adopted a dividend policy (the “**Dividend Policy**”). Under such Dividend Policy, it is anticipated that, subject to compliance with the applicable laws and regulations, the Company will declare dividends semi-annually following the announcement of the interim results and following the announcement of the annual results respectively. Dividends will be declared and paid in Hong Kong dollars.

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

For the year ended 31 December 2025, the Company has not purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares, if any).

## **AUDIT COMMITTEE**

The Board has established an audit committee (the “**Audit Committee**”), during the Reporting Period, which comprises two independent non-executive Directors, namely Mr. ZHANG Changhai (Chairman) and Mr. ZHANG Hong; and one non-executive Director, namely Ms. HU Mingfei. The principal duties of the Audit Committee include the review and supervision of the Group’s financial reporting, risk management and internal control systems, the preparation of financial statements and internal control procedures. It also acts as an important bridge between the Board and the external auditor regarding the scope of the audit work of the Group.

The annual results for the year ended 31 December 2025 of the Group has been reviewed by the Audit Committee and the annual results announcement is based on the Group’s audited consolidated financial statements for the year ended 31 December 2025.

## **AUDITOR**

The Company appointed BDO Limited (“**BDO**”) as the auditor of the Company for the year ended 31 December 2025.

## **SCOPE OF WORK OF BDO**

The figures in respect of the Group’s consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the Reporting Period as set out in the Annual Results Announcement have been agreed by the Company’s auditor, BDO, to the amounts set out in the Group’s audited consolidated financial statements for the Reporting Period. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements, or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO on the Annual Results Announcement.

**PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2025 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This annual results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.pioneer-pharma.com/>), and the 2025 annual report containing all the information required by the Listing Rules will be published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board  
**Shanghai Pioneer Holding Ltd**  
**LI Xinzhou**  
*Chairman*

Hong Kong, 30 March 2026

*As at the date of this announcement, the Directors are Mr. LI Xinzhou and Mr. YANG Yuewen as executive Directors, Ms. Wu Qian and Ms. HU Mingfei as non-executive Directors and Mr. ZHANG Hong, Mr. LAI Chanshu and Mr. ZHANG Changhai as independent non-executive Directors.*