Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 2024

FINANCIAL HIGHLIGHTS

- Revenue of the Group decreased by 2.3% to RMB1,531.1 million in 2024 from RMB1,566.7 million in 2023.
- Gross profit of the Group increased by 2.2% to RMB683.2 million in 2024 from RMB668.2 million in 2023.
- Net profit of the Group increased by 19.4% to RMB145.4 million in 2024 from RMB121.8 million in 2023.
- Basic earnings per share of the Company were RMB0.13 in 2024, which represents an 8.3% increase compared to RMB0.12 in 2023.

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 2024 (the "**Reporting Period**") together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**2024** ***RMB'000***	2023 *RMB'000* (Restated)
Revenue	*4*	**1,531,050**	1,566,673
Cost of sales		**(847,844)**	(898,434)
Gross profit		**683,206**	668,239
Other income	*5*	**44,697**	52,345
Other gains and losses	*6*	**(12,701)**	(12,761)
Finance costs	*7*	**(2,424)**	(2,478)
Reversal of Impairment losses under expected credit loss model	*8*	**252**	14
Distribution and selling expenses		**(363,228)**	(422,604)
Administrative expenses		**(133,814)**	(112,106)
Share of results of associates		**(2,866)**	(301)
Profit before tax		**213,122**	170,348
Income tax expense	*9*	**(67,714)**	(48,551)
Profit for the year	*10*	**145,408**	121,797
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
– Fair value gain/(loss) on investments in financial assets at fair value through other comprehensive income ("**FVTOCI**"), net of income tax		**62,897**	(26,328)
Items that may be reclassified subsequently to profit or loss:			
– Exchange difference on translation of a foreign operation		**(3,731)**	–
– Exchange difference of interests in associates		**(792)**	(31)
Other comprehensive income for the year		**58,374**	(26,359)
Total comprehensive income for the year		**203,782**	95,438
Profit for the year attributable to:			
Owners of the Company		**151,618**	138,518
Non-controlling interests		**(6,210)**	(16,721)
		145,408	121,797
Total comprehensive income for the year attributable to:			
Owners of the Company		**209,992**	112,159
Non-controlling interests		**(6,210)**	(16,721)
		203,782	95,438
		RMB	*RMB* (Restated)
Earnings per share			
Basic	*11*	**0.13**	0.12

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	**31 December 2024** **RMB'000**	31 December 2023 *RMB'000* (Restated)	1 January 2023 *RMB'000* (Restated)
Non-current Assets				
Property, plant and equipment		**187,867**	214,582	194,249
Right-of-use assets		**30,784**	32,858	27,316
Intangible assets		**20,391**	30,191	37,048
Interests in associates		**47,719**	7,917	7,879
Financial assets at FVTOCI	*13*	**110,391**	67,521	94,978
Financial assets at fair value through profit or loss ("**FVTPL**")	*14*	**42,668**	41,700	53,300
Deposits paid for acquisition of property, plant and equipment and intangible assets		**–**	7,126	7,157
Prepayments for technique know-hows	*15*	**76,405**	13,600	–
Deferred tax assets		**7,989**	2,268	8,598
Goodwill		**–**	6,213	6,213
		524,214	423,976	436,738
Current Assets				
Inventories	*16*	**321,172**	417,934	321,132
Trade and other receivables	*15*	**502,325**	538,575	479,316
Financial assets at FVTPL	*14*	**–**	10,000	105,000
Tax recoverable		**344**	3,953	3,575
Pledged bank deposits		**6,451**	22,040	11,898
Cash and cash equivalents		**103,573**	114,427	214,008
		933,865	1,106,929	1,134,929
Current Liabilities				
Trade and other payables	*17*	**171,159**	338,230	385,247
Amounts due to related parties		**4,505**	5,643	5,827
Tax payables		**32,750**	17,265	39,701
Bank borrowings	*18*	**62,359**	59,971	28,855
Lease liabilities		**1,399**	1,301	731
Contract liabilities		**3,246**	20,280	12,485
		275,418	442,690	472,846
Net Current Assets		**658,447**	664,239	662,083
Total Assets less Current Liabilities		**1,182,661**	1,088,215	1,098,821

	Notes	31 December 2024 RMB'000	31 December 2023 RMB'000 (Restated)	1 January 2023 RMB'000 (Restated)
Capital and Reserves				
Share capital		**77,399**	77,399	77,399
Reserves		**1,033,049**	929,044	930,405
Equity attributable to owners of the Company		**1,110,448**	1,006,443	1,007,804
Non-controlling interests		**5,114**	11,324	14,685
Total Equity		**1,115,562**	1,017,767	1,022,489
Non-current liabilities				
Deferred tax liabilities		**16,396**	16,280	24,725
Lease liabilities		**11,463**	12,748	8,007
Deferred income		**39,240**	41,420	43,600
		67,099	70,448	76,332
		1,182,661	1,088,215	1,098,821

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL

Shanghai Pioneer Holding Ltd (the "**Company**" and previously known as China Pioneer Pharma Holdings Limited) was 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. PRIOR YEAR ADJUSTMENT

In preparing the consolidated financial information for the year ended 31 December 2024, the Group identified a misstatement in its prior year's financial statement and made corrections in the presentation and disclosures of certain balances in the previously issued consolidated financial statements for the year ended 31 December 2023.

Adjustments relating to classification of investments in unlisted investment funds ("The Funds")

The Funds are limited partnerships managed by an investment committee which were appointed by their General Partners (independent third parties to the Group). According to the Fund's partnership agreements, there is a contractual obligation for the Funds to distribute investment sales proceed upon disposal of their investments, and upon its termination to distribute to the Group a pro rata share of their net assets at the date of its termination. The directors of the Company has assessed that the investments in the Funds do not meet the definition of an equity instrument in IFRS 9 Financial Instruments, which refer to equity instrument as defined in paragraph 11 of IAS 32 Financial Instruments: Presentation. Therefore, the Group's investments in the Funds cannot be designated at fair value through other comprehensive income. Such investments do not have cash flows that are solely payments of principal and interest, and should have been classified as financial assets at fair value through profit or loss under IFRS 9 since their initial recognition.

Accordingly, certain prior year adjustments have been made and certain comparative information has been restated to correct these errors. The effect of correcting these errors are as follows:

Impact on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023:

	As previously reported *RMB'000*	Prior period adjustment *RMB'000*	As restated *RMB'000*
Gain/(loss) on change in fair value in financial assets at fair value through profit or loss	1,889	(10,100)	(8,211)
Profit before tax	180,448	(10,100)	170,348
Income tax expense	(51,451)	2,900	(48,551)
Profit for the year	128,997	(7,200)	121,797
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
– Fair value losses on investments in financial assets at fair value through other comprehensive income ("**FVTOCI**"), net of income tax	(33,528)	7,200	(26,328)
Other comprehensive income for the year, net of income tax	(33,559)	7,200	(26,359)
Total comprehensive income for the year	95,438	–	95,438
Profit for the year attributable to:			
Owners of the Company	145,718	(7,200)	138,518
Non-controlling interests	(16,721)	–	(16,721)
	128,997	(7,200)	121,797
Total comprehensive income for the year attributable to:			
Owners of the Company	112,159	–	112,159
Non-controlling interests	(16,721)	–	(16,721)
	95,438	–	95,438
Earnings per share			
Basic	0.12	–	0.12

Impact on the consolidated statement of financial position as at 31 December 2023:

	As previously reported *RMB'000*	Prior year adjustment *RMB'000*	As restated *RMB'000*
Non-current assets			
Financial assets at FVOCI	109,221	(41,700)	67,521
Financial assets at FVTPL	–	41,700	41,700

Impact on the consolidated statement of changes in equity as at 31 December 2023:

	As previously reported *RMB'000*	Prior year adjustment *RMB'000*	As restated *RMB'000*
Investments revaluation reserve	(46,200)	(10,275)	(56,475)
Accumulated profits	634,880	10,275	645,155

Impact on the consolidated statement of financial position as at 1 January 2023:

	As previously reported *RMB'000*	Prior year adjustment *RMB'000*	As restated *RMB'000*
Non-current assets			
Financial assets at FVOCI	148,278	(53,300)	94,978
Financial assets at FVTPL	–	53,300	53,300

Impact on the consolidated statement of changes in equity as at 1 January 2023:

	As previously reported *RMB'000*	Prior year adjustment *RMB'000*	As restated *RMB'000*
Investments revaluation reserve	(12,672)	(17,475)	(30,147)
Accumulated profits	572,309	17,475	589,784

3. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSS")

(a) Adoption of new or amended IFRSs – effective 1 January 2024

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

Amendments to IAS 1	Classification of liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7	Supplier finance arrangements

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 IAS 21	Lack of Exchangeability[1]
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments[2]
Amendment to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to IAS 10 and IFRS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after 1 January 2025.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.
4 Effective for annual periods beginning on or after a date to be determined by the IASB.

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

4. 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:

	2024	2023
	RMB'000	*RMB'000*
Sales of pharmaceutical products	**735,625**	737,526
Sales of medical equipment and supplies	**795,425**	829,147
	1,531,050	1,566,673

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 2024 and 2023, 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**").

(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 2024

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

For the year ended 31 December 2023

	Products sold via the provision of channel management services *RMB'000*	Products sold via the provision of comprehensive marketing, promotion and channel management services *RMB'000*	Consolidated *RMB'000* (Restated)
Segment revenue	301,258	1,265,415	1,566,673
Segment result	21,544	646,695	668,239
Other income			52,345
Other gains and losses			(12,761)
Finance costs			(2,478)
Impairment losses under expected credit loss model, net of reversal			14
Distribution and selling expenses			(422,604)
Administrative expenses			(112,106)
Share of results of associates			(301)
Profit before tax			170,348

Disaggregation of revenue from contracts with customers by major products

	2024 *RMB'000*	2023 *RMB'000*
Products sold via the provision of channel management services:		
Alcon	**290,632**	301,258
Products sold via the provision of comprehensive marketing, promotion and channel management services:		
Pharmaceutical products	**444,993**	436,268
Medical equipment and supplies	**795,425**	829,147
	1,240,418	1,265,415
	1,531,050	1,566,673

Geographical information

The Group principally operates in the PRC (country of domicile of major operating subsidiaries). 2024: 98% (2023: 97%) of non-current assets excluding financial assets at FVTOCI and deferred tax assets, are located in the PRC, and the remaining 2024: 2% (2023: 3%) 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.

5. OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
Government grants *(Note)*	**36,991**	46,680
Dividends received from financial assets at FVTOCI	**–**	3,431
Interest income on bank deposits	**673**	585
Loan interests from other loan	**3,152**	–
Metal finishing service income	**687**	–
Others	**3,194**	1,649
	44,697	52,345

Note: Government grants amounting to RMB2,180,000 (2023: RMB2,180,000) represented the amount of deferred income released to profit or loss for the year ended 31 December 2024. 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.

6. OTHER GAINS AND LOSSES

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Net foreign exchange losses	**(1,175)**	(4,612)
Gain/(loss) of fair value change of financial assets at FVTPL	**1,568**	(8,211)
Impairment loss of goodwill	**(6,213)**	–
Gain on early termination of lease	**–**	229
Loss on write-off of intangible assets	**(2,396)**	–
Loss on disposal of property, plant and equipment	**(4,485)**	(167)
	(12,701)	(12,761)

7. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest on bank borrowings	**2,097**	1,997
Interest on lease liabilities	**327**	481
	2,424	2,478

8. REVERSAL OF IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL

	2024	2023
	RMB'000	*RMB'000*
Reversal of impairment losses on trade receivables	**252**	14

9. INCOME TAX EXPENSE

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Current tax		
PRC Enterprise Income Tax ("**EIT**")	**62,102**	44,899
PRC withholding tax on dividends	**–**	8,000
	62,102	52,899
Over-provision in prior year		
PRC EIT	**(129)**	(2,233)
Deferred tax		
Current year	**5,741**	(2,115)
	67,714	48,551

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 EIT rate of 15% for enterprises located in Tibet is from 1 January 2021 to 31 December 2030. Naqu Area Pioneer Pharma Co., Ltd ("**Naqu Pioneer**"), which is located in Naqu, Tibet, is subject to a 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.

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:

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Profit before tax	**213,122**	170,348
Tax at the applicable income tax rate of 25%	**53,281**	42,587
Tax effect of expenses not deductible for tax purpose	**6,295**	9,377
Tax effect of income not taxable for tax purpose	**(140)**	(1,481)
Tax effect of tax losses not recognised	**10,336**	3,697
Utilisation of tax losses previously not recognised	**(1,984)**	(3,775)
Income tax on concessionary tax rate	**(3,214)**	(2,621)
Over provision in prior year	**(129)**	(2,233)
PRC withholding tax on dividends	**3,269**	3,000
	67,714	48,551

10. PROFIT FOR THE YEAR

	2024	2023
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging:		
Directors' remuneration	**5,133**	4,509
Other staff's retirement benefits scheme contributions	**12,704**	12,372
Other staff costs	**61,929**	59,707
Total staff costs	**79,766**	76,588
Auditor's remuneration	**2,208**	2,944
Depreciation for property, plant and equipment	**21,232**	10,554
Depreciation of right-of-use assets	**2,074**	1,513
Amortisation of intangible assets	**7,626**	6,883
Loss on write-off of intangible assets	**2,396**	–
Cost of inventories recognised as an expense (including write-down of inventories amounting to RMB4,659,000 (2023: RMB1,129,000))	**847,844**	898,434

11. EARNINGS PER SHARE

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

	2024	2023 (Restated)
Earnings:		
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to owners of the Company)	**RMB151,618,000**	RMB138,518,000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,164,169,169**	1,178,461,822

For the years ended 31 December 2024 and 2023, 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 2024 and 2023 were presented as there were no potential ordinary shares in issue for both 2024 and 2023.

12. DIVIDENDS

	2024	2023
	RMB'000	*RMB'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2023 Final – RMB0.022 per share	**26,264**	–
2024 Interim – RMB0.044 per share	**51,672**	–
2022 Final – RMB0.044 per share	**–**	51,198
2023 Interim – RMB0.022 per share	**–**	26,305
	77,936	77,503

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of HKD0.056 (equivalent to RMB0.052) (2023: HKD0.024 (equivalent to RMB0.022)) per share of final dividend in respect of the year ended 31 December 2023) per share, in an aggregate amount of approximately HKD70,417,000 (equivalent to RMB65,387,000) (2023: HKD30,179,000 (equivalent to RMB26,264,000)), has been proposed by the Board and is subject to approval by the shareholders in the forthcoming annual general meeting.

13. FINANCIAL ASSETS AT FVTOCI

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Listed investments:		
– Equity securities listed in Australia *(Note 1)*	**81,234**	67,307
– Equity securities listed in the United States *(Note 2)*	**–**	214
Unlisted investments:		
– Ke Rui Si *(Note 3)*	**29,157**	–
	110,391	67,521

Note 1: The amount represents equity investment in 2.27% (FY2023: 9.52%) ordinary shares of Paragon Care Limited ("**Paragon**").

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 Australian Dollars ("**AUD**") 18,024,000 (equivalent to RMB81,234,000) based on the quoted market price available on the Australian Securities Exchange.

As at 31 December 2023, the fair value of the Group's interest in Paragon, of which its shares are listed on the Australian Securities Exchange, was AUD13,882,000 (equivalent to RMB67,307,000) based on the quoted market price available on the Australian Securities Exchange.

Note 2: The equity investment was fully disposal during the year and loss on disposal of approximately RMB5 million recognised in other comprehensive income.

As at 31 December 2023, the fair value of the Group's interest in NovaBay, of which its shares are listed on the New York Stock Exchange, was United States Dollars ("**US$**") 30,000 (equivalent to RMB214,000) based on the quoted market price available on the New York Stock Exchange.

Note 3: The amount represents equity investment in 10% equity shares of Ke Rui Si Medical Technology (Shanghai) Co., Ltd ("**Ke Rui Si**"), a private company that engaged in medical technology production.

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.

14. FINANCIAL ASSETS AT FVTPL

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Unlisted investments:		
– Structured bank deposits *(Note 1)*	**–**	10,000
Current portion	**–**	10,000
– Unlisted debt instruments		
– Investment in Shanghai Yuhan fund *(Note 2)*	**30,486**	33,700
– Investment in Jiaxing Yuhan fund *(Note 3)*	**12,182**	8,000
Non-current portion	**42,668**	41,700

Note 1: As at 31 December 2024, the structured deposit with bank in the PRC was matured. The structured bank deposits earn minimum return of 1.25% to 1.66% per annum (31 December 2023: 1.25% to 1.66% per annum), while the total expected return is up to 2.6% to 3.25% per annum (31 December 2023: 2.6% to 3.25% per annum).

Note 2: The amount represents the investment in Shanghai Yuhan fund (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 2024, the Shanghai Yuhan Fund received contributions from its partners of approximately RMB149 million (2023: RMB155 million), among which the Group injected approximately RMB14.9 million (2023: RMB15.5 million) which accounted for 10% (2023: 10%) of the partner's capital of the Shanghai Yuhan Fund. The Shanghai Yuhan Fund invests in unlisted private entities and structured bank deposit. Fair value loss of approximately RMB2,614,000 (FY2023: Fair value loss of approximately RMB8,100,000) was recognised in profit or loss during the year ended 31 December 2024.

Note 3: The amount represents an investment in Jiaxing Yuhan fund (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 2024 and 31 December 2023, the Jiaxing Yuhan Fund received contributions from its partners of approximately RMB151 million, among which the Group injected approximately RMB10 million which accounted for 6.62% (31 December 2023: 6.62%) of partner's capital of the Jiaxing Yuhan Fund. The Jiaxing Yuhan Fund invests in unlisted private entities and structured deposits. Fair value gain of approximately RMB4,182,000 (FY2023: Fair value loss of approximately RMB2,000,000) was recognised in profit or loss during the year ended 31 December 2024.

15. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Prepayments for technique know-hows *(Note a)*	**76,405**	13,600
Prepayments for acquisition of property, plant and equipment	**–**	7,126
Non-current portion	**76,405**	20,726
Trade and bills receivables *(Note b)*	**339,099**	450,702
Less: Allowance for credit losses	**(2,032)**	(2,284)
	337,067	448,418
Other receivables *(Note c)*	**55,266**	6,657
Amount due from a related party *(Note d)*	**18,550**	–
Prepayments	**27,676**	9,345
Deposits	**21,381**	23,617
	459,940	488,037
Advance payment to suppliers	**10,867**	10,567
Other tax recoverable	**31,518**	39,971
Current portion	**502,325**	538,575

Note a: The amount represented prepayment to acquire intellectual property rights from Q3 Medical Devices Limited ("**Q3 Medical**"). The amount is recognsied 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 establish factories in the PRC to research and develop, produce and sell the products under this intellectual property rights.

Note b: 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.

Note c: Included in other receivables of approximately RMB37,418,000 at 31 December 2024 (FY2023: nil) was loans to independent third parties which are unsecured, bearing interest at 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.

Note d: Amount due from a related party, Shenzhen Terra Maestro Technology Co., Ltd ("**Terra Maestro**"), is unsecured, bearing interest at 12% per annum with contractual maturity date not exceeding 12 months after the reporting period. Mr. Li Xinzhou is director in the Terra Maestro.

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 considered the impairment of the advance is immaterial.

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:

	2024	2023
	RMB'000	*RMB'000*
0 to 60 days	**171,708**	338,391
61 days to 180 days	**122,118**	91,581
181 days to 1 year	**34,119**	15,820
More than 1 year	**9,122**	2,626
	337,067	448,418

As at 31 December 2024, total bills received amounting to RMB13,920,000 (31 December 2023: RMB36,757,000) 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 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB20,031,000 (2023: RMB22,566,000) which are past due as at the reporting date. Out of the past due balances, RMB947,000 (2023: RMB2,048,000) 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 RMB13,920,000 (2023: RMB36,757,000), the Group does not hold any collateral over these balances.

16. INVENTORIES

All inventories represented finished goods of pharmaceutical products and medical devices. As at 31 December 2024, inventories included goods in transit of RMB62,930,000 (2023: RMB43,830,000).

During the year ended 31 December 2024, write-down of inventories of RMB4,659,000 (2023: write-down of RMB1,129,000) has been recognised by the Group and included in cost of sales.

17. TRADE AND OTHER PAYABLES

	2024 *RMB'000*	2023 *RMB'000*
Trade payables	**120,479**	284,946
Payroll and welfare payables	**6,809**	4,911
Other tax payables	**1,534**	512
Accrued marketing service fee	**14,561**	3,451
Deposits received from distributors	**6,423**	10,895
Other payables to a third party *(Note)*	**–**	20,000
Other payables and accrued charges	**21,353**	13,515
	171,159	338,230

Note: Amount represented advance from a third party which is unsecured, non-interest bearing and repayable on 31 May 2024.

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:

	2024 *RMB'000*	2023 *RMB'000*
0 to 90 days	**111,253**	135,255
91 to 180 days	**3,184**	117,328
181 to 365 days	**893**	689
Over 365 days	**5,149**	31,674
	120,479	284,946

18. BANK BORROWINGS

	2024 *RMB'000*	2023 *RMB'000*
Carrying amount of bank borrowings repayable within one year and shown under current portion	**62,359**	59,971
Analysed as:		
Secured *(Notes 1, 2)*	**58,159**	59,971
Unsecured *(Note 2)*	**4,200**	–
	62,359	59,971

The effective interest rate on the Group's fixed rate borrowings are ranging from 1.78% to 4.10% per annum (2023: the fixed rate borrowings is 1.45% to 3.95% per annum).

Note 1:

As at 31 December 2024, bank borrowing totalling RMB58,159,000 (FY2023: RMB59,971,000) of the Group were secured by the following assets and the Group's share of certain subsidiary.

	2024	2023
	RMB'000	*RMB'000*
Pledge of assets		
Pledged bank deposits for letter of credit	**6,451**	22,040
Financial assets at FVTPL	**–**	10,000
Property, plant and equipment	**17,801**	16,925
	24,252	48,965

Note 2:

As at 31 December 2024, all bank borrowing of the Group are guaranteed by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL REVIEW

In 2024, steady progress has been seen in China's economy, with annual gross domestic product (GDP) reaching RMB134,908.4 billion, exceeding RMB130 trillion for the first time, representing a 5.0% year-on-year increase, and the total size of the economy ranked second in the world. Per capita disposable income and per capita consumption expenditures rose steadily throughout the year, both increasing by 5.1% in real terms, which were in line with economic growth and effectively released consumption potential. As for healthcare sector, per capita consumption expenditures for the year amounted to RMB2,547, representing a 3.6% year-on-year increase. Although the growth rate was relatively moderate, it still accounted for 9% of total per capita consumption expenditures, indicating a new growth pole driven by people's demand for healthcare is forming.

Driven by the awakening of national health awareness and the accelerated aging of the population, China's healthcare demand is undergoing a structural leap. At the policy level, the State has introduced a number of policies and measures, while the strategies of "Healthy China" and "Sports Superpower" are accelerating its implementation. The reform of the "Three-Medicine Linkage (三醫聯動)" is deepened on a comprehensive base and a stricter regulatory system for the whole life cycle of drugs from development, production and distribution to end services is established, which has promoted the rational allocation and fair distribution of medical resources. At the same time, as a key area for the cultivation of new quality productive forces, 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 will continue to grow with new business formats and modes keeping emerging, prompting all parts in the industry chain to strengthen resource integration and technological innovation to better meet the increasingly diversified healthcare needs of residents.

Specifically, in the area of pharmaceutical distribution, the continuous deepening of the policy of centralised volume-based procurement of drugs, especially the advancement of the 10th national drug centralised volume-based procurement, further compressed the profit space of drug circulation, 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, the State has gradually enhanced the support for primary healthcare institutions by 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, distribution enterprises need to adapt to regulatory changes more efficiently and strengthen compliance management to ensure the transparency and standardisation of the supply chain and reduce the market risks caused by uncertainty.

In addition, continued evolution in regulatory policies is speeding up the internationalisation of China's pharmaceutical distribution industry and driving a reshaping of the market structure. The market access threshold for imported pharmaceutical products has been further lowered, 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 standardised 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 of local enterprises in the global supply chain. Driven by 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 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, the Group has increased its investment in sales network and supply chain management to propel more quality products to reach the market efficiently. By continuously optimising the marketing strategies, improving the sales network layout and enhancing the brand influence, the Group has achieved business expansion while consolidating its market share, contributing to the high-quality and sustainable development of the healthcare industry.

As stated in the Company's voluntary announcements dated 16 December 2024 and 27 December 2024, during the Reporting Period, the Group acquired the global exclusive distribution rights of the Terra Maestro series of products (primarily its plasma electric stove series of products) from Shenzhen Terra Maestro Technology Company Limited ("**Terra Maestro**"), and the exclusive distribution rights in the People's Republic of China (the "**PRC**") of the skincare and healthcare series of products of NIANCE ("**NIANCE**"), a Swiss cosmetics brand, respectively. The Group has established a professional business division comprised of industry experts for the aforementioned new products. The Group will strategically position itself in the market, meticulously formulate, and implement a series of promotional strategies to expand the market distribution of the products. The aforementioned products are expected to generate substantial revenue and returns for the Group and its shareholders in the future.

The Terra Maestro series of products is based on the "Pure Electricity to Open Flame" technology, and the first product, the electric plasma single burner stove, has been mass-produced in the first quarter of 2025. Terra Maestro currently owns a number of technology patents in China/globally, and plans to continuously strengthen its patent matrix layout worldwide in 2025. Against the backdrop of a growing demand for energy-saving, emission reduction and eco-friendly products in the global market, the Group believes that this cooperation will bring consumers healthier, more eco-friendly and efficient cooking solutions, while motivating the entire industry to develop in a more sustainable and intelligent direction.

NIANCE was founded by Dr. Rainer W. Schmidt, and mainly comprises skincare and healthcare products. The Group believes that with the penetration of skincare and anti-aging concepts and the strengthening of self-pleasing concept, as well as the diversification and specialisation of consumers' demands for product performance, the skincare market in the PRC will enter a stage of quality-focused and high-quality development. The Group hopes to leverage on the outstanding efficacy and advanced technology of the NIANCE series products to provide a better experience for consumers in the PRC.

For the Reporting Period, the Group's revenue decreased by 2.3% to RMB1,531.1 million (2023: RMB1,566.7 million), gross profit increased by 2.2% to RMB683.2 million (2023: RMB668.2 million) and net profit for the year increased by 19.4% to RMB145.4 million (2023: RMB121.8 million).

For the Reporting Period, the Group's revenue generated from Alcon's products sold via the provision of co-promotion and channel management services decreased by 3.5% compared to last year to RMB290.6 million, representing 19.0% of the Group's revenue for the Reporting Period. Gross profit decreased by 15.9% compared to last year to RMB18.1 million, representing 2.7% of the Group's gross profit for the Reporting Period.

1. Product Development

As of 31 December 2024, 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	**2024** ***RMB'000***	**Percentage of the Group's total revenue/ gross profit** ***(%)***	2023 *RMB'000*	Percentage of the Group's total revenue/ gross profit *(%)*
Revenue:				
Pharmaceutical Products	**444,993**	**29.1**	436,268	27.8
Medical equipment and supplies	**795,425**	**52.0**	829,147	52.9
Gross Profit:				
Pharmaceutical Products	**297,486**	**43.5**	287,702	43.1
Medical equipment and supplies	**367,603**	**53.8**	358,993	53.7

During the Reporting Period, revenue generated from pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services increased by 2.0% compared to last year to RMB445.0 million, representing 29.1% of the Group's revenue for the Reporting Period. Gross profit increased by 3.4% compared to last year to RMB297.5 million, representing 43.5% of the Group's gross profit for the Reporting Period.

During the Reporting Period, the Group saw an encouraging rebound in revenue from pharmaceutical products as compared to the same period in 2023, especially for the Group's key product, Difene. As stated in the Company's 2023 annual report, during the outbreak of COVID-19 in Mainland China in December 2022, medical institutions in Mainland China purchased a large number of antipyretic and analgesic medicines for their inventories, and such drug inventories were gradually consumed and used only during the first half of 2023, which has led to the decrease in the procurement of related drugs for the same period in 2023. Moreover, under the influence of the centralized volume-based procurement of drugs ("**CVBP**") and overdraft of the medical insurance fund in some provinces, the access times of products in some provinces have been extended, resulting in a narrower development window period. During the Reporting Period, the sales volume of Difene rebounded significantly as compared to the same period in 2023 after the gradual recovery from the impact of the unfavourable factors mentioned above.

As a product on which the Group holds high expectations, the cardiovascular product Zanidip also achieved growth in sales volume during the Reporting Period, further expanding its market share. The Group had accomplished highspeed positive growth in sales revenue of Zanidip 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, and expansion of its brand influence through brand management. By making use of Zanidip' inclusion in the national CVBP catalog (集採目錄), the Group fully grasped the opportunity of market capacity expansion, explored several new markets through reasonable bidding strategies, and continuously increased the market share of Zanidip through close follow-up and effective participation in clinical promotion work. The Group believes that Zanidip still has the potential for sustained growth by virtue of its leading position in quality among similar products, better market layout, and people's increasing awareness of clinical prevention and treatment of hypertension.

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 4.1% compared to last year to RMB795.4 million, representing 52.0% of the Group's revenue for the Reporting Period. Gross profit increased by 2.4% compared to last year to RMB367.6 million, representing 53.8% 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 achieved solid growth. 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.

During the Reporting Period, the Group also broadened its product pipeline. In terms of pharmaceutical products, the Group has obtained the exclusive long-term distribution right in Mainland China market for Asacol® mesalazine enteric-coated tablets (800mg per tablet), a first-line drug for the treatment of mild-to-moderate ulcerative colitis (UC), from Tillotts Pharma AG under Zeria Group in Japan. Against the backdrop of the increasing incidence of inflammatory bowel disease (IBD) patients in Mainland China, which is one of the countries with the highest incidence rates of IBD, with the incidence rate increasing two to three-fold over the past decade, the Group will leverage its extensive gastrointestinal sales network and collaborate with key opinion leaders in the field to make Asacol® available to more and more IBD patients in China, thus improving the health conditions of IBD patients in China.

In terms of medical devices, DRL®night orthokeratology lenses agented by the Group have successfully obtained the approval from the National Medical Products Administration and were officially launched in the Mainland China market, applicable to the temporary correction of myopia with myopia of -1.00D ~ -4.00D and astigmatism up to 1.50D. DRL®night optometric series products were developed by the European ophthalmologist Dr. Jaume Paune. DRL®night's unique double reverse curves design creates two tear reservoirs, optimises tear fluid dynamics and improves the tear exchange between the lens and the cornea, providing the wearer with faster and higher myopia prevention and control efficiency, as well as a more comfortable and safer wearing experience. The Group hopes that DRL®night orthokeratology lenses will bring more choices and better treatment results to patients, helping them to have clearer and healthier vision.

During the Reporting Period, Archimedes Biodegradable Biliary and Pancreatic Stent ("**Archimedes Stent**", registered under Class III) was approved to enter into the special review procedure for innovative medical devices by the Center for Medical Device Evaluation of the National Medical Products Administration. The Archimedes Stent is the first innovative product 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 Group 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.

Innovative medical device products entering the special review process for innovative medical devices will be given priority in the registration declaration, which can significantly shorten the product registration cycle and accelerate the launch of product. In addition, the localisation of the products will be accelerated with the support of the Announcement on Matters Relating to Further Adjusting and Optimising the Production of Imported Medical Devices by Domestic Enterprises (《關於進一步調整和優化進口醫療器械產品在中國境內企業生產有關事項的公告》) issued by the National Medical Products Administration on 18 March 2025. After obtaining approval for marketing and realising localisation of the products, the Group's product pipeline will be further enriched, and the significant clinical value of the products will benefit more patients in China.

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

Category	**2024** *RMB'000*	**Percentage of the Group's total revenue/ gross profit** *(%)*	2023 *RMB'000*	Percentage of the Group's total revenue/ gross profit *(%)*
Revenue:				
Alcon series ophthalmic pharmaceutical products	**290,632**	**18.9**	301,258	19.2
Gross Profit:				
Alcon series ophthalmic pharmaceutical products	**18,117**	**2.7**	21,544	3.2

A new agreement was entered into between the Group and Alcon on 1 January 2022, pursuant to which the Group was exclusively entitled to the import, storage, distribution and sale of 10 specifications in 8 types of Alcon's pharmaceutical products. This agreement runs for a term of 3 years from 1 January 2022.

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 funduscopic contrast agent, one mydriatic, and one pipeline product for dry eye). Accordingly, no new agreement will be renewed between the Group and Alcon in relation to the importation, warehousing, distribution and sale of the relevant products.

The Group extends its sincerest gratitude and best wishes to Alcon for its partnership with the Group for more than 20 years since 1996. The Group believes that the years of cooperation with Alcon has not only fueled the growth of each other's business, but also demonstrated the Group's vision and confidence in establishing stable, mutually beneficial and long term cooperative relationships with our business partners. The Group also looks forward to the opportunity for both parties to join hands again in the future in a wider range of areas.

For the Reporting Period, the Group's revenue generated from this segment decreased by 3.5% compared to last year to RMB290.6 million, representing 18.9% of the Group's revenue for the Reporting Period. Gross profit decreased by 15.9% compared to last year to RMB18.1 million, representing 2.7% of the Group's gross profit for the Reporting 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. The introduction of the Law of the People's Republic of China on the Administration of Medical Devices (Draft for Public Comment) (《中華人民共和國醫療器械管理法（草案徵求意見稿）》) 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 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, 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 and enhance market competitiveness.

2. Marketing Network Development

The Group, as the sole importer of the overseas medical products it serves in the PRC, is committed to actively building an extensive, efficient and flexible marketing network to ensure that it is able to respond quickly to policy changes and market demands. During the Reporting Period, the Group has enhanced its market penetration and brand influence, improved the Group's operational efficiency while guarding against business operation risks by fully digesting and making use of the latest approval policies in a compliant manner, continuously sorting out the structure of its distributor network, consolidating its product distribution channels and optimising its marketing strategies.

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 violent 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 2024.

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 2024, 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 RMB30.5 million. Shanghai Yuhan, incorporated in the PRC, specializes in making equity investment in various target enterprises within the pharmaceutical industry. As at 31 December 2024, 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 2024, the Group recorded an unrealized loss RMB2.6 million of its investment in the fund. As of 31 December 2024, the Group's investment in Jiaxing Yuhan Fund

(嘉興譽瀚股權投資合夥企業(有限合夥), "**Jiaxing Yuhan**") which amounted to RMB12.2 million, has been recognized as a financial assets at FVTPL. As at 31 December 2024, 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 2024, the Group recorded an unrealized gain of RMB4.2 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^2 at the transfer price of RMB5,581,000. In March 2019, Chongqing Qianfeng and the local government entered into an 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^2. As at the end of the Reporting Period, the construction of the production base has been basically completed, the relevant production lines are implementing the GMP and production approval certificate application as planned.

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, and 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 market access policies and the deep implementation of centralised volume-based procurement in batches 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 have a far-reaching impact on the overall industry landscape, bringing new market opportunities and also greater competitive pressure.

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 have a deep insight into the development trend 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 expand the market coverage of our products through precise market positioning and comprehensive marketing strategies.

In addition, with the increasing perfection of the industry chain, the Group also hopes to further promote the in-depth development of its business and enhance its overall competitiveness through strategic means such as mergers and acquisitions at the appropriate time, so as to occupy a more favourable market position in the tide of transformation and upgrading of the industry and to facilitate the 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 steadily to promote the realisation of its strategic blueprint.

FINANCIAL REVIEW

Prior Year Adjustment

The comparative figures and prior year's figures presented in the consolidated financial statements for the year ended 31 December 2023 have been restated. The details are highlighted in note 2 of the above Notes to the Consolidated Financial Statements.

Revenue

Revenue decreased by 2.3% from RMB1,566.7 million in 2023 to RMB1,531.1 million in 2024. Revenue generated from pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services increased by 2.0% from RMB436.3 million in 2023 to RMB445.0 million in 2024. Revenue generated from medical devices sold via the provision of comprehensive marketing, promotion and channel management services decreased by 4.1% from RMB829.1 million in 2023 to RMB795.4 million in 2024. Revenue generated from products sold via the provision of co-promotion and channel management services decreased by 3.5% from RMB301.3 million in 2023 to RMB290.6 million in 2024.

Cost of sales

Cost of sales decreased by 5.6% from RMB898.4 million in 2023 to RMB847.8 million in 2024, primarily due to the slight decrease in revenue and the increase in gross profit margin of certain products during the Reporting Period. Cost of sales for pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services decreased by 0.7% from RMB148.6 million in 2023 to RMB147.5 million in 2024. Cost of sales for medical devices sold via the provision of comprehensive marketing, promotion and channel management services decreased by 9.0% from RMB470.2 million in 2023 to RMB427.8 million in 2024. Cost of sales for products sold via the provision of co-promotion and channel management services decreased by 2.6% from RMB280.0 million in 2023 to RMB272.5 million in 2024.

Gross profit and gross profit margin

Gross profit increased by 2.2% from RMB668.2 million in 2023 to RMB683.2 million in 2024. The Group's average gross profit margin increased from 42.7% in 2023 to 44.6% in 2024. The Group's gross profit margin for pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services increased from 65.9% in 2023 to 66.9% in 2024. 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 increased from 43.3% in 2023 to 46.2% in 2024. The Group's gross profit margin for products sold via the provision of co-promotion and provision of channel management services decreased from 7.2% in 2023 to 6.2% in 2024.

Other income

Other income decreased by 14.6% from RMB52.3 million in 2023 to RMB44.7 million in 2024, primarily due to the decrease in government subsidies during the Reporting Period.

Distribution and selling expenses

Distribution and selling expenses decreased by 14.1% from RMB422.6 million in 2023 to RMB363.2 million in 2024, 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 decreased from 27.0% in 2023 to 23.7% in 2024.

Administrative expenses

Administrative expenses increased by 19.4% from RMB112.1 million in 2023 to RMB133.8 million in 2024, 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 7.2% in 2023 to 8.7% in 2024.

Finance costs

Finance costs decreased by 2.2% from RMB2.5 million in 2023 to RMB2.4 million in 2024.

Other gains and losses

The Group's other gains and losses decreased from loss of RMB12.8 million in 2023 to loss of RMB12.7 million in 2024.

Income tax expense

Income tax expense increased by 39.4% from RMB48.6 million in 2023 to RMB67.7 million in 2024, primarily due to the increase in profit during the Reporting Period. The Group's effective income tax rate in 2024 and 2023 were 31.7% and 28.5%, respectively. Since the beginning of 2019, the Group has been conducting business primarily through Naqu Area Pioneer Pharma Co., Ltd (那曲地區先鋒醫藥有限公司) and Chongqing Pioneer Pharma Co. Ltd (重慶先鋒醫藥有限公司) ("**Chongqing Pioneer**"), 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 increased by 19.4% from RMB121.8 million in 2023 to RMB145.4 million in 2024. The Group's net profit margin increased from 7.8% in 2023 to 9.5% in 2024.

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 decreased from RMB114.4 million as of 31 December 2023 to RMB103.6 million as of 31 December 2024.

The following table is a condensed summary of combined statements of cash flows for the year ended 31 December 2024:

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Net cash from/(used in) operating activities	**214,831**	(118,686)
Net cash (used in)/from investing activities	**(99,761)**	69,507
Net cash used in financing activities	**(125,924)**	(50,562)
Net decrease in cash and cash equivalents	**(10,854)**	(99,741)
Cash and cash equivalents at beginning of the year	**114,427**	214,008
Effect of foreign exchange rate changes	**–**	160
Cash and cash equivalents at end of the year	**103,573**	114,427

Net cash from/(used in) operating activities

In 2024, the Group's net cash from operating activities was RMB214.8 million compared to net cash used in operating activities of RMB118.7 million in 2023. This was mainly due to the increase in profit and the decrease in cash used for inventory purchases during the Reporting Period.

Net cash from investing activities

In 2024, the Group's net cash used in investing activities was RMB99.8 million compared to net cash from investing activities of RMB69.5 million in 2023. This was mainly due to the increase in the prepayment for the purchase of proprietary technology during the Reporting Period.

Net cash used in financing activities

In 2024, the Group's net cash used in financing activities was RMB125.9 million compared to net cash used in financing activities of RMB50.6 million in 2023. This was mainly due to the year-on-year decrease in new bank borrowings during the Reporting Period.

Bank borrowings and gearing ratio

The Group had total bank borrowings of RMB62.4 million as at 31 December 2024 compared to RMB60.0 million as at 31 December 2023. On 31 December 2024, the effective interest rate of the Group's bank borrowings was between 1.78% to 4.10%. The Group's gearing ratio, calculated as bank borrowings divided by total assets, was 4.3% as at 31 December 2024 compared to 3.9% as at 31 December 2023.

Net Current Assets

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current Assets		
Inventories	**321,172**	417,934
Trade and other receivables	**502,325**	538,575
Financial asset at fair value through profit or loss	**–**	10,000
Tax recoverable	**344**	3,953
Pledged bank deposits	**6,451**	22,040
Bank balances and cash	**103,573**	114,427
	933,865	1,106,929
Current Liabilities		
Trade and other payables	**171,159**	338,230
Amount due to a related party	**4,505**	5,643
Tax liabilities	**32,750**	17,265
Bank borrowings	**62,359**	59,971
Contract liabilities	**3,246**	20,280
Lease liabilities	**1,399**	1,301
	275,418	442,690
Net Current Assets	**658,447**	664,239

As of 31 December 2024, the Group has sufficient working capital and financial resources for daily operations.

Inventories

The Group's inventory balances decreased by 23.2% from RMB417.9 million as at 31 December 2023 to RMB321.2 million as at 31 December 2024, mainly due to the decrease in sales of inventories reserved in the prior period during the Reporting Period and the decrease in inventory reserves as the Group optimised its inventory management.

Trade and other receivables

The Group's trade and other receivables decreased by 6.7% from RMB538.6 million as at 31 December 2023 to RMB502.3 million as at 31 December 2024. Trade receivables average turnover days decreased from 100.9 days as at 31 December 2023 to 94.1 days as at 31 December 2024.

Trade and other payables

The Group's trade and other payables decreased by 49.4% from RMB338.2 million as at 31 December 2023 to RMB171.2 million as at 31 December 2024. The Group's trade payables average turnover days decreased from 123.6 days as at 31 December 2023 to 87.3 days as at 31 December 2024, primarily due to the higher proportion of product purchases with relatively short payment cycles during the Reporting Period.

Capital Expenditure

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

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Purchases of property, plant and equipment	**6,822**	30,922
Prepayments and deposit paid for acquisition of property, plant and equipment, intangible assets, and technique know-hows	**55,279**	13,569
Purchases of intangible assets	**222**	65
Total	**62,323**	44,556

Indebtedness

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities as of the dates indicated, based on undiscounted contractual payments:

	Less than 1 year	**Over 1 year**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
As of 31 December 2024			
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**
As of 31 December 2023			
Bank borrowings	59,971	–	59,971
Trade payables	284,496	–	284,496
Amounts due to related parties	5,643	–	5,643
Lease liabilities	1,301	12,748	14,049

Contingent Liabilities

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

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 2024, the final dividend of the year ended 31 December 2023 and the interim dividend for the six months ended 30 June 2024 was HKD0.024 per share and HKD0.048 per share respectively. The Board proposes a final dividend of HKD0.056, amounting to HKD70,417,000 for the year ended 31 December 2024. The expected payment date of final dividend for the year ended 31 December 2024 is 16 June 2025.

EMPLOYEE AND REMUNERATION POLICY

As of 31 December 2024, the Group had a total of 335 employees. For the year ended 31 December 2024, the staff cost of the Group was RMB79.8 million as compared to RMB76.6 million for the year ended 31 December 2023.

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, 30 May 2025. 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 Wednesday, 21 May 2025 to Friday, 30 May 2025, both days inclusive, in order to determine the identity of the shareholders who are entitled to attend the forthcoming AGM to be held on Friday, 30 May 2025. Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 21 May 2025 (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 Tuesday, 20 May 2025.

The register of members of the Company will also be closed from Thursday, 5 June 2025 to Monday, 9 June 2025, 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 Thursday, 5 June 2025 (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 Wednesday, 4 June 2025.

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 2024. 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 2024.

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 2024, 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 2024 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 2024.

AUDITOR

The Company appointed BDO Limited ("**BDO**") as the auditor of the Company for the year ended 31 December 2024.

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 2024 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 2024 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, 28 March 2025

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