



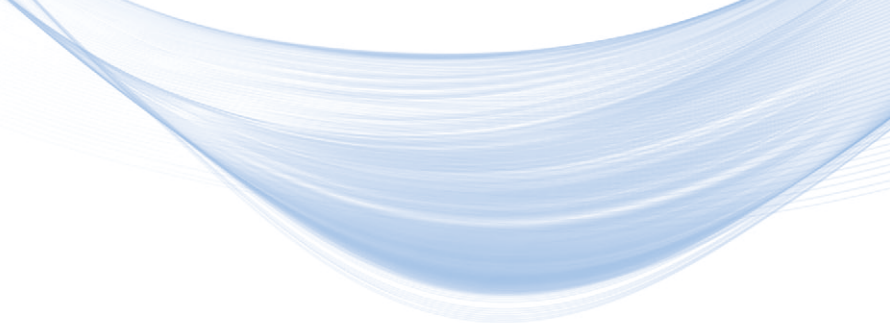
Shanghai Pioneer Holding Ltd
上海先鋒控股有限公司

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

先機為重
Pioneering Success
鋒行天下

2025

INTERIM REPORT



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Li Xinzhou (*Chairman*)

Mr. Yang Yuewen

Mr. Zhang Quan

Non-executive Director

Ms. Hu Mingfei

Independent Non-executive Directors

Mr. Zhang Hong

Mr. Lai Chanshu

Mr. Zhang Changhai

AUDIT COMMITTEE

Mr. Zhang Changhai (*Chairman*)

Mr. Zhang Hong

Ms. Hu Mingfei

REMUNERATION COMMITTEE

Mr. Zhang Hong (*Chairman*)

Mr. Lai Chanshu

Ms. Hu Mingfei

NOMINATION COMMITTEE

Mr. Li Xinzhou (*Chairman*)

Mr. Lai Chanshu

Mr. Zhang Hong

Ms. Hu Mingfei

Mr. Zhang Changhai

AUTHORIZED REPRESENTATIVES

Mr. Li Xinzhou

Ms. Ng Ka Man

COMPANY SECRETARY

Ms. Ng Ka Man

REGISTERED OFFICE

One Nexus Way, Camana Bay

Grand Cayman KY1-9005

Cayman Islands

CORPORATE HEADQUARTER

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Putuo District

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PRC

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CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Intertrust Corporate Services (Cayman) Limited

One Nexus Way, Camana Bay

Grand Cayman KY1-9005

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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AUDITOR

BDO Limited

Registered Public Interest Entity Auditors

LEGAL ADVISOR

Zhong Lun Law Firm

STOCK CODE ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

01345

COMPANY'S WEBSITE

<http://www.pioneer-pharma.com>

Financial Highlights

- Revenue of the Group for the six months ended 30 June 2025 (the “**Reporting Period**”) was RMB647.3 million, which represents a 20.9% decrease compared to RMB818.0 million for the same period last year.
- Gross profit of the Group for the six months ended 30 June 2025 was RMB303.0 million, which represents a 13.6% decrease compared to RMB350.5 million for the same period last year.
- Net profit of the Group for the six months ended 30 June 2025 was RMB45.8 million, which represents a 48.1% decrease compared to RMB88.3 million for the same period last year.
- Basic earnings per share of the Company was RMB0.04 for the six months ended 30 June 2025, which represents a 50.0% decrease compared to RMB0.08 for the same period last year.

	For the six months ended 30 June				2025 RMB'000 (unaudited)
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000 (unaudited and restated)	
	(unaudited)	(unaudited)	(unaudited)		
Operating results					
Revenue	685,833	659,410	736,911	817,973	647,266
Gross profit	378,355	356,360	316,427	350,493	303,028
Profit before income tax	98,013	149,687	90,412	121,869	63,580
Profit for the period	68,141	121,566	72,260	88,285	45,769
Profit for the period, all attributable to the owners of the Company	68,888	122,218	77,001	95,364	47,736

Company Overview

Shanghai Pioneer Holding Ltd (the “**Company**” or “**Pioneer Holding**”) was founded in 1996. As a leading comprehensive marketing, promotion and channel management service provider dedicated to imported pharmaceutical products and medical devices in China, Pioneer Holding constantly introduces products embedded with technologies that represent the international advanced level into the Chinese pharmaceutical market for the benefit of patients. On 5 November 2013, Pioneer Holding was successfully listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with stock code HK.01345.

As an international company with a global vision, Pioneer Holding has established long-term and stable as well as mutually beneficial cooperation with a number of world-renowned pharmaceutical and medical device manufacturers, successfully built a product introduction platform for sustainable development and set up a sales network covering the whole market in China. With long-term efforts, Pioneer Holding has created a unique brand foundation.

Pioneer Holding has successively established long-term and solid co-operative relationships with several internationally renowned pharmaceutical and medical device manufacturers, including Alfasigma in Italy, Aenova in Germany, Polichem in Switzerland, Fleet in the United States, Ivoclar Vivadent in Liechtenstein (Wieland in Germany), NovaBay Pharmaceuticals, Inc. in the United States, etc. Pioneer Holding has a product portfolio of pharmaceutical products covering treatment areas such as ophthalmology, anti-inflammatory and pain management, cardiovascular, gastroenterology, immunomodulatory and gynecology; and medical devices covering several medical specialties including ophthalmology, cardiology, odontology and wound care products. In this regard, Pioneer Holding has been making efforts to enhance the market value of these brands.

Pioneer Holding has established stable and amicable co-operative relationship with more than 500 major pharmaceutical business companies across China, whereby its products have reached tens of thousands of medical institutions and pharmacies nationwide.

In recent years, Pioneer Holding has been implementing the strategy of industrial chain extension and diversification by setting up the Chongqing Rongchang Production Base (“**Rongchang Production Base**”). This project is a significant strategic plan of the Group, which will direct the Group’s transformation from a sales-oriented company to a comprehensive pharmaceutical company integrating research and development, production and sales. Through such series of measures, the Group hopes to respond to the national policy of industry development by turning the Rongchang Production Base into an open technology platform, introducing new technologies and new products, and realizing the localization of high-quality imported products, and give full play to the comprehensive advantage of manufacturing and sales integration of the Group, resulting in constant improvement of the market competitiveness of the products and profitability of the Group. 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® diclofenac sodium dual-release enteric-coated capsules. Meanwhile, the Group is currently pressing ahead with the localisation of innovative medical device products of Q3 Medical. At present, renovation of the production plant has completed and the Group is advancing the installation and validation of the equipment.

Management Discussion and Analysis

REVIEW OF OPERATIONS

In the first half of 2025, China's economy continued to demonstrate resilience with steady and high-quality growth. Gross domestic product (GDP) reached RMB66,053.6 billion, representing a 5.3% year-on-year increase, further consolidating China's standing as the world's second-largest economy. Per capita disposable income and per capita consumption expenditure for the first half of year grew by 5.4% and 5.3% in real terms, respectively, broadly in line with GDP growth rate and effectively released consumption potential. As for healthcare sector, per capita consumption expenditures for the first half of year amounted to RMB1,314, representing a 3.4% year-on-year increase, accounting for 9.2% 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 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, 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. This trend is gradually breaking through the limitations of traditional pharmaceutical models, fostering stronger resource integration and technological innovation to better meet the increasingly diversified healthcare needs of residents.

Specifically, in the area of pharmaceutical distribution, centralized drug procurement has entered a normalized and institutionalized stage, 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 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 standardization of the supply chain and reduce the market risks caused by uncertainty.

In addition, continued evolution in regulatory policies is speeding up the internationalization of China's pharmaceutical distribution industry and driving a reshaping of the market structure. With the accelerated implementation of review and approval reforms, 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 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 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 optimizing 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.

1. Product Development

As at 30 June 2025, the Group had a product portfolio of pharmaceutical products (mostly being prescription medicine) covering ophthalmology, pain management, cardiovascular disease, immunology, gynecology, gastroenterology and other treatment areas; and medical device products covering several treatment areas including ophthalmology, odontology, cardiology and wound care.

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

Category	For the six months ended 30 June			
	2025 RMB'000 (unaudited)	Percentage of the Group's Total Revenue/ Gross Profit (%)	2024 RMB'000 (unaudited)	Percentage of the Group's Total Revenue/ Gross Profit (%)
Revenue:				
Pharmaceutical Products	212,926	32.9	248,470	30.4
Medical Devices	374,764	57.9	427,675	52.3
Gross Profit:				
Pharmaceutical Products	152,627	50.4	182,437	52.1
Medical Devices	146,615	48.4	159,242	45.4

During the Reporting Period, revenue generated from pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services decreased by 14.3% compared to last year to RMB212.9 million, representing 32.9% of the Group's revenue for the Reporting Period. Gross profit decreased by 16.3% compared to last year to RMB152.6 million, representing 50.4% of the Group's gross profit for the Reporting Period.

During the Reporting Period, the Group actively promoted various marketing efforts, and the revenue generated from pharmaceutical products remained stable on the strong growth basis in 2024. For the Group's key product, Difene, 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 remained stable on the strong growth basis in the same period of 2024.

As a product on which the Group holds high expectations, the cardiovascular product Zandip, after achieving both sales volume and market share growth in 2024, recorded a relatively stable performance during the Reporting Period. Leveraging its differentiated product characteristics, the Group has strictly implemented a professional academic promotion strategy, building a multi-level academic exchange ecosystem and executing precise brand management. These efforts have further strengthened Zandip's brand influence in its core therapeutic areas, enabling sales revenue to remain stable. By making use of Zandip's 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 Zandip. Through close follow-up and effective participation in clinical promotion work, the Group has continued to enhance the penetration and application of Zandip. The Group believes that Zandip 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.

During the Reporting Period, the Group's revenue generated from medical devices sold via the provision of comprehensive marketing, promotion and channel management services amounted to RMB374.8 million, with overall performance remaining stable. The performance of the Group's several dental medical device products such as Zenostar® systems, 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 December 2024, 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 Company published on 27 December 2023 for details). A registration application has been submitted for the fast-degrading version of the Archimedes Stent, and clinical trials are underway for the slow-degrading version. Meanwhile, the Group is currently pressing ahead with the localisation of innovative medical device products of Q3 Medical. At present, renovation of the production plant has completed and the Group is advancing the installation and validation of the equipment.

Additionally, 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® 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 in Chongqing, marking a new chapter with our international partners.

1.2 Products Sold via the Provision of Channel Management Services:

Category	For the six months ended 30 June			
	2025 RMB'000 (unaudited)	Percentage of the Group's Total Revenue/ Gross Profit (%)	2024 RMB'000 (unaudited)	Percentage of the Group's Total Revenue/ Gross Profit (%)
Revenue:				
Alcon series ophthalmic pharmaceutical products	59,576	9.2	141,828	17.3
Gross Profit:				
Alcon series ophthalmic pharmaceutical products	3,786	1.2	8,814	2.5

For the Reporting Period, the Group's revenue generated from this segment decreased by 58.0% compared to the same period last year to RMB59.6 million, representing 9.2% of the Group's revenue for the Reporting Period. Gross profit decreased by 56.8% compared to the same period last year to RMB3.8 million, representing 1.2% of the Group's gross profit for the Reporting Period.

As stated in the Group'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 will be 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. 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 clinic 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

As the sole importer of overseas medical products served by the Group into China, during the Reporting Period, 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 helps to enhance the Group's operational efficiency and 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 the third-party promotion partners. The in-house teams are primarily responsible for formulating marketing and promotion strategies, conducting pilot marketing programs, and appointing, training and supervising the third-party promotion partners. The 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 units divided by products or product series, and conducted products' promotion and sales work. In the environment of complex policies and intense market competition within the pharmaceutical industry, the Group constantly adjusted and optimized all components within the marketing network, with the aim of strengthening rapid market responses, as well as effective and professional product promotion activities. During the Reporting Period, with the more attention paid to the academic training of the in-house marketing teams, the Group strengthened the frequency and depth of the academic promotion activities directly involved by the internal marketing team, so as to raise the 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, improved the understanding and knowledge for the products of the third-party promotion partners through providing further large-scale and regular trainings, and assist them in providing doctors with clinical solutions related to the products. Through close collaboration between in-house marketing teams and the third-party promotion partners, the Group shared pharmaceutical policy and market information all over the country, and improved the communication mechanism and platform with the third-party promotion partners so as to improve the operation efficiency and continuously drive the Group's product development. 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

As at 30 June 2025, the Group did not have any investment in an investee company with a value of 5% or more of the Company's total assets.

3.1 Investment in DMAX Co

In January 2020, the Group, via Pioneer Pharma (Hong Kong) Co., Limited, a subsidiary of the Company, made an investment of US\$3,000,000 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 and Pioneer Pharma (Hong Kong) Co., Limited shall subscribe for 8,906 shares in the capital of DMAX Co for a consideration of US\$3,000,000. 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 for 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 their unique medical aesthetics techniques since the entry into the China's market. The investment this time 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 and Jiaxing Yuhan Fund

As of 30 June 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)), (the "**Shanghai Yuhan Fund**") was recognized as financial assets at fair value through profit or loss ("**FVTPL**"), representing an amount of RMB28.5 million. Shanghai Yuhan Fund, incorporated in the PRC, specializes in making investment in various targets within the pharmaceutical industry. As at 30 June 2025, the Group held 10% of the partners' capital of Shanghai Yuhan Fund. Shanghai Yuhan Fund mainly engages in the investment in unlisted private entities and structured bank deposits. During the six months ended 30 June 2025, the Group has received a capital distribution of RMB2.0 million from the Shanghai Yuhan Fund. The Group's investment in Jiaxing Yuhan fund (limited partnership) (嘉興譽瀚股權投資基金合夥企業(有限合夥)), (the "**Jiaxing Yuhan Fund**"), which amounted to RMB12.2 million, has been recognized as financial assets at FVTPL. As at 30 June 2025, the Group held 6.62% of the partners' capital in Jiaxing Yuhan Fund. Jiaxing Yuhan Fund was incorporated in the PRC and specialized in making investment in various targets within the pharmaceutical industry. 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 lever on its role in the Jiaxing Yuhan Fund for exploring and ascertaining targets of growth potential in the pharmaceutical industry for business partnering and investment opportunities, and achieving 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 as 2019-RC-1-03 transferred from Rongchang District Government of Chongqing Municipality (“**Rongchang District Government**”). The land covers a total area of 38,972 m² and has a transfer price of RMB5,998,800. In March 2019, Chongqing Qianfeng entered into a state-owned construction land use right transfer contract with the local government and obtained the state-owned construction land use right of the 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 m².

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[®] 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[®].

Rongchang Production Base is a significant strategic plan of the Group, which will direct the Group's transformation from a sales-oriented company to a comprehensive pharmaceutical company integrating research and development, production and sales. Through such series of measures, the Group hopes to respond to the national policy of industry development by turning Rongchang Production Base into an open technology platform, introducing new technologies and new products, and realizing the localization of high-quality imported products, and give full play to the comprehensive advantage of manufacturing and sales integration of the Group, resulting in constant improvement of the market competitiveness of the 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 centralized 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 realization of its strategic blueprint.

FINANCIAL REVIEW

Revenue

The Group's revenue in the Reporting Period was RMB647.3 million, representing a 20.9% decrease from RMB818.0 million for the six months ended 30 June 2024. Revenue generated from pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services in the Reporting Period was RMB212.9 million, representing a 14.3% decrease from RMB248.5 million for the six months ended 30 June 2024. Revenue generated from medical devices sold via the provision of comprehensive marketing, promotion and channel management services in the Reporting Period was RMB374.8 million, representing a 12.4% decrease from RMB427.7 million for the six months ended 30 June 2024. Revenue generated from products sold via the provision of channel management services in the Reporting Period was RMB59.6 million, representing a 58.0% decrease from RMB141.8 million for the six months ended 30 June 2024.

Cost of sales

The Group's cost of sales in the Reporting Period was RMB344.2 million, representing a 26.4% decrease from RMB467.5 million for the six months ended 30 June 2024. Cost of sales for pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services in the Reporting Period was RMB60.3 million, representing a 8.6% decrease from RMB66.0 million for the six months ended 30 June 2024. Cost of sales for medical devices sold via the provision of comprehensive marketing, promotion and channel management services in the Reporting Period was RMB228.1 million, representing a 15.0% decrease from RMB268.4 million for the six months ended 30 June 2024. Cost of sales in products sold via the provision of channel management services in the Reporting Period was RMB55.8 million, representing a 58.0% decrease from RMB133.0 million for the six months ended 30 June 2024.

Gross profit and gross profit margin

The Group's gross profit in the Reporting Period was RMB303.0 million, representing a 13.6% decrease from RMB350.5 million for the six months ended 30 June 2024. The Group's average gross profit margin in the Reporting Period was 46.8%, representing an increase from 42.8% for the six months ended 30 June 2024. The Group's gross profit margin for pharmaceutical products sold via the provision of comprehensive marketing, promotion and channel management services in the Reporting Period was 71.7%, representing a decrease from 73.4% for the six months ended 30 June 2024. The Group's gross profit margin for medical devices sold via the provision of comprehensive marketing, promotion and channel management services in the Reporting Period was 39.1%, representing an increase from 37.2% for the six months ended 30 June 2024. The Group's gross profit margin for products sold via the provision of channel management services in the Reporting Period was 6.4%, representing an increase from 6.2% for the six months ended 30 June 2024.

Other income

The Group's other income in the Reporting Period was RMB7.6 million, representing a 78.7% decrease from RMB35.7 million for the six months ended 30 June 2024, primarily due to the decrease in government grants during the Reporting Period.

Distribution and selling expenses

The Group's distribution and selling expenses in the Reporting Period were RMB163.9 million, representing a 10.6% decrease from RMB183.3 million for the six months ended 30 June 2024. Distribution and selling expenses in the Reporting Period were 25.3% of the revenue, representing an increase from 22.4% for the six months ended 30 June 2024.

Administrative expenses

The Group's administrative expenses in the Reporting Period were RMB68.6 million, representing a 2.4% decrease from RMB70.3 million for the six months ended 30 June 2024. Administrative expenses in the Reporting Period were 10.6% of the revenue, representing an increase from 8.6% for the six months ended 30 June 2024.

Finance costs

The Group's finance costs in the Reporting Period were RMB1.3 million, representing a 62.5% increase from RMB0.8 million for the six months ended 30 June 2024.

Income tax expense

The Group's income tax expense in the Reporting Period was RMB17.8 million, representing a 47.0% decrease from RMB33.6 million for the six months ended 30 June 2024, primarily due to the decrease in earnings during the Reporting Period. The Group's effective income tax rate for the six months ended 30 June 2024 and the Reporting Period were 27.6% and 28.0%, respectively. Since the beginning of 2019, the Group has been conducting business primarily through 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 period

As a result of the above factors, the Group's profit for the Reporting Period was RMB45.8 million, representing a 48.1% decrease from RMB88.3 million for the six months ended 30 June 2024, 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 for the Reporting Period was 7.1%, representing a decrease from 10.8% for the six months ended 30 June 2024.

LIQUIDITY AND CAPITAL RESOURCES

Cash Position

In the past, the Group's working capital and other capital needs were mainly funded by net cash flow from its operations, with supplementary financing from banks. The Group's cash and cash equivalents as at 30 June 2025 were RMB173.6 million, representing an increase from RMB103.6 million as at 31 December 2024.

Inventories

The Group's inventory balance as at 30 June 2025 was RMB244.2 million, representing a 24.0% decrease from RMB321.2 million as at 31 December 2024, primarily due to the decrease in the product inventory of Alcon during the Reporting Period.

Trade and other receivables

The Group's trade and other receivables as at 30 June 2025 were RMB482.3 million, representing a 4.0% decrease from RMB502.3 million as at 31 December 2024. The trade receivables turnover as of 30 June 2025 was 84.7 days, representing a decrease from 94.1 days as at 31 December 2024.

Trade and other payables

The Group's trade and other payables as at 30 June 2025 were RMB100.8 million, representing a 41.1% decrease from RMB171.2 million as at 31 December 2024. The Group's trade payables turnover as at 30 June 2025 was 47.3 days, representing a decrease from 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.

Bank borrowings and gearing ratio

The Group had total bank borrowings of RMB133.2 million as at 30 June 2025 as compared to RMB62.4 million as at 31 December 2024, with new long-term bank borrowings for construction projects during the Reporting Period amounting to RMB89.0 million. As of 30 June 2025, the effective interest rates of the Group's bank borrowings ranged from 1.60% to 3.90%. The bank borrowings were denominated in RMB. The Group's gearing ratio, calculated as bank borrowings divided by total assets, was 9.4% as of 30 June 2025, as compared to 4.3% as at 31 December 2024.

Indebtedness

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

	Less than 1 year RMB'000	Over 1 year RMB'000	Total RMB'000
As at 30 June 2025			
Bank borrowings	61,162	72,000	133,162
Trade payables	57,609	–	57,609
Amount due to related parties	14	–	14
Lease liabilities	656	1,032	1,688
As at 31 December 2024			
Bank borrowings	62,359	–	62,359
Trade payables	120,479	–	120,479
Amount 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 30 June 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 sales of the Group are denominated in RMB and the purchases, expenses and foreign investments of the Group are denominated in RMB, HKD, AUD, Euros and USD. At present, the Group has no foreign exchange hedging policy. Notwithstanding the above, the management continuously monitors the Group's foreign exchange risk and will consider hedging significant foreign exchange exposure should the need arises.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2025, the Group had a total of 343 employees. For the Reporting Period, staff costs of the Group were RMB34.6 million as compared to RMB35.0 million for the six months ended 30 June 2024. The Group's employee remuneration policy is determined by taking into account factors such as the remuneration level in the local market, the overall remuneration standard in the industry, the inflation level, the corporate operating efficiency and employees' performance. The Group conducts performance appraisals once every year for its employees, the results of which are taken into consideration in annual salary review and promotion assessment. The Group's employees are considered for annual bonuses based on 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 customer service. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or any material labor dispute during the Reporting Period.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Reporting Period, the Group has not made any material acquisition or disposal of subsidiaries, associates or joint ventures.

CHARGES ON ASSETS

During the Reporting Period, a property of Chongqing Qianfeng which was located at No. 8, Fuye Road, Changzhou Subdistrict, Rongchang District, Chongqing with a total area of 31,635.71 m², was pledged to China Everbright Bank Co., Ltd. Chongqing Branch for fixed asset and project financing borrowings in the amounts of RMB50.0 million (for a term of three years) and RMB40.0 million (for a term of five years), respectively.

Several patents (mainly are patents for medical device production process) held by Chongqing Qiushan Medical Devices Co., Ltd. (重慶求善醫療器械有限公司) were also pledged to China Everbright Bank Co., Ltd. Chongqing Branch for the aforementioned fixed asset and project financing borrowing in the amount of RMB40.0 million (for a term of five years).

Other Information

DIVIDEND

The board (the **"Board"**) of directors of the Company (the **"Directors"**) has resolved to declare an interim dividend of HK\$0.064 per ordinary share of the Company, amounting to HK\$80,477,000 in total to shareholders of the Company for the six months ended 30 June 2025. The expected payment date of the interim dividend is 20 October 2025.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 15 September 2025 to Thursday, 18 September 2025, in order to determine the entitlement of shareholders to the interim dividend. An interim 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 Monday, 15 September 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 Friday, 12 September 2025.

CORPORATE GOVERNANCE PRACTICE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the **"CG Code"**) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the **"Listing Rules"**). The Company has complied with the code provisions as set out in the CG Code for the six months ended 30 June 2025. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) contained in Appendix C3 to the Listing Rules. Specific enquiries have been made to all the Directors and each of the Directors has confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2025.

AUDIT COMMITTEE

The Board has established an audit committee (the **"Audit Committee"**), 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, preparation of financial statements and internal control procedures. It also acts as an important bridge between the Board and the external auditor in matters within the scope of Group's audit.

The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed internal control and financial reporting matters with senior management relating to the preparation of the unaudited condensed consolidated financial statements of the Group for the Reporting Period. There is no disagreement raised by the Audit Committee on the accounting treatment adopted by the Company. The interim results for the Reporting Period are unaudited but certain agreed-upon procedures have been performed by the auditor of the Company in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. The findings on the aforementioned “agreed-upon procedures” have been taken into consideration by the Audit Committee in its review of the interim results of the Company for the Reporting Period, which have been approved by the Board on 29 August 2025 prior to its issuance.

SHARE AWARD SCHEME

The share award scheme was adopted by the Board on 10 April 2015 (the “**Share Award Scheme**”) and was announced for renewal on 8 April 2025, with effect from 10 April 2025 to 9 April 2035. As of the date of this report, the remaining valid period of the Share Award Scheme is 3,482 days. For details of the renewed Share Award Scheme, please refer to the announcement of the Company dated 8 April 2025. As at the date of this report, 98,483,000 shares (approximately 7.83% of the shares in issue of the Company) in the Share Award Scheme were available for granting as awarded shares. No payment is required for the acceptance of the award under the Share Award Scheme.

As of the end of the Reporting Period, the Board only granted a total of 25,060,000 awarded shares to 150 selected employees (none of whom was a current Director or one of the five highest paid individuals of the Company) on 9 October 2015. On 9 October 2018, the above awarded shares lapsed automatically due to non-vesting upon the expiration of the vesting period. For details of the grant of such awarded shares, please refer to the announcement of the Company dated 9 October 2015. During the Reporting Period, no awards under the Share Award Scheme were granted, vested, cancelled or lapsed.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares, if any) during the six months ended 30 June 2025. As at 30 June 2025, the Company did not hold any treasury shares.

CHANGES IN RESPECT OF DIRECTORS’ INFORMATION

Pursuant to Rule 13.51B of the Listing Rules, there were no changes to the information at the date of this report, which is required to be disclosed and which has been disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to section 352 of the SFO to be entered into the register maintained by the Company, or (iii) be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests in the Shares of the Company

Name of Directors	Nature of Interest	Number of Shares	Approximate percentage of shareholding
Li Xinzhou	Interest of spouse ⁽¹⁾	834,795,000 (L)	66.39%
	Beneficial owner	9,714,000 (L)	0.77%

Remark:

The letter "L" denotes the long position in shares.

Note:

- (1) Ms. Wu Qian holds 99% shares in Tian Tian Limited and Tian Tian Limited holds 100% shares in Pioneer Pharma (BVI) Co. Ltd., therefore Ms. Wu Qian is deemed to be interested in 833,392,000 shares of the Company held by Pioneer Pharma (BVI) Co., Ltd., and Ms. Wu Qian holds 1,403,000 shares of the Company. As Ms. Wu Qian is the spouse of Mr. Li Xinzhou, Mr. Li Xinzhou is deemed to be interested in such 834,795,000 shares of the Company.

Interests in the Associated Corporations of the Company

Name of Directors	Name of Associated Corporations	Nature of Interest	Number of Shares	Approximate Percentage of Shareholding
Li Xinzhou	Tian Tian Limited ⁽¹⁾	Beneficial owner	1 (L)	1%
		Interest of spouse	99 (L)	99%

Remark:

The letter "L" denotes the long position in shares.

Note:

- (1) Mr. Li Xinzhou, together with his spouse Ms. Wu Qian hold 100% shares in Tian Tian Limited and Tian Tian Limited holds 100% shares in Pioneer Pharma (BVI) Co. Ltd.

Save as disclosed above, as at 30 June 2025, none of the Directors and the chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange, or (ii) recorded in the register to be kept by the Company under section 352 of the SFO, or (iii) pursuant to the Model Code, notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the six months ended 30 June 2025 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouse or children under 18 years of age, nor were any such rights exercised by them; nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouses or children under the age of 18, to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Substantial Shareholders	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding
Wu Qian	Interest of controlled corporation ⁽¹⁾	833,392,000 (L)	66.28%
	Interest of spouse ⁽²⁾	9,714,000 (L)	0.77%
	Beneficial owner	1,403,000 (L)	0.11%
Tian Tian Limited ⁽⁴⁾	Interest of controlled corporation ⁽³⁾	833,392,000 (L)	66.28%
Pioneer Pharma (BVI) Co., Ltd. ⁽⁴⁾	Beneficial owner	833,392,000 (L)	66.28%
ARK Trust (Hong Kong) Limited	Trustee	98,483,000 (L)	7.83%

Remark:

The letter "L" denotes the long position in shares.

Notes:

- (1) Ms. Wu Qian holds 99% shares in Tian Tian Limited, which in turn holds 100% shares in Pioneer Pharma (BVI) Co., Ltd. Accordingly, Ms. Wu Qian is deemed to be interested in 833,392,000 shares of the Company held by Pioneer Pharma (BVI) Co., Ltd.
- (2) 9,714,000 shares of the Company are held by Mr. Li Xinzhou, the spouse of Ms. Wu Qian. Accordingly, Ms. Wu Qian is deemed to be interested in such 9,714,000 shares of the Company.
- (3) Tian Tian Limited through its controlled corporation, Pioneer Pharma (BVI) Co., Ltd., is deemed to be interested in 833,392,000 shares of the Company held by Pioneer Pharma (BVI) Co., Ltd.
- (4) Mr. Li Xinzhou is a director of each of Pioneer Pharma (BVI) Co., Ltd. and Tian Tian Limited.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited and restated)
Revenue	4	647,266	817,973
Cost of sales		(344,238)	(467,480)
Gross profit		303,028	350,493
Other income	5	7,588	35,683
Other gains and losses, net	6	(10,449)	(2,709)
Impairment losses under expected credit loss model, net of reversal	7	(114)	(4,486)
Distribution and selling expenses		(163,918)	(183,330)
Administrative expenses		(68,563)	(70,312)
Research and development expenses		(2,378)	(2,459)
Finance costs		(1,312)	(767)
Share of losses of associates		(302)	(244)
Profit before tax		63,580	121,869
Income tax expense	8	(17,811)	(33,584)
Profit for the period	7	45,769	88,285
Other comprehensive income			
Items 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		(13,845)	56,980
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of foreign operations		–	2,085
– Share of exchange difference of associates		184	(712)
Other comprehensive income for the period		(13,661)	58,353
Total comprehensive income for the period		32,108	146,638
Profit for the period attributable to:			
Owners of the Company		47,736	95,364
Non-controlling interests		(1,967)	(7,079)
		45,769	88,285

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited and restated)
Total comprehensive income for the period attributable to:			
Owners of the Company		34,075	153,717
Non-controlling interests		(1,967)	(7,079)
		32,108	146,638
Earnings per share	9		
– Basic (RMB yuan)		0.04	0.08
– Diluted (RMB yuan)		0.04	0.08

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	11	188,965	187,867
Right-of-use assets		22,045	30,784
Intangible assets		17,787	20,391
Interests in associates		50,394	47,719
Financial assets at FVTOCI	12	81,495	110,391
Financial assets at fair value through profit or loss ("FVTPL")	15	40,668	42,668
Prepayments for technique know-hows	14	76,594	76,405
Goodwill		—	—
Deferred tax assets	13	13,645	7,989
		491,593	524,214
Current assets			
Inventories		244,248	321,172
Trade and other receivables	14	482,274	502,325
Taxation recoverable		14,306	344
Pledged bank deposits		4,042	6,451
Cash and cash equivalents		173,632	103,573
		918,502	933,865
Current liabilities			
Trade and other payables	16	100,831	171,159
Amounts due to related parties	19	14	4,505
Tax liabilities		30,623	32,750
Bank borrowings	17	61,162	62,359
Lease liabilities		656	1,399
Contract liabilities		1,997	3,246
		195,283	275,418
Net current assets		723,219	658,447
Total assets less current liabilities		1,214,812	1,182,661

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Deferred tax liabilities	13	16,564	16,396
Bank borrowings	17	72,000	–
Lease liabilities		1,032	11,463
Deferred income		38,150	39,240
		127,746	67,099
Net assets		1,087,066	1,115,562
Capital and reserves			
Equity attributable to the owners of the Company			
Share capital	18	77,399	77,399
Reserves		1,006,520	1,033,049
Equity attributable to owners of the Company		1,083,919	1,110,448
Non-controlling interests		3,147	5,114
Total equity		1,087,066	1,115,562

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company									Non-controlling interests	Total
	Share capital	Share premium	Other reserve	Translation reserve	Statutory reserve	Treasury share reserve	Investments revaluation reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024 (audited)	77,399	621,726	(70,409)	(14,307)	28,180	(224,826)	(46,200)	634,880	1,006,443	11,324	1,017,767
Prior year adjustment	-	-	-	-	-	-	(10,275)	10,275	-	-	-
At 1 January 2024 (audited and restated)	77,399	621,726	(70,409)	(14,307)	28,180	(224,826)	(56,475)	645,155	1,006,443	11,324	1,017,767
Profit/(loss) for the period	-	-	-	-	-	-	-	95,364	95,364	(7,079)	88,285
Other comprehensive income	-	-	-	1,373	-	-	56,980	-	58,353	-	58,353
Total comprehensive income for the period	-	-	-	1,373	-	-	56,980	95,364	153,717	(7,079)	146,638
Reclassification of investments revaluation reserve to retained profits upon disposal	-	-	-	-	-	-	2,286	(2,286)	-	-	-
Appropriation to reserve	-	-	-	-	1,071	-	-	(1,071)	-	-	-
Dividends recognised as distribution (Note 10)	-	-	-	-	-	-	-	(26,263)	(26,263)	-	(26,263)
Repurchase of ordinary shares under Share Award Scheme	-	-	-	-	-	(12,740)	-	-	(12,740)	-	(12,740)
At 30 June 2024 (unaudited and restated)	77,399	621,726	(70,409)	(12,934)	29,251	(237,566)	2,791	710,899	1,121,157	4,245	1,125,402
At 1 January 2025 (audited)	77,399	621,726	(70,409)	(18,830)	30,269	(252,877)	44,407	678,763	1,110,448	5,114	1,115,562
Profit/(loss) for the period	-	-	-	-	-	-	-	47,736	47,736	(1,967)	45,769
Other comprehensive income	-	-	-	184	-	-	(13,845)	-	(13,661)	-	(13,661)
Total comprehensive income for the period	-	-	-	184	-	-	(13,845)	47,736	34,075	(1,967)	32,108
Reclassification of investments revaluation reserve to retained profits upon disposal	-	-	-	-	-	-	12,815	(12,815)	-	-	-
Appropriation to reserve	-	-	-	-	231	-	-	(231)	-	-	-
Dividends recognised as distribution (Note 10)	-	-	-	-	-	-	-	(59,708)	(59,708)	-	(59,708)
Repurchase of ordinary shares under Share Award Scheme	-	-	-	-	-	(896)	-	-	(896)	-	(896)
At 30 June 2025 (unaudited)	77,399	621,726	(70,409)	(18,646)	30,500	(253,773)	43,377	653,745	1,083,919	3,147	1,087,066

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
NET CASH FROM OPERATING ACTIVITIES	70,947	92,943
Investing activities		
Interest income on bank deposits	158	964
Loan interests from other loans	3,124	–
Capital distribution from an investment fund	2,000	600
Withdrawal of financial assets at FVTPL	–	10,097
Proceed from disposal of financial assets at FVTOCI	28,896	15,461
Investment in an associate	–	(355)
Purchases of property, plant and equipment	(17,942)	(4,080)
Proceeds from disposal of property, plant and equipment	1,421	–
Payment for deposits for acquisition of technique know-how	–	(39,118)
Purchases of intangible assets	(800)	(5,601)
Net cash outflow from acquisition of subsidiaries	–	(7,678)
Placement of pledged bank deposits	4,252	26,737
Withdrawal of pledged bank deposits	(2,001)	(8,739)
Advance to an associate	(2,977)	–
Advance to related parties	(6,400)	–
Advance to a third party (included in other receivables)	(54,000)	–
Repayment from a third party (included in other receivables)	41,300	–
<i>Net cash used in investing activities</i>	(2,969)	(11,712)
Financing activities		
Dividend paid	(59,708)	(26,263)
New bank borrowings raised	136,737	63,140
Repayments of bank borrowings	(65,934)	(53,971)
Repayment to a third party	–	(20,000)
Payment for repurchase of ordinary shares under share award scheme	(896)	(12,740)
Repayment of lease liabilities	(2,353)	(14)
Interest paid	(1,274)	(753)
Repayment to related parties	(4,491)	–
<i>Net cash from/(used in) financing activities</i>	2,081	(50,601)
Net increase in cash and cash equivalents	70,059	30,630
Cash and cash equivalents at beginning of period	103,573	114,427
Effect of foreign exchange rate changes	–	59
Cash and cash equivalents at end of period	173,632	145,116

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

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 is at One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands and the principal place of business of the Company is at No. 15, Lane 88 Wuwei Road, Putuo District, Shanghai, the People’s Republic of China (“**PRC**”). The Company’s immediate and ultimate holding company are Pioneer Pharma (BVI) Limited (“**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 (collectively referred to as the “**Group**”) are the marketing, promotion and sale of pharmaceutical products and medical equipment and supplies and provision of metal finishing services.

The condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (“**IASB**”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. RESTATEMENT OF COMPARATIVE FIGURES

As disclosed in the 2024 annual report, in preparing the consolidated financial information for the year ended 31 December 2024, the Group identified a misstatement in its prior year’s financial statements 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. Directors of the Company have assessed that the Group’s investments in the Funds do not meet the definition of an equity instrument in IFRS 9 Financial Instruments, which refers 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.

For the six months ended 30 June 2025

2. RESTATEMENT OF COMPARATIVE FIGURES (Continued)**Adjustments relating to classification of investments in unlisted investment funds (“The Funds”) (Continued)**

Since the misstatement is not yet identified in the preparation of consolidated financial information for the six months ended 30 June 2024, comparative information has been restated to correct these errors. The effects of correcting these errors are as follows:

Impact on the consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2024:

	As previously reported RMB'000	Prior period adjustment RMB'000	As restated RMB'000
Gain on change in fair value of financial assets at fair value through profit or loss (included in other gains or losses, net)	97	546	643
Profit before tax	121,323	546	121,869
Income tax expense	(33,447)	(137)	(33,584)
Profit for the period	87,876	409	88,285
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
– Fair value gain on investments in financial assets at fair value through other comprehensive income (“FVTOCI”), net of income tax	57,389	(409)	56,980
Other comprehensive income for the period, net of income tax	58,762	(409)	58,353
Total comprehensive income for the period	146,638	–	146,638
Profit for the period attributable to:			
Owners of the Company	94,955	409	95,364
Non-controlling interests	(7,079)	–	(7,079)
	87,876	409	88,285
Total comprehensive income for the period attributable to:			
Owners of the Company	153,717	–	153,717
Non-controlling interests	(7,079)	–	(7,079)
	146,638	–	146,638
Earnings per share			
Basic and diluted	0.08	–	0.08

For the six months ended 30 June 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following revised IFRS accounting standards for the first time for the current period's financial information.

Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates and IFRS 1 First-time Adoption of International Financial Reporting Standards	Lack of exchangeability
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The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements. The Group has not early applied any new or amended IFRSs that are not yet effective for the current accounting period.

4. SEGMENT INFORMATION

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 acceptance or consumption by customers.

Information reported to the executive directors, being the chief operating decision maker (the “**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. Segment profit represents the gross profit earned by each segment.

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.
- (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**”).

For the six months ended 30 June 2025

4. SEGMENT INFORMATION (Continued)

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 revenue and results

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

For the six months ended 30 June 2025 (unaudited)

	Products sold via the provision of comprehensive marketing, promotion and channel management services RMB'000	Products sold via the provision of channel management services RMB'000	Consolidated RMB'000
Segment revenue	587,690	59,576	647,266
Segment results	299,242	3,786	303,028
Other income			7,588
Other gains and losses, net			(10,449)
Impairment losses under expected credit loss model, net of reversal			(114)
Distribution and selling expenses			(163,918)
Administrative expenses			(68,563)
Research and development expenses			(2,378)
Finance costs			(1,312)
Share of losses of associates			(302)
Profit before tax			63,580

For the six months ended 30 June 2025

4. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the six months ended 30 June 2024 (unaudited and restated)

	Products sold via the provision of comprehensive marketing, promotion and channel management services RMB'000	Products sold via the provision of channel management services RMB'000	Consolidated RMB'000
Segment revenue	676,145	141,828	817,973
Segment results	341,679	8,814	350,493
Other income			35,683
Other gains and losses, net			(2,709)
Impairment losses under expected credit loss model, net of reversal			(4,486)
Distribution and selling expenses			(183,330)
Administrative expenses			(70,312)
Research and development expenses			(2,459)
Finance costs			(767)
Share of losses of associates			(244)
Profit before tax			121,869

For the six months ended 30 June 2025

4. SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers

	For six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Types of sales		
Sales of pharmaceutical products	272,502	390,298
Sales of medical equipment and supplies	374,764	427,675
	647,266	817,973
Types of major products		
Products sold via the provision of channel management services:		
Alcon	59,576	141,828
Products sold via the provision of comprehensive marketing, promotion and channel management services:		
Pharmaceutical products	212,926	248,470
Medical equipment and supplies	374,764	427,675
	587,690	676,145
	647,266	817,973

Geographical information

All of the Group's revenue from external customers is attributed to the group entities' country of domicile (i.e. The People's Republic of China).

For the six months ended 30 June 2025

5. OTHER INCOME

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Government grants <i>(Note)</i>	3,413	34,427
Interest income on bank deposits	158	964
Loan interests from other loans	3,124	–
Metal finishing service income	733	–
Others	160	292
	7,588	35,683

Note: Government grants amounting to RMB1,090,000 (2024: RMB1,090,000) represented the amount of deferred income released to profit or loss for the six months ended 30 June 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.

6. OTHER GAINS AND LOSSES, NET

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited and restated)
Net foreign exchange losses	(9,890)	(2,743)
Loss on disposal of property, plant and equipment	(732)	(609)
Gain on early termination of lease	672	–
Gain on fair value change of financial assets at FVTPL	–	643
Others	(499)	–
	(10,449)	(2,709)

For the six months ended 30 June 2025

7. PROFIT BEFORE TAX

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Profit before tax has been arrived at after charging:		
Directors' remuneration	2,704	2,649
Other staff's retirement benefits scheme contributions	4,379	5,607
Other staff costs	27,528	26,723
Total staff costs	34,611	34,979
Write-down of inventories	1,756	19,409
Depreciation of right-of-use assets	590	1,034
Depreciation of property, plant and equipment	14,691	10,225
Amortisation of intangible assets	3,404	3,488
Impairment losses under expected credit loss model, net of reversal (Note)	114	4,486

Note: The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

For the six months ended 30 June 2025

8. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited and restated)
Current tax		
– PRC Enterprise Income Tax (“EIT”)	23,034	40,783
– Under-provision in prior periods	265	2,657
	23,299	43,440
Deferred taxation charge	(5,488)	(9,856)
	17,811	33,584

9. EARNINGS PER SHARE

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

	For the Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited and restated)
Earnings		
Earnings for the purpose of calculating basic earnings per share	47,736	95,364
Numbers of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	1,164,472,366	1,171,294,390

For the six months ended 30 June 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 Bank of Communications Trustee Limited from the market pursuant to the share award scheme and the ordinary shares repurchased by the Company.

No diluted earnings per share for both periods were presented as there were no potential dilutive ordinary shares in issue for both periods.

For the six months ended 30 June 2025

10. DIVIDENDS

During the current interim period, a final dividend of HKD0.056 (equivalent to approximately RMB0.052) per share in respect of the year ended 31 December 2024 (2024: a final dividend of HKD0.024 (equivalent to approximately RMB0.022) per share in respect of the year ended 31 December 2023) was declared to shareholders of the Company. The aggregate amount of the dividends declared and paid in the interim period amounted to RMB59,708,000 (2024: RMB26,263,000).

Subsequent to the end of the current interim period, the Directors of the Company have determined that an interim dividend of HKD0.064 (equivalent to approximately RMB0.059) per share amounting to HKD80,477,000 (equivalent to approximately RMB74,189,000) (2024: HKD60,357,000 equivalent to RMB55,150,000) in aggregate will be paid to shareholders of the Company.

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group paid approximately RMB17,942,000 (2024: RMB4,080,000) for acquisition of furniture and equipment and construction for factory building.

For the six months ended 30 June 2025

12. FINANCIAL ASSETS AT FVTOCI

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Listed investment:		
– Equity securities listed in Australia (Note a)	52,338	81,234
Unlisted investment:		
– Ke Rui Si (Note b)	29,157	29,157
	81,495	110,391

Notes:

- (a) The amount represents equity investment in 1.85% (FY2024: 2.27%) ordinary shares of Paragon Care Limited (“**Paragon**”).

As at 30 June 2025, the fair value of the Group’s interest in Paragon, the shares of which are listed on the Australian Securities Exchange, was Australian Dollars (“**AUD**”) 11,179,000 (equivalent to approximately RMB52,338,000) 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, the shares of which are listed on the Australian Securities Exchange, was AUD18,024,000 (equivalent to approximately RMB81,234,000) based on the quoted market price available on the Australian Securities Exchange.

- (b) 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.

The Directors had elected to designate the above investments as 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.

For the six months ended 30 June 2025

13. DEFERRED TAXATION

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Deferred tax assets	13,645	7,989
Deferred tax liabilities	(16,564)	(16,396)
	(2,919)	(8,407)

The followings are the major deferred tax assets/(liabilities) recognised and movements thereon during the current and preceding interim periods:

	ECL and inventories provision RMB'000	Unrealised profit on inventories RMB'000	Accrued marketing service fee RMB'000	Undistributed profit of subsidiaries RMB'000	Deferred income RMB'000	Financial assets at FVTPL RMB'000	Total RMB'000
At 1 January 2024 (Audited)	1,029	711	528	(3,000)	(10,355)	(2,925)	(14,012)
(Charge)/credit to profit or loss	5,008	(388)	1,067	-	4,306	(137)	9,856
At 30 June 2024 (Unaudited and restated)	6,037	323	1,595	(3,000)	(6,049)	(3,062)	(4,156)
(Charge)/credit to profit or loss	(4,473)	2,461	2,046	(269)	(3,761)	(255)	(4,251)
At 31 December 2024 (Audited)	1,564	2,784	3,641	(3,269)	(9,810)	(3,317)	(8,407)
(Charge)/credit to profit or loss	325	5,800	(469)	(440)	272	-	5,488
At 30 June 2025 (Unaudited)	1,889	8,584	3,172	(3,709)	(9,538)	(3,317)	(2,919)

For the six months ended 30 June 2025

13. DEFERRED TAXATION (Continued)

As at the end of the current interim period, the Group has unused tax losses of approximately RMB113,463,000 (31 December 2024: RMB71,773,000) available for offsetting against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations, the unrecognised tax losses at the end of the reporting period will expire in the following years:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
2025	–	1,785
2026	5,969	5,969
2027	13,509	13,509
2028	14,787	14,787
2029	28,771	28,771
2030	37,360	–
	100,396	64,821

As at the end of the current interim period, the aggregate amount of temporary differences associated with undistributable earnings of the PRC subsidiaries amounted to RMB624,768,000 (31 December 2024: RMB650,668,000). Deferred taxation has not been provided for in the condensed consolidated financial statements in respect of the retained profits of the PRC subsidiaries amounting to RMB824,538,000 (31 December 2024: RMB734,782,000) as the Group has set aside such fund for the business development in the PRC and is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

For the six months ended 30 June 2025

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Prepayments for technique know-hows (Note 1)	76,594	76,405
Non-current portion	76,594	76,405
Trade and bills receivables (Note 2)	259,721	339,099
Less: Allowance for credit losses	(1,807)	(2,032)
	257,914	337,067
Other receivables (Note 3)	92,689	55,266
Amount due from a related party (Note 4)	26,194	18,550
Prepayments	30,515	27,676
Deposits	21,491	21,381
	428,803	459,940
Advance payment to suppliers	17,028	10,867
Other tax recoverable	36,443	31,518
	482,274	502,325

Note 1: The amount represented prepayment to acquire intellectual property rights from Q3 Medical Devices Limited ("**Q3 Medical**"). 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 establish factories in the PRC to research and develop, produce and sell the products under this intellectual property rights.

Note 2: 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 3: Included in other receivables of approximately RMB49,556,000 at 30 June 2025 (FY2024: RMB37,418,000) was loans to an independent third party which is unsecured, bearing interest at 5.8% per annum with contractual maturity date not exceeding 12 months after the reporting period.

Note 4: 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 a director of the Terra Maestro.

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

For the six months ended 30 June 2025

14. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

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:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
0 to 60 days	139,289	171,708
61 to 180 days	92,984	122,118
181 days to 1 year	16,981	34,119
Over 1 year	8,660	9,122
	257,914	337,067

As at 30 June 2025, total bills receivables amounting to RMB3,437,000 (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 receivables held by the Group are with a maturity period of less than 1 year.

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15. FINANCIAL ASSETS AT FVTPL

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Unlisted debt instruments:		
– Investment in Shanghai Yuhan Fund (<i>Note 1</i>)	28,486	30,486
– Investment in Jiaxing Yuhan Fund (<i>Note 2</i>)	12,182	12,182
	40,668	42,668

Note 1: 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 30 June 2025, the Shanghai Yuhan Fund received contributions from its partners of approximately RMB129 million (2024: RMB149 million), among which the Group injected approximately RMB12.9 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.

Note 2: 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 30 June 2025 and 31 December 2024, the Jiaxing Yuhan Fund received contributions from its partners of approximately RMB151 million (FY2024: RMB151 million), among which the Group injected approximately RMB10 million (FY2024: RMB10 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.

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16. TRADE AND OTHER PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade payables	57,609	120,479
Payroll and welfare payables	5,370	6,809
Other tax payables	1,501	1,534
Marketing service fee payables	12,807	14,561
Deposits received from distributors	8,472	6,423
Other payables and accrued charges	15,072	21,353
	100,831	171,159

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

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

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
0 to 90 days	50,484	111,253
91 to 180 days	3,429	3,184
181 days to 1 year	3,682	893
Over 1 year	14	5,149
	57,609	120,479

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17. BANK BORROWINGS

During the current interim period, the Group repaid its current bank borrowings of RMB65,934,000 (30 June 2024: RMB53,971,000) and raised current bank borrowings of RMB61,162,000 (30 June 2024: RMB63,140,000). Except for current bank borrowings of RMB25,000,000 (31 December 2024: RMB4,200,000) which are unsecured, bank borrowings of RMB36,162,000 (31 December 2024: RMB58,159,000) are secured by personal guarantee, company guarantee and property, plant and equipment. The amounts are due within one year. The effective interest rates on the Group's fixed-rate borrowings range from 1.60% to 3.90% per annum (31 December 2024: 1.78% to 4.10% per annum).

The Group's non-current secured bank borrowings of RMB72,000,000 (31 December 2024: Nil) are repayable on 19 December 2027 and 17 June 2030. The contracts include a covenant that requires the amount be used in property, plant and equipment investment purpose every year. The loan will be repayable on demand if the covenant is not met. The Group met the covenant requirements as at 30 June 2025 and the borrowing was classified as non-current. As at 30 June 2025, the Group complied with all the covenants that were required to be met on or before 30 June 2025. The covenants that are required to be complied with after the end of the current interim period do not affect the classification of the related borrowings as current or non-current at the end of the current interim period. The effective interest rates on the Group's floating rate borrowings range from 2.50% to 2.51% per annum (31 December 2024: Nil).

18. SHARE CAPITAL OF THE COMPANY

	Number of shares	Amount RMB'000
Authorised:		
Ordinary shares of US\$0.01 each		
At 1 January 2024, 30 June 2024, 31 December 2024 and 30 June 2025	3,000,000,000	184,716
Issued and fully paid:		
At 1 January 2024 (Audited), 30 June 2024 (Unaudited), 31 December 2024 (Audited) and 30 June 2025 (Unaudited)	1,257,447,000	77,399
	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Shown in the condensed consolidated financial statements	77,399	77,399

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during both periods.

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19. RELATED PARTIES DISCLOSURES**(a) The Group had the following material transactions with its related parties during the reporting period:**

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Purchase of finished goods from DMAX	1,208	1,662

(b) Balances with related parties at end of reporting period are as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Name of the related parties		
Non-trade in nature		
<i>Amount due from associates – non-current</i>		
Yuyue	45,940	43,105
Dimei (Note 14)	3,950	–
<i>Amount due from a related party – current</i>		
Terra Maestro (Note 14)	26,194	18,550
<i>Amount due to a related party – current</i>		
Mr. Li – current (Note a)	10	4,419
Trade in nature		
<i>Amount due to a related party – current</i>		
DMAX (Note b)	4	86

Notes:

- (a) The balances as at 30 June 2025 and 31 December 2024 are unsecured, interest free and repayable on demand.
- (b) Amount represented trade payables for purchase of finished goods with credit term of 60 days and the balance was aged within 180 days.

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19. RELATED PARTIES DISCLOSURES (Continued)**(c) Compensation of key management personnel**

The remuneration of key management personnel during the period was as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Short-term employee benefits	4,947	4,914
Post employee benefits	455	455
	5,402	5,369

The Group determines remuneration of key management personnel by reference to the performance of individuals and market trend.

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**Fair value of the Group's financial assets that are measured at fair value on a recurring basis**

Certain of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For the six months ended 30 June 2025

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)**Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)**

Financial asset	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30 June 2025 (Unaudited)	31 December 2024 (Audited)				
1) Financial assets at FVTOCI (Note 12)	1.85% equity investment in Paragon – RMB52,338,000	2.27% equity investment in Paragon – RMB81,234,000	Level 1	Quoted bid prices in active market	Not applicable	Not applicable
	10% equity investment in the Ke Rui Si RMB29,157,000	10% equity investment in the Ke Rui Si RMB29,157,000	Level 3	Latest transaction prices/ consideration for shares transfers in similar equity interests	Consideration due to timing, condition of sale and terms of agreement Change in the market capitalisation of the comparable companies	The higher the value of similar transactions, the higher the valuation The higher the percentage change in the market capitalisation, the higher the valuation
2) Financial assets at FVTPL (Note 15)	10% equity investment in the Shanghai Yuhan Fund – RMB28,486,000	10% equity investment in the Shanghai Yuhan Fund – RMB30,486,000	Level 3	Market approach by applying market multiples such as the ratio of market capital to net book value from comparable companies and adjusted by discount on lack of marketability	The ratio of market capital to net book value and net profit from comparable companies is determined by the mean of comparable companies as at the valuation date	The higher the ratio of market capital to net book value from comparable companies, the higher the fair value of the financial assets
	6.62% equity investment in the Jiaying Yuhan Fund – RMB12,182,000	6.62% equity investment in the Jiaying Yuhan Fund – RMB12,182,000	Level 3		Discount for lack of marketability taking into account the external valuer's estimate on the length of time and effort required by the management to dispose of the equity interest which is determined as 15% to 25% (2024: 15% to 25%)	The higher of the discount for lack of marketability, the lower the fair value of the financial assets

There were no transfers between levels in the both periods.

For the six months ended 30 June 2025

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

Reconciliation of level 3 fair value measurements of financial assets

	Financial assets at FVTOCI RMB'000	Financial assets at FVTPL RMB'000
At 1 January 2024 (audited and restated)	–	51,700
Total gains recognised in profit or loss	–	643
Capital distribution from an investment fund	–	(600)
Withdrawal of financial assets at FVTPL	–	(10,097)
At 30 June 2024 (unaudited and restated)	–	41,646
At 1 January 2025 (audited)	29,157	42,668
Capital distribution from an investment fund	–	(2,000)
At 30 June 2025 (unaudited)	29,157	40,668

Except as detailed in the above table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.