

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



## ESSEX BIO-TECHNOLOGY LIMITED

## 億勝生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1061)

# ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “Board”) of directors (the “Directors”) of Essex Bio-Technology Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2024 together with comparative figures for the year ended 31 December 2023 as follows:

### FINANCIAL HIGHLIGHTS

	Presentation Currency in HK\$			Comparison Results in RMB		
	2024 HK\$'000	2023 HK\$'000	Increase/ (decrease) %	2024 RMB'000	2023 RMB'000	Increase/ (decrease) %
<b>Results</b>						
Turnover (Note 6)	1,669,817	1,736,972	(3.9)	1,537,813	1,569,184	(2.0)
Profit for the year	307,222	275,260	11.6	282,935	248,670	13.8
<b>Financial position</b>						
Total assets	2,983,045	2,827,558	5.5	2,803,078	2,559,927	9.5
Total liabilities	859,325	903,781	(4.9)	807,482	818,237	(1.3)
Net assets	2,123,720	1,923,777	10.4	1,995,596	1,741,690	14.6
Cash and cash equivalents	557,167	509,845	9.3	523,553	461,588	13.4
	2024	2023	Increase/ (decrease) %			
<b>Financial ratios</b>						
Current ratio (Note 1)	1.81	1.54				
Gearing ratio (Note 2)	0.29	0.32				
Gross profit margin (Notes 3 and 6)	89.8%	89.9%				
Net profit margin (Notes 4 and 6)	18.4%	15.8%				
Return on equity (Note 5)	14.5%	14.3%				
Earnings per share						
– Basic	HK54.14 cents	HK48.27 cents	12.2			
– Diluted	HK53.18 cents	HK46.90 cents	13.4			
<b>Dividend per ordinary share</b>						
– Interim	HK6.0 cents	HK4.5 cents	33.3			
– Final	HK6.0 cents	HK4.5 cents	33.3			
	<u>HK12.0 cents</u>	<u>HK9.0 cents</u>	33.3			

Notes:

- 1 Current ratio: Total current assets/Total current liabilities
- 2 Gearing ratio: Total liabilities/Total assets
- 3 Gross profit margin: Gross profit/Turnover x 100%
- 4 Net profit margin: Profit for the year/Turnover x 100%
- 5 Return on equity: Profit for the year/Total equity x 100%
- 6 Comparative figures have been reclassified to conform to the current year’s presentation.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <b>HK\$</b>	2023 <i>HK\$</i> (re-presented)
<b>Turnover</b>	<i>3 &amp; 4</i>	<b>1,669,816,770</b>	1,736,972,134
Cost of sales		<u>(171,154,250)</u>	<u>(174,943,412)</u>
<b>Gross profit</b>		<b>1,498,662,520</b>	1,562,028,722
Other revenue, and other gains and losses		<b>33,964,595</b>	25,802,515
Distribution and selling expenses		<b>(934,180,643)</b>	(1,011,995,846)
Administrative expenses		<b>(213,947,904)</b>	(216,967,423)
Finance costs		<b>(6,087,256)</b>	(11,212,159)
Share of loss of an associate		<b>(2,911,081)</b>	(1,641,382)
<b>Profit before income tax</b>	<i>5</i>	<b>375,500,231</b>	346,014,427
Income tax	<i>6</i>	<b>(68,278,413)</b>	(70,754,810)
<b>Profit for the year</b>		<b><u>307,221,818</u></b>	<u>275,259,617</u>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		<b>(56,207,805)</b>	(42,291,234)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Changes in fair value of equity instruments at fair value through other comprehensive income		<b><u>9,643,772</u></b>	<u>11,956,727</u>
<b>Other comprehensive income for the year</b>		<b><u>(46,564,033)</u></b>	<u>(30,334,507)</u>
<b>Total comprehensive income for the year</b>		<b><u><u>260,657,785</u></u></b>	<u><u>244,925,110</u></u>
<b>Earnings per share attributable to owners of the Company</b>			
Basic	<i>8</i>	<b><u>HK54.14 cents</u></b>	<u>HK48.27 cents</u>
Diluted	<i>8</i>	<b><u>HK53.18 cents</u></b>	<u>HK46.90 cents</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>Notes</i>	<b>2024</b> <b>HK\$</b>	2023 <b>HK\$</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	<b>393,979,768</b>	384,541,423
Right-of-use assets		<b>20,226,464</b>	21,317,529
Land use rights		<b>13,701,944</b>	14,587,788
Goodwill		<b>53,950,779</b>	56,016,106
Other intangible assets	10	<b>1,127,654,183</b>	1,054,838,195
Investment in an associate		<b>159,303</b>	928,529
Convertible loan receivables	11	<b>14,545,374</b>	–
Financial assets at fair value through other comprehensive income	12	<b>44,223,974</b>	39,067,772
Financial assets at fair value through profit or loss	12	<b>2,589,859</b>	366,251
Deposits and prepayments	15	<b>28,712,150</b>	10,617,279
<b>Total non-current assets</b>		<b>1,699,743,798</b>	1,582,280,872
<b>Current assets</b>			
Inventories	13	<b>58,938,488</b>	62,821,919
Trade and other receivables	14	<b>586,295,190</b>	595,420,249
Deposits and prepayments	15	<b>46,604,231</b>	26,783,683
Convertible loan receivables	11	<b>30,724,762</b>	41,820,601
Financial assets at fair value through profit or loss	12	<b>3,572,345</b>	5,179,921
Restricted cash		–	3,405,969
Cash and cash equivalents		<b>557,166,527</b>	509,845,284
<b>Total current assets</b>		<b>1,283,301,543</b>	1,245,277,626
<b>Total assets</b>		<b>2,983,045,341</b>	2,827,558,498
<b>Current liabilities</b>			
Trade and other payables	16	<b>545,396,348</b>	484,212,754
Bank borrowings		<b>69,798,439</b>	55,404,346
Lease liabilities		<b>3,265,185</b>	1,696,026
Convertible loan payable	17	–	180,460,415
Current tax liabilities		<b>90,517,863</b>	88,970,548
<b>Total current liabilities</b>		<b>708,977,835</b>	810,744,089
<b>Net current assets</b>		<b>574,323,708</b>	434,533,537
<b>Total assets less current liabilities</b>		<b>2,274,067,506</b>	2,016,814,409
<b>Non-current liabilities</b>			
Bank borrowings		<b>95,549,757</b>	36,056,728
Lease liabilities		<b>18,425,411</b>	20,404,708
Deferred tax liabilities		<b>36,372,158</b>	36,575,748
<b>Total non-current liabilities</b>		<b>150,347,326</b>	93,037,184
<b>Total liabilities</b>		<b>859,325,161</b>	903,781,273
<b>NET ASSETS</b>		<b>2,123,720,180</b>	1,923,777,225
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital		<b>56,712,900</b>	56,758,500
Reserves		<b>2,067,007,280</b>	1,867,018,725
<b>TOTAL EQUITY</b>		<b>2,123,720,180</b>	1,923,777,225

## NOTES:

### 1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

### 2. ADOPTION OF HKFRSs

#### **Adoption of revised HKFRSs with effect from 1 January 2024**

The Group has adopted the following amendments to HKFRSs issued by the HKICPA for the first time for the current year’s financial statements.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of these amendments has no material impact on the Group’s financial statements except as explained below.

#### ***Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current***

The narrow-scope amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what HKAS 1 means when it refers to the ‘settlement’ of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

### 3. TURNOVER

Turnover represents the sales value of goods supplied to customers and service income (net of sales tax, value-added tax, commercial discounts and sales returns), further details of which are set out in note 4.

### 4. SEGMENT REPORTING

The Group manages its businesses by business lines. The segment information is reported internally to the chief operating decision-maker (i.e. executive Directors) for the purposes of resources allocation and performance assessment. The Group's reportable and operating segments for financial reporting purposes are as follows:

- Ophthalmology: Development, manufacture and/or sale of products including Beifushu® series (Beifushu® eye drops, Beifushu® eye gel and Beifushu® unit-dose eye drops), Tobramycin Eye Drops, Levofloxacin Eye Drops, Sodium Hyaluronate Eye Drops, Moxifloxacin Hydrochloride Eye Drops, Diquafosol Sodium Eye Drops, 適麗順® (Iodized Lecithin Capsules\*), Soft Hydrophilic Contact Lens, Foldable Capsular Vitreous Body and other medical devices for myopia control and prevention such as eye-protection lamp and Seewant defocus customised glasses;
- Surgical: Development, manufacture and/or sale of products including Beifuji® series (Beifuji® spray, Beifuji® lyophilised powder and Beifuxin® gel), Carisolv® dental caries removal gel, 佻典醫生 (Dr. YaDian\*) mouth wash, 伊血安顆粒 (Yi Xue An Granules\*), Portable Ultraviolet Phototherapy Devices, PELNAC™ collagen-based artificial dermis, SCALGEN™ double-layered artificial dermis and Osteopore's bioresorbable implants (Osteomesh® and Osteoplug®) for dental surgery in Singapore; and
- Provision of services: Healthtech e-platform related medical services.

#### (a) Reportable segments

The chief operating decision-maker monitors the results of its business units separately for the purpose of making decision about resources allocation and performance assessment. Segment performance is evaluated based on the results from the reportable segments as explained in the table below.

#### For the year ended 31 December 2024

	Ophthalmology <i>HK\$</i>	Surgical <i>HK\$</i>	Provision of services <i>HK\$</i>	Total <i>HK\$</i>
<b>Reportable segment revenue</b>				
– Revenue from external customers	<u>771,489,697</u>	<u>879,902,941</u>	<u>18,424,132</u>	<u>1,669,816,770</u>
<b>Reportable segment profit</b>	<u>209,689,673</u>	<u>237,420,025</u>	<u>12,419,198</u>	<u>459,528,896</u>

For the year ended 31 December 2023

	Ophthalmology <i>HK\$</i> (re-presented)	Surgical <i>HK\$</i> (re-presented)	Provision of services <i>HK\$</i> (re-presented)	Total <i>HK\$</i> (re-presented)
Reportable segment revenue				
– Revenue from external customers	<u>755,033,040</u>	<u>970,400,672</u>	<u>11,538,422</u>	<u>1,736,972,134</u>
Reportable segment profit	<u>188,322,734</u>	<u>240,191,454</u>	<u>8,991,189</u>	<u>437,505,377</u>

The totals presented for the Group's operating segments were reconciled to the Group's key financial figures as presented in the consolidated financial statements as follows:

	<b>2024</b> <b><i>HK\$</i></b>	2023 <i>HK\$</i> (re-presented)
Reportable segment profit	<b>459,528,896</b>	437,505,377
Unallocated corporate income and expenses, net	<b>(78,872,104)</b>	(87,951,695)
Change in fair value of financial assets at fair value through profit or loss	<b>930,695</b>	12,722,346
Impairment loss on other intangible assets	–	(5,049,442)
Finance costs	<b>(6,087,256)</b>	(11,212,159)
Profit before income tax	<b><u>375,500,231</u></b>	<u>346,014,427</u>

Major corporate expenses comprised mainly the staff costs including Directors' emoluments.

Analysis of segment assets and liabilities has not been presented as the measure of segment assets and liabilities is not regularly provided to the executive Directors.

(b) **Geographical information**

(i) **Revenue from external customers**

For the years ended 31 December 2024 and 2023, the Group's revenue from external customers of HK\$1,662,297,999 (2023: HK\$1,731,873,976) and HK\$7,518,771 (2023: 5,098,158) was derived from its operations in the People's Republic of China ("PRC") and overseas, respectively.

(ii) **Non-current assets**

	<b>2024</b>	2023
	<b>HK\$</b>	<b>HK\$</b>
PRC	<b>1,330,879,465</b>	1,263,594,401
Hong Kong	<b>274,228,997</b>	249,054,890
Overseas	<b>33,276,129</b>	30,197,558
	<b><u>1,638,384,591</u></b>	<b><u>1,542,846,849</u></b>

The non-current assets information above excludes convertible loan receivables, financial assets at fair value through other comprehensive income ("FVTOCI") and financial assets at fair value through profit or loss ("FVTPL"), and is based on the physical locations of the respective assets, except for goodwill and other intangible assets of which is based on the areas of the group entities' operations.

(c) **Information about major customers**

For the year ended 31 December 2024, revenue of HK\$451,629,803 and HK\$179,528,392 (2023: HK\$454,572,326 and HK\$185,308,932) was derived from the sales to two customers (2023: two customers), which individually accounted for over 10% of the Group's total revenue.

## 5. PROFIT BEFORE INCOME TAX

This is arrived at after charging:

	<b>2024</b>	2023
	<b>HK\$</b>	<b>HK\$</b>
		(re-presented)
Amortisation of land use rights	<b>360,208</b>	367,203
Amortisation of other intangible assets	<b>24,894,619</b>	26,270,840
Auditor's remuneration	<b>1,604,700</b>	1,453,500
Cost of inventories	<b>165,280,217</b>	170,312,334
Cost of services	<b>2,003,468</b>	2,547,233
Depreciation of property, plant and equipment	<b>25,830,661</b>	30,067,557
Depreciation of right-of-use assets	<b>4,787,466</b>	3,170,710
Employee costs excluding Directors' emoluments:		
– Salaries and other benefits	<b>309,070,741</b>	298,225,948
– Pension fund contributions	<b>18,738,060</b>	17,769,636
Exchange losses, net	<b>4,604,485</b>	6,122,070
Write-off of inventories	<b>3,870,565</b>	2,083,845
Loss on disposal of property, plant and equipment	<b>479,791</b>	2,223,700
Research and development costs recognised as expenses	<b>25,009,026</b>	39,144,729

## 6. INCOME TAX

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2024	2023
	<i>HK\$</i>	<i>HK\$</i>
Current tax – the PRC		
– Provision for the year	63,712,961	65,736,422
– Underprovision in the prior year	1,950,260	148,873
Deferred tax	<u>2,615,192</u>	<u>4,869,515</u>
	<u><b>68,278,413</b></u>	<u><b>70,754,810</b></u>

No provision for Hong Kong profits tax has been made as the Group has no assessable profit arising in Hong Kong.

The Group's major operating subsidiary in Zhuhai, the PRC, was established and carries on business in the Special Economic Zones of the PRC as a high technology enterprise. This subsidiary has obtained a 高新技術企業證書 (High Technology Enterprise Certificate) and is entitled to enjoy the enterprise income tax at the concessionary rate of 15% for the years ended 31 December 2024 and 2023.

Enterprise income tax rate of 25%, 12%, 17%, 27.3% and 22% is applied to the Group's other operating subsidiaries in the PRC, Macau, Singapore, the United States and Indonesia respectively.

## 7. DIVIDENDS

	2024	2023
	<i>HK\$</i>	<i>HK\$</i>
Interim dividend – HK\$0.06 (2023: HK\$0.045) per share	34,044,000	25,655,175
Proposed final dividend – HK\$0.06 (2023: Final dividend – HK\$0.045) per share	<u>34,027,740</u>	<u>25,539,300</u>
	<u><b>68,071,740</b></u>	<u><b>51,194,475</b></u>

The Directors propose a final dividend of HK\$0.06 (2023: HK\$0.045) per ordinary share to be paid. The amount of proposed final dividend is based on the number of issued ordinary shares as at the end of the reporting period. This proposed dividend is not reflected as dividend payable as at the end of the reporting period but will be reflected as an appropriation of retained earnings for the year ending 31 December 2025.

## 8. EARNINGS PER SHARE

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

### Earnings

	<b>2024</b>	2023
	<b>HK\$</b>	HK\$
Profit attributable to owners of the Company for the purposes of calculating basic earnings per share	<b>307,221,818</b>	275,259,617
Interest expense on convertible loan payable, net of amount capitalised	<u><b>2,464,692</b></u>	<u>4,123,105</u>
Profit attributable to owners of the Company for the purposes of calculating diluted earnings per share	<u><b>309,686,510</b></u>	<u>279,382,722</u>

### Number of shares

	<b>2024</b>	2023
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	<b>567,489,139</b>	570,222,501
Effect of dilutive potential ordinary shares: – convertible loan payable	<u><b>14,830,508</b></u>	<u>25,423,728</u>
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	<u><b>582,319,647</b></u>	<u>595,646,229</u>

The computation of diluted earnings per share for the years ended 31 December 2024 and 2023 did not assume the issue of potential ordinary shares in relation to all share options granted as they had anti-dilutive effect.

## 9. PROPERTY, PLANT AND EQUIPMENT

	Buildings and leasehold improvements <i>HK\$</i>	Plant and machinery <i>HK\$</i>	Furniture, fixtures and equipment <i>HK\$</i>	Motor vehicles <i>HK\$</i>	Construction in progress <i>HK\$</i>	Total <i>HK\$</i>
<b>Cost:</b>						
At 1 January 2023	117,713,786	209,392,577	71,305,428	6,783,161	126,375,476	531,570,428
Additions	1,802,407	2,790,317	4,626,475	1,314,281	17,228,182	27,761,662
Disposals	(30,994)	(1,318,772)	(2,867,145)	(758,245)	–	(4,975,156)
Exchange adjustment	(2,859,228)	(5,134,197)	(1,605,946)	(125,269)	(3,117,142)	(12,841,782)
	<u>116,625,971</u>	<u>205,729,925</u>	<u>71,458,812</u>	<u>7,213,928</u>	<u>140,486,516</u>	<u>541,515,152</u>
At 31 December 2023	116,625,971	205,729,925	71,458,812	7,213,928	140,486,516	541,515,152
Additions	1,875,303	9,323,621	15,849,133	–	23,691,514	50,739,571
Disposals	–	(7,139,660)	(1,862,895)	(351,600)	–	(9,354,155)
Exchange adjustment	(4,304,862)	(7,557,704)	(2,857,930)	(225,992)	(5,320,312)	(20,266,800)
	<u>114,196,412</u>	<u>200,356,182</u>	<u>82,587,120</u>	<u>6,636,336</u>	<u>158,857,718</u>	<u>562,633,768</u>
At 31 December 2024	114,196,412	200,356,182	82,587,120	6,636,336	158,857,718	562,633,768
<b>Accumulated depreciation:</b>						
At 1 January 2023	20,772,381	77,664,383	28,451,048	5,847,542	–	132,735,354
Charge for the year	2,388,068	17,070,004	10,249,789	359,696	–	30,067,557
Disposals	–	(1,110,867)	(852,525)	(682,420)	–	(2,645,812)
Exchange adjustment	(512,694)	(1,937,438)	(627,494)	(105,744)	–	(3,183,370)
	<u>22,647,755</u>	<u>91,686,082</u>	<u>37,220,818</u>	<u>5,419,074</u>	<u>–</u>	<u>156,973,729</u>
At 31 December 2023	22,647,755	91,686,082	37,220,818	5,419,074	–	156,973,729
Charge for the year	2,510,348	12,175,748	10,722,609	421,956	–	25,830,661
Disposals	–	(6,076,644)	(1,730,629)	(321,046)	–	(8,128,319)
Exchange adjustment	(878,251)	(3,470,313)	(1,503,839)	(169,668)	–	(6,022,071)
	<u>24,279,852</u>	<u>94,314,873</u>	<u>44,708,959</u>	<u>5,350,316</u>	<u>–</u>	<u>168,654,000</u>
At 31 December 2024	24,279,852	94,314,873	44,708,959	5,350,316	–	168,654,000
<b>Carrying amount:</b>						
At 31 December 2024	<u><u>89,916,560</u></u>	<u><u>106,041,309</u></u>	<u><u>37,878,161</u></u>	<u><u>1,286,020</u></u>	<u><u>158,857,718</u></u>	<u><u>393,979,768</u></u>
At 31 December 2023	<u><u>93,978,216</u></u>	<u><u>114,043,843</u></u>	<u><u>34,237,994</u></u>	<u><u>1,794,854</u></u>	<u><u>140,486,516</u></u>	<u><u>384,541,423</u></u>

The carrying amount of construction in progress represented the costs incurred for the construction of the new factory which will be reclassified to buildings and leasehold improvements, plant and machinery and equipment when the construction is completed.

## 10. OTHER INTANGIBLE ASSETS

	<b>Development expenditure</b>	<b>Acquired intangible assets</b>	<b>Total</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
<b>Cost:</b>			
At 1 January 2023	254,489,111	792,696,707	1,047,185,818
Additions	49,524,555	75,646,289	125,170,844
Exchange adjustment	<u>(5,286,318)</u>	<u>(14,029,613)</u>	<u>(19,315,931)</u>
At 31 December 2023	298,727,348	854,313,383	1,153,040,731
Additions	27,370,590	104,213,921	131,584,511
Write-off	–	(2,876,931)	(2,876,931)
Exchange adjustment	<u>(9,140,010)</u>	<u>(25,771,426)</u>	<u>(34,911,436)</u>
At 31 December 2024	<u>316,957,928</u>	<u>929,878,947</u>	<u>1,246,836,875</u>
<b>Accumulated amortisation and impairment losses:</b>			
At 1 January 2023	53,928,769	14,560,260	68,489,029
Amortisation	5,246,130	21,024,710	26,270,840
Impairment ( <i>Note</i> )	–	5,049,442	5,049,442
Exchange adjustment	<u>(1,287,306)</u>	<u>(319,469)</u>	<u>(1,606,775)</u>
At 31 December 2023	57,887,593	40,314,943	98,202,536
Amortisation	4,805,446	20,089,173	24,894,619
Exchange adjustment	<u>(2,099,498)</u>	<u>(1,814,965)</u>	<u>(3,914,463)</u>
At 31 December 2024	<u>60,593,541</u>	<u>58,589,151</u>	<u>119,182,692</u>
<b>Carrying amount:</b>			
At 31 December 2024	<u><u>256,364,387</u></u>	<u><u>871,289,796<sup>#</sup></u></u>	<u><u>1,127,654,183</u></u>
At 31 December 2023	<u><u>240,839,755</u></u>	<u><u>813,998,440<sup>#</sup></u></u>	<u><u>1,054,838,195</u></u>

# The amount mainly represented the following:

- (i) In 2018, the Group entered into a co-development agreement (and as supplemented and revised from time to time) with an independent third party, Mitotech S.A. under which the Group has agreed to fund for a clinical development in the United States Food and Drug Administration phase 3 clinical trial of an ophthalmic solution containing SkQ1 as its sole active pharmaceutical ingredient (the “SkQ1 Product”) which shall be provided as a pharmaceutical product in the field of dry eye disease, in return for a share of certain income received by Mitotech S.A. from the SkQ1 Product.

In 2022, the Group acquired from Mitotech S.A. all the rights of a list of inventions and patents relating to SkQ1 in the field of ophthalmology and all ophthalmic indications.

During the year ended 31 December 2023, the development cost incurred in the SkQ1 Product was HK\$2,497,668. As at 31 December 2024, the carrying amount of the SkQ1 Product was HK\$344,004,639 (2023: HK\$352,618,198).

- (ii) In 2020, the Group entered into a co-development and exclusive license agreement with an independent third party, Shanghai Henlius Biotech, Inc. (“Henlius”) under which the Group has agreed to fund 80% of the development costs of a pharmaceutical product that contains an anti-vascular endothelial growth factor (anti-VEGF) as a drug substance (the “Licensed Product”), which is intended for the treatment of exudative (wet) age-related macular degeneration. In return, the Group has obtained an exclusive license for the regulatory development, manufacture and commercialisation of the Licensed Product worldwide, subject to commercial sales milestone payment and royalties levied on net sales of the Licensed Product payable to Henlius.

During the year ended 31 December 2024, the development cost incurred in the Licensed Product was HK\$103,924,486 (2023: HK\$70,312,529). As at 31 December 2024, the carrying amount of the Licensed Product was HK\$371,837,404 (2023: HK\$280,218,468).

- (iii) In 2022, the Group acquired intellectual property rights and right of Marketing Authorisation Holder relating to 適麗順® (Iodized Lecithin Capsules\*) at an effective consideration of HK\$144,079,537. As at 31 December 2024, the carrying amount was HK\$101,177,843 (2023: HK\$118,874,144).

*Note:*

During the year ended 31 December 2023, an impairment loss of HK\$5,049,442 on certain intellectual property rights of the Group was recognised in profit or loss.

## 11. CONVERTIBLE LOAN RECEIVABLES

- (i) In 2018, the Group entered into an agreement with an independent third party (“Investee A”) to subscribe for a convertible loan with principal amount of US\$4,500,000 (approximately HK\$35,278,200) which carries interest at 5% per annum with maturity on 31 July 2022 (“Convertible Loan A”). On 7 January 2022, the Group entered into a supplementary agreement with Investee A to extend the maturity date of Convertible Loan A to 31 July 2024. On 21 March 2024, the Group further entered into a supplementary agreement with Investee A to extend the maturity date of Convertible Loan A to 31 July 2026. The entire principal amount of Convertible Loan A can be converted into such number of shares representing 45% of the enlarged and fully diluted share capital of Investee A at any time before the maturity date. In the event that no conversion has been taken place before maturity date, Investee A shall repay the Group the outstanding principal amount plus an amount calculated by the Group which would yield a return for the Group on the principal amount of Convertible Loan A of 8% per annum. The first tranche in the principal amount of US\$600,000 (equivalent to HK\$4,696,774) (“Tranche A of Convertible Loan A”) was disbursed to Investee A in 2018. In 2022, the second tranche in the principal amount of US\$600,000 (equivalent to HK\$4,666,004) (“Tranche B of Convertible Loan A”) was subscribed by the Group. During the year ended 31 December 2024, part of the third tranche in the principal amount of US\$400,000 (equivalent to HK\$3,134,872) (“Tranche C1 of Convertible Loan A”) was subscribed by the Group. Tranches A, B and C1 of Convertible Loan A are classified as financial assets at FVTPL upon the initial recognition.
- (ii) In 2020, 2021 and 2022, the Group made available certain convertible loans to Antikor Biopharma Limited (“Antikor”) in the aggregate principal amount of US\$3,250,000 (equivalent to HK\$25,302,724) which carry interest at 5% per annum with maturity on 30 September 2023 (“Convertible Loan B”). On 22 November 2023, the Group entered into two amendment agreements with Antikor to extend the maturity date of Convertible Loan B to 30 April 2024. On 30 April 2024, the Group further entered into two amendment agreements with Antikor to extend the maturity date of Convertible Loan B to 31 March 2025. The aggregate principal amount of Convertible Loan B can be converted into such number of shares representing 22.57% of the enlarged and fully diluted share capital of Antikor at any time before the maturity date. Convertible Loan B is classified as financial asset at FVTPL upon the initial recognition.

The Group's convertible loan receivables are as follows:

	<i>HK\$</i>
<b>At 31 December 2024</b>	
– Tranches A, B and C1 of Convertible Loan A	14,545,374
– Convertible Loan B	<u>30,724,762</u>
Total	45,270,136
Less: Current portion	<u>(30,724,762)</u>
Non-current portion	<u><u>14,545,374</u></u>
	<i>HK\$</i>
<b>At 31 December 2023</b>	
– Tranches A and B of Convertible Loan A	11,873,144
– Convertible Loan B	<u>29,947,457</u>
Total, classified under current assets	<u><u>41,820,601</u></u>

The movements in fair values of convertible loan receivables classified as level 3 in the fair value hierarchy are as follows:

	<i>HK\$</i>
At 1 January 2023	36,866,838
Change in fair value recognised in profit or loss	<u>4,953,763</u>
At 31 December 2023	41,820,601
Additions	3,134,872
Change in fair value recognised in profit or loss	<u>314,663</u>
At 31 December 2024	<u><u>45,270,136</u></u>

**12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2024</b>	2023
	<b>HK\$</b>	<b>HK\$</b>
<b>Non-current</b>		
Equity investments designated at FVTOCI ( <i>Note (a)</i> )		
– Listed equity investments ( <i>Note (b)</i> )	<b>29,627,308</b>	24,454,451
– Unlisted equity investments ( <i>Note (c)</i> )	<b>14,596,666</b>	14,613,321
	<b>44,223,974</b>	39,067,772
Equity investments designated at FVTPL ( <i>Note (d)</i> )		
– Unlisted equity investments ( <i>Note (c)</i> )	<b>2,589,859</b>	366,251
<b>Current</b>		
Equity investments designated at FVTPL ( <i>Note (d)</i> )		
– Listed equity investments ( <i>Note (b)</i> )	<b>3,572,345</b>	5,179,921

*Notes:*

- (a) The equity investments were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature.
- (b) The balance as at 31 December 2024 represents four (2023: three) listed equity securities which are listed on the NASDAQ Stock Market of the United States, namely AC Immune SA, Humacyte Inc., CytoMed Therapeutics Limited and Abpro Holdings, Inc. (2023: AC Immune SA, Humacyte Inc. and CytoMed Therapeutics Limited). The fair value was based on quoted market price as at 31 December 2024.
- (c) The balance as at 31 December 2024 represents two (2023: four) unlisted equity investments, namely the investments in (i) ordinary shares of Antikor; and (ii) series pre-A preferred stock of a private company incorporated in Singapore.
- (d) The equity investments were irrevocably designated at FVTPL as the Group considers these investments to be held for trading.

### 13. INVENTORIES

	2024	2023
	<i>HK\$</i>	<i>HK\$</i>
Raw materials	14,265,186	13,994,888
Work in progress	10,630,908	11,528,941
Finished goods	<u>34,042,394</u>	<u>37,298,090</u>
	<u><b>58,938,488</b></u>	<u><b>62,821,919</b></u>

During the year, the Group has carried out regular reviews of the carrying amounts of inventories with reference to aged inventories analysis, expected future consumption, physical condition and management judgement. As a result, inventories of HK\$3,870,565 (2023: HK\$2,083,845) have been written off and recognised in profit or loss.

### 14. TRADE AND OTHER RECEIVABLES

	2024	2023
	<i>HK\$</i>	<i>HK\$</i>
Trade receivables	528,102,048	567,307,763
Impairment	<u>(7,043,413)</u>	<u>–</u>
	<b>521,058,635</b>	567,307,763
Other receivables ( <i>Note</i> )	<u>65,236,555</u>	<u>28,112,486</u>
	<u><b>586,295,190</b></u>	<u><b>595,420,249</b></u>

*Note:*

Other receivables included a loan to Antikor in the principal amount of US\$800,000 (equivalent to HK\$6,235,512) (2023: nil) which bore a fixed interest rate at 8% with a loan period of 9 months.

The Group's policy is to allow a credit period of 90 days to its trade customers.

The Directors have considered the track records of customers and age of the outstanding balances and are of the view that a provision of HK\$7,043,413 (2023: nil) is required as at 31 December 2024.

The ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>2024</b>	2023
	<b>HK\$</b>	<b>HK\$</b>
0-60 days	<b>349,680,004</b>	345,808,087
61-90 days	<b>54,166,531</b>	50,810,421
Over 90 days	<b>117,212,100</b>	170,689,255
	<b><u>521,058,635</u></b>	<b><u>567,307,763</u></b>

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	<b>2024</b>	2023
	<b>HK\$</b>	<b>HK\$</b>
Neither past due nor impaired	<b>403,846,535</b>	396,618,508
Less than 3 months past due	<b>66,461,645</b>	129,724,922
Over 3 months past due	<b>50,750,455</b>	40,964,333
	<b><u>521,058,635</u></b>	<b><u>567,307,763</u></b>

## 15. DEPOSITS AND PREPAYMENTS

	<b>2024</b>	2023
	<b>HK\$</b>	<b>HK\$</b>
Deposits paid for acquisition of property, plant and equipment	<b>28,712,150</b>	10,617,279
Prepayments for purchase of finished goods	<b>25,717,901</b>	12,576,084
Other deposits	<b>1,935,414</b>	1,938,519
Other prepayments	<b>18,950,916</b>	12,269,080
	<b><u>75,316,381</u></b>	<b><u>37,400,962</u></b>
Total	<b>75,316,381</b>	37,400,962
<i>Less: Current portion</i>	<b><u>(46,604,231)</u></b>	<b><u>(26,783,683)</u></b>
	<b><u>28,712,150</u></b>	<b><u>10,617,279</u></b>
Non-current portion	<b><u>28,712,150</u></b>	<b><u>10,617,279</u></b>

Deposits and prepayments do not contain impaired assets and their carrying amounts approximate to their fair values.

## 16. TRADE AND OTHER PAYABLES

	2024	2023
	<i>HK\$</i>	<i>HK\$</i>
Trade payables	7,359,087	10,581,286
Other payables and accruals ( <i>Note</i> )	<u>538,037,261</u>	<u>473,631,468</u>
	<u><u>545,396,348</u></u>	<u><u>484,212,754</u></u>

*Note:*

Other payables and accruals included the accruals for sales and marketing costs of HK\$402,399,025 (2023: HK\$390,074,588).

The ageing analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	<i>HK\$</i>	<i>HK\$</i>
0-60 days	7,123,665	8,430,237
61-90 days	45,650	16,337
Over 90 days	<u>189,772</u>	<u>2,134,712</u>
	<u><u>7,359,087</u></u>	<u><u>10,581,286</u></u>

## 17. CONVERTIBLE LOAN PAYABLE

On 6 July 2016, the Group entered into a convertible loan agreement with International Finance Corporation (“IFC”), pursuant to which IFC agreed to lend, and the Group agreed to borrow, a convertible loan in an aggregate principal amount of HK\$150,000,000 at an interest rate of 1.9% per annum (the “Convertible Loan Payable”). Subject to the terms of the convertible loan agreement, IFC has the right to convert all or any part of the outstanding principal amount of the Convertible Loan Payable into shares of the Company at a conversion price of HK\$5.90 per share (subject to anti-dilutive adjustments as set out in the convertible loan agreement) at any time prior to the maturity date on 2 August 2021.

On 10 July 2020, the Group and IFC entered into an amendment agreement to the convertible loan agreement to extend the maturity date for a period of 3 years to 2 August 2024. The Company shall repay the outstanding principal amount of the Convertible Loan Payable on the maturity date together with the make whole premium calculated at (i) 6% per annum; or (ii) 8% per annum if there exists a change of control which occurs when, among others, (a) there is a decrease in the shareholdings of the Company's certain shareholders as a group under specified conditions as stipulated in the convertible loan agreement; (b) certain shareholders of the Company as a group cease to be the single largest direct and indirect shareholder of the Company; or (c) any person (other than certain shareholders as a group) by itself or through its affiliates have obtained the power to appoint a majority of the board of directors of the Company. The fair value of the debt component and the equity conversion component were determined at the issuance/extinguishment of the Convertible Loan Payable where appropriate. The fair value of the debt component was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, was included in equity. The make whole premium, being an embedded derivative, was measured at fair value separately.

On 31 July 2024, the Group repaid the outstanding principal amount of the Convertible Loan Payable in full, together with the accrued interest and the make whole premium, to IFC.

The movements of the Convertible Loan Payable are as follows:

	<b>Debt component</b>	<b>Conversion</b>	<b>Total</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
As at 1 January 2023	157,715,217	15,227,318	172,942,535
Imputed interest expense	25,634,781	–	25,634,781
Interest paid	<u>(2,889,583)</u>	<u>–</u>	<u>(2,889,583)</u>
As at 31 December 2023	180,460,415	15,227,318	195,687,733
Imputed interest expense	29,067,335	–	29,067,335
Interest and make whole premium paid	(59,527,750)	–	(59,527,750)
Repayment	<u>(150,000,000)</u>	<u>(15,227,318)</u>	<u>(165,227,318)</u>
As at 31 December 2024	<u>–</u>	<u>–</u>	<u>–</u>

## BUSINESS REVIEW

The Group envisions becoming a great and socially responsible corporation. Strategically, the Group develops, manufactures and commercialises genetically engineered therapeutic recombinant bovine basic fibroblast growth factor (“rb-bFGF”), leveraging its established mechanism of action in cellular proliferation, differentiation and migration.

The Group’s turnover is primarily driven by its ophthalmology segment (“Ophthalmology”) and surgical (wound care and healing) segment (“Surgical”), covering dermatology, stomatology, obstetrics and gynaecology. Additionally, the Group is pursuing new therapeutics in oncology, orthopaedics and neurology through strategic investments.

Currently the Group has six commercialised biologics, collectively referred to as the “bFGF Series”, which are marketed and sold in the PRC. These products include:

- Beifushu<sup>®</sup> eye drops, Beifushu<sup>®</sup> eye gel and Beifushu<sup>®</sup> unit-dose eye drops for treatment of ocular wounds; and
- Beifuji<sup>®</sup> spray, Beifuji<sup>®</sup> lyophilised powder and Beifuxin<sup>®</sup> gel for treatment of surface wounds.

The bFGF Series are developed and manufactured by the Group. Three of the bFGF Series were approved by 國家藥品監督管理局 (National Medical Products Administration (“NMPA”)) as Category I drugs, and four are listed on the National Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance issued by the National Healthcare Security Administration and the Ministry of Human Resources and Social Security of the PRC. Collectively, the combined turnover of the bFGF Series represented about 84.5% of the Group’s total turnover for the year under review.

In addition to the bFGF Series, the Group has a portfolio of commercialised preservative-free unit-dose eye drops, including Tobramycin, Levofloxacin, Sodium Hyaluronate (0.1%) and Moxifloxacin Hydrochloride Eye Drops.

In August and September 2024, the Group obtained an approval from NMPA for the registration and commercialisation of the preservative-free unit-dose Diquafosol Sodium Eye Drops and Sodium Hyaluronate Eye Drops (0.3%) in the PRC, respectively.

Other key products include:

- 適麗順® (Iodized Lecithin Capsules\*), an oral ophthalmic product for treating central serous chorioretinopathy, central exudative chorioretinopathy, vitreous haemorrhage, vitreous opacities and central retinal vein occlusion, etc, has become one of the Group's core products and growth drivers since 2022;
- Carisolv® dental caries removal gel and 佻典醫生 (Dr. YaDian\*) oral care products; and
- a range of products and medical devices complementing the Group's therapeutics business of Ophthalmology and Surgical, including 伊血安顆粒 (Yi Xue An Granules\*), Soft Hydrophilic Contact Lens, Foldable Capsular Vitreous Body, Portable Ultraviolet Phototherapy Devices, PELNAC™ collagen-based artificial dermis, SCALGEN™ double-layered artificial dermis, Osteopore's bioresorbable implants (Osteomesh® and Osteoplug®) for dental surgery in Singapore and other medical devices for myopia control and prevention such as eye-protection lamp and Seewant defocus customised glasses.

For mid-term and long-term growth drivers, the Group maintains a pipeline of multi-project in research and development ("R&D") initiatives at various stages of clinical programmes, covering unit-dose ophthalmic products and biologics in growth factors and antibody.

## **SIGNIFICANT BUSINESS DEVELOPMENT ACTIVITIES**

We are committed to pragmatically investing in new products and technologies to strengthen the Group's product and R&D pipeline as near to mid-term growth driver in ophthalmology and long-term plan for new therapeutics in oncology. Major investments in ophthalmic products that are under advanced stage of clinical development are outlined as follows:

### **SkQ1 Product**

A late-stage clinical development of SkQ1 for dry eye disease (the "SkQ1 Product"), as disclosed in the announcement of the Company dated 24 February 2021, achieved a positive outcome from the second phase 3 clinical trial (VISTA-2). The clinical trial study repeated statistically significant positive results on key predefined secondary end-point (Central Corneal Fluorescein Staining). The read-out of clearing of central staining of the cornea (defined as zero staining in central cornea) reveals the potential of SkQ1 in addressing oxidative stress in dry eye diseases.

As disclosed in the announcement of the Company dated 13 October 2022, the Group strategically and successfully secured (i) a patent assignment deed; and (ii) a patent and know-how licence agreement relating to SkQ1 in the field of ophthalmology exclusively for the global market (the "Global Rights").

The Group is in the final stages of completing the transfer of chemistry, manufacturing and controls (CMC), know-how and intellectual property rights relating to SkQ1. Concurrently, the Group is re-establishing the VISTA programme with regulators for mitigating any identifiable risks before continuing with the clinical trial. The aforementioned tasks will inevitably be time-consuming due to external factors and technical challenges involved. The Board will keep shareholders and investors informed as and when appropriate about the development status.

The total actual investment cost of approximately HK\$344.0 million has been incurred for the clinical development of the SkQ1 Product and the Global Rights, and is presented as “Acquired Intangible Assets” under the Group’s consolidated financial statements as at 31 December 2024. The investment cost represented 11.5% of the Group’s total assets as at 31 December 2024. According to Frost & Sullivan, the estimated number of patients with moderate-to-severe dry eye disease was around 111.6 million in the PRC in 2024. It is expected that the size of the potential market of the SkQ1 Product will be significant.

For the purpose of on-going development and execution of the SkQ1 Product and the Global Rights of SkQ1 (exclusive of the PRC), the said asset is in the process of being carved out and injected into DunaVision Pte.Ltd., Singapore, which is newly established and a wholly-owned subsidiary of the Company.

### **Anti-VEGF Licensed Product**

In 2020, the Group entered into a co-development and exclusive license agreement (the “Co-Development License Agreement”) with Shanghai Henlius Biotech, Inc. (“Henlius”) to co-develop a pharmaceutical product that contains an anti-vascular endothelial growth factor (“anti-VEGF”) as a drug substance (the “Anti-VEGF Licensed Product”), which is intended for the treatment of exudative (wet) age-related macular degeneration (“wet-AMD”). As at the date of this announcement, the recombinant anti-VEGF humanised monoclonal antibody injection HLX04-O (“HLX04-O”) for the treatment of wet-AMD has been approved to commence the phase 3 clinical trial in Australia, the United States, Singapore, Russia, Serbia and European Union countries such as Hungary, Spain, Latvia, the Czech Republic and Poland. So far, the first patient has been dosed in a phase 3 clinical study for HLX04-O for the treatment of wet-AMD in the PRC, Latvia, Australia and the United States successively, and the last patient last visit was completed. Also, the phase 1/2 clinical study for HLX04-O for the treatment of wet-AMD has shown its safety and tolerability and demonstrated preliminary efficacy.

On 22 February 2023, the Group entered into an amendment agreement with Henlius to amend certain terms of the Co-Development License Agreement, which include payments for regulatory and commercial sales milestones and development costs in respect of the Anti-VEGF Licensed Product. Please refer to the announcement of the Company dated 22 February 2023 and the 2022 annual results announcement of the Company dated 8 March 2023 for further details.

Henlius is the holding company of a group principally engaged in (i) the research and development, production and sale of monoclonal antibody (mAb) drugs and the provision of related technical services (except for the development and application of human stem cells, genetic diagnosis and therapy technology); and (ii) the transfer of its own technology and provision of the related technology consultation services.

Total maximum commitment in relation to the co-development of the Anti-VEGF Licensed Product with Henlius is US\$67.0 million (equivalent to approximately HK\$520.3 million). Total actual investment cost of approximately HK\$371.8 million is presented as “Acquired Intangible Assets” under the Group’s consolidated financial statements as at 31 December 2024. The investment cost represented 12.5% of the Group’s total assets as at 31 December 2024. The Anti-VEGF Licensed Product can be used for treating wet-AMD, diabetic macular edema, macular edema caused by retinal vein occlusion and myopic choroidal neovascularisation. According to Frost & Sullivan, the estimated number of patients with these 4 categories of disease was around 15.8 million in the PRC in 2020. Assuming each patient applies 4 doses in the first year of treatment and 2 to 3 doses in subsequent years, it is expected that the size of the potential market of the Anti-VEGF Licensed Product will be significant.

Apart from the investments in the SkQ1 Product and the Anti-VEGF Licensed Product, as at 31 December 2024 and the date of this announcement, each of the investments made and held by the Group represented less than 5% of the Group’s total assets.

## **HONOURS AND AWARDS OBTAINED IN 2024**

珠海億勝生物製藥有限公司 (Zhuhai Essex Bio-Pharmaceutical Company Limited\*), a wholly-owned subsidiary of the Company, is one of the 2023年珠海市創新百強企業創新綜合實力100強 (2023 Top 100 Innovative Companies in Zhuhai\*) and 2023年珠海市創新百強企業經濟貢獻100強 (2023 Top 100 with Economic Contributions in Zhuhai\*). It is also one of the 2023年度TOP100中國化藥企業 (2023 Top 100 Chemical Pharmaceutical Companies in the PRC\*).

The Group’s Beifushu® has been one of the Chinese reputable medicine brands in six consecutive years, and Beifushu® eye drops are a 2024年度生化、生物藥品優秀品牌 (2024 Excellent Brand of Biochemical and Biological Pharmaceutical\*). These awards are the testament to the recognition by the industry for the efficacy and quality of our flagship biologic drug.

The Group has once again been included in 2024 Forbes Asia’s Best Under A Billion List, which is a testimony to the Group’s achievements to date.

In addition, the Company was awarded 中國卓越IR—最佳資本市場溝通獎 and 最佳數字化投資者關係獎 (China Excellent IR – The Best Capital Market Communication Award\* and The Best Digitalised Investor Relations Award\*).

## **MARKET DEVELOPMENT**

As at 31 December 2024, the Group maintained an extensive network of 44 regional sales offices across the PRC. Additionally, since 2020, the Group has established a strategic base in Singapore to facilitate market access into Southeast Asian countries.

To drive sustainable growth and expansion for our current and future products, the Group has been investing relentlessly in enhancing its competitiveness and broadening its reach through the following strategic initiatives:

- expanding the clinical indications for its commercialised products;
- increasing patient access in lower-tier cities across the PRC;
- developing complementary sales channels; and
- nurturing the healthtech e-platform to enhance patient access.

During the year under review, the vast distribution network enabled the Group's therapeutic products to be prescribed in over 14,000 hospitals and medical providers, as well as approximately 1,810 pharmaceutical stores, covering major cities, provinces and county cities throughout the PRC.

## **RESEARCH AND DEVELOPMENT**

The R&D division is driven by a vision that underscores its commitment to science and innovation, with a mission to develop groundbreaking therapeutics that address unmet clinical and/or commercial needs. The Group kick-started a 5-year development plan from 2021 to further strengthen its R&D capabilities and solidify its position in ophthalmology.

The Group's key R&D initiatives comprise of growth factor, antibody (i.e. mAb, bsAb, sdAb, scFv, ADC/FDC, etc.), drug formulation know-how and Blow-Fill-Seal ("BFS") platform. Growth factor, antibody and drug formulation know-how are used for the development of therapeutic drugs in ophthalmology, surgical (wound care and healing) and oncology, whereas BFS platform is a state-of-the-art manufacturing facility for producing preservative-free unit-dose drugs, in particular for ophthalmic drugs.

One of the Group's technology platforms is built on recombinant proteins, in particular, the basic fibroblast growth factor (bFGF). The Group has been able to capitalise on its biologic facility, built with its proprietary technique and know-how, delivering high-quality bFGF Series of biologics in the Ophthalmology and Surgical business segments that constituted the Group's primary current growth driver. Strengthening the Group's biologics-based R&D, the strategic alliances forged with Antikor and Henlius are in furtherance of our R&D plans for biologics in oncology and in ophthalmology for wet-AMD, diabetic macular edema, macular edema caused by retinal vein occlusion and myopic choroidal neovascularisation for mid-term to long-term growth driver.

The establishment of the BFS platform formed part of the Group's core competency to develop and produce a series of preservative-free unit-dose drugs. As at 31 December 2024, the Group has 5 commercialised preservative-free unit-dose eye drops in the product pipeline. A handful of preservative-free unit-dose ophthalmic drugs are under development with targeted commercialisation within the next 2 to 5 years.

In August and September 2024, the Group obtained an approval from NMPA for the registration and commercialisation of the preservative-free unit-dose Diquafosol Sodium Eye Drops and Sodium Hyaluronate Eye Drops (0.3%) in the PRC, respectively. Diquafosol Sodium Eye Drops is a preservative-free unit-dose eye drops containing 3% (0.4ml:12mg) diquafosol sodium and is indicated for the treatment of dry eye syndromes (such as conjunctival epithelium injury and tear abnormalities). Sodium Hyaluronate Eye Drops (0.3%) is a preservative-free unit-dose eye drops containing 0.3% (0.4ml:1.2mg) sodium hyaluronate and is indicated for the treatment and symptomatic relief of various intrinsic ocular diseases, such as Sjögren's syndrome, Stevens-Johnson syndrome, dry eye syndrome, extrinsic ocular diseases and injuries caused by surgery, drugs, trauma and/or contact lens wearing. They are the Group's sixth and seventh preservative-free unit-dose eye drops products. The other five preservative-free unit-dose eye drops products are Tobramycin Eye Drops, Levofloxacin Eye Drops, Sodium Hyaluronate Eye Drops (0.1%), Beifushu (rb-bFGF) Eye Drops and Moxifloxacin Hydrochloride Eye Drops. The addition of the preservative-free unit-dose Diquafosol Sodium Eye Drops and Sodium Hyaluronate Eye Drops (0.3%) will further enrich the Group's ophthalmic product portfolio and strengthen its ophthalmology segment of market positioning.

As at the date of this announcement, there are 16 R&D programmes in the pre-clinical to clinical stage, out of which 4 ophthalmology programmes are in clinical stage. The 4 ophthalmology programmes listed below are targeted as mid-term growth driver.

1. EB11-18136P: SkQ1 eye drops, second phase 3 clinical trial (United States Food and Drug Administration ("US FDA")) (VISTA-2) topline data released on 24 February 2021. The continuation of the VISTA programme is subject to the completion of the transfer of chemistry, manufacturing and controls (CMC), know-how and intellectual property rights relating to SkQ1, following the acquisition on 13 October 2022.

2. EB11-15120P: Azithromycin eye drops, ongoing review by external key opinion leaders (NMPA in the PRC)
3. EB12-20145P: Bevacizumab intravitreal injection for wet-AMD, phase 3 clinical trial (US FDA, European Medicines Agency, Therapeutic Goods Administration and NMPA in the PRC)
4. EB11-21148P: Cyclosporine eye drops, phase 2 clinical trial (NMPA in the PRC)

As at the date of this announcement, the Group has obtained a total of 100 patent certificates or authorisation letters, which include 70 發明專利 (invention patents), 15 實用新型專利 (utility model patents) and 15 外觀專利 (design patents).

The Group currently has multiple R&D sites located in Zhuhai (PRC), Boston (United States), London (United Kingdom) and Singapore. These sites support our efforts to develop new therapeutics and recruit global talent.

## **PRODUCTION CAPABILITY**

The Group's factory in Zhuhai is fully equipped with production plants for the production of rb-bFGF as active pharmaceutical substance for the Group's flagship biologic formulations. The state-of-the-art BFS production plants in the factory enables the production of preservative-free unit-dose drugs, including Beifushu® unit-dose eye drops.

## **CONSTRUCTION OF THE SECOND FACTORY IN THE PRC**

The Group has started to construct its second factory on 1 January 2020, with the original expected date of completion targeted in 2023 which has been retargeted to 2026 or 2027.

The second factory is being built on a piece of land of about 15,000 square metres located at 珠海高新區科技創新海岸 (Zhuhai Hi-Tech Industrial Park\*), with a gross floor area (GFA) of about 58,000 square metres to house the Group's R&D centre, additional manufacturing facility, administrative office and staff hostel. The second factory is within minutes of walking distance from the Group's existing factory.

Although the overall construction work of the second factory was substantially completed as at the date of this announcement, completion of the construction has been delayed pending resolution with the main contractor as explained further below.

In November 2021, the main contractor has unilaterally suspended the construction work without a valid reason, which caused undue delay to the completion of the construction. In August 2022, the Group initiated legal proceedings against the main contractor seeking compensation for the breach of contract, and planned to appoint a new main contractor to complete the construction.

In October 2022, the main contractor initiated counter legal proceedings against one of the subsidiaries of the Company seeking compensation for the disputed construction progress payments.

In May 2024, judgement was delivered and the main contractor was ordered by the court to pay approximately HK\$31.1 million to the Group in compensation for the breach of contract which was lower than the amount claimed by the Group. Therefore, the Group and the main contractor have appealed respectively to the court in July 2024 against the judgement. Two hearings were held in September 2024 at Zhuhai Intermediate People's Court, and no judgement by the court has been delivered as at the date of this announcement. The Board will keep the shareholders of the Company updated on the development and outcome in due course.

In the meantime, the main contractor was ordered by the court to hand over the construction site back to the Group's control and that the Group is granted permission to proceed with the completion of the construction. The Group has appointed a new main contractor to undertake the revised targeted completion of the construction in 2026 or 2027.

## **LITIGATION WITH 廣西萬壽堂藥業有限公司 (GUANGXI MEDICTOP PHARMACEUTICAL COMPANY LIMITED\*) (“GUANGXI MEDICTOP”)**

In July 2024, one of the subsidiaries of the Company in the PRC received a legal summons from Guangxi Medictop, alleging a breach of certain obligations under the agency agreement pertaining to the exclusive sales of Guangxi Medictop's 伊血安顆粒 (Yi Xue An Granules\*). The Group categorically denies these allegations and will vigorously defend its position. A hearing was held in November 2024 at Guangxi Nanning Court, and no judgement by the court has been delivered as at the date of this announcement.

In October 2024, the Group initiated counter legal proceedings against Guangxi Medictop seeking repayment of all amounts due from Guangxi Medictop and obtained a court order to freeze a bank account of Guangxi Medictop. In December 2024, Guangxi Medictop filed an application to transfer the case from Zhuhai Court to Guangxi Nanning Court. As at the date of this announcement, no judgement by the court has been delivered.

The Board will closely monitor the situation and make further announcement(s) as and when necessary.

## FINANCIAL REVIEW

The pharmaceutical industry in the PRC continues to face significant challenges, primarily driven by the centralised procurement policy. Since the introduction of the “4+7” drug centralised procurement pilot in 2018, the policy has undergone continuous expansion and revision. As of 2024, ten batches of drug centralised procurement have been implemented, and the evolving procurement rules have profoundly impacted pharmaceutical companies.

The centralised procurement policy has led to substantial decreases in drug prices, severely squeezing corporate profits. Ensuring reasonable profits for companies and maintaining drug quality amidst low prices has become a pressing issue for pharmaceutical companies.

To navigate these challenges, companies must strike a balance between cost control and quality assurance. Innovation remains the core driving force for the development of pharmaceutical companies. To stay competitive, companies should:

1. increase R&D investment to cultivate innovative talents and strengthen cooperation with public and private scientific research institutions and universities;
2. focus on technological innovation to develop products with independent intellectual property rights; and
3. explore new business models and operating methods to enhance innovation efficiency.

Pharmaceutical companies in the PRC face numerous challenges and opportunities. To thrive, they must adapt to the evolving market landscape, innovate proactively, and prioritise compliance management. By adopting strategies tailored to their unique characteristics and advantages, companies of all sizes can improve their competitiveness and contribute to the growth of the pharmaceutical industry.

In 2024, the flagship biologics of the Group, Beifushu<sup>®</sup> series and Beifuji<sup>®</sup> series (the basic fibroblast growth factor (bFGF) based biologic drugs), have since been subjected to the system of centralised procurement in all provinces in the PRC. The tenacity, resilience and solidarity, together with relentless effort for the Group’s flagship biologics to continue to broaden coverage of indications and patient access, are factors that enabled the Group to weather the headwinds and managed to turn in satisfactory performances.

The revenue of the Group is chiefly derived from its operations in the PRC and denominated in Renminbi. For the year ended 31 December 2024, the Group achieved a consolidated turnover of approximately HK\$1,669.8 million, with a decrease of 3.9% as compared to approximately HK\$1,737.0 million in 2023. The decrease is attributable to certain hawkish policies and measures enacted by the PRC regulators in the pharmaceutical and medical industry. The Group, however, expects that the consequential adversity will be eased off when these policies and measures become familiar (the “Unforeseen Factor”).

Despite the decrease in turnover, the Group’s profit increased by 11.6% to approximately HK\$307.2 million as compared to approximately HK\$275.3 million in 2023.

The Group’s turnover is primarily made up of the ophthalmology segment (“Ophthalmology”), surgical (wound care and healing) segment (“Surgical”) and provision of services segment. The core products that are current growth drivers under each segment are:

1. Ophthalmology – Beifushu® series (Beifushu® eye drops, Beifushu® eye gel and Beifushu® unit-dose eye drops), Tobramycin Eye Drops, Levofloxacin Eye Drops, Sodium Hyaluronate Eye Drops, Moxifloxacin Hydrochloride Eye Drops, Diquafosol Sodium Eye Drops, 適麗順® (Iodized Lecithin Capsules\*), Soft Hydrophilic Contact Lens, Foldable Capsular Vitreous Body and other medical devices for myopia control and prevention such as eye-protection lamp and Seewant defocus customised glasses;
2. Surgical (wound care and healing) – Beifuji® series (Beifuji® spray, Beifuji® lyophilised powder and Beifuxin® gel), Carisolv® dental caries removal gel, 佻典醫生 (Dr. YaDian\*) oral care products, 伊血安顆粒 (Yi Xue An Granules\*), Portable Ultraviolet Phototherapy Devices, PELNAC™ collagen-based artificial dermis, SCALGEN™ double-layered artificial dermis and Osteopore’s bioresorbable implants (Osteomesh® and Osteoplug®) for dental surgery in Singapore; and
3. Provision of services – Healthtech e-platform related medical services.

The sectoral turnover of Ophthalmology and Surgical is approximately 46.2% and 52.7% of the Group’s turnover, respectively. The combined turnover of the Group’s flagship biologics, Beifushu® series and Beifuji® series (the basic fibroblast growth factor (bFGF) based biologic drugs), represented about 84.5% of the Group’s total turnover, of which Beifushu® series and Beifuji® series accounted for 35.1% and 49.4% of the Group’s turnover, respectively. The remaining 15.5% of the Group’s turnover is mainly contributed by sales of Tobramycin Eye Drops, Levofloxacin Eye Drops, Sodium Hyaluronate Eye Drops, 適麗順® (Iodized Lecithin Capsules\*), Carisolv® dental caries removal gel, 佻典醫生 (Dr. YaDian\*) oral care products, 伊血安顆粒 (Yi Xue An Granules\*) and PELNAC™ collagen-based artificial dermis, collectively.

Composition of the Group's turnover for the years ended 31 December 2024 and 2023, respectively, is shown in the following table:

<i>Expressed in HK\$' million</i>	<b>2024</b>	2023
<b>Ophthalmology</b>	<b>771.5</b>	755.1
<b>Surgical</b>	<b>879.9</b>	970.4
<b>Provision of services</b>	<b>18.4</b>	11.5
<b>Total</b>	<b><u>1,669.8</u></b>	<u>1,737.0</u>

Ophthalmology contributed approximately HK\$771.5 million to the Group's turnover for the year ended 31 December 2024, representing an increase of 2.2% as compared to 2023. Surgical recorded a total turnover of approximately HK\$879.9 million for the year ended 31 December 2024, representing a decrease of 9.3% as compared to 2023. The decrease was attributable to the Unforeseen Factor.

The distribution and selling expenses for the year under review were approximately HK\$934.2 million as compared to approximately HK\$1,012.0 million in 2023, representing a decrease of 7.7%. Such expenses primarily consisted of remuneration, advertising costs, travelling and transportation costs, costs for the organisation of seminars and conferences for product training and awareness, etc. The decrease was in line with the decrease in turnover for the year ended 31 December 2024.

The administrative expenses for the year under review were approximately HK\$213.9 million as compared to approximately HK\$217.0 million in 2023. The decrease in administrative expenses was mainly due to the net effect of (i) an increase in costs for expansion of operations in Singapore by approximately HK\$9.9 million; and (ii) a decrease in R&D expenses by approximately HK\$14.1 million.

Total expenditures (inclusive of acquired intangible assets) incurred in R&D for the year ended 31 December 2024 were approximately HK\$156.6 million (2023: approximately HK\$164.3 million), representing 9.4% (2023: 9.5%) of the turnover, of which approximately HK\$131.6 million (2023: approximately HK\$125.2 million) were capitalised.

The Group had cash and cash equivalents of approximately HK\$557.2 million as at 31 December 2024 (2023: approximately HK\$509.8 million).

The Group's bank borrowings as at 31 December 2024 were approximately HK\$165.3 million (2023: approximately HK\$91.5 million), among which 42.2% was repayable within 1 year, 25.5% was repayable in more than 1 year but within 2 years and 32.3% was repayable in more than 2 years but within 5 years. All of the Group's bank borrowings as at 31 December 2024 were denominated in Renminbi and bear interest at floating rate. The interest rate of the Group's bank borrowings ranged from 2.5% to 3.0% per annum as at 31 December 2024. Please refer to the sub-section headed "Liquidity and Financial Resources" for details of banking facilities.

The total finance costs of the Group for the year ended 31 December 2024 were approximately HK\$6.1 million (2023: approximately HK\$11.2 million), including an imputed interest expense on the convertible loan payable and interest expenses on bank borrowings and lease liabilities amounting to approximately HK\$34.3 million (2023: approximately HK\$39.2 million) of which approximately HK\$28.2 million (2023: approximately HK\$28.0 million) was capitalised during the year under review.

## **CONVERTIBLE LOAN FROM INTERNATIONAL FINANCE CORPORATION**

On 6 July 2016, the Company entered into a convertible loan agreement (the "Convertible Loan Agreement") with IFC, being a member of the World Bank Group and an international organisation established by Articles of Agreement among its member countries including the PRC, pursuant to which IFC agreed to lend, and the Company agreed to borrow, a convertible loan in an aggregate principal amount of HK\$150.0 million at an interest rate of 1.9% per annum. Subject to the terms of the Convertible Loan Agreement, IFC has the right to convert all or any part of the outstanding principal amount of the convertible loan into ordinary shares of the Company at a conversion price of HK\$5.90 per share (subject to adjustments as set out in the Convertible Loan Agreement) at any time prior to the maturity date on 2 August 2021.

On 10 July 2020, the Company and IFC entered into an amendment agreement to the Convertible Loan Agreement to extend the maturity date for a period of 3 years to 2 August 2024. Please refer to the announcement of the Company dated 10 July 2020 for details.

On 31 July 2024, the Group repaid the outstanding principal amount of the convertible loan in full, together with the accrued interest and the make whole premium, to IFC. Please refer to the announcement of the Company dated 31 July 2024 for details.

## REPURCHASE OF SHARES

During the year under review, the Company repurchased 446,000 of its shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and these shares were subsequently cancelled by the Company as at the date of this announcement. The total amount paid for the repurchases of HK\$1,108,090 was paid wholly out of retained profits of the Company. Details of those transactions are as follows:

Month	Number of shares repurchased	Price per share		Total price paid HK\$
		Highest HK\$	Lowest HK\$	
January 2024	35,000	2.45	2.30	82,800
August 2024	140,000	2.25	2.18	309,650
September 2024	40,000	2.26	2.25	90,200
November 2024	86,000	2.78	2.48	221,710
December 2024	145,000	2.89	2.72	403,730
	<u>446,000</u>			<u>1,108,090</u>

Subsequent to the end of the reporting period and up to the date of this announcement, the Company repurchased 123,000 of its shares on the Stock Exchange and these shares were subsequently cancelled by the Company as at the date of this announcement. The highest and lowest price per share paid was HK\$2.80 and HK\$2.55, respectively and the total amount paid for the repurchases of HK\$325,270 was paid wholly out of retained profits of the Company.

The repurchase of the Company’s shares was effected by the Directors, pursuant to the mandate granted by the shareholders of the Company to the Directors at the last annual general meeting, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, as at 31 December 2024, the Group did not have any immediate plan for material investments or acquisition of material capital assets.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2024, the Group obtained banking facilities of approximately HK\$631.2 million, of which approximately HK\$206.3 million was utilised. Certain of the banking facilities were secured by the corporate guarantees provided by the Company and one of its subsidiaries.

As at 31 December 2024, the Group had cash and cash equivalents of approximately HK\$557.2 million as compared to approximately HK\$509.8 million as at 31 December 2023. Among the cash and cash equivalents of the Group as at 31 December 2024, 73.1% was denominated in Renminbi, 12.5% was denominated in Hong Kong Dollar and 13.2% was denominated in US Dollar.

The Group monitors its capital structure on the basis of a gearing ratio which is defined as the ratio of total liabilities to total assets. The gearing ratio as at 31 December 2024 was 28.8% (2023: 32.0%).

The healthy liquidity position and working capital level together with the unutilised banking facilities are sufficient to meet the Group's capital commitments, as well as to support the Group's daily operations and bank loan repayments.

## **CHARGES ON GROUP ASSETS**

As at 31 December 2024, no asset (2023: no asset) was being pledged to secure the Group's banking facilities.

## **CAPITAL COMMITMENTS**

As at 31 December 2024, the Group had capital commitments which amounted to approximately HK\$317.2 million (2023: approximately HK\$295.3 million).

## **CONTINGENT LIABILITIES**

As at 31 December 2024, the Group did not have any significant contingent liabilities (2023: Nil).

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES**

There were no material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 December 2024.

## **SIGNIFICANT INVESTMENTS HELD**

Save as disclosed in this announcement, the Group did not hold any significant investments as at 31 December 2024.

## **FOREIGN EXCHANGE EXPOSURE**

It is the Group's policy to borrow and deposit cash in local currencies to minimise currency risk.

The Group's assets, liabilities and transactions are mainly denominated in Hong Kong Dollar, Renminbi or US Dollar. The Directors are of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange risks and therefore no hedging arrangements were made. So long as the linked exchange rate system in Hong Kong with US Dollar is maintained, it is expected that the Group will not be subject to any significant exchange risk. However, the Group will review and monitor the relevant foreign exchange exposure from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements as appropriate.

## **TREASURY POLICY**

The Group generally financed its operations with internally generated cash flows, bank and other borrowings. The Group placed these resources into interest-bearing bank accounts opened with the PRC and Hong Kong banks and earned interests in accordance with the PRC and Hong Kong banks rates. Bank deposits were mainly denominated in Renminbi, Hong Kong Dollar and US Dollar.

## **EMPLOYEES**

As at 31 December 2024, the Group had a total of 1,450 full-time employees (2023: 1,481 full-time employees). The aggregate remuneration of the Group's employees, including that of the Directors, for the year under review and the preceding year amounted to approximately HK\$335.4 million and approximately HK\$323.6 million, respectively. The Group remunerates its employees based on their performance, experience and the prevailing industry practice. Share options and bonuses are also available to employees of the Group at the discretion of the Directors depending on the financial performance of the Group.

The remuneration of each executive Director has been determined with reference to the time commitment and responsibilities of each executive Director, and to the operating results of the Group and his/her performance in the relevant financial year.

## **DIVIDENDS**

An interim dividend of HK\$0.06 per ordinary share was paid on 24 September 2024. The Directors have recommended the payment of a final dividend of HK\$0.06 per ordinary share for the financial year ended 31 December 2024 to the shareholders of the Company whose names appear on the register of members of the Company on Thursday, 29 May 2025. Subject to shareholders' approval, the final dividend will be payable on Monday, 9 June 2025.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Friday, 16 May 2025 to Wednesday, 21 May 2025 (both days inclusive) for ascertaining shareholders' right to attend and vote at the forthcoming annual general meeting to be held on Wednesday, 21 May 2025. During this period, no transfer of shares will be registered. In order to be entitled to attend the aforesaid annual general meeting, all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 15 May 2025.

The register of members of the Company will be closed from Tuesday, 27 May 2025 to Thursday, 29 May 2025 (both days inclusive) for ascertaining shareholders' entitlement to the proposed final dividend. No transfer of shares will be registered during this period. In order to be qualified for the proposed final dividend to be approved at the forthcoming annual general meeting to be held on Wednesday, 21 May 2025, all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 26 May 2025.

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

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year under review.

## **CORPORATE GOVERNANCE**

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the year under review.

## **APPOINTMENT OF CHIEF EXECUTIVE OFFICER**

The Board is pleased to announce that, subject to the approval by the shareholders of the Company in respect of Mr. Ngiam Hian Leng Malcolm's re-election as Director at the forthcoming annual general meeting, Mr. Ngiam Hian Leng Malcolm ("Mr. Malcolm Ngiam") will be appointed as the Company's chief executive officer (the "CEO") with effect from 1 July 2025.

Mr. Malcolm Ngiam, aged 40, has been an executive Director and the deputy managing Director of the Company since 2020. He has been instrumental in driving the Group's strategic corporate planning, business development and operational management. Mr. Malcolm Ngiam also serves as the president of Essex Bio-Investment Limited, a wholly-owned subsidiary of the Company, and is a director of Essex Bio-Investment Limited, Essex Bio-Pharmacy Limited, Essex Medipharma Investment Limited, Essex Medipharma (Hong Kong) Limited, Zhuhai Essex Bio-Pharmaceutical Company Limited\*, Essex Medipharma (Zhuhai) Company Limited\*, Wuhan Adv. Dental Company Limited\*, Essex (Wuxi) Healthtech Company Limited\*, Guangdong Essex Sci-Tech Company Limited\*, Majeton Pte. Ltd., UNO Medical Group Private Limited, EssexBio Pte. Ltd., DunaVision Pte. Ltd. and YesDok Pte. Ltd., all being subsidiaries of the Company.

Prior to joining the Group in 2015, Mr. Malcolm Ngiam was involved in translational and therapeutics research for more than 10 years. Mr. Malcolm Ngiam leads the business development team of the Group for executing various investment projects and has direct oversight of the research and development and marketing functions of the Group. Mr. Malcolm Ngiam graduated from Imperial College London and has a bachelor's degree in Biochemistry.

Mr. Malcolm Ngiam has entered into a service contract (“Service Contract”) with the Company as an executive Director and the deputy managing Director in 2020 without a fixed term, which can be terminated by no less than six months’ notice in writing served by either party on the other. As at the date of this announcement, the Company and Mr. Malcolm Ngiam have entered into a supplemental agreement to the Service Contract in relation to the appointment of Mr. Malcolm Ngiam as the CEO. Mr. Malcolm Ngiam is entitled to an annual salary of HK\$1,260,000 for his roles as an executive Director and the CEO with effect from 1 July 2025, which is determined with reference to his background, qualification, experience, duties and responsibilities within the Group and the prevailing market conditions. Mr. Malcolm Ngiam is also entitled to (i) a variable salary to be determined by the Board at its absolute discretion having regard to his performance; and (ii) a discretionary bonus to be determined by the Board at its absolute discretion having regard to the performance of Mr. Malcolm Ngiam and the overall performance of the Group.

Mr. Malcolm Ngiam is the son of Mr. Ngiam Mia Je Patrick, the Company’s Chairman and executive Director. As at the date of this announcement, Mr. Malcolm Ngiam was personally interested in 2,039,000 shares of the Company.

Save as disclosed above, as at the date of this announcement, Mr. Malcolm Ngiam (i) has not held any other major appointments and qualifications; (ii) does not hold any other directorships in other public companies listed on any securities market in Hong Kong or overseas in the last three years; (iii) does not have any other relationship with any Directors, senior management, substantial or controlling shareholders (which have the meaning ascribed to them under the Listing Rules) of the Company; (iv) does not hold other positions in the Company or the Group; and (v) does not hold any other interests in any shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, Mr. Malcolm Ngiam confirmed that there is no other information that should be disclosed pursuant to any of the requirement under Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with the appointment of Mr. Malcolm Ngiam as the CEO.

The Board believes that Mr. Malcolm Ngiam’s appointment as the CEO will drive the Company’s continued expansion and success. The Board welcomes Mr. Malcolm Ngiam to his new role and look forward to his leadership.

## **EVENT AFTER THE REPORTING PERIOD**

Save as disclosed in this announcement, there were no other significant events that have occurred after the reporting period.

## **SCOPE OF WORK OF BDO LIMITED**

The figures in respect of the Group's results for the year ended 31 December 2024 as set out in this announcement have been agreed by the Company's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this preliminary results announcement.

## **AUDIT COMMITTEE**

The audited consolidated financial statements of the Company for the year ended 31 December 2024 had been reviewed by the audit committee of the Board (the "Audit Committee") before they were duly approved by the Board under the recommendation of the Audit Committee.

On behalf of the Board  
**Essex Bio-Technology Limited**  
**Mr. Ngiam Mia Je Patrick**  
*Chairman*

Hong Kong  
26 March 2025

*Executive directors of the Company as at the date of this announcement are Mr. Ngiam Mia Je Patrick, Mr. Fang Haizhou, Mr. Ngiam Hian Leng Malcolm and Ms. Yau Lai Man. Independent non-executive directors of the Company as at the date of this announcement are Mr. Fung Chi Ying, Ms. Yeow Mee Mooi and Mr. Yan Man Sing Frankie.*

\* *For identification purpose only*