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Sincere Pharmaceutical Group Limited

先聲藥業集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 2096)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Sincere Pharmaceutical Group Limited (the “**Company**”) is pleased to announce the consolidated financial results of the Company together with its subsidiaries (collectively the “**Group**”) for the year ended December 31, 2024 (the “**Reporting Period**”), together with the comparative figures for 2023. The consolidated financial statements for the Reporting Period have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and audited by KPMG, the Company’s auditor.

FINANCIAL HIGHLIGHTS

For the year ended December 31, 2024:

- Revenue of the Group was RMB6,635 million, representing an increase of 0.4% as compared to RMB6,608 million for 2023.
- Revenue from the innovative pharmaceutical business was RMB4,928 million, accounting for 74.3% of the total revenue and representing an increase of 3.6% as compared to RMB4,756 million for 2023.
- Revenue of the Group was mainly derived from the therapeutic areas where its businesses are focused. Of which, revenue from the field of neuroscience was RMB2,174 million, accounting for 32.8% of the total revenue and representing an increase of 10.4% as compared to RMB1,969 million for 2023. Revenue from the field of autoimmune was RMB1,811 million, accounting for 27.3% of the total revenue and representing an increase of 28.0% as compared to RMB1,415 million for 2023. Revenue from the field of anti-oncology was RMB1,298 million, accounting for 19.6% of the total revenue and representing a decrease of 17.6% as compared to RMB1,576 million for 2023. Revenue from other fields was RMB1,352 million, accounting for 20.3% of the total revenue and representing a decrease of 18.0% as compared to RMB1,648 million for 2023.
- Profit attributable to equity shareholders of the Company was RMB733 million, representing an increase of RMB18 million or 2.6% as compared to RMB715 million for 2023.
- The adjusted profit attributable to equity shareholders of the Company¹ amounted to RMB1,018 million, representing an increase of RMB299 million or 41.6% as compared to RMB719 million for 2023. The adjusted profit attributable to equity shareholders of the Company is defined by the Group as profit attributable to equity shareholders of the Company adjusted for the following items: (i) net realized and unrealized (loss)/gain on financial assets at fair value through profit or loss; (ii) interest expenses arising from redemption liability; (iii) the net gain on disposal of interest in subsidiaries; and (iv) income tax effect related to the above items.

¹ To supplement the financial information presented in accordance with Hong Kong Financial Reporting Standards, the Group also uses adjusted profit attributable to equity shareholders of the Company as a non-Hong Kong Financial Reporting Standards measure. Such measure is unaudited in nature and is not required by, or presented in accordance with, Hong Kong Financial Reporting Standards.

BUSINESS HIGHLIGHTS

The Group devotes to establishing its product portfolios with a focus on neuroscience, anti-oncology, autoimmune and anti-infection. For the year ended December 31, 2024 and up to the date of this announcement, the Group has achieved following key milestones and achievements:

The Group’s innovative drugs that has entered the commercialization stage increased to eight, of which, two new innovative products were approved for marketing in China, which included:

- ENLITUO® (Cetuximab Beta Injection), the indication of which is to be used for the first-line therapy of RAS/BRAF wild-type metastatic colorectal cancer (“**mCRC**”) in combination with FOLFIRI regimen.
- Sanbexin® sublingual tablets aim at improving the neuro symptoms, the daily living abilities and dysfunction caused by acute ischemic stroke (“**AIS**”), while it is expected to form a sequential therapy combined with Sanbexin® Injection which has been launched by the Group, which can further enhance the synergistic effects and enable patients to receive a complete course of treatment in and outside of the hospital.

Three new drug applications (“NDA”) of the Group have been accepted by the National Medical Products Administration of China (the “NMPA”), which included:

- ENZESHU®, a new-generation recombinant humanized anti-vascular endothelial growth factor (anti-VEGF) monoclonal antibody, which can be used to treat recurrent platinum-resistant ovarian, fallopian tube or primary peritoneal cancer.
- QUVIVIQ®, a dual orexin receptor antagonist (“**DORA**”), which improves nighttime sleep in the adult population with chronic insomnia disorder and also improves daytime functioning.
- Deunoxavir Marboxil Tablets¹, an endonuclease inhibitor for influenza polymerase acidic (PA) protein, which can be used to treat uncomplicated influenza A and B in adults and adolescents.

The Group achieved further expansion in the coverage of the National Reimbursement Drug List (the “NRDL”):

- In 2024, two new products, namely COSELA® (Trilaciclib Hydrochloride for Injection) and ENLITUO® (Cetuximab Beta Injection), were successfully included in the NRDL. Sanbexin® (Edaravone and Dexborneol Concentrated Solution for Injection) was successfully renewed in the NRDL.

¹ A product with commercial right.

The research and development pipelines of the Group gradually entered the critical harvest period and three additional new drug molecules were at phase III clinical studies, which included:

- SIM0270, a second-generation oral selective estrogen receptor degraders (“**SERD**”) with blood-brain barrier penetration characteristics, which is intended for ER+/HER2-locally advanced or metastatic breast cancer after treatment with a CDK4/6 inhibitor.
- TGRX-326¹, which is the latest generation of novel type 1 drug for the treatment of non-small-cell lung cancer (“**NSCLC**”) driven by ALK/ROS1 positive fusion gene.
- Rademikibart, a fully human monoclonal antibody targeting IL-4R α , which is intended for the treatment of Th2 related inflammatory diseases such as atopic dermatitis and asthma.

The Group continued to expand new indications of marketed products, which included: Endostar®’s malignant thoracoabdominal effusions and ENWEIDA®’s NSCLC.

The Group expedited the promotion of its in-house pipelines to enter the clinical stage and various types of products entered the critical period of POC data. As of the date of this announcement, the Group has added seven PCC molecules², added eight investigational new drug applications (“**IND(s)**”)³, completed ten FPIs/FIHs⁴ and five LPIs⁵.

¹ A product with commercial right

² A total of seven new pre-clinical candidate compounds (“**PCC**”), namely SIM0609, SIM0610, SIM0562, SIM0708, SIM0709, SIM0711 and SIM0811.

³ A total of eight INDs were approved, namely XIANNUOXIN® (COVID-19 among 12-17 years old, January 2024), SIM0501 (advanced malignant solid tumors, January 2024), Deunoxavir Marboxil (influenza in children, February 2024), SIM0500 (relapsed or refractory multiple myeloma, March 2024, the United States; March 2024, China), SIM0506 (solid tumor, April 2024) and SIM0508 (advanced solid tumors, August 2024, China, the United States).

⁴ Three studies completed the First-in-Human (“**FIH**”) trial, namely SIM0501 (advanced malignant solid tumors, March 2024), SIM0500 (relapsed or refractory multiple myeloma, May 2024) and SIM0508 (locally advanced/metastatic solid tumor, December 2024). Seven studies completed First-Patient-in (“**FPI**”), namely SIM0237 (NMIBC, phase I, January 2024), Sanbexin® sublingual tablets (post stroke cognitive impairment, phase II, April 2024), Rademikibart (atopic dermatitis in adults/adolescents, phase III, July 2024; asthma in adults/adolescents, phase III, July 2024), Deunoxavir Marboxil (influenza in children, phase III, August 2024), SIM0270 (ER+/HER2- locally advanced or metastatic breast cancer, phase III, November 2024) and SIM0505 (advanced solid tumors, phase I, February 2025).

⁵ A total of five studies completed Last-Patient-In (“**LPI**”), namely Sanbexin® (acute hemorrhage stroke, phase IIa, March 2024), QUVIVIQ® (insomnia, phase III, March 2024), Endostar® (malignant thoracoabdominal effusions, phase III, November 2024), SIM0278 (phase I, December 2024) and Deunoxavir Marboxil (influenza in children, phase III, January 2025).

The Group continued to promote the globalization strategy and the R&D of five innovative drugs is being simultaneously conducted in the U.S. and China, which included: Sanbexin[®] sublingual tablets, SIM0501 (USP1 small molecule inhibitor), SIM0500 (humanized GPRC5D-BCMA-CD3 tri-specific antibody), SIM0508 (Pol θ small molecule inhibitor) and SIM0506 (CDH6-ADC).

The Group has been expediting the R&D schedules of multiple innovative drugs under pivotal clinical trials. As of the date of this announcement, one phase III study achieved key data readout and has met the primary endpoints, and two phase III data have been published in well-known academic journals:

- On January 3, 2024, the phase III clinical trial of ENZESHU[®] (Suvemcitug for Injection) combined with chemotherapy in patients with recurrent, platinum-resistant epithelial ovarian, fallopian tube and primary peritoneal cancer (the “**SCORES Study**”) has met the primary endpoint. Based on the positive results of the study, the Group submitted the NDA to the NMPA on March 11, 2024 and it was accepted on March 15, 2024.
- On January 18, 2024, the New England Journal of Medicine published the complete data of XIANNUOXIN[®] for phase II/III clinical trials. The results showed that, for adult patients with mild-to-moderate new coronavirus infection (“**COVID-19**”) in China, XIANNUOXIN[®] could accelerate recovery from symptoms, shorten the duration of the disease cause, reduce viral load rapidly and significantly and demonstrate good safety and tolerance.
- On February 19, 2024, the Journal of American Medical Association • Neurology (JAMA NEUROLOGY) published the key results of the phase III clinical study of Sanbexin[®] sublingual tablets used for the treatment of AIS (the TASTE-SL Study). The results showed that the Sanbexin[®] sublingual tablets group showed a significantly higher proportion of patients experiencing good functional results (mRS score 0~1) on day 90 after randomization, compared with the placebo group (64.4% vs. 54.7%).

The Group established a global innovation ecosystem through strategic cooperation under the dual drive of its in-house efforts and BD, and continued to expand product pipelines while further verifying the international competitiveness of the R&D capacity of the Group:

- On September 2, 2024, the Group has entered into a cooperation agreement with Shenzhen TargetRx, Inc. (深圳市塔吉瑞生物醫藥有限公司) in relation to TGRX-326, a NSCLC drug, pursuant to which, the Group obtained the exclusive commercialization rights of such product in Chinese Mainland. This cooperation will further strengthen the Group’s product portfolio in the field of lung cancer.
- On January 13, 2025, the Group has entered into an option to license agreement (the “**Agreement**”) with a subsidiary of AbbVie Inc. (NYSE: ABBV) (“**AbbVie**”). Under terms of the Agreement, AbbVie would have the option to license SIM0500, an IND candidate, while the Group would retain its rights in the Greater China Region.
- On January 17, 2025, the Group has entered into a cooperation agreement with Guangzhou Fermion Technology Co., Ltd. (廣州費米子科技有限責任公司) in respect of FZ002-037, an analgesic innovative drug candidates in trial stage targeting SSTR4, pursuant to which, the Group obtained exclusive rights to develop and commercialize the product in the Greater China region.
- On January 19, 2025, the Group has entered into a cooperation agreement with Jinyu Bowo Runze Biotechnology Co., Ltd. (金宇博沃潤澤生物技術有限公司) in respect of Tocilizumab Injection (KAOPURUINING®), pursuant to which, the Group obtained exclusive rights to commercialize the product in the Greater China region.

The Group improves its production capacity and efficiency continuously, so as to adapt to the “Innovation 2.0” strategy:

- Jiangsu Xiansheng Biology Medical Co., Ltd. (江蘇先盛生物醫藥有限公司) (a pharmaceutical ingredient base) only spent 12 months from initiation to completion, which is far exceeding the industry average. It is now capable of production, and the production transfer and process validation of key products are progressing at an accelerated pace.
- In April 2024, the production license (B certificate) for Rademikibart Injection (specification: 150mg (1ml)/bottle) of Simcere Pharmaceutical Co., Ltd. (先聲藥業有限公司) has been approved.

The Group has made significant strides in improving its environmental, social and governance (ESG) standards. According to Morgan Stanley Capital International’s (MSCI) latest ESG rating results in 2024, the rating of the Group was A, ranking at the forefront of the pharmaceutical industry of China.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In 2024, China's pharmaceutical industry underwent structural adjustment amidst deepening policies, capital fluctuation and technological iteration, with generic drugs being further compressed and innovative drugs becoming the core growth engine. The overall performance of listed pharmaceutical companies were under pressure, but innovative drugs and internationalization still showed resilience in structural growth. In the first half of the year, a number of policies in encouragement of innovative drugs have been introduced and the full-chain development of innovative drugs was accelerated, among which, the executive meeting of the State Council approved the Implementation Plan for Full-Chain Support of Innovative Drug Development (《全鏈條支持創新藥發展實施方案》), which built an ecosystem of innovative drugs in an all-round way from R&D subsidies to assessment and approval of green pathways as well as the tilt of medical insurance reimbursement towards the financing support from the capital markets, so as to further boost the market confidence. In the second half of the year, the policies continued to be stepped-up, which deepened the transformation of the industry. In September, the NMPA published the Guidance Opinions on Optimization of the Drug Review and Approval Process (《優化藥品審評審批流程指導意見》), which promoted the mechanism of “rolling submission and phase-by-phase assessment” and reduced the launch cycle of innovative drugs by 20%, so as to expedite the facilitation of the acceleration of time-to-market of new drugs with real clinical value. In 2024, the amounts of overseas licensing transactions of Chinese innovative drugs amounted to over USD15 billion with a year-on-year increase of 45%. In the future, with the continuous deepening of innovative transformation of the pharmaceutical industry, pharmaceutical enterprises with upstream innovation capacity, global layout and commercialized collaboration capacity will have more opportunities, which will continue to provide “Chinese solutions” for the global healthcare industry.

GROUP OVERVIEW

The Group is an innovation and R&D-driven pharmaceutical company with capabilities in R&D, production and professional marketing. The Group primarily focuses on the areas of neuroscience, anti-oncology, autoimmune and anti-infection, with forward-looking layout of disease areas that have significant clinical needs in the future, aiming to achieve the corporate mission of “born for the patients”.

Group review for 2024: The Group achieved high-quality development by insisted on focusing on the “more effective and distinctive” strategic guidelines. The innovative pharmaceutical business continued to grow and its innovative drugs that has entered the commercialization stage increased to eight, thus its revenue hit a record high. In the focused therapeutic areas, the Group has established a pipeline of over 60 types of innovative drugs and is initiating registrational clinical studies for 16 innovative drugs. The efficient clinical operation and registration teams continuously facilitated the global research and development of product pipelines under research, which expedited the achievement of innovation value. At the same time, the Group reached significant milestones in terms of overseas licensings of early-stage in-house pipelines and continued to advance towards global innovation, so as to add impetus to the sustainable growth for the pharmaceutical industry of China.

- In the focused areas, the Group has eight innovative drugs approved for marketing and sale. As of December 31, 2024, the Group has 14 products recommended in guidelines and pathways issued by over 100 government authorities or prestigious professional associations, and has over 45 products included in the NRDL.
- The Group pays high attention to the establishment of innovative drug research and development (“**R&D**”) capacity, and has established innovation centers in Shanghai, Nanjing, Beijing and Boston respectively, a collaborative innovation center in Hong Kong as well as a State Key Laboratory of Neurology and Oncology Drug Development. The Group’s R&D system has achieved functions covering the whole process of drug discovery, preclinical development, clinical trial and registration, and owns innovative platforms of protein engineering, PAb/TCE, antibody-drug conjugates (“**ADC**”), messenger ribonucleic acid (mRNA), AI-aided drug discovery and protein degradation, etc. As of December 31, 2024, the Group had a R&D team of approximately 974 employees in total with approximately 174 doctors and 525 masters.

- The Group attaches great importance to the protection of intellectual property rights. For the year ended December 31, 2024, the Group had 380 new patent applications (including domestic and overseas unpublished patent applications), including 364 invention patent applications. For the year ended December 31, 2024, the Group has accumulatively obtained 294 invention patents.
- The Group has a nationwide marketing network and leading commercialization capacity, and will continuously strengthen its professional marketing capacity, so as to enhance coverage and access to medicines. As of December 31, 2024, the Group's sales team had a total of approximately 4,050 employees divided into four business units (neuroscience, anti-oncology, autoimmune & comprehensive and retail grossroots) and other support departments across 32 provinces, municipalities and autonomous regions, covering over 3,000 Class III hospitals, approximately 17,000 other hospitals and medical institutions as well as more than 200 large-scale national or regional chain pharmacies in China.
- The Group has established manufacturing infrastructures and quality management systems in line with international standards and has continuously improved its manufacturing capabilities of pharmaceuticals. The six production facilities that have been put into use all meet the requirements of Chinese GMP, and part of the production lines have received EU GMP certification or passed the inspection of the U.S. Food and Drug Administration (the “**FDA**”).
- Driven by its in-house R&D efforts and synergistic innovation, the Group has established strategic cooperation partnerships with many innovative companies and research institutes, exploring multiple collaborative modes such as cooperative R&D and achievement transfer and continuously developing products that patients urgently need and have significant market potential. The Group established the Scientific Advisory Board (SAB) comprising over 10 world-renowned scientists in the areas of neuroscience, anti-oncology and autoimmune, etc., so as to bring their professional capabilities and experiences to provide scientific advice for early drug discovery and clinical development of the Group, and aim to attract global leaders of life science to explore and create unprecedented treatments.

BUSINESS PROSPECTS

In 2025, the Group will regard the “Innovation 2.0” strategy as its core driving force, deepen its globalized layout, strengthen its differentiated advantages, expedite management reforms and upgrade of organizational capacity and respond to industry changes proactively, so as to lay a solid foundation for sustainable growth. The Group will endeavour to comprehensively implement the strategies with the focus on the following management objectives:

- The Group will focus on the global layout of differentiated pipelines with high value and promote a breakthrough in cutting-edge technologies. By optimizing the efficiency of expenditure on research and development activities and international cooperation mechanisms, the Group will accelerate the achievement transformation of products at pivotal trial stage and expand the international market layout of innovative drugs. At the same time, the Group will strengthen the two-wheel drive of research and development as well as business development (BD), explore the model of license-in and collaborative innovation and establish a ecosystem-based product matrix covering various therapeutic areas, so as to further enhance clinical values and business synergies.
- The Group will continue to improve the manufacturing quality management system and adhere the international advanced standards strictly, so as to ensure the safety and efficacy of drugs. The new production facilities will further strengthen cost competitiveness and supply stability, so as to provide reliable protection for the expansion of global markets.
- The Group will deeply integrate the artificial intelligence technology to empower the full-chain upgrade of the Group comprehensively. Through systematic restructuring of three core sectors from R&D to marketing and management, the Group will promote cost reduction, efficiency enhancement and value creation, and actively participate in the digital transformation process of the pharmaceutical industry.
- The Group will continue to drive innovation and regard management as the foundation, so as to seize opportunities in industry reforms and provide innovative drugs with higher efficacy for a broader patient population.

SUMMARY OF PRODUCT PIPELINES

As of the date of this announcement, the Group has eight commercialized innovative drugs, over 60 product pipelines of innovative drugs, three new drug molecules under NDA approval¹, four new drug molecules at phase III clinical study stage¹ and 11 molecules entered early clinical stage. The forms of innovative drugs under development contain monoclonal antibodies, bispecific antibodies, PAb/TCE, fusion proteins, ADC and small molecule drugs. The extensive pipeline reserves have huge clinical and commercialization potential, which are expected to help more patients.

¹ Including products with commercial rights, namely Deunoxavir Marboxil, LNK01001 and TGRX-326.

The table below summarizes the therapeutic targets, therapeutic areas, commercialization rights and development of principal R&D pipelines of the Group as of the date of this announcement.

Territory	Product candidate (Target/Mechanism)	Pre-clinical	IND	Phase I	Phase II	Phase III	NDA/BLA
Anti-oncology							
China	Suvemcitug (VEGF)	OC, FTC and PPC (SCORES study)					
Global	Endostar® New indication (Angiogenesis)	Thoracoabdominal effusions (COREMAP study)					
Global	SIM0270 (SERD BM)	Breast cancer					
China (commercialization right)	TGRX-326 (ALK/ROS1)	Non-small cell lung cancer					
Global	Docetaxel polymeric micelles for injection (Tubulin inhibitor)	Malignant ascites					
Global	SIM0348 (TIGIT/PVRIG bispecific antibody)	Advanced solid tumor					
Global	SIM0237 (PD-L1/IL15v bispecific antibody)	Non-muscle invasive bladder cancer (China)					
Global	SIM0501 (USP1)	Solid tumors (China and U.S.)					
China (Option to license from AbbVie)	SIM0500 (GPC3D-BCMA-CD3 trispecific antibody)	Multiple myeloma (China and U.S.)					
China	SIM0395 (PI3K/mTOR)	Glioblastoma (GBM AGILE study)					
Global	SIM0508 (Polθ)	Solid tumors (China and U.S.)					
Global	SIM0505 (CDH6-ADC)	Solid tumors					
Global	SIM0506 (SOS1)	Solid tumors					
Global	SIM0686 (FGFR2b-ADC)	Solid tumors					
China	SIM0323 (CD80/IL2)	Solid tumors					
Global	SIM0609	Solid tumors					
Global	SIM0610	Solid tumors					
Global	SIM0562	Solid tumors					
Neuroscience							
China	QUVIVIQ® (DORA)	Insomnia					
Global	Sanbexin® sublingual tablets (Free radicals and inflammatory cytokines)	AIS (U.S.)					
Global	Sanbexin® injection New Indication (Free radicals and inflammatory cytokines)	PSCI					
		ICH					
		Stroke with cerebral edema					
China	SIM0800 (AQP4)	Stroke with cerebral edema					
Global	SIM0811	AIS, MI and etc					
Autoimmune							
China	Rademikibart (IL-4Rα)	Atopic Dermatitis					
China (licensed-out to Almirall outside of China)	SIM0278 (IL2muFc)	Asthma					
		AD, SLE, etc.					
Global	SIM0708	AD, COPD, Asthma, etc.					
Global	SIM0711	AD, and etc.					
Global	SIM0709	IBD, and etc.					
China (commercialization right)	LNK01001 (JAK1)	RA and AS					
Anti-infection							
China (commercialization right)	Deunoxavir Marboxil (PA)	Influenza (adult/adolescent)					
		Influenza (child)					
		Post-exposure prophylaxis for influenza A and B (aged 2 years and above)					

Development status of the Group

Development status of partner(s)

Marketed in nine countries, such as the U.S. and Europe

Development status of the Group

Development status of partner(s)

BUSINESS REVIEW

INNOVATIVE DRUGS AT THE COMMERCIALIZATION STAGE

During the Reporting Period and up to the date of this announcement, the Group has successfully expanded its commercialized portfolio of innovative drugs into eight: Endostar®, Iremod®, Sanbexin®, ENWEIDA®, COSELA®, XIANNUOXIN®, ENLITUO® and Sanbexin® sublingual tablets, spanning over multiple areas, including neuroscience, anti-oncology, autoimmune and anti-infection, which have significant market potentials and synergistic effects.

MILESTONES AND ACHIEVEMENTS DURING THE REPORTING PERIOD

Neuroscience Products

Sanbexin® (Edaravone and Dexborneol Concentrated Solution for Injection)

Sanbexin® is a category I innovative drug developed by the Group with proprietary intellectual property right used to treat AIS. Sanbexin® was approved for marketing in China in July 2020 and has been included in the NRDL since December 2020. For the year ended December 31, 2024, Sanbexin® Injection, accounting for approximately 28% of the market share in stroke injection, covered approximately 1.31 million patients and covers over 5,500 medical institutions currently.

NRDL Coverage

- In November 2024, Sanbexin® Injection was successfully renewed to be included in the NRDL (2024 Edition). The NRDL (2024 Edition) officially came into effect from January 1, 2025.

Data Release

- In May 2024, the hindsight of the TASTE and TASTE-SL study was officially released in the 10th European Stroke Organization Conference. The results demonstrated that regardless of Edaravone and Dexborneol for Injection or sublingual tablets, Edaravone and Dexborneol can significantly improve the neurological function outcome of atherosclerotic (LAA) stroke.
- In May 2024, a multi-center, prospective and real-world cohort study (EXPAND) initiated by the team led by Professor Hao Junwei from Xuanwu Hospital of the Capital Medical University (首都醫科大學宣武醫院) was published during the 10th European Stroke Organization Conference. The EXPAND study was the first large-sample and prospective clinical study which observed the efficacy and safety of Edaravone and Dexborneol in the treatment of AIS in a real medical environment. Such abstract reported initial analysis results, representing Edaravone and Dexborneol can improve the changes from baseline in NIHSS scores of AIS patients at discharge.

Sanbexin® sublingual tablets

Sanbexin® sublingual tablets is a brain cytoprotective agent composed of edaravone and dexborneol, two active ingredients with synergistic anti-oxidant and anti-inflammatory effects, which can significantly reduce brain cell injury or impairment caused by AIS. Such unique sublingual tablets formulation can quickly disintegrate once in contact with the saliva under the tongue and can be absorbed into the blood through the sublingual venous plexus, which is expected to increase the flexibility of stroke treatment. Sanbexin® sublingual tablets are expected to form a sequential therapy combined with Sanbexin® Injection (Edaravone and Dexborneol Concentrated Solution for Injection) which has been launched by the Company to enable patients to receive a complete course of treatment in and outside of the hospital.

Milestone of R&D Progress

- In August 2024, Sanbexin® sublingual tablets was granted the “Breakthrough Therapy” designation by the FDA, which was the first innovative drug in the global stroke treatment sector receiving such designation and the first innovative drug in the Chinese neuroscience sector receiving such designation.

Registration Progress

- In December 2024, Sanbexin® sublingual tablets was approved for marketing in China by the NMPA, aiming at improving the neuro symptoms, the daily living abilities and dysfunction caused by AIS.

Data Release

- In February 2024, the Journal of American Medical Association • Neurology (JAMA NEUROLOGY) published online the key results of the multi-center, randomized, double-blind and placebo-controlled phase III clinical study (the TASTE-SL Study) of Sanbexin® sublingual tablets used for the treatment of AIS. The results showed that, Sanbexin® sublingual tablets have significantly improved the recovery of neurological function and ability to live independently in AIS patients after treatment.

Anti-oncology Products

Endostar® (Recombinant Human Endostatin Injection)

Endostar® is the first anti-angiogenic targeted drug in China and the only endostatin approved for sale worldwide. Endostar® has been included in the NRDL since 2017 and is recommended as a first-line treatment for patients with advanced NSCLC by a number of oncology clinical practice guidelines issued by the National Health Commission of the PRC (“NHC”), Chinese Medical Association (中華醫學會) and Chinese Society of Clinical Oncology (“CSCO”). Also, it has been included in the recommendations by various guidelines in relation to nasopharyngeal carcinoma, melanoma, esophageal carcinoma and osteosarcoma.

Milestone of Clinical Progress

- In November 2024, the phase III clinical study of new indications of malignant thoracoabdominal effusions completed the LPI.

Data Release

- In January 2024, the China Anti-Cancer Association published the Expert Consensus on Diagnosis and Treatment for Lung Cancer and Malignant Pleural Effusions (《肺癌合併惡性胸腔積液診療專家共識》), pursuant to which, Endostar® was included in the consensus for the first time, which was recommended by experts to be used in the treatment of lung cancer and malignant pleural effusions.
- In May 2024, the annual meeting of the American Society of Clinical Oncology (“ASCO”) was held in Chicago. Four studies of Endostar® were presented in this meeting, including one oral presentation, one poster showcase and two online publications. The study results covered nasopharyngeal carcinoma, melanoma and other areas.
- In July 2024, the Guideline for Clinical Diagnosis and Treatment of Lung Cancer of Chinese Medical Association (2024 Edition) (《中華醫學會肺癌臨床診療指南(2024版)》) was published, pursuant to which, Endostar® was recommended for the first-line treatment of patients with stage IV non-squamous NSCLC with negative driver genes (Class 1 or 2A).
- In September 2024, the annual meeting of the European Respiratory Society (ERS) was convened in Vienna, Austria. A real-world study in relation to the three-day continuous micro-infusion combination regimens for advanced NSCLC was released in the meeting.
- In September 2024, the 27th National Congress of Clinical Oncology and the annual meeting of 2024 CSCO was convened in Xiamen, and two studies of Endostar® were presented in this meeting.
- In December 2024, the ESMO Asia meeting was held in Singapore. One study of Endostar® was presented in this meeting and the title of the study was: a single-arm phase II clinical study of Envafolimab in combination with chemoradiotherapy and Recombinant Human Endostatin for the treatment of high-risk locally advanced nasopharyngeal carcinoma.
- In December 2024, the Guideline for the Diagnosis and Treatment of Primary Cervical Malignant Melanoma (2024 Edition) (《原發性子宮頸惡性黑色素瘤診斷及治療指南(2024年版)》) was published, pursuant to which, Endostar® was recommended for patients with primary cervical malignant melanoma.

ENWEIDA® (Envafolimab Injection)

ENWEIDA® is the world's first PD-(L)1 antibody to be administered by subcutaneous injection approved for marketing. Its unique method of injection differentiates itself from other PD-(L)1 products currently on the market, with the differentiation advantages of short administration time and good safety. In March 2020, the Group entered into a tripartite cooperation agreement in relation to Envafolimab with 3D (Beijing) Medicines Inc. (思路迪(北京)醫藥科技有限公司) and Jiangsu Alphamab Biopharmaceuticals Co., Ltd. (江蘇康寧傑瑞生物製藥有限公司). The above-mentioned agreement provides the Group with the exclusive right to promote Envafolimab for all oncology indications and the right of first refusal of external licensing or assignment in the Chinese mainland.

Data Release

- In March 2024, at the European Lung Cancer Congress (ELCC) 2024, the results of a phase II clinical study of the first-line treatment of advanced NSCLC with gene negative by ENWEIDA® in combination with Recombinant Human Endostatin and chemotherapy were presented. Such treatment protocol demonstrated good efficacy and manageable safety, which was worthy for further studies in wider population.
- In May 2024, ENWEIDA® continued to be included in six CSCO important guidelines: CSCO Clinical Application Guidelines for Gastric Cancer 2024 (《2024 CSCO胃癌臨床應用指南》) (Level I, Class 2A); CSCO Clinical Application Guidelines for Colorectal Cancer 2024 (《2024 CSCO結直腸癌臨床應用指南》) (Level II, Class 2A); CSCO Immune Checkpoints Guidelines for Clinical Use of Inhibitors 2024 (《CSCO免疫查抑制劑臨床應用指南2024版》) (Level I, Class 2A); CSCO Clinical Application Guidelines for Endometrial Carcinoma 2024 (《2024 CSCO子宮內膜癌臨床應用指南》) (Level II, Class 3); CSCO Clinical Application Guidelines for Cervical Cancer 2024 (《2024 CSCO宮頸癌臨床應用指南》) (Level III, Class 3); and CSCO Clinical Application Guidelines for Ovarian Cancer 2024 (《2024 CSCO卵巢癌臨床應用指南》) (Level III, Class 2B).
- In May 2024, at the ASCO annual meeting, nine studies of ENWEIDA® were presented in this meeting, including four poster showcases and five online publications. The study results covered biliary tract cancer, liver cancer, rectal cancer, endometrial cancer, esophageal squamous cell carcinoma, adenocarcinoma of the stomach/gastroesophageal junction and other areas.

- In September 2024, the 2024 World Conference on Lung Cancer (WCLC) was convened in San Diego, the United States, and three poster studies of ENWEIDA® were presented in this meeting.
- In September 2024, the annual meeting of 2024 European Society for Medical Oncology (ESMO) was held in Barcelona, Spain, and one poster study of ENWEIDA® in relation to biliary tract cancer was presented in this meeting.
- In December 2024, the Chinese Expert Consensus on MDT Diagnosis and Treatment of Liver Metastases from Colorectal Cancer (2024 Edition) (《結直腸癌肝轉移MDT診治中國專家共識(2024版)》) was published, and ENWEIDA® was recommended for patients with dMMR/MSI-H colorectal cancer.
- In January 2025, the General Office of the National Health Commission published the “Guidelines for the Clinical Application of New Anti-tumor Drugs (2024 Edition)” (《新型抗腫瘤藥物臨床應用指導原則(2024年版)》), stating that ENWEIDA® can be used for the treatment of patients with unresectable or metastatic microsatellite instability-high or deficient mismatch repair advanced mCRC who have disease progression after the previous treatment by Fluorouracil, Oxaliplatin and Irinotecan and adult patients who have disease progression and no satisfactory treatment alternatives after the previous treatment of unresectable or metastatic microsatellite instability-high (MSI-H) or deficient mismatch repair (dMMR) advanced solid tumors.

COSELA® (Trilaciclib Hydrochloride for Injection)

COSELA® is an effective, selective and reversible cyclin-dependent kinases 4 and 6 (CDK4/6) inhibitor. COSELA® is the world’s first-in-class comprehensive myeloprotection innovative drug that can be administered prior to a chemotherapy. In August 2020, the Group entered into the exclusive license agreement with G1 Therapeutics, Inc. to develop and commercialize COSELA® in the Greater China region. In February 2021, the product was approved for marketing by the FDA. In July 2022, the marketing of COSELA® in China has obtained the conditional approval by the NMPA. In April 2023, the Group has obtained full rights to the sales milestones of COSELA®. In December 2023, the localization application of COSELA® has been approved by the NMPA and it can be produced by the production enterprises of the Group in Haikou, Hainan Province, which further improved its accessibility to patients with cancer in China. Currently, the product has been recommended by the related key guidelines of National Comprehensive Cancer Network Guidelines (NCCN), CSCO and other organizations.

Registration Progress

- In January 2024, the supplementary application for new specifications of COSELA® 100mg was accepted, and it is expected to further facilitate the clinical medication selections of physicians and patients.

NRDL Coverage

- In November 2024, COSELA® was successfully included in the NRDL (2024 Edition). The NRDL (2024 Edition) officially came into effect from January 1, 2025.

Data Release

- In April 2024, the Guidelines of CSCO for the treatment of Small Cell Lung Cancer in 2024 (《CSCO 非小細胞肺癌診療指南(2024版)》) was officially released at the meeting. The guidelines updated the recommendation for first-line treatment of extensive-stage small cell lung cancer (ES-SCLC), among which, COSELA® was modified from Level II, Class 2A to Level I, Class 1A. In relation to the recommendation for second-line therapy of recurrent small cell lung cancer, COSELA® was modified from Class 2A to Class 1A.
- In September 2024, the 2024 World Conference on Lung Cancer (WCLC) was convened in San Diego, the United States, and two studies of COSELA® were presented in this meeting, which demonstrated the myeloprotection of COSELA in the field of lung cancer.
- In September 2024, the congress of European Society for Medical Oncology (ESMO) was convened in Barcelona, Spain. A forward-looking single-arm phase II clinical study of COSELA® in combination with intra-cerebroventricular injection chemotherapy for the treatment of advanced non-small-cell cancer with leptomeningeal metastasis was presented, which demonstrated the significant myeloprotection and good safety of COSELA.
- In September 2024, the CSCO congress was convened in Xiamen. The results of a multi-center, single-arm and non-interventional real-world study in respect of the efficacy and safety of the preventive use of Trilaciclib among the patients with extensive-stage small cell lung cancer (ES-SCLC) in China who have been receiving chemotherapy were presented through an oral report and a forward-looking, single-arm and multi-center phase II clinical trial in respect of the assessment of preventing myelosuppression induced by the chemotherapy for NSCLC with Trilaciclib was presented. Both studies demonstrated the clinical application prospect of COSELA.

- In December 2024, the European Society for Medical Oncology Asia Congress (ESMO Asia) was convened in Singapore. The interim analysis results of a multi-cohort, open-label and exploratory clinical study were announced, which proved the myeloprotection of Trilaciclib in the treatment of advanced solid tumors like lung cancer and endometrial cancer and improved the safety of first-line chemotherapy for patients.
- In January 2025, the Cancer Treatment and Research Communications published the aggregated analysis on the myeloprotection of COSELA® among 325 domestic and overseas patients with extensive-stage small cell lung cancer. The results demonstrated that COSELA® has significant polyphyletic myeloprotection (neutropenia, red blood cell and blood platelets) among the population of patients with extensive-stage small cell lung cancer, which can reduce the usage of related combination therapy in relation to myelosuppression while decreasing the number of grade 3/4 adverse events and grade 4 adverse events, demonstrating overall favorable safety profile among patients.

ENLITUO® (Cetuximab Beta Injection)

ENLITUO® is a type 2.4 improved new biological drugs, which is a recombinant anti-epidermal growth factor receptor (“**EGFR**”) chimeric monoclonal antibody for first-line treatment of RAS/BRAF wild-Class mCRC in combination with FOLFIRI. ENLITUO® is prepared using a specific expression process, effectively avoiding glycosylation modification that may lead to hypersensitivity without black box warnings in the instructions.

Registration Progress

- In June 2024, ENLITUO® has been approved for marketing in China by the NMPA and is the first anti-EGFR monoclonal antibody innovative drug developed in China with independent intellectual property rights which has been approved by the NMPA for first-line treatment of mCRC. The successful launch of ENLITUO® will provide high quality and affordable biological targeted remedy for Chinese mCRC patients.

NRDL Coverage

- In November 2024, the treatment of mCRC indications by ENLITUO® was successfully included in the NRDL (2024 Edition). The NRDL (2024 Edition) officially came into effect from January 1, 2025

Autoimmune Products

Iremod® (Iguratimod Tablets)

Iremod® is the first Iguratimod pharmaceutical product approved for marketing in the world. Iremod® has been included in the NRDL since 2017. The indication is the active rheumatoid arthritis. Iremod® is recommended as the primary therapy drug for the treatment of active rheumatoid arthritis by a number of clinical practice guidelines and pathways issued by the NHC, Chinese Medical Association, Asia Pacific League of Associations for Rheumatology and Labor and Welfare of Japan. Since its launch in 2012, Iremod® (Iguratimod Tablets) continued to benefit over 1 million patients with rheumatoid arthritis in China, which further consolidated its leading market position in the traditional DMARDs sector.

Data Release

- In June 2024, at the annual meeting of the European League Against Rheumatism (EULAR), Iguratimod announced five study results, which involved rheumatoid arthritis, Primary Sjögren's Syndrome, disuse osteoporosis and other disease areas.
- In July 2024, the SMILE study of Iremod was published in the Chinese Medical Journal. Such study further proves that Iremod can delay the imaging progress effectively, which brings multiple benefits for the patients with rheumatoid arthritis.
- In November 2024, Iremod was included in the latest edition of 2024 Chinese Rheumatoid Arthritis Treatment Guide (《2024中國類風濕關節炎診療指南》). The guide clarifies the common traditional conventional synthetic disease modifying antirheumatic drugs (csDMARDs) and their usage.

Anti-infection Products

XIANNUOXIN® (Simnotrelvir Tablets/Ritonavir Tablets (co-packaged))

XIANNUOXIN® is the first domestic 3CL small molecule anti-SARS-CoV-2 innovative drug with independent intellectual rights in China. On November 17, 2021, the Group entered into a technology transfer contract with Shanghai Institute of Materia Medica and Wuhan Institute of Virology, Chinese Academy of Sciences, pursuant to which, the Group obtained the development, production and commercialization rights on an exclusive basis of Simnotrelvir worldwide. As of the date of this announcement, XIANNUOXIN® has covered 31 provinces, 317 cities and over 3,721 hospitals nationwide, and has benefited approximately 870,000 patients.

Registration Progress

- In July 2024, XIANNUOXIN® has been reviewed and approved by the NMPA for conversions from conditional approval to regular approval, which became the first oral anti-SARS-CoV-2 innovative drug which has obtained regular approval in China.

Data Release

- In January 2024, the New England Journal of Medicine digitally published the complete data of the Group's phase II/III, double-blind, randomized, placebo-controlled clinical trial of XIANNUOXIN® for the treatment of adult patients with mild-to-moderate COVID-19. The median age of the patients included in the Study was 35 years, and 1,092 patients (95.9%) had completed primary vaccination, with 874 patients (76.7%) had received a booster dose. Various Omicron variants were covered in the Study, which demonstrated the application value of XIANNUOXIN® in clinical practice. The successful publication of the study signifies that XIANNUOXIN® has become the first domestically-made 3CL target antiSARS-CoV-2 innovative drug with a complete evidence chain.
- In May 2024, the Chinese Medical Journal (《中華醫學雜誌》) published the Expert Consensus on the Clinical Application of Anti-SARS-CoV-2 Small Molecule Drugs (《抗新型冠狀病毒小分子藥物臨床應用專家共識》), which covered the introduction of 7 anti-SARS-CoV-2 small molecule drugs and 14 medication suggestions for special population groups, so as to provide guidance for clinical standard medications.
- In September 2024, the results of a real-world retrospective study in China were published in the Infection and Drug Resistance. The study compared the efficacy and safety of four antiviral drugs among mild or moderate hospitalized patients with COVID-19, namely Simnotrelvir/Ritonavir, Nirmatrelvir/Ritonavir, Azvudine and Molnupiravir. The results proved that Simnotrelvir/Ritonavir and Nirmatrelvir/Ritonavir can significantly reduce the hospital stays of hospitalized COVID-19 patients as compared with Azvudine during the prevalence of the Omicron mutant.

DRUG CANDIDATES AT THE NDA TRIAL STAGE

MILESTONES AND ACHIEVEMENTS DURING THE REPORTING PERIOD

Neuroscience Products

QUVIVIQ® (Daridorexant hydrochloride tablets)

QUVIVIQ® is an insomnia drug jointly developed by the Group and Idorsia, and is a DORA that blocks orexin neuropeptides that promote wakefulness (orexin A and orexin B) from binding to their receptors. Unlike generally promoting sleep by calming the brain, QUVIVIQ® only blocks orexin neuropeptide initiation of orexin receptors. Thus, QUVIVIQ® reduces the arousal drive and induces sleep development without altering sleep architecture. QUVIVIQ® has clinical data available for up to 12 months of continuous treatment, supporting the long-term use of Deradoorian. In addition to improving nighttime sleep in the adult population with chronic insomnia disorder, QUVIVIQ® also improves daytime functioning, which is the only DORA class insomnia drug approved by the European Medicines Agency (EMA). QUVIVIQ® is currently approved for marketing in nine countries, such as the United States, Great Britain, Switzerland and Canada.

Milestone of Clinical Progress

- In March 2024, the phase III clinical trial of QUVIVIQ® completed the enrollment of all 205 patients (LPI).

Registration Progress

- In July 2024, the NDA of QUVIVIQ® has been accepted by the NMPA.

Anti-oncology Products

ENZESHU® (Suvemcitug for Injection)

ENZESHU® is a new-generation recombinant humanized anti-VEGF rabbit monoclonal antibody developed by the Group and Apexigen, Inc (now part of Pyxis Oncology, Inc). Pre-clinical studies have shown that Suvemcitug has higher affinity and anti-tumor efficacy than Bevacizumab at the same dose in multiple tumor models.

Registration Progress

- In March 2024, the NDA of ENZESHU® has been accepted by the NMPA. The indication is Suvemcitug combined with chemotherapy for the treatment of recurrent platinum-resistant ovarian, fallopian tube or primary peritoneal cancer.

Data Release

- In June 2024, the latest data of the SCORES Study were presented through an oral report at the annual meeting of the 2024 ASCO. The released data of the study demonstrated that: (1) as assessed by the BIRC, the progression-free survival of the Suvemcitug group was significantly extended as compared with the placebo group, and across all pre-defined subgroups, positive results were observed in efficacy analyses and significant improvements were achieved in PFS; (2) among the group who have been treated with VEGF and/or PARP inhibitors previously, Suvemcitug in combination with chemotherapy can improve the PFS of patients significantly; (3) the OS of the Suvemcitug group has shown a trend of benefit as compared to the Control group; (4) the disease control rate (“**DCR**”) and duration of response (“**DoR**”) as assessed by the BIRC and investigators have also shown consistent benefits; and (5) when used in combination with chemotherapy, Suvemcitug has a good overall safety profile and there is no new safety signals compared to the other drugs of the same class.

Anti-infection Products

Deunoxavir Marboxil (PA)¹

Deunoxavir Marboxil is an endonuclease inhibitor for influenza polymerase acidic (PA) protein. As shown in the research, Deunoxavir Marboxil demonstrates several benefits, including the absence of central nervous system side effects, no effect of food intake on oral drug absorption and higher safety dose. The entire oral dose of Deunoxavir Marboxil is merely “one tablet” and is capable of stopping influenza virus replication in 24 hours, having a prospect of bringing great convenience to a large number of patients, including child patients.

Milestone of Clinical Progress

- In February 2024, children's granules of Deunoxavir Marboxil has received the clinical approval and is initiating phase III clinical trials.
- In January 2025, the phase III clinical trial of children’s granules of Deunoxavir Marboxil completed the LPI.

¹ A product with commercial right

- In February 2025, the children's granules of Deunoxavir Marboxil has obtained the Clinical Trial Approval issued by the NMPA, which is intended for commencing the clinical trial for post-exposure prevention of influenza type A and B among population aged 2 years old and above.

Registration Progress

- In March 2025, the NDA of Deunoxavir Marboxil Tablets has been accepted by the NMPA, which can be used to treat of uncomplicated influenza A and B in adults and adolescents.

Data Release

- In April 2024, the phase II/III clinical study of Deunoxavir Marboxil Tablets achieved the primary efficacy focus. The data indicated that, as compared with the placebo group, the median time of all the Influenza symptoms relief achieved 26.543% improvements, while the safety level is line with the placebo group.

DRUG CANDIDATES AT PHASE III TRIAL STAGE

Anti-oncology Products

SIM0270 (SERD)

SIM0270 is a second-generation oral SERD with blood-brain barrier penetration characteristics independently developed by the Group. SIM0270 was significantly more effective than fulvestrant a marketed intramuscular SERD product, in an in vivo model, comparable to the leading compound in the clinical trial phase, and reflected a brain-blood ratio significantly better than competitive compounds and showed a much better tumor inhibition effect than fulvestrant in the orthotropic model of breast cancer brain. It is expected to be used for the treatment of breast cancer with brain metastases.

Milestone of Clinical Progress

- In September 2024, the phase III clinical trial of SIM0270 has been approved by the Centre for Drug Evaluation (“CDE”) of the NMPA.
- In November 2024, the phase III clinical trial of SIM0270 achieved the dosing of the FPI the Fudan University Shanghai Cancer Center (復旦大學附屬腫瘤醫院).

TGRX-326 (ALK/ROS1)¹

TGRX-326 is the latest generation of novel type 1 drug for the treatment of NSCLC driven by ALK/ROS1 positive fusion gene cooperated by the Group and Shenzhen TargetRx, Inc. (深圳市塔吉瑞生物醫藥有限公司), pursuant to which, the Group obtained the exclusive commercialization rights of the product in Chinese Mainland. TGRX-326 has high blood-brain barrier permeability, and is effective for the treatment of NSCLC with brain metastasis.

Milestone of Clinical Progress

- The phase III clinical study of TGRX-326 for the treatment of NSCLC driven by ALK/ROS1 positive fusion gene is underway.

Autoimmune Products

Rademikibart (IL-4R α)

Rademikibart is a fully human monoclonal antibody targeting IL-4R α , a common subunit of IL-4 receptor and IL13 receptor. By binding with IL-4R α , Rademikibart can block the functions of IL-4 and IL-13 effectively, thereby blocking the Th2 inflammatory pathway, thus achieving the goal of treating Th2 related inflammatory diseases such as atopic dermatitis and asthma.

Milestone of Clinical Progress

- In July 2024, Rademikibart’s phase III clinical study of asthma in adults and adolescents completed the FPI.

¹ A product with commercial right

LNK01001 (JAK1)³

LNK01001 is a highly selective JAK1 inhibitor which has completed 3 phase II clinical studies for patients with rheumatoid arthritis (RA), ankylosing spondylitis (AS) and atopic dermatitis (AD), all of which have successfully met their corresponding primary and secondary endpoints. No related adverse effects of approved JAK1 inhibitors, such as major adverse cardiovascular events, blood clots, serious infection or formation of malignant tumors, were observed. In March 2022, the Group entered into a cooperation agreement with Lynk Pharmaceuticals Co., Ltd. (凌科藥業(杭州)有限公司), pursuant to which, the Group obtained the exclusive commercialization interest of LNK01001 for rheumatoid arthritis (RA) and ankylosing spondylitis (AS) indications in China and be responsible for promotion after regulatory approval.

Milestone of Clinical Progress

- The phase III clinical study of LNK01001 for the treatment of rheumatoid arthritis (RA) is underway.

DRUG CANDIDATES AT PHASE I TRIAL STAGE (SELECTED)

SIM0348 (humanized TIGIT/PVRIG bispecific antibody)

SIM0348 is a humanized TIGIT/PVRIG bispecific IgG1 antibody independently developed based on Group's protein engineering platform. It can specifically bind two novel immune checkpoint proteins, human TIGIT and PVRIG at the same time, aiming to block the interaction between CD155/TIGIT and CD112/PVRIG, and improve the anti-tumor activity of immune cells. As of the date of this announcement, the clinical trial of SIM0348 was progressing well and was under the dose optimization and exploration of combination treatment phase.

SIM0237 (PD-L1/IL15 ν bispecific antibody)

SIM0237 is an anti-PD-L1 monoclonal antibody fused with IL-15/IL-15R α sushi protein and developed in-house by utilizing the Group's protein engineering platform. It can block the PD-1/PD-L1 immunosuppressive pathway via binding to PD-L1 and activate the immune system through its IL-15 part, thus playing a synergistic role of relieving immunosuppression and boosting the immune system to exhibit antitumor effect. Preclinical studies showed that SIM0237 is more effective than PD-L1 or IL-15 mono treatment in mouse tumor models, suggesting a high potential for clinical development.

³ A product with commercial right

Milestone of Clinical Progress

- In January 2024, SIM0237 for patients with NMIBC completed the FPI in Fudan University Shanghai Cancer Center (復旦大學附屬腫瘤醫院).

SIM0501 (USP1 small molecule inhibitor)

SIM0501 is an oral, non-covalent and highly selective small molecule inhibitor of Ubiquitin Specific Peptidase 1 (“USP1”) independently developed by the Group with global intellectual property rights. In preclinical in vitro and in vivo pharmacology studies, SIM0501 has shown significant anti-proliferation activity against HRD tumors as a monotherapy or in combination with PARPi, which demonstrates high potential for clinical development.

Milestone of Clinical Progress

- In January 2024, SIM0501 tablets has obtained the Clinical Trial Approval issued by the NMPA, pursuant to which, SIM0501 tablets have been approved to initiate clinical trials for advanced malignant solid tumors as monotherapy.
- In March 2024, the above clinical trial completed the FIH at the Cancer Hospital affiliated to Shandong First Medical University (山東第一醫科大學附屬腫瘤醫院).

SIM0500 (humanized GPRC5D-BCMA-CD3 trispecific antibody)

SIM0500 is a humanized trispecific antibody that targets GPRC5D, BCMA, and CD3, developed independently by the Group using T-cell engager poly-specific antibody technology platform. This molecule features a low affinity/high target-activating CD3 engaging arm and binding sites for the two tumor antigens: G-Protein-coupled receptor class 5 member D (GPRC5D) and B-cell maturation antigen (BCMA). SIM0500 has shown strong T cell cytotoxicity against multiple myeloma (MM) cells by leveraging a combination of various antitumor effects.

Milestone of Clinical Progress

- In March 2024, the IND application of SIM0500 has been approved by the FDA and NMPA, which is intended to be investigated in a clinical trial in patients with relapsed or refractory multiple myeloma.
- In April 2024, SIM0500 has been granted a FDA Fast Track Designation for patients with multiple myeloma, who are refractory to, or intolerant of, established therapies known to provide clinical benefit and have received ≥3 prior lines of therapy including a proteasome inhibitor (PI), an immunomodulatory agent (IMiD) and an anti-CD38 monoclonal antibody.
- In May 2024, the above clinical trial completed the FIH trial at the Hospital of Blood Diseases of the Chinese Academy of Medical Sciences (the Institute of Hematology of the Chinese Academy of Medical Sciences) (中國醫學科學院血液病醫院(中國醫學科學院血液學研究所)).

Milestone of Strategic Cooperation

- In January 2025, the Group has entered into an option to license agreement (the “**Agreement**”) with a subsidiary of AbbVie. Under terms of the Agreement, AbbVie would have the option to license SIM0500, an IND candidate. Under the terms of the Agreement, the Group will receive an upfront payment from AbbVie, and is eligible to receive option fees and milestone payments of up to \$1.055 billion, as well as tiered royalties on net sales outside of the Greater China territory. AbbVie is eligible to receive tiered royalties on net sales in the Greater China territory.

SIM0395 (Paxalisib)

SIM0395 is a BBB-penetrant inhibitor of the PI3K/mTOR pathway. A phase II clinical study showed that Paxalisib has shown highly encouraging signals of clinical efficacy among glioblastoma patients with unmethylated MGMT promoter status. Paxalisib was awarded the GBM orphan drug certification by FDA in 2018 and the fast track certification by FDA, the rare childhood disease and orphan drug certification of diffuse intrinsic pontine glioma (DIPG) in 2020. In March 2021, the Group entered into an exclusive licensing agreement with Kazia to introduce the development and commercialization rights of SIM0395 for all indications in the Greater China region.

Milestone of Clinical Development

- In July 2024, Kazia released the top-line results of the pivotal phase III clinical trial (the GAM-AGILE study) for the versus standard-of-care (SOC) of Paxalisib for the use in glioblastoma.

SIM0508 (Pol θ small molecule inhibitor)

Pol θ is a DNA polymerase, whose mediation of MMEJ repair pathway is one of the important approaches for repairing DNA double strand breaks.

Milestone of Clinical Progress

- In August 2024, the IND application of SIM0508 has been approved by the NMPA and FDA, which is intended for commencing the clinical trial for advanced solid tumors.
- In December 2024, the clinical trial of SIM0508 for the treatment of advanced solid tumors achieved the dosing of the FPI in the world at the Fudan University Shanghai Cancer Center (復旦大學附屬腫瘤醫院).

SIM0505 (CDH6-ADC)

CDH, a Class II classical cadherin, is highly expressed in a variety of tumors but with very limited expression in normal tissues. SIM0505 is a CDH6-targeting ADC molecule developed by the Group, which consists of CDH6 monoclonal antibody specifically binding to tumor cells and the Group's proprietary camptothecin derivative toxin, conjugated by a linker. By combining the tumor-specific targeting antibody with the high-efficiency killing effect of toxin molecules, SIM0505 can specifically target tumor cells and reduce the toxic side effects compared to traditional chemotherapies. Such ADC is intended for the treatment of malignant tumors such as ovarian and renal cancer.

Milestone of Clinical Progress

- In December 2024 and January 2025, the IND application of SIM0505 has been approved by the FDA, which is intended for commencing the clinical trial for advanced solid tumors.
- In February 2025, SIM0505 completed the dosing of the FPI at the Fudan University Shanghai Cancer Center (復旦大學附屬腫瘤醫院).

SIM0278 (IL2 mu Fc)

SIM0278 is an Fc fusion protein (IL2 mu Fc) with an IL-2 mutein of Regulatory T cells (“**Treg**”), developed based on the Group’s protein engineering technology platform. By introducing the mutation, the affinity of SIM0278 to effector T cells is reduced, while the high affinity of Treg cells is retained, and then the selectivity of Treg cells is improved. In September 2022, the Group entered into a licensing agreement with Almirall, S.A. (“**Almirall**”). Under the agreement, the Group grants Almirall an exclusive rights and interests in the development and commercialization of SIM0278 outside Greater China, while the Group retains all rights and interests in the Greater China Territory.

Milestone of Clinical Progress

In December 2024, the phase I clinical study of SIM0278 completed the LPI.

SIM0800 (AQP4)

SIM0800 is an Aquaporin-4 (AQP4) inhibitor developed based on the Aquaporin water channel theory which has been awarded the Nobel Prize. It is intended for the treatment of acute severe ischaemic stroke complicated by cerebral oedema, as a first-in-class small molecule drug with a novel mechanism of action for brain oedema therapy. The Group entered into a license agreement with Aeromics, Inc. in October 2019, pursuant to which, the Group obtained a proprietary and sublicensable license for its self-funded research, development, production and commercialization of SIM0800 in the Greater China region.

DRUG CANDIDATES AT THE IND/PRE-CLINICAL STAGE (SELECTED)

The Group has approximately 40 pre-clinical drug candidates and its in-house pipelines focus on differentiated targets with FIC and BIC potential, which provide strong and diversified product pipelines for the long-term sustainable growth of the Group. Certain research and development assets with high potential are as follows.

SIM0506 (SOS1 small molecule inhibitor)

SIM0506 is an effective and highly selective SOS1 inhibitor independently developed by the Group with global intellectual property rights for the treatment of various solid tumors. Pre-clinical studies showed that SIM0506 demonstrates pan-KRAS inhibitory activity and its synergistic effect was remarkable after combination, which is safe and tolerant with low effective dose and good anti-tumor effect.

Milestone of Clinical Progress

- In April 2024, the IND of SIM0506 capsules has been approved by the NMPA, which was intended to commence clinical trials on advanced solid tumors with KRAS pathway mutations.

SIM0686 (FGFR2b-ADC)

Fibroblast growth factor receptor (FGFR) is a transmembrane tyrosine kinase receptor of fibroblast growth factor (FGF). At present, there are four known subtypes, namely FGFR1, FGFR2, FGFR3 and FGFR4. Such ADC is intended to be developed for the treatment of advanced malignant tumors like gastric cancer and lung cancer.

Milestone of Clinical Progress

- In January 2025, the IND of SIM0686 has been officially accepted by the CDE.

FINANCIAL REVIEW

REVENUE

For the year ended December 31, 2024, the Group recorded revenue of RMB6,635 million, representing an increase of 0.4% as compared to RMB6,608 million for 2023.

Revenue of the Group was mainly derived from the therapeutic areas where its businesses are focused. Of which, revenue from the field of neuroscience was RMB2,174 million, accounting for 32.8% of the total revenue and representing an increase of 10.4% as compared to RMB1,969 million for 2023. Revenue from the field of autoimmune was RMB1,811 million, accounting for 27.3% of the total revenue and representing an increase of 28.0% as compared to RMB1,415 million for 2023. Revenue from the field of anti-oncology was RMB1,298 million, accounting for 19.6% of the total revenue and representing a decrease of 17.6% as compared to RMB1,576 million for 2023. Revenue from other fields was RMB1,352 million, accounting for 20.3% of the total revenue and representing a decrease of 18.0% as compared to RMB1,648 million for 2023.

THE EXPENDITURE ON RESEARCH AND DEVELOPMENT ACTIVITIES

The expenditure on research and development activities of the Group includes research and development costs and the addition of intangible assets with in-licensed rights.

- For the year ended December 31, 2024, the total expenditure on research and development activities of the Group amounted to RMB1,523 million, representing a decrease of 22.3% as compared to RMB1,960 million for 2023. The expenditure on research and development activities accounted for 23.0% of the revenue, representing a decrease of 6.7 percentage points as compared to 29.7% for 2023.
- For the year ended December 31, 2024, the research and development costs amounted to RMB1,410 million, representing a decrease of 9.8% as compared to RMB1,563 million for 2023. The research and development costs accounted for 21.3% of the revenue, representing a decrease of 2.4 percentage points as compared to 23.7% for 2023.
- For the year ended December 31, 2024, the addition of intangible assets with in-licensed rights amounted to RMB113 million, representing a decrease of 71.5% as compared to RMB397 million for 2023. The addition of intangible assets with in-licensed rights accounted for 1.7% of the revenue, representing a decrease of 4.3 percentage points as compared to 6.0% for 2023.

PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The Group recorded a profit attributable to equity shareholders of the Company of RMB733 million for the year ended December 31, 2024, representing an increase of RMB18 million or 2.6% as compared to RMB715 million for 2023.

NON-HKFRS MEASURE – ADJUSTED PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

To supplement the financial information presented in accordance with HKFRS, the Group also uses adjusted profit attributable to equity shareholders of the Company as a non-HKFRS measure. Such measure is unaudited in nature and is not required by, or presented in accordance with, HKFRS. The Group defines adjusted profit attributable to equity shareholders of the Company as profit attributable to equity shareholders of the Company after adjusting the following items: (i) net realized and unrealized (loss)/gain on financial assets at fair value through profit or loss; (ii) interest expenses arising from redemption liability; (iii) the net gain on disposal of interest in subsidiaries; and (iv) income tax effect related to the above items. The Group is of the view that the Group's management and investors may benefit from referring to such measure in assessing the financial performance of the Group's core businesses by eliminating the impacts of certain non-recurring, non-cash and/or non-operating items. However, the presentation of adjusted profit attributable to equity shareholders of the Company may not be comparable to similarly titled measures presented by other companies as it does not have a standardized meaning. The application of the non-HKFRS measure has limitations as an analytical tool, and the Shareholders and investors should not consider it in isolation from, or as substitute for analysis of, the results of operations or financial condition of the Group as reported under HKFRS.

For the year ended December 31, 2024, the adjusted profit attributable to equity shareholders of the Company amounted to RMB1,018 million, representing an increase of RMB299 million or 41.6% as compared to RMB719 million for 2023. The significant increase in adjusted profit attributable to equity shareholders of the Company is mainly attributable to the increase in gross profit as a result of the increase in the share of revenue from the Company's own innovative drugs.

The following table presents the Group's adjusted profit attributable to equity shareholders of the Company and the most directly comparable financial measure calculated and presented in accordance with HKFRSs, which is profit attributable to equity shareholders of the Company:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Profit attributable to equity shareholders of the Company	733,165	714,761
Less:		
Net realized and unrealized losses on financial assets		
at fair value through profit or loss ⁽¹⁾	(266,249)	(744,816)
Interest expenses arising from redemption liability ⁽²⁾	(38,772)	–
Net gain on disposal of interest in subsidiaries ⁽³⁾	–	789,491
Effect of corresponding income tax	19,967	(48,771)
Adjusted profit attributable to equity shareholders of the Company	<u>1,018,219</u>	<u>718,857</u>

Notes:

- (1) Net realized and unrealized losses on financial assets at fair value through profit or loss arises from the remeasurement of the Group's investments in certain private companies and investment funds, listed equity securities, structured deposits and wealth management products at fair value.
- (2) Interest expenses arising from redemption liability represent the change in the carrying amount of the financial liability issued in connection with the capital contributions in Simcere Zaiming (as defined below) in 2024.
- (3) Net gain on disposal of interest in subsidiaries represents gain on disposal of the Group's equity interest in Simcere (Shanghai) Pharmaceutical Co., Ltd. (先聲(上海)醫藥有限公司) and BCY Pharm Co., Ltd. (江蘇博創園生物醫藥科技有限公司) in the first half of 2023.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a sound financial position. For the year ended December 31, 2024, the net cash generated from operating activities was RMB1,391 million, while the net cash generated from operating activities for the last year was RMB151 million. Such change was mainly due to the high R&D investments and high investments in commercialization inventories of XIANNUOXIN®, COSELA® and other innovative drugs in 2023. As of December 31, 2024, the Group had cash and cash equivalents of RMB1,943 million (as of December 31, 2023: RMB2,007 million), time deposits of RMB498 million (as of December 31, 2023: RMB12 million). As of December 31, 2024, the Group had a balance of bank loans of RMB1,059 million (as of December 31, 2023: RMB1,221 million), of which RMB1,051 million (as of December 31, 2023: RMB1,015 million) would mature within one year. As of December 31, 2024, RMB1,059 million of the Group's bank loan balances bore interest at fixed rates, and the effective interest rate range for these loans was 0.86% to 1.07% per annum.

As of December 31, 2024, the current ratio (calculated by total current assets divided by current liabilities) of the Group was 200.4% (as of December 31, 2023: 209.9%), while the gearing ratio (calculated by total liabilities divided by total assets) was 38.6% (as at December 31, 2023: 33.5%). The increase in gearing ratio was mainly due to the receipt of an investment amount of RMB970 million by Simcere Zaiming, a subsidiary of the Company, from third party investors in the first half of 2024 which was accounted for as financial liabilities. Excluding the effect of financings by Simcere Zaiming as mentioned above, as at December 31, 2024, the adjusted gearing ratio of the Group was 32.6%.

Currently, the Group follows a set of funding and treasury policies to manage its capital resources and prevent risks involved. The Group expects to fund the working capital and other capital requirements from a combination of various sources, including but not limited to external financing at reasonable market rates. In order to better control and minimize the cost of funds, the treasury management activities of the Group are managed on a centralized basis.

The assets and liabilities of the Group were denominated in RMB, USD, GBP and HKD. During the Reporting Period, the Group did not employ financial derivatives or enter into foreign derivative contracts to hedge against foreign exchange risk. However, the Group manages the foreign exchange risks by closely monitoring the net exposure of foreign exchange risk to minimize the impact of foreign exchange fluctuations.

PLEDGE OF GROUP'S ASSETS

As at December 31, 2024, the Group pledged bills receivable of RMB44 million for issuance of bank acceptance bills and pledged bank deposits of RMB24 million for issuance of letter of guarantee. As at December 31, 2024, land use rights with net book value of RMB111 million was pledged as security for banking facilities, which were not used as of the date of this announcement. Save as disclosed above, as at December 31, 2024, none of the Group's assets were pledged.

CONTINGENT LIABILITIES

As of December 31, 2024, a subsidiary of the Group had an outstanding economic dispute with its customer, which made an indemnity claim of approximately RMB39 million against the Group. The result of this dispute was yet to be finalised. Based on the legal advice and available evidences, the directors do not believe it probable that the result will be against them. No provision has therefore been made in respect of this dispute.

Save as disclosed above, as at December 31, 2024, the Group did not have contingent liabilities.

SIGNIFICANT INVESTMENTS HELD

During the Reporting Period, the Group did not have any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the paragraph numbered "9. Use of Proceeds from the Listing" under the section headed "Other Information" in this announcement, as at December 31, 2024, the Group did not have any other future plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS

On January 1, 2024, Jiangsu Sincere Biological Co., Ltd. (江蘇先聲生物製藥有限公司) (“**Sincere Biological**”, an indirectly wholly-owned subsidiary of the Company) entered into an equity transfer agreement with Jiangsu Sincere Diagnostics Technology Co., Ltd. (江蘇先聲診斷技術有限公司) (“**Jiangsu Diagnostics Technology**”), pursuant to which, Sincere Biological has agreed to acquire, and Jiangsu Diagnostics Technology has agreed to sell, the entire equity interest in Nanjing BioSciKin Innovative Medical Technology Co., Ltd. (南京百家匯創新醫療科技有限公司) (“**Nanjing BioSciKin**”) for a cash consideration of RMB42,306,500 (the “**Acquisition**”). The Acquisition was completed on January 31, 2024. Upon completion, Nanjing BioSciKin has become an indirectly wholly-owned subsidiary of the Company and the financial results of Nanjing BioSciKin has been consolidated into the financial statements of the Group. For details, please refer to the announcement of the Company dated January 1, 2024.

On February 24, 2024, the Company, Sincere Pharmaceutical (Shandong) Co., Ltd. (先聲藥業(山東)有限公司) (a directly wholly-owned subsidiary of the Company), Hainan Sincere Pharmaceutical Co., Ltd. (海南先聲藥業有限公司) (an indirectly wholly-owned subsidiary of the Company), Hainan Sincere Zaiming Pharmaceutical Co., Ltd. (海南先聲再明醫藥股份有限公司) (“**Sincere Zaiming**”, an indirectly wholly-owned subsidiary of the Company before the Capital Contribution) and each of its subsidiaries (collectively, the “**Sincere Zaiming Group**”) entered into the capital contribution agreement, the shareholders’ agreement and other relevant transaction documents with Future Industry Investment Fund II (Limited Partnership) (先進製造產業投資基金二期(有限合夥)), Shenzhen Zhongshen Xinchuang Equity Investment Partnership (Limited Partnership) (深圳中深新創股權投資合夥企業(有限合夥)), Suzhou Apricot Xingyong Emerging Medical Industry Investment Fund Management Partnership (Limited Partnership) (蘇州杏澤興湧新興醫療產業投資基金管理合夥企業(有限合夥)) and Quanzhou Dingxin Zhonghe Investment Partnership (Limited Partnership) (泉州鼎信中和投資合夥企業(有限合夥)) (collectively, the “**Investors**”). Pursuant to the capital contribution agreement, the Investors have conditionally agreed to make capital contribution, by way of cash, to Sincere Zaiming in the aggregate amount of RMB970 million in return for approximately 11.45% of the enlarged issued share capital of Sincere Zaiming (the “**Capital Contribution**”). Upon completion of the Capital Contribution, the financial results of Sincere Zaiming Group continued to be consolidated into the financial statements of the Group. For details, please refer to the announcement of the Company dated February 24, 2024.

In addition, as a step of pre-completion restructurings of the Capital Contribution, the board of directors and shareholders of Sincere Zaiming have resolved to adopt an employee incentive scheme to recognize the past and present contributions and to incentivize the future contributions by senior management and core employees of Sincere Zaiming Group. On March 20, 2024, the Board has resolved to grant the incentive interest to the selected participants by way of subscribing for registered capital in Sincere Zaiming either directly or through the employee stock ownership plan platform, representing approximately 5% of the enlarged issued share capital of Sincere Zaiming immediately upon completion of such subscription. For details, please refer to the announcement of the Company dated March 20, 2024. Upon completion of the Capital Contribution and as of the date of this announcement, the incentive interest represents approximately 4.43% of the enlarged issued share capital of Sincere Zaiming.

Save as disclosed above, the Group had no material acquisition or disposal of subsidiaries, associates and joint ventures for the year ended December 31, 2024.

EMPLOYEES AND REMUNERATION POLICY

As at December 31, 2024, the Group had a total of 6,584 full-time employees. The Group attached great importance to the recruitment, training and retention of outstanding employees, maintained a high standard in selecting and recruiting talents worldwide, and offered competitive compensation packages. The remuneration of employees mainly included basic salary, performance-based bonus and long-term incentives. Remuneration of the full-time Directors and senior management of the Company shall be determined by the Remuneration and Appraisal Committee under the Board with reference to the principal duties of relevant managerial positions, the results of performance assessment, as well as the remuneration level in the market. For the year ended December 31, 2024, staff costs of the Group (including emoluments, social insurance and other benefits of the Directors) amounted to RMB2,127 million. The Group established Simcere Institute, providing employees with training on a regular basis, including orientation programs and technical training for new employees, professional and management training for middle and senior management, and health and safety training across all staff. In addition, the Group has also adopted a restricted share unit scheme on May 20, 2021, with an aim to (1) incentivise the existing and incoming directors, senior management and employees for their contribution to the Group; and (2) attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

During the Reporting Period, the Board (1) resolved on March 21, 2024 to grant an aggregate of 3,828,000 RSUs, representing 3,828,000 underlying Shares, to an aggregate of 31 eligible participants under the 2021 restricted share units (“**RSU**”) Scheme at nil consideration; and (2) resolved on August 22, 2024 to grant an aggregate of 2,968,100 RSUs, representing 2,968,100 underlying Shares, to an aggregate of 98 eligible participants under the 2021 RSU Scheme at nil consideration. For details of those grants, please refer to the announcements of Company dated March 21, 2024 and August 22, 2024. The number of Shares available for grant under the scheme mandate limit of the 2021 RSU Scheme was 258,565,361 as of December 31, 2024.

DEFINED CONTRIBUTION RETIREMENT PLAN

The Group operates only defined contribution pension plans. Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement plan administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds, which are calculated on certain percentages of the average employee salary as agreed by the local municipal government, to the plan to fund the retirement benefits of the employees.

No forfeited contribution (by the Group on behalf of its employees who leave the scheme prior to vesting fully in such contributions) is available to be utilized by the Group to reduce the contributions payable in the future years or to reduce the Group's existing level of contributions to the defined contribution retirement plan.

FINAL DIVIDENDS

On March 24, 2025, the Board declared the payment of final dividend of RMB0.16 per Share for the year ended December 31, 2024 to shareholders whose names are on the register of members of the Company on Tuesday, June 24, 2025. Based on the total number of shares of the Company (the "**Share(s)**") in issue as of the date of this announcement, which is 2,486,320,618 shares, the total final dividend to be paid by the Company amounts to approximately RMB397,811,298.88. The proposed final dividend is subject to the approval by the shareholders of the Company (the "**Shareholder(s)**") at the annual general meeting of the Company (the "**AGM**") to be held on Friday, June 13, 2025 and is expected to be distributed to Shareholders on or before Monday, July 14, 2025.

OTHER INFORMATION

1. PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Directors have been granted (i) a general mandate by the Shareholders at the annual general meeting of the Company held on June 15, 2023 (the “**2022 AGM**”) to repurchase up to 266,404,561 Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), representing 10% of the total number of issued Shares as of the date of the 2022 AGM; and (ii) a general mandate by the Shareholders at the annual general meeting of the Company held on June 14, 2024 (the “**2023 AGM**”) to repurchase up to 260,976,161 Shares on the Stock Exchange, representing 10% of the total number of issued Shares as of the date of the 2023 AGM (collectively, the “**Repurchase Mandates**”). From January 1, 2024 to December 31, 2024, the Company repurchased a total of 130,402,000 Shares on the Stock Exchange pursuant to the Repurchase Mandates at a total consideration (excluding expenses) of HK\$753,736,820 (the “**Share Repurchase**”), which was funded by internal resources of the Company. As of the date of this announcement, the 130,402,000 Shares repurchased by the Company during the Reporting Period were all cancelled. Details of the Shares repurchased by the Company during the Reporting Period are as follows:

Month of Share Repurchase	Total number of Shares repurchased	The highest purchase price per Share (HK\$)	The lowest purchase price per Share (HK\$)	Total consideration (excluding expense) (HK\$)
January 2024	6,961,000	6.58	5.82	42,583,540
March 2024	8,021,000	5.49	5.28	43,162,320
April 2024	34,421,000	5.44	5.07	179,728,360
May 2024	17,519,000	5.84	5.53	100,067,750
June 2024	12,903,000	6.20	5.53	75,143,650
July 2024	10,081,000	5.68	5.30	55,472,300
August 2024	4,854,000	5.79	5.10	26,407,550
September 2024	12,102,000	6.52	5.83	73,699,970
October 2024	15,138,000	7.23	6.19	100,371,230
November 2024	6,641,000	7.00	6.60	45,186,400
December 2024	1,761,000	6.85	6.70	11,913,750
Total	130,402,000			753,736,820

The Share Repurchase was governed by section 257 of the Hong Kong Companies Ordinance. The total amount paid on the repurchased Shares of HK\$753,736,820 (equivalent to RMB687,985,000) was paid wholly out of retained profits of the Company.

The Board believes that the Share Repurchase demonstrates the Company's confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value to the Shareholders. In addition, the Board believes that the current financial resources of the Company enable it to implement the Share Repurchase while maintaining a solid financial position.

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)). The Company did not hold any treasury shares during the Reporting Period and as of December 31, 2024.

2. IMPORTANT EVENTS AFTER THE REPORTING PERIOD

On January 24, 2025, the Board resolved to revise the original annual caps for the two years ending December 31, 2025 and 2026 under the exclusive promotion services cooperation agreement (the **"Exclusive Promotion Services Cooperation Agreement"**) dated December 29, 2023 entered into between Jiangsu Simcere Pharmaceutical Co., Ltd. (江蘇先聲藥業有限公司) (**"Jiangsu Simcere"**, an indirectly wholly-owned subsidiary of the Company), and Beijing Simcere Sanroad Biological Products Co., Ltd. (北京先聲祥瑞生物製品股份有限公司) (**"Beijing Simcere Sanroad"**). Pursuant to the Exclusive Promotion Services Cooperation Agreement, Jiangsu Simcere agreed to grant the exclusive promotion rights to Beijing Simcere Sanroad to promote a generic drug of the Group (i.e. Fumarate Bedaquiline Tablets) within the prescribed promotion indications and the promotion region. The original annual caps for the two years ending December 31, 2025 and 2026 under the Exclusive Promotion Services Cooperation Agreement have been revised to be RMB65.0 million and RMB100.0 million, respectively. For details, please refer to the announcement of the Company dated January 24, 2025.

Save as disclosed above, there were no material events affecting the Company or any of its subsidiaries after the Reporting Period and up to the date of this announcement.

3. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining and promoting stringent corporate governance. The principles of the Group's corporate governance are to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, so as to ensure that its business and operation are conducted in accordance with applicable laws and regulations, enhance the transparency of the Board and strengthen the accountability to all Shareholders. The Group's corporate governance practices are based on the principles and code provisions prescribed in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Save as disclosed in this announcement, the Group has complied with the code provisions contained in the Part 2 of the CG Code during the Reporting Period.

Under code provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As of December 31, 2024, the roles of chairman of the Board (the "**Chairman**") and chief executive officer of the Company (the "**Chief Executive Officer**") were not separated and Mr. REN Jinsheng ("**Mr. REN**") currently performs these two roles. Mr. REN is the founder of the Group, the Chairman and the Chief Executive Officer. He has been primarily responsible for overall corporate business strategies and business operation of the Group and making significant business and operational decisions of the Group. The Directors jointly consider that vesting the roles of both the Chairman and the Chief Executive Officer in Mr. REN is beneficial to the business prospects of the Group by ensuring consistent leadership to the Group as well as prompt and effective decision making and implementation. In addition, the Directors jointly believe that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) any decision to be made by the Board requires approval by at least a majority of the Directors; (ii) Mr. REN and other Directors are aware of and undertake to fulfill their fiduciary duties as the Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Company accordingly; (iii) the balance of power and authority is ensured by the operations of the Board, which consists of four executive Directors (including Mr. REN) and four independent non-executive Directors, and has a fairly strong independence element; and (iv) the overall strategic and other key business, financial, and operational policies of the Company are made collectively after thorough discussion at both Board and senior management levels.

4. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the Group’s code of conduct regarding the Directors’ securities transactions. Having made specific enquiry of all of the Directors, all Directors confirmed that they have strictly complied with the Model Code during the Reporting Period.

5. AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

The Group established the Audit Committee with written terms of reference in compliance with the CG Code. As of the date of this announcement the Audit Committee consists of three members, all of which are independent non-executive Directors, namely Mr. WANG Xinhua, Mr. SONG Ruilin and Mr. WANG Jianguo. The chairperson of the Audit Committee is Mr. WANG Xinhua, who possesses the appropriate professional qualifications and accounting and related financial management expertise. The main duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, oversee the audit process, review and oversee the existing and potential risks of the Group and perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the financial reporting processes of the Group and the annual results and consolidated financial statements of the Group for the year ended December 31, 2024, and is of the opinion that these statements have complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosure has been made.

6. SCOPE OF WORK OF KPMG

The figures in respect of the Group’s consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been reviewed and agreed by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by KPMG in this regard did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

7. ANNUAL GENERAL MEETING

The AGM will be held on Friday, June 13, 2025. A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules in due course.

8. CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the members' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, June 10, 2025 to Friday, June 13, 2025 (both days inclusive), during which no transfer of Share will be registered. The record date will be on Friday, June 13, 2025. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, June 9, 2025.

In order to determine the entitlement of Shareholders to the proposed final dividend, the register of members of the Company will be closed from Friday, June 20, 2025, to Tuesday, June 24, 2025 (both days inclusive), during which no transfer of Shares will be registered. The record date will be on Tuesday, June 24, 2025. All transfer documents together with the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, June 19, 2025.

9. USE OF PROCEEDS FROM THE LISTING

The net proceeds from the initial public offering of the shares of the Company in October 2020 and allotment and issuance of shares of the Company pursuant to the partial exercise of the over-allotment option in November 2020 (the “**Net Proceeds**”) amounted to HK\$3,513.09 million in aggregate. The proposed use of the net proceeds was disclosed in the prospectus of the Company dated October 13, 2020 (the “**Prospectus**”).

The following table sets out the utilization of the Net Proceeds as of the December 31, 2024 and the expected timeline for utilization:

Purpose	Percentage of the total amount	Amount of Net Proceeds received (HK\$ in million)	Amount of Net Proceeds utilized during the year ended December 31, 2024 (HK\$ in million)	Accumulative amount of Net Proceeds utilized as of December 31, 2024 (HK\$ in million)	Amount of Net Proceeds unutilized as of December 31, 2024 (HK\$ in million)	Expected timeline for utilization
Continued research and development of the Group’s selected product candidates in its strategically focused therapeutic areas	60%	2,107.85	143.71	1,719.18	388.67	The actual Net Proceeds are expected to be fully utilized by 2027.
Reinforcement of the Group’s sales and marketing capabilities	10%	351.31	–	351.31	–	The actual Net Proceeds have been fully utilized.
Investment in companies in the pharmaceutical or biotechnology sector	10%	351.31	–	351.31	–	The actual Net Proceeds have been fully utilized.
Repayment of certain of the Group’s outstanding bank loans	10%	351.31	–	351.31	–	The actual Net Proceeds have been fully utilized.
Working capital and other general corporate purposes	10%	351.31	–	351.31	–	The actual Net Proceeds have been fully utilized.
Total	100%	3,513.09	143.71	3,124.42	388.67	

On December 23, 2024, the Board has resolved that: (i) part of the unutilized Net Proceeds amounted to approximately HK\$228.90 million which originally proposed to be used in selected oncology product candidates that were then in clinical stages or pending clinical trials (including Bevacizumab Biosimilar, PEG-ENDO (Pegylated recombinant human endostatin for injection) and SIM-201), (ii) part of the unutilized Net Proceeds amounted to approximately HK\$180.02 million which originally proposed to be used in selected innovative oncology product candidates that were then pending IND approvals or in pre-clinical stages (including SIM323, subcutaneous PD-L1 single domain antibody combination therapy 1 and subcutaneous PD-L1 single domain antibody combination therapy 2), (iii) part of the unutilized Net Proceeds amounted to approximately HK\$31.74 million which originally proposed to be used in other selected innovative central nervous system product candidates that were then preparing for the IND application or in pre-clinical stages, and (iv) part of the unutilized Net Proceeds amounted to approximately HK\$0.79 million which originally proposed to be used in selected autoimmune disease product candidates SIM-335, to be reallocated to the continuous R&D of selected autoimmune disease product candidates and oncology disease product candidates that are currently under development (including Rademikibart (IL-4R α), SIM0500 (humanized GPRC5D-BCMA-CD3 trispecific antibody), SIM0270 (oral SERD inhibitor), SIM0237 (PD-L1/IL15v bispecific antibody) and SIM0505 (CDH6 ADC)). For details of the change in use of proceeds, please refer to the announcements of the Company dated April 15, 2021, August 31, 2022 and December 23, 2024 (the “**Announcements**”). As of December 31, 2024, the accumulative amount of Net Proceeds utilized was HK\$3,124.42 million and the Net Proceeds unutilized was HK\$388.67 million. The Company intends to apply the unutilized Net Proceeds as of December 31, 2024 in the manner and proportion set out in the Prospectus and the Announcements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2024

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue	<i>4</i>	6,635,211	6,607,805
Cost of sales		<u>(1,310,632)</u>	<u>(1,623,652)</u>
Gross profit		5,324,579	4,984,153
Other income	<i>5(a)</i>	251,568	166,221
Other net loss	<i>5(b)</i>	(287,721)	(20,636)
Research and development costs		(1,410,115)	(1,563,138)
Selling and distribution expenses		(2,511,065)	(2,356,386)
Administrative and other operating expenses		(526,041)	(499,279)
Reversal of impairment loss on trade and other receivables		<u>6,842</u>	<u>867</u>
Profit from operations		<u>848,047</u>	<u>711,802</u>
Finance income	<i>6(a)</i>	39,226	54,960
Finance costs	<i>6(a)</i>	(30,785)	(34,568)
Interest expenses arising from redemption liability	<i>6(a)</i>	<u>(38,772)</u>	<u>–</u>
Net finance (costs)/income		<u>(30,331)</u>	<u>20,392</u>
Share of (losses)/profits of associates		(1,632)	5,823
Share of profits of joint ventures		<u>3,794</u>	<u>2,021</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)*For the year ended December 31, 2024*

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit before taxation	6	819,878	740,038
Income tax	7	<u>(86,713)</u>	<u>(26,088)</u>
Profit for the year		<u>733,165</u>	<u>713,950</u>
Attributable to:			
Equity shareholders of the Company		733,165	714,761
Non-controlling interest		<u>–</u>	<u>(811)</u>
Profit for the year		<u>733,165</u>	<u>713,950</u>
Earnings per share	8		
Basic (RMB)		<u>0.29</u>	<u>0.27</u>
Diluted (RMB)		<u>0.29</u>	<u>0.27</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2024

	2024	2023
	RMB'000	RMB'000
Profit for the year	733,165	713,950
Other comprehensive income for the year (after tax adjustments)		
<i>Items that will not be reclassified to profit or loss:</i>		
Financial assets at fair value through other comprehensive income (FVOCI) – net movement in fair value reserves (non-recycling), net of tax	89,186	31,045
Exchange difference on translation of company level financial statements	8,952	36,306
<i>Items that will be reclassified to profit or loss:</i>		
Exchange difference on translation of financial statements of overseas subsidiaries	5,735	10,109
Other comprehensive income for the year	103,873	77,460
Total comprehensive income for the year	837,038	791,410
Attributable to:		
Equity shareholders of the Company	837,038	792,221
Non-controlling interest	–	(811)
Total comprehensive income for the year	837,038	791,410

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	<i>Note</i>	December 31, 2024 RMB'000	December 31, 2023 RMB'000
Non-current assets			
Property, plant and equipment		2,269,544	2,170,339
Intangible assets		1,025,438	715,786
Goodwill		142,474	142,474
Interest in associates		50,870	52,502
Interest in joint ventures		102,342	98,069
Prepayments, deposits and other receivables		178,191	188,954
Financial assets at fair value through other comprehensive income		279,989	174,267
Financial assets at fair value through profit or loss		961,502	1,254,331
Loan to a third party		100,105	100,326
Time deposits	<i>10(c)</i>	498,140	673
Deferred tax assets		435,589	317,002
		6,044,184	5,214,723
Current assets			
Inventories		593,649	614,562
Contract assets		4,611	13,000
Trade and bills receivables	<i>9</i>	2,699,825	2,631,645
Prepayments, deposits and other receivables		178,525	286,777
Pledged deposits	<i>10(b)</i>	24,050	52,513
Restricted deposits	<i>10(b)</i>	22,014	22,148
Time deposits	<i>10(c)</i>	–	11,137
Cash and cash equivalents	<i>10(a)</i>	1,943,069	2,007,162
		5,465,743	5,638,944

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at December 31, 2024

		December 31,	December 31,
	<i>Note</i>	2024	2023
		RMB'000	RMB'000
Current liabilities			
Bank loans	11	1,051,139	1,015,133
Lease liabilities		67,559	79,848
Trade and bills payables	12	275,725	317,218
Other payables and accruals	13	1,156,198	1,229,812
Taxation payable		154,358	17,899
Provisions		22,000	25,990
		<u>2,726,979</u>	<u>2,685,900</u>
Net current assets		<u>2,738,764</u>	<u>2,953,044</u>
Total assets less current liabilities		<u>8,782,948</u>	<u>8,167,767</u>
Non-current liabilities			
Bank loans	11	8,254	205,846
Lease liabilities		82,417	128,397
Deferred income		377,686	393,112
Deferred tax liabilities		72,704	102,676
Other financial liability	14	1,008,772	–
Other non-current liability		165,000	115,000
		<u>1,714,833</u>	<u>945,031</u>
NET ASSETS		<u>7,068,115</u>	<u>7,222,736</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*As at December 31, 2024*

	December 31, 2024 RMB'000	December 31, 2023 RMB'000
CAPITAL AND RESERVES		
Share capital	3,173,805	3,173,805
Reserves	<u>3,894,310</u>	<u>4,048,931</u>
Total equity attributable to equity shareholders of the Company	7,068,115	7,222,736
Non-controlling interest	<u>—</u>	<u>—</u>
TOTAL EQUITY	<u>7,068,115</u>	<u>7,222,736</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

1 GENERAL INFORMATION

Sincere Pharmaceutical Group Limited (the “**Company**”) was incorporated in Hong Kong on November 30, 2015 as a limited liability company with its registered office at Room 703, 7/F, Block 20E, Hong Kong Science Park Phase 3, Pak Shek Kok, New Territories, Hong Kong. The Company’s shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on October 27, 2020. The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the research and development, manufacturing and sales of pharmaceutical products as well as rendering promotion service of pharmaceutical products that are not manufactured by the Group.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the financial year ended December 31, 2024 and 2023 that is included in this preliminary annual results announcement does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended December 31, 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended December 31, 2024 in due course.

The Company’s auditor has reported on the consolidated financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

The consolidated financial statements of the Group for the year ended December 31, 2024 comprise the Company and its subsidiaries and the Group’s interest in associates and joint ventures.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group. Of those, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* (“**2020 amendments**”) and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants* (“**2022 amendments**”)
- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

Disaggregation of revenue by business lines is as follows:

	2024 RMB'000	2023 RMB'000
Sales of pharmaceutical products	6,311,467	5,974,933
Income from promotion business		
– Promotion service income	261,728	591,407
– Collaborative arrangements	15,216	–
License income	–	28,465
Research service income	46,800	13,000
	<u>6,635,211</u>	<u>6,607,805</u>

The Group's revenue recognized at point in time and over time were RMB6,588,411,000 (2023: RMB6,594,805,000) and RMB46,800,000 (2023: RMB13,000,000), respectively.

The Group's customer base is diversified and nil (2023: nil) customers with whom transactions have exceeded 10% of the Group's revenues for the year ended December 31, 2024.

- (ii) *Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date*

As at 31 December 2024, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB70,200,000. This amount represents revenue expected to be recognised in the future from the research service contracts entered into by the customer with the Group. The Group will recognise the expected revenue in future when the research service is transferred, which is expected to occur over the next 12 to 38 months.

(b) Segment reporting

Operating segments are identified on the basis of internal reports that the Group's most senior executive management reviews regularly in allocating resources to segments and in assessing their performances.

The Group's most senior executive management makes resources allocation decisions based on internal management functions and assess the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

HKFRS 8, *Operating Segments*, requires identification and disclosure of information about an entity's geographical areas, regardless of the entity's organization (i.e. even if the entity has a single reportable segment). The Group operates within one geographical location because primarily all of its revenue was generated in the PRC and primarily all of its non-current operating assets and capital expenditure were located/incurred in the PRC. Accordingly, no geographical information is presented.

5 OTHER INCOME AND OTHER NET LOSS

(a) Other income

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants (<i>Note</i>)	226,189	134,181
Rental income	936	5,070
Property management income	874	7,053
Consulting and technology service income	15,115	11,450
Others	8,454	8,467
	251,568	166,221

Note:

During the year ended December 31, 2024, the Group received unconditional government grants of RMB106,473,000 (2023: RMB90,952,000) as rewards of the Group's contribution to technology innovation and regional economic development.

During the year ended December 31, 2024, the Group received conditional government grants of RMB36,835,000 (2023: RMB26,181,000) as subsidies for construction and equipment and recognized such grants of RMB33,310,000 (2023: RMB32,843,000) in the consolidated statements of profit or loss when related conditions were satisfied. During the year ended December 31, 2024, the Group received conditional government grants of RMB67,750,000 (2023: RMB7,450,000) as encouragement of technology research and development and recognized such type of grants of RMB86,406,000 (2023: RMB10,386,000) in the consolidated statements of profit when related conditions were satisfied.

(b) Other net loss

	2024	2023
	RMB'000	RMB'000
Net foreign exchange loss	(20,873)	(13,283)
Net gain on disposal of property, plant and equipment	984	2,433
Net realized and unrealized losses on financial assets		
at fair value through profit or loss	(266,249)	(744,816)
Net gain on disposal of interest in subsidiaries (<i>Note</i>)	–	789,491
Impairment loss on a manufacturing plant	–	(6,871)
Impairment loss on prepayments	–	(21,600)
Net loss on disposal of intangible assets	(2,485)	–
Reversal of provision/(provision) for litigations	902	(25,990)
	(287,721)	(20,636)

Note:

On February 24, 2023, the Group entered into an agreement with a third party to dispose its 50% equity interest in BCY Pharm Co., Ltd. (“**BCY**”), one of its controlled subsidiaries, at consideration of RMB200,000,000. Upon the completion of the disposal in March 2023, the Group lost its control on BCY and recognized the remaining 13.57% equity interest in BCY, which amounted to RMB54,150,000, as a financial asset measured at fair value through profit or loss. The net gain on disposal of interest in BCY was RMB197,222,000.

On April 13, 2023, the Group entered into an agreement with a third party to dispose its total equity interest in Simcere (Shanghai) Pharmaceutical Co., Ltd. (“**Simcere (Shanghai)**”) at consideration of RMB926,865,000. The disposal was completed in May 2023. The net gain on disposal of interest in Simcere (Shanghai) was RMB592,269,000.

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Net finance costs/(income)

	2024 RMB'000	2023 RMB'000
Interest income from bank deposits	(35,740)	(54,960)
Interest income from loan to a third party	(3,486)	—
Finance income	(39,226)	(54,960)
Interest expenses on bank loans	25,137	27,055
Interest expenses on lease liabilities	5,648	7,513
Finance costs	30,785	34,568
Interest expenses arising from redemption liability (Note 14)	38,772	—
Net finance costs/(income)	30,331	(20,392)

(b) Staff costs

	2024 RMB'000	2023 RMB'000
Salaries, wages and other benefits	1,907,928	2,253,154
Contributions to defined contribution retirement plans (Note)	121,304	137,048
Equity settled share-based payment expenses	97,810	12,119
	2,127,042	2,402,321

Note:

Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement plans administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the plan to fund the retirement benefits of the employees.

The Group's contributions to the defined contribution retirement plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions. The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

(c) **Other items**

	2024 RMB'000	2023 RMB'000
Cost of inventories recognized as expenses (<i>Note i</i>)	978,199	1,173,985
Depreciation charge		
– owned property, plant and equipment	223,171	214,286
– right-of-use assets	77,617	77,221
Amortization of intangible assets	36,859	18,087
Research and development costs (<i>Note ii</i>)	1,410,115	1,563,138
Reversals of impairment on trade and other receivables	(6,842)	(867)
Auditors' remuneration		
– audit services	4,300	4,940
– non-audit services	391	234

Notes:

- (i) Cost of inventories recognized as expenses includes amounts relating to staff costs, depreciation and amortization expenses, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.
- (ii) Research and development costs include amounts relating to staff costs, depreciation and amortization expenses, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

7 **INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

Taxation in the consolidated statements of profit or loss represents:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax		
<i>PRC Corporate Income Tax</i>		
Provision for the year	193,847	27,249
Over-provision in respect of prior years	(5,579)	(4,927)
	188,268	22,322
<i>Overseas Corporate Income Tax</i>		
Provision for the year	230	1,704
	230	1,704
Deferred tax		
Origination and reversal of temporary differences	(101,785)	2,062
	(101,785)	2,062
Total income tax	86,713	26,088
	86,713	26,088

Income tax for the PRC operations is charged at the statutory rate of 25% of the assessable profits under tax rules and regulations in the PRC. Certain PRC subsidiaries are subject to a preferential income tax of 15% under the relevant tax rules and regulations.

Taxation in other jurisdiction is calculated at the rates prevailing in the relevant jurisdictions.

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB733,165,000 (2023: RMB714,761,000) and the weighted average of 2,512,953,608 ordinary shares (2023: 2,608,533,908 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2024	2023
Issued ordinary shares at January 1	2,616,722,618	2,660,376,618
Effect of shares issued to Trustee	–	2,362,233
Effect of purchase of own shares	(69,631,964)	(13,192,041)
Effect of vested shares under 2021 RSU Scheme	–	3,603,748
Effect of unvested shares under 2021 RSU Scheme	(34,137,046)	(44,616,650)
	<u>2,512,953,608</u>	<u>2,608,533,908</u>
Weighted average number of ordinary shares at December 31	<u>2,512,953,608</u>	<u>2,608,533,908</u>

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB733,165,000 (2023: RMB714,761,000) and the weighted average of ordinary shares of 2,519,978,448 shares (2023: 2,608,533,908 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2024	2023
Weighted average number of ordinary shares at 31 December	2,512,953,608	2,608,533,908
Effect of deemed issuance of shares under 2021 RSU scheme for nil consideration	<u>7,024,840</u>	<u>–</u>
Weighted average number of ordinary shares (diluted) at 31 December	<u>2,519,978,448</u>	<u>2,608,533,908</u>

9 TRADE AND BILLS RECEIVABLES

	2024 RMB'000	2023 <i>RMB'000</i>
Trade receivables	2,354,916	1,996,245
Bills receivable	361,272	658,575
	2,716,188	2,654,820
Less: loss allowance	(16,363)	(23,175)
	2,699,825	2,631,645

All of the trade and bills receivables are expected to be recovered within one year.

As at December 31, 2024, bills receivable of RMB44,070,000 were pledged for issuance of bills payable (2023: RMB75,977,000).

Aging analysis

As of the end of the reporting period, the aging analysis of trade and bills receivables, based on the invoice date and net of loss allowance, is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Within 3 months	2,315,332	2,014,485
Over 3 months but within 6 months	340,237	564,369
Over 6 months but within 9 months	41,365	47,761
Over 9 months but within 12 months	2,891	5,030
	2,699,825	2,631,645

Trade and bills receivables are due within 30 days to 90 days from the date of billing.

10 CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS, RESTRICTED DEPOSITS, AND TIME DEPOSITS

(a) Cash and cash equivalents comprise:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Cash at bank	<u>1,943,069</u>	<u>2,007,162</u>

As at December 31, 2024, cash and cash equivalents situated in Chinese Mainland amounted to RMB1,851,234,000 (2023: RMB1,843,969,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

(b) Pledged deposits and restricted deposits comprise:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Pledged deposits for		
– issuance of letter of guarantee	<u>24,050</u>	<u>52,513</u>

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Restricted deposits for		
– research and development projects	8,740	7,926
– litigations	204	3,990
– 2021 RSU Scheme	<u>13,070</u>	<u>10,232</u>
	<u>22,014</u>	<u>22,148</u>

(c) Time deposits comprise:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current portion	–	11,137
Non-current portion	<u>498,140</u>	<u>673</u>
	<u>498,140</u>	<u>11,810</u>

11 BANK LOANS

The maturity profile for the interest-bearing bank loans of the Group at the end of each reporting period is as follows:

	2024 RMB'000	2023 RMB'000
Short-term bank loans	1,050,423	762,427
Current portion of long-term bank loans	716	252,706
Within 1 year or on demand	1,051,139	1,015,133
After 1 year but within 2 years	665	197,655
After 2 years but within 5 years	1,994	1,965
After 5 years	5,595	6,226
	8,254	205,846
	1,059,393	1,220,979

As at December 31, 2024 and 2023, the bank loans were unsecured.

12 TRADE AND BILLS PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables	241,356	228,585
Bills payable	34,369	88,633
	275,725	317,218

As of the end of the reporting period, the aging analysis of trade and bills payables, based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 3 months	198,001	220,812
3 to 12 months	52,571	94,377
Over 12 months	25,153	2,029
	275,725	317,218

All of the trade and bills payables are expected to be settled within one year or repayable on demand.

13 OTHER PAYABLES AND ACCRUALS

	2024	2023
	RMB'000	RMB'000
Accrued expenses (<i>Note i</i>)	475,667	495,241
Contract liabilities (<i>Note ii</i>)	28,160	43,311
Payable for employee reimbursements	17,660	18,236
Payables for staff related costs	328,041	335,832
Payables for purchase of property, plant and equipment	32,017	29,675
Other tax payables	158,008	152,670
Payables for research and development costs	51,408	43,516
Payable for in-licensed rights	–	47,170
Others	65,237	64,161
	<u>1,156,198</u>	<u>1,229,812</u>

All of the other payables and accruals are expected to be settled within one year or repayable on demand.

Notes:

- (i) Accrued expenses primarily comprise marketing and promotion expenses, research and development costs and other expenses.
- (ii) Contract liabilities represent customers' advances received for goods that have not yet been transferred to the customers.

14 OTHER FINANCIAL LIABILITY

On February 24, 2024, Simcere Zaiming, a PRC subsidiary of the Group, entered into capital contribution agreement with certain investors (the “**Investors**”), pursuant to which Simcere Zaiming issued additional 52,559,000 shares for a total consideration of RMB970,000,000. The capital contribution was completed on June 4, 2024 with all consideration received.

In addition to voting rights and dividend rights same as other equity holders of Simcere Zaiming, certain special rights including repurchase rights, liquidation preference rights and anti-dilution rights are granted to the Investors.

After occurrence of certain events agreed in the agreement, the Investors shall have the right to require the Company and/or Simcere Zaiming to repurchase their shares in Simcere Zaiming at a repurchase price, which is the higher of (i) the investment amount paid by the Investors, plus an annual compound interest of 7% calculated from the payment date of its investment amount and further adjusted by any dividends; and (ii) the audited consolidated net book asset value of Simcere Zaiming as of the end of the most recent quarter.

Since there is an obligation for the Group to purchase its own equity instrument for cash when certain conditions set out in the agreement are met, it gives rise to a financial liability for the present value of the redemption amount. The subsequent changes of the financial liability under amortised costs are recognised in profit or loss directly.

Movements of the redemption liability are as follows:

	Redemption liability <i>RMB'000</i>
At January 1, 2024	–
Additions during the period	970,000
Interest expenses arising from redemption liability	<u>38,772</u>
At December 31, 2024	<u>1,008,772</u>

15 DIVIDENDS

- (i) Dividend payable to equity shareholders of the Company attribute to the year:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Dividends proposed after the end of the reporting period of RMB0.16 per ordinary share (2023: RMB0.16 per ordinary share)	397,811	418,675
Less: Dividends for unvested shares under 2021 RSU scheme	<u>(5,462)</u>	<u>(5,462)</u>
	<u>392,349</u>	<u>413,213</u>

The final dividend proposed after the end of the reporting period has not been recognized as a liability at the end of the reporting period.

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial years, declared and approved during the year:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Dividends in respect of previous financial years approved and paid during the year, of RMB0.16 per share (2023: RMB0.16 per share)	<u>401,484</u>	<u>419,218</u>

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Group (www.sincere.com). The Group's 2024 annual report will be despatched to Shareholders according to their preferences and will be published on the aforementioned websites in due course.

APPRECIATION

The Board would like to express its gratitude to all Shareholders for their understanding, support and trust, with which all employees of the Group, guided by patient needs, will continue to work diligently as one in the long run.

By order of the Board
Sincere Pharmaceutical Group Limited
Mr. REN Jinsheng
Chairman and Chief Executive Officer

Hong Kong, March 24, 2025

As at the date of this announcement, the Board comprises Mr. REN Jinsheng as the Chairman and executive Director, Mr. TANG Renhong, Mr. WAN Yushan and Ms. WANG Xi as the executive Directors; and Mr. SONG Ruilin, Mr. WANG Jianguo, Mr. WANG Xinhua and Mr. SUNG Ka Woon as the independent non-executive Directors.