NANJING SINOLIFE UNITED COMPANY LIMITED*
南京中生聯合股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 3332)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 32.6% to RMB747.9 million (2023: RMB564.0 million).
- Gross profit increased by approximately 41.8% to RMB538.3 million (2023: RMB379.7 million).
- Profit for the Year of RMB34.6 million (2023: Profit of RMB52.6 million).
- Profit per share was RMB3.65 cents (2023: Profit per share RMB5.56 cents).
- The Board does not recommend the payment of any final dividend (2023: Nil) for the Year or any special dividend (2023: Nil).

FINAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Nanjing Sinolife United Company Limited* 南京中生聯合股份有限公司 (the "**Company**") is pleased to announce its consolidated final results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024 (the "**Year**") together with the comparative figures for the year ended 31 December 2023 which are as follows:

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Revenue	*4*	**747,898**	563,959
Cost of sales		**(209,630)**	(184,302)
Gross profit		**538,268**	379,657
Other income and gains	*4*	**6,727**	8,474
Selling and distribution expenses		**(408,621)**	(249,962)
Administrative expenses		**(88,603)**	(72,222)
Finance costs		**(3,390)**	(3,280)
Other expenses		**(3,499)**	(4,574)
Profit before tax		**40,882**	58,093
Income tax expense	*6*	**(6,320)**	(5,491)
Profit for the year		**34,562**	52,602
Other comprehensive (loss)/income			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods, after tax:			
Exchange differences on translation of foreign operations		**(18,536)**	1,667
Total comprehensive income for the year		**16,026**	54,269
Profit attributable to:			
Owners of the parent		**34,562**	52,602
Total comprehensive income attributable to:			
Owners of the parent		**16,026**	54,269
		RMB	*RMB*
Profit per share attributable to ordinary equity holders of the parent:			
— Basic and diluted	*8*	**3.65 cents**	5.56 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**80,416**	72,126
Investment properties		**57,256**	71,725
Right-of-use assets		**37,117**	37,428
Goodwill	*9*	**30,023**	32,981
Other intangible assets		**912**	3,083
Deferred tax assets		**12,288**	12,562
Other non-current assets		**214**	–
Total non-current assets		**218,226**	229,905
Current assets			
Inventories	*10*	**119,085**	108,861
Trade receivables	*11*	**41,902**	32,511
Prepayments, deposits and other receivables		**21,814**	16,386
Restricted cash		**–**	200
Cash and cash equivalents		**104,530**	117,556
Total current assets		**287,331**	275,514
Total assets		**505,557**	505,419
Current liabilities			
Trade payables	*12*	**12,750**	33,147
Other payables and accruals		**44,145**	38,297
Lease liabilities		**4,286**	4,143
Tax payables		**7,958**	6,464
Total current liabilities		**69,139**	82,051
Net current assets		**218,192**	193,463
Total assets less current liabilities		**436,418**	423,368

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

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Non-current liabilities			
Lease liabilities		**29,615**	31,020
Deferred tax liabilities		**11,968**	13,468
Provision		**739**	811
Total non-current liabilities		**42,322**	45,299
Net assets		**394,096**	378,069
Equity			
Equity attributable to owners of the parent			
Share capital		**94,630**	94,630
Reserves		**299,466**	283,439
Total equity		**394,096**	378,069

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. CORPORATE AND GROUP INFORMATION

The Company is a joint stock limited liability company established in the People's Republic of China (the "**PRC**"). The address of its registered office is 4/F, Building 3, 3 Qingma Road, Qixia District, Nanjing, Jiangsu Province, the PRC.

The Group is principally engaged in the manufacture and sale of nutritional supplements and health food products in the PRC, Australia and New Zealand.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "**2020 Amendments**")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "**2022 Amendments**")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

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

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards — Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards — Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 *Financial Instruments: Disclosures:* The amendments have updated certain wordings in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments:* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For management purposes, the Group operates in one business unit based on its products, and has one reportable segment which is the manufacture and sale of nutritional supplements and the sale of packaged health food products in the PRC, Australia and New Zealand.

(b) Geographical information

Most of the Group companies are domiciled in the PRC and New Zealand, and the majority of the non-current assets are located in Mainland China and New Zealand. The Group's revenue from external customers is primarily derived in Mainland China and New Zealand.

The following is an analysis of the Group's revenue from its major markets:

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**623,538**	432,391
New Zealand	**100,103**	113,712
Australia	**8,411**	4,701
Vietnam	**5,695**	4,965
Other countries	**10,151**	8,190
Total revenue	**747,898**	563,959

(c) Non-current assets

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**138,178**	143,109
New Zealand	**37,564**	40,478
Australia	**173**	775
Total non-current assets	**175,915**	184,362

The non-current assets information above is based on the locations of the assets and excludes goodwill and deferred tax assets.

(d) Information about a major customer

No revenue from transactions with a single external customer amounted to 10% or more of the Group's revenue for the Year (2023: Nil).

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts rendered during the Year.

An analysis of revenue, other income and gains is as follows:

	2024	2023
	RMB'000	*RMB'000*
Type of goods or services		
Sale of goods	**747,898**	563,959
Total revenue from contracts with customers	**747,898**	563,959
Timing of revenue recognition		
Goods transferred at a point in time	**747,898**	563,959
Total revenue from contracts with customers	**747,898**	563,959

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	**11,288**	13,923

	2024	2023
	RMB'000	*RMB'000*
Other income and gains		
Government grants*	**845**	1,489
Rental income	**4,162**	4,463
Gain on disposal of property, plant and equipment	**–**	864
Bank interest income	**1,365**	852
Gain on disposal of a subsidiary	**–**	61
Others	**355**	745
Total other income and gains	**6,727**	8,474

* Various government grants have been received for the Group's contribution to the development of the local economy. There are no unfulfilled conditions or contingencies relating to these grants.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories sold	**206,318**	181,316
Depreciation of property, plant and equipment*	**9,228**	8,639
Depreciation of right-of-use assets*	**3,091**	3,066
Lease payments not included in the measurement of lease liabilities	**812**	917
Amortisation of intangible assets**	**1,995**	2,006
Auditor's remuneration	**2,080**	2,000
Research and development expenses	**924**	867
Changes in fair value of investment properties	**912**	1,229
Employment benefit expense (excluding directors', supervisors' and chief executive's remuneration)*:		
Wages and salaries	**98,354**	74,810
Pension scheme contributions (defined contribution scheme)***	**3,652**	2,617
Other benefits	**9,783**	6,360
Foreign exchange differences, net	**1,805**	2,830
Impairment of trade receivables	**759**	279
Write-down of inventories to net realisable value****	**3,312**	2,986
Bank interest income	**(1,365)**	(852)
Government grants	**(845)**	(1,489)
Gain on disposal of a subsidiary	**–**	(61)
Gain on disposal of items of property, plant and equipment	**–**	(864)

* The depreciation of property, plant and equipment, depreciation of right-of-use assets and employment benefit expense for the Year is included in "Cost of inventories sold", "Selling and distribution expenses" and "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

** The amortisation of intangible assets for the Year is included in "Selling and distribution expenses" and "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

**** The write-down of inventories to net realisable value for the Year is included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX

The amounts of income tax expense in the consolidated statement of profit or loss and other comprehensive income represent:

	2024	2023
	RMB'000	*RMB'000*
Current		
— New Zealand	**7,938**	6,410
Deferred	**(1,618)**	(919)
Total tax expense for the Year	**6,320**	5,491

The income tax of the Company and its subsidiaries established in the PRC are subject to the statutory rate of 25% of the assessable profits as determined in accordance with the relevant income tax rules and regulations of the PRC. New Zealand Income tax is calculated at 28% of the assessable profits of the subsidiaries operating in New Zealand. Australia Income tax is calculated at 30% of the assessable profits of the subsidiary operating in Australia.

7. DIVIDENDS

The Board has resolved not to declare any final dividend for the year ended 31 December 2024 (2023: Nil).

8. PROFIT PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic profit per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 946,298,370 (2023: 946,298,370) in issue during the Year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023.

The calculation of basic profit per share is based on:

	2024	2023
	RMB'000	*RMB'000*
Profit		
Profit attributable to ordinary equity holders of the parent used in the basic loss per share calculation	**34,562**	52,602

	2024	2023
Shares		
Weighted average number of ordinary shares for the purpose of the basic profit per share calculation	**946,298,370**	946,298,370

9. GOODWILL

	RMB'000
At 1 January 2023	
Cost	57,816
Accumulated impairment	(25,442)
Net carrying amount	32,374
Cost at 1 January 2023, net of accumulated impairment	32,374
Exchange realignment	607
At 31 December 2023	32,981
At 31 December 2023	
Cost	58,901
Accumulated impairment	(25,920)
Net carrying amount	32,981
Cost at 1 January 2024, net of accumulated impairment	32,981
Exchange realignment	(2,958)
Cost and net carrying amount at 31 December 2024	30,023
Cost at 31 December 2024:	
Cost	53,618
Accumulated impairment	(23,595)
Net carrying amount	30,023

10. INVENTORIES

	2024	2023
	RMB'000	*RMB'000*
Raw materials	**18,332**	29,641
Work-in-progress	**1,523**	229
Finished goods	**99,144**	78,461
Goods merchandise	**86**	530
Total	**119,085**	108,861

11. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**45,429**	35,505
Impairment	**(3,527)**	(2,994)
Net carrying amount	**41,902**	32,511

In general, the entities in the Group have no credit period granted to the retail customers, and invoices would be due once they have been issued. The credit period offered by the Group to its distributors is generally 30 to 90 days. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**38,962**	28,136
Over 1 month but within 3 months	**2,543**	3,578
Over 3 months but within 1 year	**303**	643
Over 1 year	**94**	154
Total	**41,902**	32,511

12. TRADE PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**11,310**	32,184
Over 1 month but within 3 months	**124**	201
Over 3 months but within 1 year	**556**	2
Over 1 year	**760**	760
Total	**12,750**	33,147

The trade payables are non-interest-bearing and the credit terms are normally between 30 and 90 days.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2024, the Group focused its resources on the cross-border e-commerce business of the nutritional supplements under the Good Health brand, with the related business maintaining rapid growth. The Group's revenue for the Year amounted to approximately RMB747.9 million, representing an increase of approximately RMB183.9 million as compared to approximately RMB564.0 million in 2023, representing an increase of approximately 32.6%. The Group recorded a profit of approximately RMB34.6 million for the Year, representing a decrease of approximately RMB18.0 million as compared to a profit of approximately RMB52.6 million in 2023.

In 2024, to enhance the influence of the nutritional supplements under the Good Health brand on cross-border e-commerce platforms and in order to maintain rapid revenue growth, the Group continuously increased its investments in marketing and promotion on cross-border e-commerce platforms. The Group optimised product positioning, marketing and promotional content and formats, customer acquisition methods, transaction scenarios and other aspects, based on the characteristics of target customers. In addition to marketing and promotion on major domestic cross-border e-commerce platforms, the Group also leveraged various sales promotion scenarios, including collaborations with influencers on RedNote, bilibili, Moments (朋友圈), brand-owned live streaming rooms and influencer live streaming rooms. In addition to major Chinese e-commerce platforms, the Group also acquires customers through different means, including distributors, pharmacies, and duty-free stores in the travel sector. The Group's overseas diversified sales platforms mainly include international distribution networks that broadly distributed in various countries, including the United Kingdom, Germany, Netherlands, Singapore, South Africa, Vietnam, and Thailand, etc., and large chain pharmacies, health goods supermarkets and tourist souvenir shops in New Zealand and Australia.

In 2024, to meet customer demands, the Group continued to increase its investments in research and development, with a view to launch more products suitable for its target customers. During the Year, the Group launched a total of 26 new products, including 3 New Goodhealth series product, 22 Good Health series products and 1 Living Nature series product. The new products mainly comprised DHA and PS Capsules, Virawell Powder, Oyster Pro Oil, Colostrum Powder contains Immunoglobulin G, Probiotic Advanced Triple Action, Cranberry PLUS Evening Primrose Oil etc..

FINANCIAL REVIEW

Results

The Group's revenue in 2024 amounted to approximately RMB747.9 million, representing an increase of approximately RMB183.9 million as compared to approximately RMB564.0 million in 2023, representing an increase of approximately 32.6%. In 2024, the Group recorded a profit of approximately RMB34.6 million, representing a decrease of approximately RMB18.0 million as compared to that of approximately RMB52.6 million in 2023. The Company's earnings per share was approximately RMB3.65 cents (2023: earnings per share was approximately RMB5.56 cents) based on the weighted average number of 946,298,370 (2023: 946,298,370) ordinary shares of the Company in issue during the Year.

Revenue

The revenue of the Group in 2024 amounted to approximately RMB747.9 million, representing an increase of approximately RMB183.9 million as compared to approximately RMB564.0 million in 2023, representing an increase of approximately 32.6%. During the Year, the Group continued to increase its promotional efforts for the Good Health brand on cross-border e-commerce platforms. The increase in revenue for the Year was mainly driven by the significant growth in Good Heath brand's revenue from cross-border e-commerce platforms.

Gross profit

The Group's gross profit increased by approximately 41.8% from approximately RMB379.7 million in 2023 to approximately RMB538.3 million for the Year. The Group's gross profit margin in 2024 increased from approximately 67.3% in 2023 to approximately 72.0% for the Year. Such increase in gross profit margin was mainly due to higher gross profit margins in cross-border e-commerce platforms. The revenue from the cross-border e-commerce platforms accounted for a higher proportion to the overall revenue of the Group for the Year, thus improving the Group's overall gross profit margin.

Other income and gains

The Group's other income and gains, which mainly comprised bank interest income, government grants and rental income, amounted to approximately RMB6.7 million for the Year, representing a decrease from approximately RMB8.5 million in 2023. This was mainly due to the decrease in government grants and rental income.

Selling and distribution expenses

The Group's selling and distribution expenses increased by approximately 63.4% from approximately RMB250.0 million in 2023 to approximately RMB408.6 million for the Year, representing approximately 44.3% and 54.6% of the Group's revenue in 2023 and for the Year, respectively. Such increase in selling and distribution expenses was mainly due to the Group's increased investment in marketing and promotional resources on cross-border e-commerce platforms.

Administrative expenses

The Group's administrative expenses increased by approximately 22.7% from approximately RMB72.2 million in 2023 to approximately RMB88.6 million for the Year, representing approximately 12.8% and 11.8% of the Group's revenue in 2023 and for the Year, respectively. Such increase in administrative expenses was mainly due to the Group's efforts to better incentivise its management, resulting in salary increases for certain members of the management.

Income tax expense

The Group recorded an income tax expense of approximately RMB6.3 million for the Year and an income tax expense of approximately RMB5.5 million in 2023. The income tax expense increased during the Year was mainly due to the increase in profit of Good Health Products Limited, one of the Group's subsidiaries. The Group's effective tax rates in 2023 and for the Year were 9.5% and 15.4%, respectively.

Profit for the Year

As a result of the foregoing, the Group recorded a profit of approximately RMB34.6 million in 2024, representing a decrease of approximately RMB18.0 million as compared to a profit of approximately RMB52.6 million in 2023.

The decrease in profit was mainly due to (i) the increase in marketing and promotional expenses for cross-border e-commerce platforms; and (ii) the increase in remuneration of the management.

OTHER COMPREHENSIVE INCOME

Exchange differences on translation of foreign operations

The Group recorded a foreign exchange loss of approximately RMB18.5 million in 2024, and a foreign exchange gain of approximately RMB1.7 million in 2023. The loss for the Year was mainly due to the significant decrease in the exchange rate of the New Zealand dollar against the Renminbi.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow

During the Year, the Group's cash and cash equivalents decreased by approximately RMB13.0 million, which mainly comprised the net cash inflow from operating activities of approximately RMB1.0 million, net cash outflow from investing activities of approximately RMB6.0 million, net cash outflow used in financing activities of approximately RMB4.5 million and exchange losses of approximately RMB3.5 million.

Inventories

The Group's inventories amounted to approximately RMB119.1 million as at 31 December 2024 (as at 31 December 2023: approximately RMB108.9 million). The Group's inventories include raw materials, work-in-progress, finished goods and goods merchandise. The balance of inventories increased by approximately 9.4% compared with that as at 31 December 2023. The increase in inventories during the Year is primarily due to the significant growth in Good Health brand's revenue from cross border e-commerce platforms, resulting in an increased inventories of such finished goods sold through the relevant channel by the Group. The inventory turnover days were approximately 196 days for the Year (2023: approximately 181 days), increased by 15 days compared with that of 2023. Such increase was mainly due to the Group's further expansion of e-commerce channels, with the management expecting revenue from e-commerce channels to continue growing in the future. In anticipation of a significant increase in sales in the future, inventory levels were raised at the end of the Year.

Trade receivables

The Group's trade receivables amounted to approximately RMB41.9 million as at 31 December 2024 (as at 31 December 2023: approximately RMB32.5 million), representing an increase of approximately RMB9.4 million or approximately 28.9%. Such increase in trade receivables was mainly driven by an increases in revenue from e-commerce channels.

Trade payables

The Group's trade payables decreased by approximately RMB20.3 million or approximately 61.3% to approximately RMB12.8 million as at 31 December 2024 (as at 31 December 2023: approximately RMB33.1 million). Such decrease in trade payables was mainly due to a decrease in purchase of raw materials at the end of the Year as compared to the previous period, resulting in a decrease in the balance of trade payables.

Foreign exchange exposure

The Group conducts in-bound transactions principally in RMB and outbound transactions principally in New Zealand dollar, United States dollar, and Australian dollar. The Group managed its foreign exchange risks by performing regular review and monitoring of its foreign exchange exposures. The Directors consider the Group's risk exposure to currency fluctuation to be controlled. Therefore, the Group had not implemented any hedging or other alternative policies to deal with such exposure during the Year.

Borrowings and pledge of assets

As at 31 December 2024, the Group did not have any outstanding borrowings or pledge of assets.

Capital expenditure

During the Year, the Group invested approximately RMB7.4 million (2023: approximately RMB1.7 million) for the additions of property, plant and equipment.

Capital commitments and contingent liabilities

As at 31 December 2024, the Group did not have any material capital commitments or contingent liabilities (as at 31 December 2023: Nil).

OUTLOOK

In 2024, the global economic growth slowed overall, with pronounced regional divergence: developed economies experienced sluggish growth, while emerging markets demonstrated resilience. As a key driver of global economic growth, China's economic growth outpaced the global average, with consumption upgrades and exports of the "New Trio" (electric vehicles, lithium-ion batteries and photovoltaic products) emerging as new growth drivers. While inflation cooled in major economies, it remained persistent, leading to a shift toward more accommodative monetary policies. Geopolitical conflicts continued, with the Russia-Ukraine conflict and the Israel-Palestine crisis causing surges to energy prices and trade costs. Although a stabilisation in China-US relations may present opportunities for global supply chain adjustments, the risk of "decoupling" remains.

In 2024, the Group successfully achieved its strategic objectives established at the beginning of the Year. It focused resources on developing cross-border e-commerce, optimised promotional strategies on e-commerce platforms, and enhanced the influence of the Good Health brand and key products. The Group enhanced its research and development efforts for new products to shorten research and development cycles, strengthened supply chain management, and expanded production capacity to reduce manufacturing and procurement lead times, thereby enhancing working capital efficiency.

In 2025, geopolitical conflicts, debt crises, trade barriers, a restructuring global manufacturing landscape, and many other factors will continue to create uncertainties for global economic development. As the global economy continues to face policy competition and sluggish growth amid the cooling inflation and trade recovery, China is required to strike a balance between "revitalising domestic demand" and "breaking through external barriers" for its economic growth. Policy stability, structural reforms, mitigation of real estate and financial risks, and international cooperation will be critical in addressing these challenges. If China's high-quality development can effectively drive consumption and spark innovation, new momentum may be injected into the global economy.

The Chinese consumer healthcare industry remains in a stage of high-quality and rapid development. China's large population and their increasing health awareness form a solid foundation for the demand for healthcare products, offering huge advantages and opportunities. Omnichannel marketing strategies, including the extensive integration of online and offline platforms and precise marketing on social media, effectively enhance consumer shopping experiences and brand stickiness. The combination of online e-commerce platforms and offline physical stores has expanded market coverage, while interactions on social media platforms further enhance brand recognition. In terms of cross-border products, due to a growing demand for high-quality healthcare products among consumers, imported healthcare products become increasingly popular in the market. As the development of cross-border e-commerce platforms provides convenient purchasing channels, overseas brands enter the PRC market more smoothly, satisfying the consumer demands for international brands. As the younger generation reigns in the market, they focus more on appearance, personal care, and healthy lifestyles, including the intake of dietary supplements and sports nutrition products. In the future, the demand in the younger generation market will shift towards innovation, fashion, and sustainability. As a result, companies will be required to better cater to consumers' personalities and values in their product development and marketing efforts.

In 2025, the Group will specifically focus on the following efforts:

(1) in pursuit of e-commerce platform growth, strive to achieve the goal of being the top seller in the core product categories on e-commerce platforms. Meanwhile, the Group will promote new innovative products to expand the brand's consumer base;

(2) to strengthen the supply chain management, by identifying high-quality suppliers and improving production capacity. To promptly meet customer demands, the Group will strive to shorten production and procurement cycles, while enhancing operational efficiency; and

(3) to expand the Group's revenue scale, while optimising the cost-income output of marketing and promotional expenses, thereby improving overall profitability.

HUMAN RESOURCES MANAGEMENT

Quality and dedicated staff are indispensable assets to the Group's success in the competitive market. By providing comprehensive trainings and corporate culture education periodically, the employees are able to obtain on-going trainings and development in the nutritional supplements industry. Furthermore, the Group offers competitive remuneration packages commensurated with industry practice and provides various fringe benefits to all employees. The Group reviews its human resources and remuneration policies periodically to ensure they are in line with market practice and regulatory requirements. As at 31 December 2024, the Group employed a work force of 477 employees (as at 31 December 2023: 349 employees). The total salaries and related costs for the Year amounted to approximately RMB120.8 million (as at 31 December 2023: approximately RMB89.8 million).

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

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the Year. The Company did not hold any treasury shares during the year ended 31 December 2024.

SIGNIFICANT EVENTS SUBSEQUENT TO THE YEAR ENDED 31 DECEMBER 2024

Subsequent to the year ended 31 December 2024 and up to the date of this announcement, there were no significant events affecting the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as the code of conduct for the Directors in their dealings in the Company's securities.

The Company has made specific enquiry to the Directors and supervisors of the Company ("**Supervisors**") and all the Directors and Supervisors confirmed that they have complied with the Model Code during the Year.

CODE OF CORPORATE GOVERNANCE PRACTICE

In the opinion of the Directors, the Company has complied with all applicable principles and code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules during the Year.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has been established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Yu Bo, Mr. Ye Bangyin and Mr. Cheng Jianming. Mr. Ye Bangyin serves as the chairperson of the Audit Committee. The Audit Committee is primarily responsible for the review and supervision of the financial reporting process, and risk management and internal control system. It has reviewed the accounting principles and practices adopted by the Company and the audited final results of the Group for the Year.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the Year as set out in this announcement have been agreed by the Company's auditor, Ernst & Young to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Ernst & Young on this announcement.

FINAL DIVIDEND AND SPECIAL DIVIDEND

The Board does not recommend the payment of any final dividend for the Year or any special dividend.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be convened on Friday, 6 June 2025. A notice convening the AGM will be published and despatched to the shareholders of the Company as required in due course.

RECORD DATE FOR DETERMINING THE RIGHT TO ATTEND THE AGM

The record date for determining the entitlement of members of the Shares to attend and vote at the AGM will be fixed at the close of business on Friday, 30 May 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 H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712 -1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 30 May 2025.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.zs-united.com. The annual report of the Company for the Year will be despatched to the shareholders of the Company as required and published on the aforesaid websites in due course.

By order of the Board
Nanjing Sinolife United Company Limited*
Gui Pinghu
Chairman

Nanjing, the People's Republic of China, 26 March 2025

As of the date of this announcement, the executive Directors are Mr. Gui Pinghu, Ms. Zhang Yuan and Ms. Zhu Feifei; and the independent non-executive Directors are Mr. Yu Bo, Mr. Ye Bangyin and Mr. Cheng Jianming.

* *For identification purposes only*