

Pharmesis returns to the black with a net profit attributable to equity holders of RMB8.3 million in FY2024

- Revenue surged by 48.2% to RMB67.6 million, driven by the new Traditional Chinese Herbs (“TCH”) procurement business segment.
- Gross profit increased by 16.0% to RMB24.1 million
- The Group remains committed to a two-pronged strategy: enhancing existing pharmaceutical revenue streams and growing the TCH procurement business.

Singapore, 28 February 2025 – Pharmesis International Ltd. (“**Pharmesis**” or the “**Company**” and, together with its subsidiaries, the “**Group**”), a manufacturer of pharmaceutical products in China is pleased to announce that the Group has reported a net profit attributable to equity holders of the Company of RMB8.3 million for the full year ended 31 December 2024 (“**FY2024**”).

RMB 'million	FY2024	FY2023	% Change
Revenue	67.6	45.6	48.2
Gross profit	24.1	20.8	16.0
Gross profit margin	35.7%	45.6%	(9.9 p.p)
Net profit attributable to the equity holders of the Company	8.3	(5.0)	n.m

The Group achieved a remarkable 48.2% revenue growth, increasing to RMB67.7 million in FY2024 from RMB45.6 million in FY2023. This growth was primarily attributed by the contribution of RMB28.9 million from the newly established Traditional Chinese Herbs (“TCH”) procurement segment—which commenced in the second half of FY2024. These herbal medicines are cultivated in Sichuan, one of China's largest and most renowned regions for traditional Chinese herb production. The Group sources commonly consumed herbs from local planters, further processes them, and distributes them to customers through its extensive and well-established industry network.

Revenue from the Group's prescribed drugs segment grew by RMB5.9 million to RMB17.2 million, while revenue from the non-prescription drugs segment declined by RMB12.7 million to RMB21.6 million in FY2024. The Group has adopted a base pricing model with a low markup percentage to attract bulk orders, where customers make advance payments prior to product delivery, driving higher sales volume.

In tandem with the increase in revenue, gross profit grew by 16.0% to RMB24.1 million in FY2024 from RMB20.8 million in FY2023. Despite revenue growth, gross profit margin decreased from 45.6% in FY2023 to 35.7% in FY2024, mainly due to the lower margin from the TCH procurement segment.

Other income increased to RMB7.4 million in FY2024, primarily due to the reversal of impairment on construction in progress. In comparison, other income for the same period in FY2023 was RMB3.5 million, largely attributable to insurance proceeds of RMB3.3 million received related to a flood incident.

The Group's selling and distribution costs was RMB10.9 million in FY2024, a decrease of 11.6% from RMB12.3 million in FY2023, attributable to lower revenue from drug sales. Administrative costs also saw a slight reduction by 0.5%, from RMB11.3 million in FY2023 to RMB11.2 million in FY2024.

As a result, the Group returned to profitability with a net profit attributable to the equity holders of RMB8.3 million in FY2024, as compared to a net loss of RMB5.0 million in FY2023.

Mr. Wu Xuedan, Executive Director and Chief Executive Officer of Pharmesis, commented, "We concluded FY2024 with a remarkable financial performance, achieving profitability after two consecutive years of losses. This milestone underscores the successful execution of our strategy and the resilience of our business.

The year also saw increased demand for our products, driven by the resolution of overstocking issues from the prior year, as excess inventory was cleared and utilized. In FY2024, we have seen significant growth in revenue from Gansu and ATT as compared to FY2023. With the initiation of evidence-based research on Gansu and ATT, which highlights their broader applications and benefits, we are confident that demand for these products will continue to grow, further boosting sales.

During the year, the Group strategically entered the Traditional Chinese Herbs procurement business at an opportune time. Leveraging the Group's strong brand reputation within the industry, this new business segment is expected to generate additional revenue and drive further growth for the Group." In addition, from FY2025 onwards, the Group will be generating rental income from one of its properties.

About Pharmesis International Ltd.

Listed on the Main Board of the Singapore Exchange in October 2004, Pharmesis International Ltd. specialises in the manufacture of pharmaceutical products, including western medicine and Traditional Chinese Medicine ("TCM").

Under our two subsidiaries, Chengdu Kinna Pharmaceutical Co., Ltd and Sichuan Longlife Pharmaceutical Co., Ltd, we specialise in the manufacturing of pharmaceutical products in the form of tablets, granules, pills, etc, including TCM formulated products for the treatment of illnesses relating to the liver and gall bladder. Additionally, the Group's business also includes research and development, production, sale and marketing of pharmaceutical products.

Our pharmaceutical products are sold in the People's Republic of China ("PRC") under the "国嘉" brand. Our main products are ATT, Gulin Gansu and Er Ding granules. Our Gulin Gansu is under the National TCM Protection List and is also the first TCM formulated products to be awarded the "Product of Designation of Origin and Geographical Indications of the PRC".

For more information, please visit <https://www.pharmesis.com/>

**Issued for and on behalf of Pharmesis International Ltd.
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