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The United Laboratories International Holdings Limited

聯邦制藥國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3933)

Interim Results Announcement For the six months ended 30 June 2025

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Increase
	2025	2024	
	RMB'000	RMB'000	
Revenue	7,518,683	7,175,804	4.8%
EBITDA	2,752,120	2,231,943	23.3%
Profit before taxation	2,419,651	1,901,702	27.2%
Profit for the period attributable to the owners of the Company	1,894,314	1,491,404	27.0%
	RMB cents	RMB cents	
Earnings per share - Basic	104.26	82.08	27.0%
Interim dividend (per share)	16.0	16.0	0.0%

The Board of Directors (the “Board”) of The United Laboratories International Holdings Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 together with the comparative figures for the corresponding period in 2024 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

	Notes	Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	3	7,518,683	7,175,804
Cost of sales		(3,594,809)	(3,831,439)
Gross profit		3,923,874	3,344,365
Other income	4	128,480	170,015
Other gains and losses, net	5	61,183	41,958
Selling and distribution expenses		(682,161)	(706,651)
Administrative expenses		(435,200)	(354,050)
Research and development expenditures		(498,941)	(446,800)
Other expenses		(40,531)	(83,023)
Impairment losses under expected credit loss model, net of reversal		(16,284)	(38,756)
Share of results of an associate		28	(184)
Finance costs	6	(20,797)	(25,172)
Profit before taxation		2,419,651	1,901,702
Tax expense	7	(526,144)	(410,707)
Profit for the period	8	1,893,507	1,490,995
Other comprehensive (expense) income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(684)	646
Total comprehensive income for the period		1,892,823	1,491,641
Profit (loss) for the period attributable to:			
Owners of the Company		1,894,314	1,491,404
Non-controlling interests		(807)	(409)
		1,893,507	1,490,995
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		1,893,630	1,492,050
Non-controlling interests		(807)	(409)
		1,892,823	1,491,641
Earnings per share	9	RMB cents	RMB cents
- Basic		104.26	82.08

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	11	10,021,708	8,724,524
Right-of-use assets		442,324	450,800
Goodwill		3,031	3,031
Intangible assets		251,076	209,200
Interests in an associate		7,140	7,112
Deposits for acquisition of property, plant and equipment		323,760	283,298
Deposits for acquisition of intangible assets		5,122	10,710
Deferred tax assets		77,222	73,681
		11,131,383	9,762,356
Current assets			
Inventories		2,775,603	2,434,166
Trade and bills receivables, other receivables, deposits and prepayments	12	5,731,247	6,272,323
Pledged bank deposits	15	781,825	1,034,366
Cash and cash equivalents		9,014,463	6,329,841
		18,303,138	16,070,696
Current liabilities			
Trade and other payables	13	7,323,429	7,636,911
Contract liabilities		67,071	96,119
Dividend payables	10	726,811	-
Lease liabilities		4,994	4,781
Tax payables		194,556	204,354
Borrowings - due within one year		1,388,708	830,384
		9,705,569	8,772,549
Net current assets		8,597,569	7,298,147
Total assets less current liabilities		19,728,952	17,060,503

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
AT 30 JUNE 2025

	Note	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Deferred tax liabilities		361,051	282,492
Deferred income in respect of government grants	13	22,823	22,205
Lease liabilities		9,914	12,667
Borrowings - due after one year		3,722,187	2,307,899
		4,115,975	2,625,263
Net assets		15,612,977	14,435,240
Capital and reserves			
Share capital		16,965	16,965
Reserves		15,549,862	14,371,318
Equity attributable to owners of the Company		15,566,827	14,388,283
Non-controlling interests		46,150	46,957
Total equity		15,612,977	14,435,240

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than application of certain accounting policies in relation to license fee income which became relevant to the Group in the current period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The Group is currently organised into three revenue streams, including Intermediate products, Bulk medicine and Finished products.

Specifically, the Group’s reportable segments under HKFRS 8 are as follows:

- 1) Intermediate products - mainly represent sales of 6-APA products and penicillin G potassium products;
- 2) Bulk medicine - mainly represent sales of amoxicillin products; and
- 3) Finished products - mainly represent sales of insulin series products, antibiotics products, nervous system drugs, ophthalmic products, veterinary drugs and license fee income.

The three revenue streams are the operating and reportable segments of the Group on which the Group reports its primary segment information.

3. REVENUE AND SEGMENT INFORMATION - Continued

(a) Segment Revenue and Results

For the six months ended 30 June 2025 (Unaudited)

	Intermediate <u>products</u> RMB'000	Bulk <u>medicine</u> RMB'000	Finished <u>products</u> RMB'000	Segments <u>total</u> RMB'000	<u>Elimination</u> RMB'000	<u>Consolidated</u> RMB'000
REVENUE						
External sales	1,010,665	2,529,547	2,544,571	6,084,783	-	6,084,783
Inter-segment sales	1,293,646	469,767	-	1,763,413	(1,763,413)	-
License fee income	-	-	1,433,900	1,433,900	-	1,433,900
Segment revenue	<u>2,304,311</u>	<u>2,999,314</u>	<u>3,978,471</u>	<u>9,282,096</u>	<u>(1,763,413)</u>	<u>7,518,683</u>
Segment profit before research and development expenses	798,889	275,776	1,815,116			2,889,781
Research and development expenses (included in the measurement of segment profit)	(164,270)	(25,127)	(309,544)			(498,941)
RESULT						
Segment profit	<u>634,619</u>	<u>250,649</u>	<u>1,505,572</u>			2,390,840
Share of results of an associate						28
Unallocated other income						76,026
Unallocated corporate expenses						(123,733)
Unallocated other gains and losses, net						95,036
Impairment losses of other receivables under expected credit loss model, net of reversal						2,251
Finance costs						<u>(20,797)</u>
Profit before taxation						<u>2,419,651</u>

3. REVENUE AND SEGMENT INFORMATION - Continued

(a) Segment Revenue and Results - continued

For the six months ended 30 June 2024 (Unaudited)

	Intermediate <u>products</u> RMB'000	Bulk <u>medicine</u> RMB'000	Finished <u>products</u> RMB'000	Segments <u>total</u> RMB'000	<u>Elimination</u> RMB'000	<u>Consolidated</u> RMB'000
REVENUE						
External sales	1,313,961	3,464,066	2,397,777	7,175,804	-	7,175,804
Inter-segment sales	<u>1,767,321</u>	<u>453,574</u>	<u>-</u>	<u>2,220,895</u>	<u>(2,220,895)</u>	<u>-</u>
Segment revenue	<u>3,081,282</u>	<u>3,917,640</u>	<u>2,397,777</u>	<u>9,396,699</u>	<u>(2,220,895)</u>	<u>7,175,804</u>
Segment profit before research and development expenses	1,203,272	552,754	522,365			2,278,391
Research and development expenses (included in the measurement of segment profit)	(134,821)	(30,795)	(281,184)			(446,800)
RESULT						
Segment profit	<u>1,068,451</u>	<u>521,959</u>	<u>241,181</u>			1,831,591
Share of results of an associate						(184)
Unallocated other income						53,567
Unallocated corporate expenses						(72,631)
Unallocated other gains and losses, net						114,482
Impairment losses of other receivables under expected credit loss model, net of reversal						49
Finance costs						<u>(25,172)</u>
Profit before taxation						<u>1,901,702</u>

3. REVENUE AND SEGMENT INFORMATION - Continued

(b) Geographical Information

The revenue from the external customers by geographical market (irrespective of the origin of the goods) based on the location of the customers are presented below:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The People's Republic of China ("PRC"), including Hong Kong (country of domicile)	4,725,243	5,748,478
Europe	1,741,465	411,566
India	197,687	376,958
Middle East	13,641	36,418
South America	450,590	170,105
Other Asian regions	258,367	318,585
Other regions	131,690	113,694
	7,518,683	7,175,804

4. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Bank interest income	65,468	57,599
Sales of scrap materials	3,133	5,073
Subsidy income (Note)	54,959	100,709
Sundry income	4,920	6,634
	128,480	170,015

Note: Subsidy income includes tax subsidy and government grants from the PRC government which are specifically for (i) the capital expenditure incurred for plant and machinery, which is recognised as income over the useful life of the related assets; (ii) the incentives and other subsidies for research and development activities, which are recognised upon meeting the attached conditions; and (iii) the incentives which have no specific conditions attached to the grants.

5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net foreign exchange (loss) gain	(37,058)	30,773
Net gain on fair value change of derivative financial instruments (Note)	72,973	70,815
Gain on disposal of financial assets at fair value through profit or loss	74,971	29,626
Net gain (loss) on disposal of property, plant and equipment	7,556	(441)
Written-off of property, plant and equipment	(57,389)	(88,329)
Others	130	(486)
	61,183	41,958

Note: During the six-month period ended 30 June 2025, the Group had entered into several foreign currency forward contracts with banks and financial institutions to reduce its exposure to foreign currency risks. These derivatives were not accounted for under hedge accounting. The Group did not hold any (2024: nil) derivative financial instruments as at 30 June 2025.

6. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on borrowings	41,229	31,269
Interest on lease liabilities	377	400
	41,606	31,669
Less: amounts capitalised in property, plant and equipment	(20,809)	(6,497)
	20,797	25,172

Borrowing costs capitalised during the current interim period arose on the general borrowing pool and are calculated by applying a capitalisation rate of 2.55% (six months ended 30 June 2024: 2.87%) per annum to expenditure on qualifying assets.

7. TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
Hong Kong profits tax	923	1,189
PRC enterprise income tax ("EIT")	306,813	336,336
Danish withholding tax on licensing fee income	143,390	-
	451,126	337,525
Deferred tax charge	75,018	73,182
Tax expense	526,144	410,707

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

PRC EIT is calculated at the applicable rates of tax prevailing in the areas in which the Group operates, based on the existing legislation, interpretations and practices.

Pursuant to the Danish domestic tax law, the withholding tax on royalty payment in Denmark is subject to withholding tax at the statutory rate of 22% on the gross amount. Under the applicable double tax arrangement, the Group is entitled to a reduced rate of 10% for current period.

8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Staff costs, including directors' emoluments		
Salaries and other benefits	759,213	797,092
Contributions to retirement benefit schemes	56,206	55,261
Share-based compensation expense	11,725	25,436
	827,144	877,789
Depreciation		
Depreciation of right-of-use assets	8,476	8,013
Depreciation of property, plant and equipment	293,014	288,284
Amortisation of intangible assets (included in cost of sales)	10,182	8,772
Write-down of inventories, net (included in cost of sales)	2,824	6,214
Cost of inventories recognised as expenses	3,526,447	3,831,439

9. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purposes of basic earnings per share being profit for the period attributable to the owners of the Company	<u>1,894,314</u>	<u>1,491,404</u>
	Six months ended 30 June	
	2025	2024
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,816,934</u>	<u>1,817,027</u>

No diluted earnings per share for the six months ended 30 June 2025 and 2024 were presented as there were no potential ordinary shares in issue for both periods.

10. DIVIDENDS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dividends for ordinary shareholders of the Company recognised as distribution during the period		
- 2024 final dividend RMB28 cents (2024: 2023 final dividend RMB28 cents) per share	<u>508,767</u>	<u>508,767</u>
- 2024 special dividend RMB12 cents (2024: 2023 special dividend RMB12 cents) per share	<u>218,044</u>	<u>218,044</u>
	<u>726,811</u>	<u>726,811</u>

The 2024 final dividend and special dividend have not yet been paid as at 30 June 2025.

Subsequent to the end of the reporting period, the Board declared an interim dividend of RMB16 cents (six months ended 30 June 2024: RMB16 cents) per ordinary share, in an aggregate amount of RMB315,684,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB290,724,000).

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

The Group incurred approximately RMB1,639,948,000 (six months ended 30 June 2024: RMB741,061,000) on addition of property, plant and equipment to expand and upgrade certain production plants and office buildings primarily in the PRC, during the six months ended 30 June 2025.

During the current interim period, the Group disposed of and written off of certain plant and machinery with an aggregate carrying amount of RMB70,559,000 (six months ended 30 June 2024: RMB90,454,000) for cash proceeds of RMB20,726,000 (six months ended 30 June 2024: RMB1,684,000), resulting in a gain on disposal of RMB7,556,000 (six months ended 30 June 2024: loss on disposal: RMB441,000) and written off of RMB57,389,000 (six months ended 30 June 2024: RMB88,329,000).

12. TRADE AND BILLS RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables from contracts with customers	2,285,314	2,406,076
Less: allowance for credit losses	(30,621)	(13,166)
Banker's acceptance bills receivables	2,977,362	3,333,266
Less: allowance for credit losses	(56)	(212)
Consideration receivables	339,574	339,574
Less: allowance for credit losses	(339,574)	(339,574)
Value-added tax receivables	269,011	235,963
Other receivables, deposits and prepayments	240,773	321,947
Less: allowance for credit losses	(10,536)	(11,551)
	<u>5,731,247</u>	<u>6,272,323</u>

The Group normally allows a credit period of ranging from 30 days to 120 days (31 December 2024: from 45 days to 120 days) to its trade customers, and may be extended to selected customers depending on their trade volume and settlement with the Group. The banker's acceptance bills receivables have a general maturity period of between 90 days and 1 year (31 December 2024: between 90 days and 1 year).

The following is an analysis of trade receivables by age, net of allowance for credit losses, presented based on dates of transferring control of the goods, and an analysis of banker's acceptance bills receivables by age, net of allowance for credit losses, presented based on the bills issuance date, at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables from contracts with customers		
0 to 30 days	867,391	943,289
31 to 60 days	460,353	629,666
61 to 90 days	420,250	389,109
91 to 120 days	244,567	212,161
121 to 180 days	174,318	204,206
Over 180 days	87,814	14,479
	<u>2,254,693</u>	<u>2,392,910</u>
Banker's acceptance bills receivables		
0 to 30 days	602,351	636,132
31 to 60 days	425,390	678,738
61 to 90 days	643,419	453,539
91 to 120 days	457,580	640,674
121 to 180 days	848,566	862,069
Over 180 days	-	61,902
	<u>2,977,306</u>	<u>3,333,054</u>

13. TRADE AND OTHER PAYABLES

The Group normally receives credit terms of up to 120 days and 180 days for trade payables and trade payables under supplier finance arrangement, respectively, from its suppliers. The following is an analysis of the trade payables and trade payables under supplier finance arrangement by age, presented based on the invoice date or bills issuance date at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables		
0 to 90 days	1,097,401	1,560,814
91 to 180 days	628,237	513,876
Over 180 days	22,455	14,095
	<u>1,748,093</u>	<u>2,088,785</u>
Trade payables under supplier finance arrangement (note 1)		
0 to 90 days	1,764,967	1,119,081
91 to 180 days	382,489	961,961
Over 180 days	6,735	5,229
	<u>2,154,191</u>	<u>2,086,271</u>
Other payables and accruals	517,074	545,328
Other tax payable	353,817	170,511
Accrual of freight expense	44,671	128,975
Accrual of salary, staff welfare and unclaimed annual leave	171,163	250,147
Accrual of water, electricity fee and steam	737,585	550,825
Deferred income in respect of government grants	46,874	58,699
Payables in respect of the acquisition of property, plant and equipment	<u>1,572,784</u>	<u>1,779,575</u>
	7,346,252	7,659,116
Less: Amount due within one year shown under current liabilities	<u>(7,323,429)</u>	<u>(7,636,911)</u>
Amount shown under non-current liabilities	<u><u>22,823</u></u>	<u><u>22,205</u></u>

Note:

- (1) These relate to trade payables in which the Group has issued banker's acceptance bills to the relevant suppliers for future settlement of trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension.

14. CAPITAL COMMITMENTS

As at 30 June 2025, the Group had commitments for capital expenditure of RMB1,853,012,000 (31 December 2024: RMB2,147,126,000) in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements.

15. PLEDGE OF OR RESTRICTIONS ON ASSETS

Pledge of assets

The Group had pledged the following assets to banks as securities against banking facilities granted to the Group at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Property, plant and equipment	1,655,490	1,133,921
Right-of-use assets	157,427	159,216
Banker's acceptance bills receivables	405,346	487,629
Pledged bank deposits	781,825	1,034,366

Restrictions on assets

In addition, lease liabilities of RMB14,908,000 (31 December 2024: RMB17,448,000) are recognised with related right-of-use assets of RMB13,983,000 (31 December 2024: RMB16,727,000) as at 30 June 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

16. RELATED PARTY TRANSACTIONS

The Group's key management personnel are all directors of the Company, including chief executives, and the remuneration to the directors of the Company during the period is as follows:

	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Fees	357	357
Salaries and other benefits	9,723	9,627
Contributions to retirement benefits schemes	25	50
	10,105	10,034

17. SUBSEQUENT EVENT

On 25 July 2025, the Company issued 156,000,000 shares at HK\$14.16 per share ("Placing of New Shares"). The gross proceeds and the net proceeds (after deduction of the relevant expenses and fees) from the Placing of New Shares amounted to HK\$2,209,000,000 and HK\$2,168,200,000 (equivalent to approximately RMB2,026,791,000 and RMB1,989,357,000), respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FINANCIAL RESULTS

In the first half of 2025, China's national economy witnessed a steady recovery. Empowered by the national "Several Measures to Support the High-Quality Development of Innovative Drugs (《支持創新藥高質量發展的若干措施》)", the pharmaceutical industry has shown a notable divergence. Enterprises boasting stronger innovation capabilities and global footprints are embracing a critical period of development opportunities.

In response to this context, the Group has pushed forward with its R&D of new drugs, making great headway in the out-licensing and global expansion for its new drug projects. Furthermore, production supply and marketing operations have been carried out as scheduled, which have helped maintain the Group's industrial position and deepen the development across all business segments.

For the six months ended 30 June 2025 (the "Period"), the Group recorded revenue of RMB7,518.7 million, an increase of 4.8% as compared with the same period last year. Gross profit amounted to RMB3,923.9 million, an increase of 17.3% as compared with the same period last year. EBITDA was RMB2,752.1 million, representing a year-on-year increase of 23.3%. Profit attributable to owners of the Company was RMB1,894.3 million, representing a year-on-year increase of 27.0%. Earnings per share were RMB104.26 cents. The Board recommended the payment of an interim dividend of RMB16 cents per share for the six months ended 30 June 2025 (the six months ended 30 June 2024: RMB16 cents per share). Interim dividend payout ratio was 16.7%.

During the Period, segmental revenue (including inter-segment sales) of intermediate products, bulk medicine and finished products was RMB2,304.3 million, RMB2,999.3 million and RMB3,978.5 million respectively, representing a decrease of 25.2%, a decrease of 23.4% and an increase of 65.9% respectively as compared with the same period in the previous year. Segmental profit of intermediate products, bulk medicine and finished products amounted to RMB634.6 million, RMB250.6 million and RMB1,505.6 million respectively, representing a decrease of 40.6%, a decrease of 52.0% and an increase of 524.2% respectively as compared to last corresponding period.

The operating results of each segment of the Group are summarised as follows:

Intermediate Products and Bulk Medicine

During the Period, due to the impact of product price and demand adjustment, the intermediate products and bulk medicine segment recorded external sales of RMB1,010.7 million and RMB2,529.5 million, respectively, representing a year-on-year decrease of 23.1% and 27.0%, respectively. Overseas export recorded sales of RMB1,104.0 million, representing a year-on-year decrease of 22.7%, and accounting for 14.7% of the Group's total revenue.

The Group continued to improve its vertical presence across the industrial chain. During the Period, the Gaolan Port Base of The United Laboratories was completed and put into production as scheduled. The Base has a total annual capacity of approximately 2,000 tons upon a comprehensive upgrade for the production of aseptic cephalosporin API and other products. The Base aligns itself with international standards and has a vision for the global market. Through all-employee participation and full life-cycle management, it has enhanced its process and product quality monitoring systems for delivering stable and premium cephalosporin APIs. The completion of the Base presents a significant milestone in the Group's development course. Fueled by this, the Group will continue to work on its global business presence and influence.

Finished Products

During the Period, the revenue of finished products was RMB3,978.5 million (including license fee income of RMB1,433.9 million), representing a year-on-year increase of 65.9%, accounted for 52.9% of the Group's total revenue.

Amid a complex and volatile market landscape, the Group continues to optimize its product portfolio and expand its coverage across medical market, OTC market and broader markets. During the Period, the market development of newly launched products and the establishment of professional teams for market segmentation were progressing in an orderly manner.

The Group's insulin products won the procurement bid from the Brazilian Ministry of Health, achieving stable supply and ordered delivery, with export volume setting a record for similar products in China. Furthermore, the Group's antibiotic products have been successfully tendered in the Malaysian market, promising sustained momentum in its export business. Going forward, the Group will stay focused on the Belt and Road Initiative of China, fully tap its industrial edges in the vertical integration to steadily advance overseas registration of key products, further expand the export scale of finished products and deepen its global market presence.

Endocrine

The main products include 優思靈 USLIN[®] (Human Insulin Injection (N/R/30R/50R)), 聯邦優樂靈[®] USLEN[®] (Insulin Glargine Injection), 聯邦優倍靈[®] UBLIN[®] (Insulin Aspart/ Insulin Aspart 30 Injection), 聯邦[®]滅特尼[®] (Glipizide Tablets), etc.

During the Period, diabetes series recorded total gross sales of RMB966.1 million, representing a year-on-year increase of 75.5%.

Anti-infection

The main products include 聯邦他唑仙[®] (piperacillin sodium tazobactam sodium for injection), 聯邦[®]阿莫仙[®] (amoxicillin capsules/granules), 強力阿莫仙[®] (potassium amoxicillin clavulanate for injection, potassium amoxicillin clavulanate tablets/dry suspensions), 聯邦倍能安[®] (imipenem cestastatin sodium for injection), etc.

During the Period, anti-infection products (for human use) recorded total sales of RMB894.0 million, representing a year-on-year decrease of 12.1%.

Other human-use finished products

The main products include ophthalmic drugs, topical dermatological drugs, neurological drugs, etc.

Big Health

The main products include the United Health & Beauty series of healthcare products.

The Big Health Division of the Group deploys six major product lines: general dietary supplements, healthcare food products, cross-border nutritional supplements, medical devices, medical and aesthetic skincare products, and antiseptic skincare products. Currently, we have marketed 18 products, covering categories such as bone and joint nutrition, intestinal regulation, cardiovascular health, vision protection and immunity enhancement. At present, we have built a matrix of e-commerce, live broadcasting and new retail online platforms represented by Tmall, JD.com, TikTok and WeChat Mall, and deepened our coverage of pharmacy chains and health vertical pipelines.

During the Period, the Big Health segment recorded sales of RMB11.2 million.

Animal Healthcare

The Group's animal healthcare business focuses on the research and development, production, sales and technical services of economic and companion animal drugs, with products covering a full range of livestock, poultry, aquatic products and pets. During the Period, we launched 3 new products for animal healthcare, and obtained 3 certificates for new veterinary drugs of Class 2, 1 certificate for new veterinary drugs of Class 3 and 1 certificate for new veterinary drugs of Class 4.

During the Period, the animal healthcare segment recorded sales of RMB564.6 million, representing a year-on-year decrease of 15.9%. The production bases under construction are progressing smoothly, while the production and the quality management systems are being optimized. During the Period, Henan Lianmu Veterinary Medicine Co., Ltd. took the initiative to pass the veterinary GMP acceptance for two production lines of sterile powder for injection and powder formulations (Grade D). Meanwhile, The United Animal Healthcare (Zhuhai) Co., Ltd. successfully obtained the new version of veterinary GMP certification for its first non-aseptic API production line.

In addition, the Group adopted the strategy of “going global” for its animal healthcare products by participating in VIV Asia 2025 in Bangkok, Thailand this March, laying a solid foundation for further branching out into overseas markets. The Group has now obtained 6 overseas registration approvals for animal healthcare products including Vietnam and Australia, and additional 19 registration procedures have been initiated.

Pharmaceutical Research and Development

During the Period, the Group invested a total of RMB550.6 million in pharmaceutical research and development, with a year-on-year increase in R&D expenses of 14.9%, including expensed R&D investment of RMB498.9 million and capitalisation of R&D investment of RMB51.7 million.

The Group has established a comprehensive R&D system composed of multiple platforms, including biological R&D, chemical drug R&D, innovative drug R&D, animal healthcare R&D, clinical research center, and external cooperation. The Group has 43 new human drug products under development, of which 22 products are Class-I new drugs, focusing on the areas of endocrinology, metabolism, autoimmunity, ophthalmology and anti-infection. There are a total of 61 new products under development in animal healthcare, covering pets, livestock, poultry and aquaculture products. Projects such as quality and efficacy consistency evaluation of generic drugs (“consistency evaluation”) and medical aesthetics are also progressing steadily.

Progress of Research and Development

During the Period, the Group made the following major progress in R&D:

- In January, the investigational new drug (IND) application for the phase II clinical trial of **UBT251 Injection, a Class-I new drug**, for indication of chronic kidney diseases obtained implied approval from the National Medical Products Administration (NMPA) of China.
- In January, the new drug application (NDA) of **Semaglutide Injection** was accepted by the NMPA.
- In March, **UBT251 Injection, a Class-I new drug**, received approval from the U.S. Food and Drug Administration (FDA) to initiate the phase II clinical trial for indications of chronic kidney diseases.
- In March, the NDA of **Polyvinyl Alcohol Eye Drops (specification: 1.4% (0.4ml:5.6mg))** was approved by the NMPA, further enriching the Group's ophthalmic product pipelines.
- In March, the NDA of **Liraglutide Injection (聯邦優利泰®, specification: 3ml:18mg (pre-filled))** was approved by the NMPA.

During the Period, the Ceftriaxone Sodium for Injection (specification: 1.0g; 2.0g) and Cefotaxime Sodium for Injection (specification: 1.0g; 2.0g) of the Group have successively passed the consistency evaluation. The Group will continue to advance its efforts in the development of new drugs and consistency evaluation, delivering safer and premium drug options to patients.

Out-licensing

The Group has made great headway in advancing its global presence of innovative drugs. In March 2025, the Group and Novo Nordisk A/S entered into an exclusive license agreement for UBT251, a triple agonist targeting the GLP-1 (glucagon-like peptide-1) receptor, GIP (glucose-dependent insulintropic polypeptide) receptor, and GCG (glucagon) receptor. Under the Agreement, the Group has granted Novo Nordisk A/S the exclusive rights to develop, manufacture, and commercialize UBT251 globally (excluding Mainland China, Hong Kong SAR, Macao SAR, and Taiwan). The Group will receive an upfront payment of USD200 million and potential milestone payments of up to USD1.8 billion, as well as tiered royalties based on annual net sales in the licensed regions. This collaboration marks a significant milestone in the ongoing efforts of The United Laboratories to deepen its global strategic presence and underscores the Group's commitment to innovative transformation.

Class-I new drugs under development

Project	Category	Indication	Phase
UBT251 Injection	Chemical drug	Overweight/Obesity	Clinical trial
UBT251 Injection	Chemical drug	Diabetes	Clinical trial
UBT251 Injection	Chemical drug	MAFLD	Clinical trial
UBT251 Injection	Chemical drug	Chronic kidney disease	Clinical trial
UBT37034 Injection	Chemical drug	Overweight/Obesity	IND application approved (United States) IND application submitted (PRC)
UBT38006 Injection	Biological drug	Diabetes	Pre-clinical study
UBT48128 Oral Preparation	Chemical drug	Diabetes/Weight management	Pre-clinical study
Interleukin-2 Fusion Protein	Biological drug	Vitiligo, alopecia areata, other autoimmune diseases	Pre-clinical study
Lp(a) Hypolipidemic Drug	Chemical drug	Hyperlipoproteinemia, atherosclerosis, aortic valve stenosis, etc.	Pre-clinical study
sgp130-Fc Fusion Protein	Biological drug	Inflammatory bowel disease	Pre-clinical study
Anti-IL-4Ra/TSLP Bispecific Antibody	Biological drug	Eczema, asthma	Pre-clinical study
TUL01101 Tablets	Chemical drug	Rheumatoid arthritis	Clinical trial
TUL01101 Tablets	Chemical drug	Moderate to severe atopic dermatitis	Clinical trial
TUL01101 Ointment	Chemical drug	Atopic dermatitis	Clinical trial
LB2012	Chemical drug	Weight loss/Anti-rebound	Pre-clinical study
TUL321 Capsules	Chemical drug	IgA nephritis	Pre-clinical study
TUL12101 Eye Drops	Chemical drug	Xerophthalmia	Clinical trial
TUL108 Injection	Chemical drug	Drug-resistant bacterial infection	Pre-clinical study
LB2332	Chemical drug	Fungal infection	Pre-clinical study
LB2249	Chemical drug	Fat loss and muscle gain	Pre-clinical study
LB2237	Chemical drug	Hyperlipidemia	Pre-clinical study
LB2343	Chemical drug	Drug-resistant bacterial infection	Pre-clinical study

Optimising Financial Structure

In terms of finance, the Group continuously optimised its financial structure to improve liquidity by adjusting the mix of onshore and offshore borrowings, balancing long-term and short-term borrowings to reduce the finance expenses and enhance financial flexibility and efficiency in the utilisation of funds and maintain robust financial position. The Group has used Renminbi as the main borrowing currency to reduce the risk of exchange rate fluctuation and finance costs. The Group has also secured several long-term project loans for financing of its capital expenditures. During the Period, the finance costs of the Group were approximately RMB20.8 million, representing a year-on-year decrease of 17.4%.

As at 30 June 2025, the Group's net bank balances and cash (after deducting borrowings and trade payables under supplier finance arrangement) amounted to RMB2,531.2 million.

Liquidity and Financial Resources

As at 30 June 2025, the Group had pledged bank deposits, cash and bank balances amounted to RMB9,796.3 million (31 December 2024: RMB7,364.2 million).

As at 30 June 2025, the Group had interest-bearing borrowings of approximately RMB5,110.9 million (31 December 2024: RMB3,138.3 million) denominated in Renminbi with maturity within five years. Borrowings of approximately RMB922.3 million (31 December 2024: RMB16.9 million) are fixed rates loans while the remaining balance of approximately RMB4,188.6 million (31 December 2024: RMB3,121.4 million) is at floating rates. The directors expect that all such borrowings will either be repaid by internally generated funds or rolled over upon maturity and will continue to provide funding to the Group's operations.

As at 30 June 2025, current assets of the Group amounted to approximately RMB18,303.1 million (31 December 2024: RMB16,070.7 million). Net current assets increased from RMB7,298.1 million as at 31 December 2024 to RMB8,597.6 million as at 30 June 2025. The Group's current ratio was approximately 1.89 as at 30 June 2025 as compared with 1.83 as at 31 December 2024. As at 30 June 2025, the Group had total assets of approximately RMB29,434.5 million (31 December 2024: RMB25,833.1 million) and total liabilities of approximately RMB13,821.5 million (31 December 2024: RMB11,397.8 million). Equity attributable to shareholders of the Company increased from RMB14,388.3 million at 31 December 2024 to RMB15,566.8 million at 30 June 2025. As at 30 June 2025, the Group's net cash and bank balances (after deducting borrowings and trade payables under supplier finance arrangement) amounted to RMB2,531.2 million (31 December 2024: RMB2,139.7 million).

Contingent Liabilities

As at 30 June 2025 and 31 December 2024, the Group had no material contingent liabilities.

Currency Exchange Exposures

The Group's purchases and sales are mainly denominated in Renminbi, United States dollars and Hong Kong dollars. The operating expenses of the Group are mainly denominated in Renminbi and Hong Kong dollars. The Group's borrowings are denominated in Renminbi. The Group's treasury policy is in place to monitor and manage its exposure to fluctuation in exchange rates. Besides, the Group will conduct periodic review of its exposure to foreign exchange risk and may use financial instrument for hedging purpose when considered appropriate.

Employees and Remuneration Policies

As at 30 June 2025, the Group had approximately 17,400 (31 December 2024: 17,000) employees in Hong Kong and Mainland China. The employees are remunerated with basic salary, bonus and other benefits in kind with reference to industry practice and their individual performance.

The Company has adopted a share award scheme in October 2023 and granted a total of 12,096,900 award shares to selected directors and employees, vesting in three years, to encourage and retain such individuals for the continual operation and development of the Group.

Environmental, Social and Governance

Upholding the corporate tenet of “Making Life More Valuable”, the Group has integrated the concept of sustainable development into its business operations and decision-making. The Group actively fulfills its social responsibilities by continuously investing in various areas such as education, disaster relief and community care to contribute to the society. In addition, in active response to the national policy of green and sustainable development, we are committed to promoting industrial upgrading, and facilitating the green and low-carbon transformation of enterprises.

During the reporting period, the Group participated in “the 23rd China Pharmaceutical Ingredients Exhibition (CPHI)” and was recognised as a “Premium Global Partner”. It also received the “ESG Corporate Responsibility Award” for “the biogas incineration residual heat recovery and utilization project” implemented by United Laboratories (Inner Mongolia) Limited.

Litigations

Reference is made to the Company’s announcements dated 9 August 2019, 14 August 2019 and 9 November 2023 in relation to the investment and cooperation agreement with 恒大地產集團成都有限公司 (Evergrande Real Estate Group (Chengdu) Limited) (“Evergrande (Chengdu)”). The Group applied for the commencement of an action against, among others, Evergrande (Chengdu) on 7 March 2023 in the Guangzhou Intermediate People’s Court for recovery of the outstanding consideration receivables of approximately RMB340 million and relevant damages and received a notice of acceptance on 14 March 2023 (the “Action”). Due to the large number of actions against China Evergrande Group commenced in the Guangzhou Intermediate People’s Court, the Action is handled by the Chengdu Intermediate People’s Court. The Chengdu Intermediate People’s Court heard the case on 6 June 2024 and handed down the judgement dated 28 December 2024 allowing the Group’s claim of approximately RMB136.3 million but rejecting other claims of the Group. The Group appealed to the Sichuan Province Higher People’s Court against the judgement. The Sichuan Province Higher People’s Court heard the case on 21 May 2024. It is currently awaiting the judgment of the Sichuan Province Higher People’s Court.

Save for the above, there was no other material litigations during the Period.

FUTURE PROSPECTS

Looking ahead, as the high-quality development of China’s pharmaceutical industry continues to advance and the market competition landscape continues to diversify, the Group is confident in maintaining its leading position in overall strength.

Upholding the innovation-driven development strategy, the Group will continue to promote R&D, innovation and technological upgrading. We will consolidate and expand core industry advantages by deepening vertical integration of the industrial chain, comprehensively improving operational efficiency, and fully leveraging economies of scale and synergistic advantages. At the same time, we will strengthen fine and scientific management, achieve continuous cost reduction and efficiency improvement, and inject strong momentum into the high-quality development of the Group.

The Group will accelerate the overseas filing and registration of key products, continue to deploy and promote the out-licensing of new drug projects, and improve its production, R&D, and commercialization systems to make them more competitive internationally. In addition, we will deepen industrial cooperation, expand our global operation footprint, and promote the comprehensive innovation and transformation as well as high-quality and sustainable development of the Group, thereby creating more value for shareholders and the society.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

On 25 July 2025, The Company completed the placing of an aggregate of 156,000,000 new shares to not less than six places at the placing price of HK\$14.16 per share. The gross proceeds and the net proceeds (after deduction of the relevant expenses and fees) from the Placing amounted to HK\$2,209.0 million and HK\$2,168.2 million, respectively.

The Company intends to allocate the net proceeds from the placing as follows:

- (a) approximately 60%, or HK\$1,300.9 million, will be used for capital expenditure related to the construction and expansion of the Company's manufacturing facilities, including the Inner Mongolia plant and the Zhuhai plants, strengthen external collaboration, expand the Company's international business, as well as other general corporate purposes; and
- (b) approximately 40%, or HK\$867.3 million, will be used for research and development of innovative product candidates, including the clinical trial of UBT251, and other pipelines under development.

The net proceeds from the placing are expected to be fully utilised on or before 31 December 2028. Such expected time frame is based on the Board's best assessment, and is subject to adjustment depending on the Company's future development, market conditions and prevailing business circumstances.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2025.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange as its code of conduct for dealings in securities of the Company by the Board. Following a specific enquiry, all directors confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Board is of the view that best corporate governance is crucial to safeguard the interests of shareholders and to enhance the Group's performance. The Board is dedicated to maintaining and ensuring a high standard of corporate governance. For the six months ended 30 June 2025, the Company has applied and complied with the applicable code provisions set out in the Corporate Governance Code ("CG Code") and Corporate Governance Report contained in Appendix 14 of Listing Rules, except for deviation which is summarised below:

- Code Provision C.2.1

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. During the six months ended 30 June 2025, the Company did not have a chief executive officer. The Company will make appointment to fill the post as appropriate.

AUDIT COMMITTEE

The Audit Committee comprises of three independent non-executive directors, namely Mr. Chong Peng Oon, Prof. Song Ming and Dr. Fu Qiushi. The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the six months ended 30 June 2025. The Audit Committee has relied on a review conducted by the Company's external auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA and representations from the management.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determination of entitlement to the interim dividend, the Register of Members of the Company will be closed on Monday, 29 September 2025 and Tuesday, 30 September 2025 on which no transfer of shares will be registered. In order to qualify for the interim dividend (record date being 30 September 2025), all completed transfer forms accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 26 September 2025.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to our shareholders and partners for their full trust and support, as well as to our staff for their efforts and contributions. I hope we can join hands and create a better future together.

On behalf of the Board

Tsoi Hoi Shan
Chairman

Hong Kong, 28 August 2025

As at the date of this announcement, the Board comprises Mr. Tsoi Hoi Shan, Mr. Leung Wing Hon, Ms. Choy Siu Chit, Mr. Fang Yu Ping, Ms. Zou Xian Hong and Ms. Zhu Su Yan as executive directors; and Mr. Chong Peng Oon, Prof. Song Ming and Dr. Fu Qiushi as independent non-executive directors.