



The United Laboratories International Holdings Limited

(A company incorporated in the Cayman Islands with limited liability)
(Stock Code: 3933)

2025

INTERIM REPORT

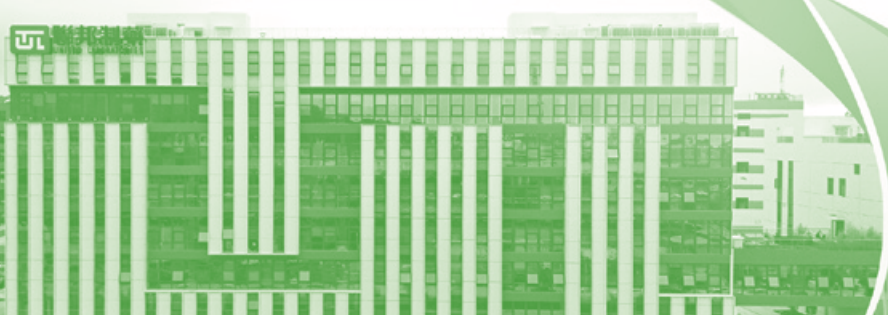


聯邦製藥
UNITED LABORATORIES



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Financial Highlights

	Six months ended 30 June		Increase
	2025 RMB'000	2024 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%
Earnings per share – Basic	RMB cents 104.26	RMB cents 82.08	27.0%
Interim dividend (per share)	16.0	16.0	0.0%

BOARD OF DIRECTORS

Executive directors

Mr. Tsoi Hoi Shan (*Chairman*)
Mr. Leung Wing Hon (*Vice-Chairman*)
Ms. Choy Siu Chit
Mr. Fang Yu Ping
Ms. Zou Xian Hong
Ms. Zhu Su Yan

Independent non-executive directors

Mr. Chong Peng Oon
Prof. Song Ming
Dr. Fu Qiushi

COMPANY SECRETARY

Mr. Leung Wing Hon (*FCPA*)

AUTHORISED REPRESENTATIVES

Mr. Tsoi Hoi Shan
Mr. Leung Wing Hon

AUDIT COMMITTEE

Mr. Chong Peng Oon (*Chairman*)
Prof. Song Ming
Dr. Fu Qiushi

REMUNERATION COMMITTEE

Mr. Chong Peng Oon (*Chairman*)
Prof. Song Ming
Dr. Fu Qiushi

NOMINATION COMMITTEE

Prof. Song Ming (*Chairman*)
Mr. Chong Peng Oon
Dr. Fu Qiushi
Ms. Zou Xian Hong

RISK MANAGEMENT COMMITTEE

Mr. Chong Peng Oon (*Chairman*)
Prof. Song Ming
Mr. Leung Wing Hon
Ms. Choy Siu Chit

SUSTAINABILITY COMMITTEE

Ms. Choy Siu Chit (*Chairman*)
Mr. Chong Peng Oon
Prof. Song Ming
Dr. Fu Qiushi
Mr. Leung Wing Hon

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

6 Fuk Wang Street
Yuen Long Industrial Estate
New Territories
Hong Kong

PRINCIPAL BANKERS

China

Industrial and Commercial Bank of China Ltd.,
Zhuhai Xiangzhou Branch
China Merchants Bank Co., Ltd., Zhuhai Branch
China Guangfa Bank Co., Ltd, Zhuhai Branch
Bank of Communication Co., Ltd., Zhuhai Branch
China Construction Bank Corporation,
Bayannaoer Branch
China CITIC Bank Corporation Ltd. Hohhot Branch
Ping An Bank Co., Ltd., Zhuhai Branch
Guangdong Huaxing Bank Co., Ltd., Zhuhai Branch
Industrial Bank Co., Ltd., Hohhot Branch
China Resources Bank of Zhuhai Co., Ltd.,
Zhuhai Branch
Bank of China Ltd, Bayannaoer Branch
Shanghai Pudong Development Bank Co., Ltd.,
Hengqin Guangdong-Macao Deep Cooperation
Zone Branch
Hang Seng Bank (China) Ltd., Beijing Branch
Huaxia Bank Co., Ltd., Zhuhai Branch
Bank of China Ltd., Zhuhai Branch

Hong Kong

Bank of China (Hong Kong) Ltd.
Hang Seng Bank Ltd.
Chiyu Banking Corporation Ltd.
DBS Bank (Hong Kong) Ltd.

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

WEBSITE

www.tul.com.cn
www.irasia.com/listco/hk/unitedlab

Report on Review of Condensed Consolidated Financial Statements



德勤

**TO THE BOARD OF DIRECTORS OF
THE UNITED LABORATORIES INTERNATIONAL HOLDINGS LIMITED**
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of The United Laboratories International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 5 to 31, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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 Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 August 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

		Six months ended 30 June	
	NOTES	2025 RMB'000 (Unaudited)	2024 RMB'000 (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	13	(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 (RMB cents)	9		
– 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	7	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	18	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	14	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	15	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

At 30 June 2025

	NOTES	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Deferred tax liabilities	7	361,051	282,492
Deferred income in respect of government grants	14	22,823	22,205
Lease liabilities		9,914	12,667
Borrowings – due after one year	15	3,722,187	2,307,899
		<u>4,115,975</u>	<u>2,625,263</u>
Net assets		<u>15,612,977</u>	<u>14,435,240</u>
Capital and reserves			
Share capital	16	16,965	16,965
Reserves		<u>15,549,862</u>	<u>14,371,318</u>
Equity attributable to owners of the Company		15,566,827	14,388,283
Non-controlling interests		<u>46,150</u>	<u>46,957</u>
Total equity		<u>15,612,977</u>	<u>14,435,240</u>

The condensed consolidated financial statements from pages 5 to 31 were approved and authorised for issue by the Board of Directors on 28 August 2025 and are signed on its behalf by:

TSOI HOI SHAN
DIRECTOR

LEUNG WING HON
DIRECTOR

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company								Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Treasury stock RMB'000	Special reserve RMB'000 (Note a)	Capital reserve RMB'000 (Note b)	Share-based compensation reserve RMB'000	Foreign exchange reserve RMB'000	Retained profits RMB'000	Subtotal RMB'000	
At 1 January 2024 (Audited)	16,965	3,722,482	-	277,100	1,419,177	6,365	9,534	7,283,155	12,734,778	12,747,618
Exchange differences arising, on translation of foreign operations	-	-	-	-	-	-	646	-	646	646
Profit (loss) for the period	-	-	-	-	-	-	-	1,491,404	1,491,404	1,490,995
Total comprehensive income (expense) for the period	-	-	-	-	-	-	646	1,491,404	1,492,050	1,491,641
Dividends recognised as distribution (Note 10)	-	-	-	-	-	-	-	(726,811)	(726,811)	(726,811)
Recognition of share-based compensation expense	-	-	-	-	-	25,436	-	-	25,436	25,436
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	35,999	35,999
Appropriations	-	-	-	-	133,169	-	-	(133,169)	-	-
At 30 June 2024 (Unaudited)	16,965	3,722,482	-	277,100	1,552,346	31,801	10,180	7,914,579	13,525,453	13,573,883
At 1 January 2025 (Audited)	16,965	3,722,482	(1,038)	277,100	1,581,365	29,036	10,083	8,752,290	14,388,283	14,435,240
Exchange differences arising, on translation of foreign operations	-	-	-	-	-	-	(684)	-	(684)	(684)
Profit (loss) for the period	-	-	-	-	-	-	-	1,894,314	1,894,314	1,893,507
Total comprehensive (expense) income for the period	-	-	-	-	-	-	(684)	1,894,314	1,893,630	1,892,823
Dividends recognised as distribution (Note 10)	-	-	-	-	-	-	-	(726,811)	(726,811)	(726,811)
Recognition of share-based compensation expense	-	-	-	-	-	11,725	-	-	11,725	11,725
Appropriations	-	-	-	-	105,430	-	-	(105,430)	-	-
At 30 June 2025 (Unaudited)	16,965	3,722,482	(1,038)	277,100	1,686,795	40,761	9,399	9,814,363	15,566,827	15,612,977

Notes:

- Included in special reserve is an amount of RMB203,263,000 which represents the portion of registered capital of two PRC subsidiaries contributed by certain beneficial owners of the Company. The remaining amount of RMB73,837,000 represents the difference between the carrying amount of the non-controlling interests acquired and the fair value of considerations paid for acquiring of additional interests in subsidiaries in prior years.
- Capital reserve represents the People's Republic of China (the "PRC") statutory reserve which must be provided for before declaring dividends to the shareholders as approved by the board of directors in accordance with the PRC regulations applicable to the Company's PRC subsidiaries until the fund reaches 50% of the registered capital of respective subsidiaries.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Operating activities		
Profit before taxation	2,419,651	1,901,702
Adjustments for:		
Write-down of inventories, net	2,824	6,214
Impairment losses recognised under expected credit loss model, net of reversal	16,284	38,756
Amortisation of intangible assets	10,182	8,772
Depreciation of property, plant and equipment	293,014	288,284
Depreciation of right-of-use assets	8,476	8,013
Net gain on fair value change of derivative financial instruments	(72,973)	(70,815)
Gain on disposal of financial assets at fair value through profit or loss	(74,971)	(29,626)
Finance costs	20,797	25,172
Release of government grants	(11,825)	(9,105)
Bank interest income	(65,468)	(57,599)
Share of results of an associate	(28)	184
Net (gain) loss on disposal of property, plant and equipment	(7,556)	441
Written off of property, plant and equipment	57,389	88,329
Provision for carbon emissions allowances	9,683	13,868
Net unrealised foreign exchange loss (gain)	36,762	(9,180)
Share-based compensation expense	11,725	25,436
Operating cash flows before movements in working capital	2,653,966	2,228,846
Increase in inventories	(344,261)	(143,931)
Decrease in trade and bills receivables, other receivables, deposits and prepayments	488,111	1,384,016
Decrease in trade and other payables	(310,722)	(1,261,956)
(Decrease) increase in contract liabilities	(29,048)	928
Cash generated from operations	2,458,046	2,207,903
Taxation paid	(460,924)	(362,326)
Net cash from operating activities	1,997,122	1,845,577

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Investing activities		
Payments for purchase of property, plant and equipment	(1,356,650)	(732,459)
Payment for deposits of acquisition of property, plant and equipment	(323,760)	(46,687)
Proceeds on disposal of property, plant and equipment	20,726	1,684
Placement of pledged bank deposits	(377,557)	(2,452,742)
Withdrawal of pledged bank deposits	630,098	2,657,914
Placement of financial assets at fair value through profit and loss	(20,068,140)	(10,650,660)
Proceeds on disposal of financial assets at fair value through profit and loss	20,143,111	10,680,286
Interest received	65,468	57,599
Additions to intangible assets	(46,470)	(32,560)
Additions to right-of-use assets	—	(6,045)
Net cash used in investing activities	(1,313,174)	(523,670)
Financing activities		
Interest paid	(41,606)	(31,669)
Capital injection from the non-controlling interests	—	35,999
Repayment of leases liabilities	(2,540)	(2,594)
New borrowings raised	3,023,282	1,069,596
Repayment of borrowings	(1,050,670)	(127,000)
Net settlement of foreign currency forwards contracts	72,973	26,037
Net cash from financing activities	2,001,439	970,369
Net increase in cash and cash equivalents	2,685,387	2,292,276
Cash and cash equivalents at beginning of the period	6,329,841	4,261,989
Effect of foreign exchange rate changes	(765)	565
Cash and cash equivalents at end of the period	9,014,463	6,554,830

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than application of certain accounting policies in related to license fee income as disclosed in note 3 which became relevant to the Group in the current interim 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 Standard 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
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The application of the amendments to HKFRS Accounting Standard 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

For the six months ended 30 June 2025 (Unaudited)

	Intermediate products RMB'000	Bulk medicine RMB'000	Finished products RMB'000	Segment total RMB'000	Elimination RMB'000	Consolidated RMB'000
Types of products/ services						
– 6-APA	746,260	–	–	746,260	–	746,260
– Antibiotics products	–	2,524,576	1,458,600	3,983,176	–	3,983,176
– Insulin products	–	–	933,455	933,455	–	933,455
– Others	264,405	4,971	152,516	421,892	–	421,892
– License fee income	–	–	1,433,900	1,433,900	–	1,433,900
Revenue from contracts with customers	1,010,665	2,529,547	3,978,471	7,518,683	–	7,518,683
Inter-segment sales	1,293,646	469,767	–	1,763,413	(1,763,413)	–
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>

For the six months ended 30 June 2024 (Unaudited)

	Intermediate products RMB'000	Bulk medicine RMB'000	Finished products RMB'000	Segment total RMB'000	Elimination RMB'000	Consolidated RMB'000
Types of products/ services						
– 6-APA	987,028	–	–	987,028	–	987,028
– Antibiotics products	–	3,461,972	1,688,316	5,150,288	–	5,150,288
– Insulin products	–	–	528,341	528,341	–	528,341
– Others	326,933	2,094	181,120	510,147	–	510,147
Revenue from contracts with customers	1,313,961	3,464,066	2,397,777	7,175,804	–	7,175,804
Inter-segment sales	1,767,321	453,574	–	2,220,895	(2,220,895)	–
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>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (Continued)

(i) Disaggregation of revenue from contracts with customers (Continued)

License fee income

The Group provides license of its patented intellectual property to customers and revenue is recognised when the customers obtain rights to access or use the underlying patented intellectual property. License fee income is recognised at a point in time upon the customer obtains control of patented intellectual property.

All of the Group's revenue is recognised at a point in time during the six months ended 30 June 2025 and 2024.

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)
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

(ii) Segment information

HKFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM") (i.e. executive directors of the Company) for the purpose of allocating resources to segments and assessing their performance.

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

(ii) Segment information *(Continued)*

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 and 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.

For the six months ended 30 June 2025 (Unaudited)

	Intermediate products RMB'000	Bulk medicine RMB'000	Finished products RMB'000	Segments total RMB'000	Elimination RMB'000	Consolidated 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						(20,797)
Profit before taxation						<u>2,419,651</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (Continued)

(ii) Segment information (Continued)

For the six months ended 30 June 2024 (Unaudited)

	Intermediate products RMB'000	Bulk medicine RMB'000	Finished products RMB'000	Segments total RMB'000	Elimination RMB'000	Consolidated 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><u>3,081,282</u></u>	<u><u>3,917,640</u></u>	<u><u>2,397,777</u></u>	<u><u>9,396,699</u></u>	<u><u>(2,220,895)</u></u>	<u><u>7,175,804</u></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><u>1,068,451</u></u>	<u><u>521,959</u></u>	<u><u>241,181</u></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><u>1,901,702</u></u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. REVENUE AND SEGMENT INFORMATION (Continued)

(ii) Segment information (Continued)

Measurement

The accounting policies of the reportable segments are the same as disclosed in the Company's 2024 Annual Report. Performance is measured based on segment results that is used by the CODM for the purposes of resource allocation and assessment of segment performance. Taxation is not allocated to reportable segments.

Other than the segment revenue and segment results analysis presented above, information about assets and liabilities was not regularly provided to the CODM. Hence, no segment asset or segment liability information is presented.

Inter-segment revenue is charged at prevailing market rates.

Reportable segment results represent the profit earned by each segment without allocation of certain other income, share of results of an associate, corporate expenses, other gains and losses (net), impairment losses under expected credit loss model (net of reversal) and finance costs.

4. OTHER INCOME

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (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
	<u>128,480</u>	<u>170,015</u>

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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (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 RMB'000 (Unaudited)	2024 RMB'000 (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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

7. TAX EXPENSE

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (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

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the GloBE Rules based on management's best estimate, the management of the Group considered the Group is not liable to income taxes under the Pillar Two Rules.

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 PRC EIT law and its detailed implementation rules promulgated on 16 March 2007 and 6 December 2007, respectively, the tax rate for domestic and foreign enterprises is unified at 25% and is effective from 1 January 2008. Besides, with effect from 1 January 2008, if the subsidiaries are qualified as high-technology companies (under the new PRC EIT law), the subsidiaries are entitled to a reduced rate of 15% and such qualification is subject to renewal for every three years. Certain of group entities in the PRC are entitled to the reduced tax rate of 15% for both periods.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

7. TAX EXPENSE *(Continued)*

According to a joint circular of Ministry of Finance and State Administration of Taxation, Cai Shui 2008 No.1, dividend distributed out of the profits generated since 1 January 2008 by a PRC entity to a non-PRC tax resident shall be subject to the PRC EIT pursuant to Articles 3 and 27 of the Income Tax Law Concerning Foreign Investment Enterprises and Foreign Enterprises and Article 91 of the Detailed Rules for the Implementation of the Income Tax Law for Enterprises with Foreign Investment and Foreign Enterprises. The withholding tax rate applicable to the Group is 5%. As at 30 June 2025 and 31 December 2024, deferred tax was provided for in full in respect of the temporary differences attributable to such profits.

As at 30 June 2025, the Group has unused tax losses of approximately RMB438,949,000 (31 December 2024: RMB916,489,000) and RMB572,395,000 (31 December 2024: RMB680,197,000) from its PRC and Hong Kong subsidiaries, respectively. No deferred tax asset in respect of tax losses has been recognised because the amount of future taxable profit that will be available to realise such assets is uncertain. The unrecognised tax losses from the PRC subsidiaries will be expired in five years for offsetting against future taxable profits. All remaining unrecognised tax losses may be carried forward indefinitely.

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.

During the six months ended 30 June 2025, the Group was subject to Danish withholding tax on licensing fee income. The amount of Danish withholding tax recognised for the period was RMB143,390,000 (30 June 2024: nil).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

7. TAX EXPENSE (Continued)

The followings are the deferred tax assets (liabilities) recognised and movements thereon for the current and prior periods:

	Accelerated accounting depreciation RMB'000	Unrealised profit on inventories RMB'000	Withholding tax on undistributed profits of the PRC subsidiaries RMB'000	Total RMB'000
At 1 January 2024 (Audited)	60,198	20,602	(288,080)	(207,280)
Credit (charge) to profit or loss for the period	1,337	5,665	(80,184)	(73,182)
At 30 June 2024 (Unaudited)	61,535	26,267	(368,264)	(280,462)
At 1 January 2025 (Audited)	54,970	18,711	(282,492)	(208,811)
Credit (charge) to profit or loss for the period	8,932	(5,391)	(78,559)	(75,018)
At 30 June 2025 (Unaudited)	63,902	13,320	(361,051)	(283,829)

The following is the analysis of the deferred tax balances of financial reporting purpose:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Deferred tax assets	77,222	73,681
Deferred tax liabilities	(361,051)	(282,492)
	(283,829)	(208,811)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Profit for the period has been arrived at after charging:		
Staff costs, including directors' emoluments		
Salaries and other benefits	931,912	873,639
Contributions to retirement benefit schemes	169,008	136,898
Share-based compensation expense	11,725	25,436
	<u>1,112,645</u>	<u>1,035,973</u>
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	<u>3,526,447</u>	<u>3,831,439</u>

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 RMB'000 (Unaudited)	2024 RMB'000 (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>

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

9. EARNINGS PER SHARE (Continued)

	Six months ended 30 June	
	2025 '000 (Unaudited)	2024 '000 (Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,816,934	1,817,027

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 RMB'000 (Unaudited)	2024 RMB'000 (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	508,767	508,767
– 2024 special dividend RMB12 cents (2024: 2023 special dividend RMB12 cents) per share	218,044	218,044
	726,811	726,811

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).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

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 (<i>Note 13</i>)	(30,621)	(13,166)
Banker's acceptance bills receivables	2,977,362	3,333,266
Less: allowance for credit losses (<i>Note 13</i>)	(56)	(212)
Consideration receivables	339,574	339,574
Less: allowance for credit losses (<i>Note 13</i>)	(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 (<i>Note 13</i>)	(10,536)	(11,551)
	5,731,247	6,272,323

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).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

12. TRADE AND BILLS RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

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>

At 30 June 2025, out of the total bills receivables of RMB2,977,362,000 (31 December 2024: RMB3,333,266,000), bills of RMB22,280,000 (31 December 2024: RMB16,884,000) and RMB1,984,921,000 (31 December 2024: RMB2,354,258,000) were further discounted to banks and endorsed to suppliers respectively with full recourse. The Group continues to recognise their full carrying amount at the end of the reporting period. All bills received by the Group are with a maturity period of less than one year.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

12. TRADE AND BILLS RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

As at 30 June 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB918,806,000 (31 December 2024: RMB694,032,000) which are past due as at the reporting date. Out of the past due balances, RMB79,670,000 (31 December 2024: RMB9,998,000) has been past due 90 days or more. The directors of the Company are in the view that there have been no significant increase in credit risk nor default based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Group does not hold any collateral over these balances.

13. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

The followings are the impairment losses recognised and movements thereon for the current and prior periods:

	Trade receivables RMB'000	Other receivables RMB'000	Banker's acceptance bills receivables RMB'000	Consideration receivables RMB'000	Total RMB'000
At 1 January 2024 (Audited)	12,459	5,944	193	339,574	358,170
Impairment losses recognised (reversed), net	38,650	(49)	155	–	38,756
At 30 June 2024 (Unaudited)	51,109	5,895	348	339,574	396,926
At 1 January 2025 (Audited)	13,166	11,551	212	339,574	364,503
Impairment losses recognised (reversed), net	17,455	(1,015)	(156)	–	16,284
At 30 June 2025 (Unaudited)	30,621	10,536	56	339,574	380,787

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

14. 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	1,572,784	1,779,575
	<u>7,346,252</u>	<u>7,659,116</u>
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>22,823</u>	<u>22,205</u>

Note:

- 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. In the condensed consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

15. BORROWINGS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Bank loans	5,088,615	3,121,399
Discounted bills with recourse (Note 12)	22,280	16,884
	5,110,895	3,138,283
Analysed as:		
Secured	4,020,895	1,257,283
Unsecured	1,090,000	1,881,000
	5,110,895	3,138,283
The carrying amount of the above borrowings are repayable		
The carrying amount of the bank loans are repayable:		
– Within one year	966,428	543,500
– Within a period of more than one year, but not exceeding two years	2,018,387	1,166,350
– Within a period of more than two years but not more than five years	1,372,515	904,575
– Within a period of more than five years	331,285	236,974
	4,688,615	2,851,399
The carrying amount of bank loans that contain a repayment on demand clause (shown under current liabilities) but repayable*:		
– Within one year	400,000	270,000
	5,088,615	3,121,399
The carrying amount of the non-bank loans are repayable:		
– Within one year	22,280	16,884
	5,110,895	3,138,283
Less: Amount due within one year shown under current liabilities	(1,388,708)	(830,384)
Amount shown under non-current liabilities	3,722,187	2,307,899

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

15. BORROWINGS (Continued)

During the current interim period, the Group obtained borrowings amounting to RMB3,023,282,000 (six months ended 30 June 2024: RMB1,069,596,000), the Group repaid borrowings of RMB1,050,670,000 (six months ended 30 June 2024: RMB127,000,000) and derecognised discounted bills with recourse of RMB16,884,000 (six months ended 30 June 2024: RMB23,853,000). The range of effective interest rates of the floating rate borrowings at 30 June 2025 is 2.35% to 3.50% (31 December 2024: 2.15% to 3.30%) per annum. The range of effective interest rates of the fixed rate borrowings at 30 June 2025 is 1.20% to 2.80% (31 December 2024: 1.08% to 1.75%) per annum.

16. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each:		
Authorised:		
At 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	<u>3,800,000,000</u>	<u>38,000</u>
Issued and fully paid:		
At 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	<u>1,817,026,508</u>	<u>18,170</u>
		RMB'000
Shown in the consolidated financial statements as:		
At 31 December 2024 and 30 June 2025		<u>16,965</u>

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during both periods.

17. 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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

18. 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.

19. 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 benefit schemes	25	50
	10,105	10,034

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

20. MAJOR NON-CASH TRANSACTION

During the current interim period, short term borrowings drawn on discounted bills with recourse and bills receivables endorsed to suppliers with full recourse of RMB16,884,000 (six months ended 30 June 2024: RMB23,853,000) and RMB1,111,399,000 (six months ended 30 June 2024: RMB661,921,000), respectively, have been derecognised when the related receivables were matured. Discounted bills with recourse amount of RMB22,280,000 (six months ended 30 June 2024: RMB23,449,000) and bills receivables endorsed to suppliers with full recourse amount of RMB952,467,000 (six months ended 30 June 2024: RMB1,210,487,000) have been recognised for which the maturity dates of the related receivables have not yet fallen due at the end of the reporting period.

21. SHARE-BASED PAYMENTS

The Company's share award scheme (the "Share Award Scheme") was adopted by the shareholders of the Company at the extraordinary general meeting held on 26 October 2023 ("Date of Adoption") for the primary purpose of rewarding the directors and employees ("Selected Participants") of the Group for their hard work, contribution and loyalty and align their interest with those of shareholders of the Company.

An award granted by the board of directors ("the Board") of the Company to the Selected Participants is a right of the relevant participant to receive the shares of the Company. Each award may be subject to such other conditions as may be imposed by the Board at its absolute discretion. The total number of shares in respect of which shares may be granted under the Share Award Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time. The number of shares award which may be granted to any individual but unvested under the Share Award Scheme shall not exceed 1% of the total number of shares of the Company in issue at any point in time.

Subject to any early termination as may be determined by the Board pursuant to the rules of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Date of Adoption, after which period no further awards will be granted but the provisions of the Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting of any awards granted prior to the expiration of the Share Award Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Share Award Scheme.

During the year ended 31 December 2023, the Group granted award shares to the Group's directors and employees under the Share Award Scheme. The award shares granted would vest on specific dates, or in equal tranches from the grant date over 12 to 36 months, on condition that the directors and employees remains in service without any performance requirements. Once the vesting conditions underlying the respective award shares are met, the award shares are considered duly and validly issued to the holder, and free of restrictions on transfer. There is no purchase price or consideration to be paid by the grantees. The closing prices of the shares of the Company immediately before the date of the grant and on the date of the grant of the awarded shares were HK\$7.77 and HK\$7.45 per share, respectively.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

21. SHARE-BASED PAYMENTS *(Continued)*

There is no award shares granted, vested, lapsed or cancelled during the periods ended 30 June 2025 and 2024.

The fair value of award shares is determined based on the closing price of the Group's publicly traded ordinary shares on the date of grant.

The Group has to estimate the expected yearly percentage of grantees that will stay within the Group at the end of the vesting periods of the award shares (the "Expected Retention Rate") in order to determine the amount of share-based compensation expenses charged to profit or loss.

As at 30 June 2025, the Expected Retention Rate for the Group's directors and employees was assessed to be 100% (30 June 2024: 100%). The total expenses recognised in the condensed consolidated statement of profit or loss and other comprehensive income for share-based awards granted to the Group's directors and employees are RMB\$1,750,000 and RMB\$9,975,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB\$3,796,000 and RMB\$21,640,000).

As at 30 June 2025, 169,605,750 (30 June 2024: 169,605,750) award shares are available for future grant under the aforementioned scheme mandate limit.

22. SUBSEQUENT EVENTS

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).

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in the notes to the condensed consolidated financial statements so as to conform to the current period's presentation.

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.

Management Discussion and Analysis

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®減特尼® (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 聯邦他啞仙® (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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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 insulinotropic 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.

Management Discussion and Analysis

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/TSRP 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.

Management Discussion and Analysis

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 in November 2023, vesting in three years, to encourage and retain such individuals for the continual operation and development of the Group.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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 placees 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.

Other Information

DIRECTORS' INTERESTS IN COMPETING BUSINESS AND CONTRACTS

None of the directors have any interests in a business which competes with the business of the Group. Furthermore, no contracts of significance in relation to the Group's business in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Period or at any time during the Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the directors and chief executive of the Company had the following interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"):

Long position in the shares and underlying shares of the Company:

Name of directors	Number of shares held	Number of underlying shares held (Note)	Total	Capacity	Percentage of interest
Mr. Tsoi Hoi Shan	16,498,575	383,400	16,881,975	Personal interest	0.93%
Mr. Leung Wing Hon	155,700	267,400	423,100	Personal interest	0.02%
Ms. Choy Siu Chit	207,475	179,200	386,675	Personal interest	0.02%
Mr. Fang Yu Ping	62,300	124,600	186,900	Personal interest	0.01%
Ms. Zou Xian Hong	262,300	124,600	386,900	Personal interest	0.02%
Ms. Zhu Su Yan	62,479	124,600	187,079	Personal interest	0.01%

Note: The interests represent the unvested award shares granted on 13 November 2023 pursuant to the 2023 Share Award Scheme.

Save as disclosed above, none of the directors, chief executive and their associates had any interests or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 June 2025.

DIRECTORS' RIGHT TO ACQUIRE SHARES AND DEBENTURES

During the Period, the Company did not grant any rights to any directors, chief executive and their respective spouse or children under 18 of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company, and none of the above persons have exercised the said rights during the Period. The Company, its holding company or any of its subsidiaries were not a party to any arrangements to enable the directors to acquire such benefits in any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025, the following shareholders, other than the directors or chief executive of the Company, were recorded in the register required to be kept by the Company under section 336 of the SFO as being interested (including short positions) in the shares or underlying shares of the Company:

Long and short positions in the ordinary shares of the Company:

Name	Notes	Number of shares held	Percentage of Interest
Heren Far East Limited ("Heren")		834,250,000(L)	45.91%
Heren Far East #4 Limited	(1)	834,250,000(L)	45.91%
IQ EQ Services (HK) Limited	(2)	834,250,000(L)	45.91%

L/S: Long position/short position

Notes:

- (1) Heren Far East #4 Limited is interested in more than one-third of the issued share capital of Heren, and is deemed or taken to be interested in the 834,250,000 shares of the Company beneficially owned by Heren for the purposes of Part XV of the SFO.
- (2) IQ EQ Services (HK) Limited is the trustee of the respective trusts holding entire interest in each of Heren Far East #2 Limited, Heren Far East #3 Limited and Heren Far East #4 Limited (which together hold the entire issued share capital of Heren), and is deemed to be interested in the 834,250,000 shares of the Company beneficially owned by Heren for the purposes of Part XV of the SFO.

Save as disclosed above, no other person being recorded in the register required to be kept by the Company under section 336 of the SFO as having an interest or a short position in the shares or underlying shares of the Company as at 30 June 2025.

Other Information

SHARE AWARD SCHEME

The Company adopted a share award scheme on 26 October 2023 (the “Share Award Scheme”). The Share Award Scheme is to reward the directors and employees of the Group for their hard work, contribution and loyalty and align their interest with those of the shareholders of the Company. The number of shares to be funded by issue of new shares of the Company and/or purchased of existing shares on-market which may be awarded under the Share Award Scheme shall not exceed 10% of the issued shares of the Company as at 26 October 2023 (i.e. 181,702,650 shares). The principal terms of the Share Award Scheme are set out in the Company’s circular dated 15 September 2023.

On 13 November 2023, the directors of the Company resolved to grant a total of 12,096,900 shares (the “Awarded Shares”) to selected participants in accordance with the terms of the Share Award Scheme. All of the 12,096,900 Awarded Shares are granted by way of acquisition of the existing shares of the Company through on-market transactions by the trustee of the Share Award Scheme. The grant of 12,096,900 Awarded Shares will not result in any issue of new shares of the Company. Details of the grant of the Awarded Shares are disclosed in the Company’s announcement dated 13 November 2023.

As at 30 June 2025, 169,605,750 shares of the Company are available for future grant under the Share Award Scheme.

Other Information

During the six months ended 30 June 2025, the movements of unvested Awarded Shares granted under the Share Award Scheme are as follows:

			Number of unvested Awarded Shares					
Grantee names/ categories	Date of grant	Vesting period	As at 1 January 2025	Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period	As at 30 June 2025
Directors of the Company:								
Tsoi Hoi Shan	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	383,400	–	–	–	–	383,400
Leung Wing Hon	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	267,400	–	–	–	–	267,400
Choy Siu Chit	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	179,200	–	–	–	–	179,200
Fang Yu Ping	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	124,600	–	–	–	–	124,600
Zou Xian Hong	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	124,600	–	–	–	–	124,600
Zhu Su Yan	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	124,600	–	–	–	–	124,600
Other employees of the Group:	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	6,860,800	–	–	–	–	6,860,800
Total Awarded Shares granted:	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	8,064,600	–	–	–	–	8,064,600
Five highest paid individuals in aggregate (Note 1):	13 Nov 2023	13 Nov 2025 to 13 Nov 2026	1,079,000	–	–	–	–	1,079,000

Notes:

1. All of the five highest paid individuals of the Group are directors of the Company.
2. There is no purchase price to be paid by the grantees. The consideration for each grant of the Awarded Shares is nil.
3. The closing prices of the shares of the Company immediate before the date of the grant and on the date of the grant of the unvested Awarded Shares were HK\$7.77 and HK\$7.45 per share respectively.
4. The fair value of the unvested Awarded Shares granted on 13 November 2023 was HK\$7.45 per share as at the date of grant.
5. No Awarded Shares were purchased by the trustee of the Share Award Scheme during the six months ended 30 June 2025.
6. The accounting standard and policy adopted are set out in note 3 to the consolidated financial statements in 2024 Annual Report.

Other Information

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